



February 28, 2023

Hon. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: Kern River Gas Transmission Company**  
Docket No. RP23-\_\_\_\_\_

Dear Secretary Bose:

Pursuant to Part 154 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"), Kern River Gas Transmission Company ("Kern River") tenders for filing and acceptance the following tariff sheets as part of its FERC Gas Tariff, Third Revised Volume No. 1 ("Tariff"), to be effective April 1, 2023:

Sheet No. 5, Version 27.0.0  
Sheet No. 5.02, Version 12.0.0  
Sheet No. 5A, Version 27.0.0  
Sheet No. 5A.02, Version 11.0.0  
Sheet No. 5B, Version 21.0.0  
Sheet No. 6, Version 23.0.0  
Sheet No. 10, Version 8.0.0

### ***Purpose***

The purpose of this filing is to revise the electric compressor fuel surcharges applicable to gas scheduled for delivery downstream of Kern River's Daggett compressor station for the period from April 1, 2023 through March 31, 2024.

Also, in compliance with the Commission's Order Issuing Certificate dated July 26, 2001 pertaining to Kern River's 2002 expansion project,<sup>1</sup> Kern River is submitting a work paper showing the computation of the net benefit to Kern River's vintage shippers of rolling in Kern River's 2002 expansion project.

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<sup>1</sup> *Kern River Gas Transmission Company*, 96 FERC ¶ 61,137 (2001).

## ***Statement of Nature, Reasons and Basis for the Filing***

### Background

Pursuant to Section 12.12 of the General Terms and Conditions of Kern River's Tariff, electric compressor fuel surcharges are to be re-determined annually, to become effective on April 1 of each year. Kern River must file work papers supporting the new surcharges at least 30 days prior to the proposed effective date of those surcharges.

### Proposed Electric Compressor Fuel Surcharges

Kern River proposes to establish the Daggett electric compressor fuel surcharges for the period from April 1, 2023 through March 31, 2024 as follows: The surcharge applicable to rolled-in rate shippers will decrease from a charge of \$0.0013 per Dth to a charge of \$0.0009 per Dth. The surcharge applicable to incremental rate shippers will decrease from a charge of \$0.0009 per Dth to a charge of \$0.0007 per Dth. The surcharge applicable to interruptible and authorized overrun shippers will decrease from a surcharge of \$0.0011 per Dth to a charge of \$0.0008 per Dth.<sup>2</sup> Sheet Nos. 5, 5.02, 5A, 5A.02, 5B, 6 and 10 are being revised to reflect the proposed surcharges. Exhibit A, attached, shows the derivation of the proposed surcharges.

As shown on Exhibit A, the proposed surcharges are derived from an annual cost of electricity of \$420,129, which is based on the invoices Kern River received from Southern California Edison Company for service at the Daggett compressor station during calendar year 2022. In accordance with the cost allocation procedure authorized by the Commission by letter order in Docket No. RP02-231, dated May 21, 2002, rolled-in rate shippers are responsible for 69% of the total costs, or \$289,890, and incremental rate shippers are responsible for the remaining 31%, or \$130,239.

The costs allocated to each rate group were adjusted by the under-collection for the applicable group through December 31, 2022, to determine total projected costs to be recovered during the 12-month period commencing April 1, 2023. The \$289,890 to be recovered from rolled-in rate shippers was increased by the under-collection of \$656 at year end 2022, resulting in a balance to be collected from Kern River rolled-in shippers of \$290,546. The \$130,239 to be recovered from the incremental rate shippers was increased by the under-collection of \$12,628 at year end 2022, resulting in a balance to be collected from Kern River incremental rate shippers of \$142,867. The total costs for each rate group were then divided by the respective projected annual deliveries downstream of the Daggett compressor, to determine the applicable surcharges.

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<sup>2</sup> The surcharge for interruptible and authorized overrun service is a blended rate derived from the surcharges applicable to rolled-in rate service and incremental rate service, calculated on the basis of 45% for rolled-in rate service and 55% for incremental rate service.

### 2022 Net Benefit Computation

The Commission determined in its July 26, 2001 Order<sup>3</sup> that Kern River should roll-in the costs of its 2002 expansion project and thereby lower rates for Kern River's vintage shippers. However, to ensure that the benefit to vintage shippers was not offset by incremental fuel costs associated with the new facilities, the Commission directed Kern River to submit a work paper showing the net benefit of the 2002 expansion project to vintage shippers, after fuel costs are considered, when it submits a filing to adjust its electric compressor fuel surcharge and when it files its annual gas compressor fuel reimbursement report.

Attached, as Exhibit B, is Kern River's Net Benefit Computation for the period from January 1, 2022 through December 31, 2022. As shown on Exhibit B, there was a positive net benefit for calendar year 2022.

### ***Marked Version of Tariff Sheets***

In accordance with Section 154.201 of the Commission's regulations, a marked version of the proposed tariff sheets comparing the currently effective surcharges with the proposed surcharges is attached.

### ***Materials Submitted***

This filing is comprised of an eTariff.xml filing package containing

- this transmittal letter;
- Exhibits A and B;
- the tariff sheets in electronic format, with metadata attached;
- clean copies of the tariff sheets for posting on the Commission's eLibrary; and
- marked copies of the tariff sheets.

### ***Effective Date***

Kern River hereby moves that the Commission accept the tendered tariff sheets to be effective April 1, 2023, or at the end of any minimal suspension period that may be imposed by the Commission.

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<sup>3</sup> See fn. 1.

Hon. Kimberly D. Bose

February 28, 2023

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***Communications***

All communications regarding this filing should be served upon:

Luis Valdivia  
Manager, Rates and Tariffs  
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Salt Lake City, Utah 84121  
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***Other***

In accordance with Section 154.208, Kern River has served an electronic copy of this filing upon its customers and interested state regulatory commissions.

Respectfully submitted,

**KERN RIVER GAS TRANSMISSION COMPANY**

*/s/ Luis Valdivia*

Luis Valdivia  
Manager, Rates and Tariffs

Attachments

STATEMENT OF RATES 1/  
 RATE SCHEDULE KRF-1  
 FIRM ROLLED-IN RATE SERVICE 2/  
 ORIGINAL SYSTEM/2002 EXPANSION PROJECT  
 (RATES PER DTH)

	<u>Base Tariff Rates 3/</u>	<u>TRC 5/</u>
Recourse Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0.4734	\$-0.0521
Minimum	\$ 0.0000	
10-Year Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0.4734	\$-0.0521
Minimum	\$ 0.0000	
15-Year Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0.3633	\$-0.0400
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0031	
Minimum	\$ 0.0031	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003/2010 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system, or from the Dag Moj receipt point, to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0009/Dth for quantities within contract demand and \$0.0008/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

5/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
 RATE SCHEDULE KRF-1  
 PERIOD TWO RATES/ALTERNATE PERIOD TWO RATES FOR FIRM ROLLED-IN RATE SERVICE 2/  
 ORIGINAL SYSTEM/2002 EXPANSION PROJECT  
 (RATES PER DTH)

(Continued)

TRC 6/

	<u>Other Rates</u>	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0031	
Minimum	\$ 0.0031	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ The rates shown on this sheet are applicable to Shippers in accordance with Section 30 of the General Terms and Conditions of this Tariff.

3/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to receipt point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system or from the Dag Moj receipt point to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0009/Dth for quantities within contract demand and \$0.0008/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

5/ See Section 30.2(e) of the General Terms and Conditions of Transporter's Tariff for eligibility regarding Period Two Insulated Rates.

6/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
 RATE SCHEDULE KRF-1  
 FIRM INCREMENTAL RATE SERVICE  
 2003/2010 EXPANSION PROJECTS  
 (RATES PER DTH)

	<u>Base Tariff Rates 2/</u>	<u>TRC 4/</u>
Recourse Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.5833	\$-0.0642
Minimum	\$ 0.0000	
10-Year Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.5833	\$-0.0642
Minimum	\$ 0.0000	
15-Year Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.4717	\$-0.0519
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0044	
Minimum	\$ 0.0044	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003/2010 Expansion Projects are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system, or from the Dag Moj receipt point, to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0007/Dth for quantities within contract demand and \$0.0008/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

4/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
RATE SCHEDULE KRF-1  
FIRM INCREMENTAL RATE SERVICE  
PERIOD TWO RATES/ALTERNATE PERIOD TWO RATES FOR 2003/2010 EXPANSION PROJECTS 2/  
(RATES PER DTH)

Base Tariff Rates 3/ (continued)

	<u>Other Rates</u>	<u>TRC 5/</u>
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0044	
Minimum	\$ 0.0044	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ The rates shown on this sheet are applicable to Shippers in accordance with Section 30 of the General Terms and Conditions of this Tariff.

3/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to receipt point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, 2003/2010 Expansion shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system or from the Dag Moj receipt point to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0007/Dth for quantities within contract demand and \$0.0008/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

5/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.



STATEMENT OF RATES 1/  
 RATE SCHEDULE KRF-1  
 FIRM INCREMENTAL RATE SERVICE  
 APEX EXPANSION PROJECT  
 (RATES PER DTH)

	<u>Base Tariff Rates 2/</u>	<u>TRC 4/</u>
Recourse Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.4444	\$-0.0489
Minimum	\$ 0.0000	
20-Year Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.4444	\$-0.0489
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0044	
Minimum	\$ 0.0044	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the Apex Expansion project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0007/Dth for quantities within contract demand and \$0.0008/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

4/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
RATE SCHEDULE KRI-1  
INTERRUPTIBLE SERVICE  
(RATES PER DTH)

	<u>Base Tariff Rates 2/</u>	<u>TRC 4/</u>
Interruptible Transportation Rate 3/		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.3 of Rate Schedule KRI-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, quantities of Gas scheduled for delivery from any receipt point on Transporter's wholly-owned system, or from the Dag Moj receipt point, to delivery points downstream of the Daggett compressor station on an interruptible basis are subject to an electric compressor fuel surcharge \$0.0008/Dth.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap year are computed on the basis of 366 days.

4/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Transportation Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
RATE SCHEDULE KRF-PK  
FIRM PEAKING SERVICE  
(RATES PER DTH)

(Continued)

2/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-PK, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions of Transporter's tariff.

In addition, Shippers receiving firm peaking service are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system, or from the Dag Moj Receipt Point, to Delivery Points downstream of the Daggett compressor station. The surcharge is \$0.0007/Dth for quantities within contract demand and \$0.0008/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

4/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at a rate that is derived from the Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
 RATE SCHEDULE KRF-1  
 FIRM ROLLED-IN RATE SERVICE 2/  
 ORIGINAL SYSTEM/2002 EXPANSION PROJECT  
 (RATES PER DTH)

	<u>Base Tariff Rates 3/</u>	<u>TRC 5/</u>
Recourse Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0.4734	\$-0.0521
Minimum	\$ 0.0000	
10-Year Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0.4734	\$-0.0521
Minimum	\$ 0.0000	
15-Year Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0.3633	\$-0.0400
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0031	
Minimum	\$ 0.0031	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003/2010 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system, or from the Dag Moj receipt point, to delivery points downstream of the Daggett compressor station. The surcharge is \$0.000913/Dth for quantities within contract demand and \$0.000814/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

5/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
 RATE SCHEDULE KRF-1  
 PERIOD TWO RATES/ALTERNATE PERIOD TWO RATES FOR FIRM ROLLED-IN RATE SERVICE 2/  
 ORIGINAL SYSTEM/2002 EXPANSION PROJECT  
 (RATES PER DTH)

(Continued)

TRC 6/

	<u>Other Rates</u>	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0031	
Minimum	\$ 0.0031	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ The rates shown on this sheet are applicable to Shippers in accordance with Section 30 of the General Terms and Conditions of this Tariff.

3/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to receipt point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system or from the Dag Moj receipt point to delivery points downstream of the Daggett compressor station. The surcharge is \$0.000913/Dth for quantities within contract demand and \$0.000814/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

5/ See Section 30.2(e) of the General Terms and Conditions of Transporter's Tariff for eligibility regarding Period Two Insulated Rates.

6/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
 RATE SCHEDULE KRF-1  
 FIRM INCREMENTAL RATE SERVICE  
 2003/2010 EXPANSION PROJECTS  
 (RATES PER DTH)

	<u>Base Tariff Rates 2/</u>	<u>TRC 4/</u>
Recourse Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.5833	\$-0.0642
Minimum	\$ 0.0000	
10-Year Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.5833	\$-0.0642
Minimum	\$ 0.0000	
15-Year Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.4717	\$-0.0519
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0044	
Minimum	\$ 0.0044	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003/2010 Expansion Projects are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system, or from the Dag Moj receipt point, to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0007~~09~~/Dth for quantities within contract demand and \$0.0008~~11~~/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

4/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
RATE SCHEDULE KRF-1  
FIRM INCREMENTAL RATE SERVICE  
PERIOD TWO RATES/ALTERNATE PERIOD TWO RATES FOR 2003/2010 EXPANSION PROJECTS 2/  
(RATES PER DTH)

Base Tariff Rates 3/ (continued)

	<u>Other Rates</u>	<u>TRC 5/</u>
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0044	
Minimum	\$ 0.0044	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ The rates shown on this sheet are applicable to Shippers in accordance with Section 30 of the General Terms and Conditions of this Tariff.

3/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to receipt point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, 2003/2010 Expansion shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system or from the Dag Moj receipt point to delivery points downstream of the Daggett compressor station. The surcharge is \$0.00~~07~~<sup>09</sup>/Dth for quantities within contract demand and \$0.00~~08~~<sup>11</sup>/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

5/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
RATE SCHEDULE KRF-1  
FIRM INCREMENTAL RATE SERVICE  
APEX EXPANSION PROJECT  
(RATES PER DTH)

	<u>Base Tariff Rates 2/</u>	<u>TRC 4/</u>
Recourse Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.4444	\$-0.0489
Minimum	\$ 0.0000	
20-Year Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.4444	\$-0.0489
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0044	
Minimum	\$ 0.0044	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the Apex Expansion project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system to delivery points downstream of the Daggett compressor station. The surcharge is \$0.00079/Dth for quantities within contract demand and \$0.000844/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

4/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.



STATEMENT OF RATES 1/  
 RATE SCHEDULE KRI-1  
 INTERRUPTIBLE SERVICE  
 (RATES PER DTH)

	<u>Base Tariff Rates 2/</u>	<u>TRC 4/</u>
Interruptible Transportation Rate 3/		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.3 of Rate Schedule KRI-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, quantities of Gas scheduled for delivery from any receipt point on Transporter's wholly-owned system, or from the Dag Moj receipt point, to delivery points downstream of the Daggett compressor station on an interruptible basis are subject to an electric compressor fuel surcharge \$0.000814/Dth.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap year are computed on the basis of 366 days.

4/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Transportation Charge in the monthly billing invoice.

STATEMENT OF RATES 1/  
RATE SCHEDULE KRF-PK  
FIRM PEAKING SERVICE  
(RATES PER DTH)

(Continued)

2/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-PK, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions of Transporter's tariff.

In addition, Shippers receiving firm peaking service are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system, or from the Dag Moj Receipt Point, to Delivery Points downstream of the Daggett compressor station. The surcharge is \$0.00079/Dth for quantities within contract demand and \$0.000844/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

4/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at a rate that is derived from the Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

**Derivation of Electric Compressor Fuel Surcharges  
For Period from April 1, 2023 through March 31, 2024**

	Allocation of Costs		
	Total	Rolled-in Rate Shippers	Incremental Rate Shippers
Projected Electricity Costs: 1/ Balance as of 12/31/22 (see below):	\$420,129 \$13,284	\$289,890 \$656	\$130,239 \$12,628
Projected Cost Recovery Required:	\$433,413	\$290,546	\$142,867
Projected Deliveries Downstream of Daggett (Dths): 2/	510,573,812	313,804,809	196,769,003
Surcharge per Dth: 3/		<u>\$0.0009</u>	<u>\$0.0007</u>

Month	Total Monthly Electricity Costs (A)	Allocated Monthly Electricity Costs Rolled - In (B) (A) * (.69)	Allocated Monthly Electricity Costs Incremental (C) (A) * (.31)	Actual Surcharges Rolled-in Rate Shippers (D) <u>4/</u>	Actual Surcharges Incremental Rate Shippers (E) <u>4/</u>	Balance Rolled-in Rate Shippers (F) (B) - (D)	Balance Incremental Rate Shippers (G) (C) - (E)	Total Balance (H) (F) + (G)
Balance as of 12/31/21						\$2,910	\$8,191	\$11,101
January, 2022	70,024	\$48,317	\$21,707	(\$8,308)	(\$3,905)	56,625	25,612	82,238
February, 2022	60,253	41,575	18,678	(\$6,406)	(\$2,783)	47,981	21,461	69,442
March, 2022	74,125	51,146	22,978	(\$6,835)	(\$2,743)	57,981	25,721	83,702
April, 2022	4,605	3,178	1,428	\$29,467	\$11,886	(26,289)	(10,458)	(36,747)
May, 2022	4,431	3,058	1,374	\$33,582	\$13,872	(30,524)	(12,498)	(43,022)
June, 2022	31,326	21,615	9,711	\$36,117	\$14,335	(14,502)	(4,624)	(19,126)
July, 2022	7,099	4,897	2,201	\$37,125	\$14,569	(32,228)	(12,368)	(44,596)
August, 2022	31,819	21,955	9,864	\$36,205	\$18,992	(14,250)	(9,128)	(23,377)
September, 2022	6,611	4,561	2,049	\$37,009	\$16,654	(32,448)	(14,605)	(47,052)
October, 2022	43,866	30,268	13,598	\$37,765	\$15,600	(7,497)	(2,002)	(9,499)
November, 2022	15,695	10,830	4,866	\$33,047	\$13,284	(22,217)	(8,418)	(30,635)
December, 2022	70,275	48,490	21,785	\$33,376	\$16,042	15,114	5,743	20,857
Total 2022	<u>\$420,129</u>	<u>\$289,890</u>	<u>\$130,239</u>	<u>\$292,144</u>	<u>\$125,802</u>	<u>(\$2,254)</u>	<u>\$4,437</u>	<u>\$2,183</u>
Balance as of 12/31/22						<u>\$656</u>	<u>\$12,628</u>	<u>\$13,284</u>

1/ Based on projected electricity costs for the Daggett electric compressor, allocated in accordance with the procedure approved in Docket No. RP02-231; i.e., 69% to rolled-in rate shippers and 31% to incremental rate expansion shippers.

2/ Based on scheduled deliveries downstream of the Daggett Compressor on a forward-haul basis during 2022.

3/ Based on the billing determinants used to derive the interruptible/AOS surcharges as set forth in Docket No. RP04-274, surcharges to interruptible/AOS shippers are allocated 45% of the \$0.0009 to rolled-in rate shippers and 55% of the \$0.0007 to incremental rate shippers resulting in a blended rate of \$0.0008.

4/ From 1/1/22-03/31/22, rolled-in shippers receive a credit of \$0.0003/Dth, incremental shippers received a credit of \$0.0002/Dth, Apex shippers received a credit of \$0.0002/Dth, and interruptible/AOS shippers received a credit of \$0.0002/Dth.

From 4/1/22-12/31/22, rolled-in shippers paid \$0.0013/Dth, incremental shippers paid \$0.0009/Dth, Apex shippers paid \$0.0009/Dth, and interruptible/AOS shippers paid \$0.0011/Dth.

**Net Benefit Computation  
For Period from January 1, 2022 through December 31, 2022**

Annual Excess Revenue for 2022: <u>1/</u>	\$5,259,704
Plus: Fuel Cost Savings: <u>2/</u>	\$2,599,416
Less: Electric Compressor Fuel Charges: <u>3/</u>	249,305
Net Benefit for 2022:	\$7,609,814

<b>Table 1 Gas Daily Monthly Average Index Prices (per Dth)</b>	
<b>Month</b>	<b>Price</b>
January	\$7.86
February	\$5.04
March	\$4.39
April	\$4.87
May	\$6.39
June	\$8.80
July	\$6.17
August	\$8.46
September	\$8.74
October	\$5.52
November	\$5.74
December	\$11.50
Average	\$6.96

<b>Table 2 Electricity Expenses</b>					
<b>Month</b>	<b>Total (A)</b>	<b>Incremental Share (B) (A)*(.31)</b>	<b>Rolled-In Share (C) (A)*(.69)</b>	<b>Rolled-In Allocation</b>	
				<b>2002 Expansion (D) (C)*(.14)</b>	<b>Vintage (E) (C)*(.86)</b>
January	\$70,024	\$21,707	\$48,317	\$6,764	\$41,553
February	60,253	18,678	41,575	5,821	35,755
March	74,125	22,979	51,146	7,160	43,986
April	4,605	1,428	3,177	445	2,732
May	4,431	1,374	3,057	428	2,629
June	31,326	9,711	21,615	3,026	18,589
July	7,099	2,201	4,898	686	4,212
August	31,819	9,864	21,955	3,074	18,881
September	6,611	2,049	4,562	639	3,923
October	43,866	13,598	30,268	4,238	26,030
November	15,695	4,865	10,830	1,516	9,314
December	70,275	21,785	48,490	6,789	41,701
Total	\$420,129	\$130,239	\$289,890	\$40,585	\$249,305

1/ Annual Excess Revenue is the amount by which vintage shippers benefited as a result of rolling in the costs of the 2002 expansion project, before additional fuel costs were considered.

2/ Gas compressor fuel cost savings is calculated by multiplying the average 2022 scheduled receipts of 339,526,615 Dth for rolled-in shippers times the incremental fuel savings rate of -0.11% (computed as the difference between the 2022 average fuel rate for rolled-in shippers minus the pre-California Action Project/2002 Expansion average fuel rate for the vintage shippers) times the average price of \$6.96. See monthly average index prices as reported in Gas Daily for deliveries to Kern River from Wyoming (Table 1).

3/ Electric compressor fuel charges are based on actual invoices from Southern California Edison. The electricity expense attributed to the rolled-in shippers is determined by multiplying total electricity costs by 69%. The result is allocated between vintage shippers (86%) and 2002 expansion shippers (14%). (See Table 2.). The remaining 31% of the electricity expense is attributed to incremental shippers.