



November 30, 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. RP24-_____
Leap Year Rate Adjustment for 2024

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 records as part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”), to be effective January 1, 2024:

Sheet No. 5, Version 28.0.0
Sheet No. 5.01, Version 16.0.0
Sheet No. 5.02, Version 13.0.0
Sheet No. 5A, Version 28.0.0
Sheet No. 5A.01, Version 16.0.0
Sheet No. 5A.02, Version 12.0.0
Sheet No. 5B, Version 22.0.0
Sheet No. 6, Version 24.0.0
Sheet No. 7, Version 14.0.0
Sheet No. 8, Version 11.0.0
Sheet No. 9, Version 7.0.0

Purpose

The purpose of this filing is to adjust rates for leap year 2024 in the aforementioned tariff sheets.

Statement of Nature, Reasons and Basis for Filing

Leap Year Reservation/Demand Rates

Kern River's currently-effective maximum reservation/demand rates are calculated based on 365 days per year. During leap years, the maximum rates are calculated based on 366 days ("leap year rates"). Since 2024 is a leap year, Kern River is proposing to reduce its maximum reservation/demand rates for the period from January 1, 2024 through December 31, 2024. The proposed leap year reservation/demand rates were derived by multiplying the currently-effective, non-leap year rates by 365, and then dividing the results by 366.

Tax Reform Credits

Kern River's maximum reservation/demand rates are currently subject to an 11% rate reduction in the form of a Tax Reform Credit ("TRC")¹ pursuant to the terms of the December 18, 2018 Stipulation and Agreement of Settlement ("Settlement") that was accepted by the Commission in Docket Nos. RP19-59 and RP19-76.² In conjunction with revising its maximum reservation/demand rates for the leap year, and consistent with the derivation of TRCs as set forth in the Settlement, Kern River is proposing to revise the corresponding TRCs by multiplying the proposed leap year maximum reservation/demand rates by 11%.³

Effective Date and Waiver Request

Kern River requests that the Commission accept the tendered tariff sheets to be effective January 1, 2024, or at the end of any minimal suspension period that may be ordered by the Commission. Kern River also requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing.

Marked Version of the Tariff Sheets

In accordance with Section 154.201 of the Commission's regulations, Kern River is submitting marked copies of the tariff sheets comparing the currently-effective, non-leap year

¹ See *Settlement, Article II.W.: "Tax Reform Credit"*. Tax Reform Credit shall mean a rate credit deductible from the Maximum Base Tariff Rate computed as equal to the percentage reduction set forth on page 1, line 30 of Kern River's (adjusted) FERC Form No. 501-G [11%], attached hereto as Appendix B."

² *Kern River Gas Transmission Company*, Order Approving Settlement, 165 FERC ¶61,130 (2018).

³ In some instances, the TRCs did not change because the difference between the currently-effective reservation/demand rate and the proposed leap year reservation/demand rate was *de minimis*, so multiplying the proposed leap year rate by 11% did not yield a different TRC than the currently-effective TRC, when rounded to four decimal places.

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November 30, 2023
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maximum reservation/demand rates and corresponding TRCs with the proposed leap year maximum reservation/demand rates and TRCs.

Communications

All communications regarding this filing should be served upon:

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Materials Submitted

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

- this transmittal letter;
- clean copies of the tariff records; and
- marked copies of the tariff records showing proposed changes.

Other

In accordance with 18 CFR, 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

Luis Valdivia

/s/ 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	\$ 0.4721	\$-0.0519
Minimum	\$ 0.0000	
10-Year Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0.4721	\$-0.0519
Minimum	\$ 0.0000	
15-Year Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0.3623	\$-0.0399
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0031	
Minimum	\$ 0.0031	
Authorized Overrun Rate:		
Maximum	\$ 0.4380	\$-0.0482
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)

Base Tariff Rates 3/

Period Two Reservation/Demand Rates

	<u>Period Two</u> <u>Insulated</u> <u>Rates 5/</u>	<u>TRC 6/</u>	<u>Period Two</u> <u>Rates</u>	<u>TRC 6/</u>
Period Two Reservation/Demand Rates Applicable to Former Period One 10-Year Rolled-in Rate Shippers:				
10-Year Period Two Rate:				
Daily Reservation/Demand Rate 4/				
Maximum	\$ 0.2713	\$-0.0298	\$ 0.2731	\$-0.0300
Minimum	\$ 0.0000		\$ 0.0000	
15-Year Period Two Rate:				
Daily Reservation/Demand Rate 4/				
Maximum	\$ 0.2323	\$-0.0255	\$ 0.2341	\$-0.0258
Minimum	\$ 0.0000		\$ 0.0000	
Period Two Reservation/Demand Rates Applicable to Former Period One 15-Year Rolled-in Rate Shippers:				
10-Year Period Two Rate:				
Daily Reservation/Demand Rate 4/				
Maximum	\$ 0.2292	\$-0.0252	\$ 0.2310	\$-0.0254
Minimum	\$ 0.0000		\$ 0.0000	
15-Year Period Two Rate:				
Daily Reservation/Demand Rate 4/				
Maximum	\$ 0.1946	\$-0.0214	\$ 0.1964	\$-0.0216
Minimum	\$ 0.0000		\$ 0.0000	

Alternate Period Two Reservation/Demand Rates

Alternate Period Two Reservation/Demand Rate Applicable to Former Period One 10-Year Rolled-in Rate Shippers:

25-Year Period Two Rate:				
Daily Reservation/Demand Rate 4/				
Maximum			\$ 0.2087	\$-0.0230
Minimum			\$ 0.0000	

Alternate Period Two Reservation/Demand Rate Applicable to Former Period One 15-Year Rolled-in Rate Shippers:

25-Year Period Two Rate:				
Daily Reservation/Demand Rate 4/				
Maximum			\$ 0.1737	\$-0.0191
Minimum			\$ 0.0000	

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	\$ 0.4380	\$-0.0482
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	\$ 0.5817	\$-0.0640
Minimum	\$ 0.0000	
10-Year Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.5817	\$-0.0640
Minimum	\$ 0.0000	
15-Year Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.4704	\$-0.0517
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0044	
Minimum	\$ 0.0044	
Authorized Overrun Rate:		
Maximum	\$ 0.4380	\$-0.0482
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/

Period Two Reservation/Demand Rates

TRC 5/

Period Two Reservation/Demand Rates Applicable to Former Period One 10-Year 2003/2010 Expansion Shippers:

10-Year Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum	\$ 0.2558	\$-0.0281
Minimum	\$ 0.0000	

15-Year Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum	\$ 0.2232	\$-0.0246
Minimum	\$ 0.0000	

Period Two Reservation/Demand Rates Applicable to Former Period One 15-Year 2003 Expansion Shippers:

10-Year Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum	\$ 0.2536	\$-0.0279
Minimum	\$ 0.0000	

15-Year Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum	\$ 0.2218	\$-0.0244
Minimum	\$ 0.0000	

Alternate Period Two Reservation Demand Rates

TRC 5/

Alternate Period Two Reservation/Demand Rate Applicable to Former Period One 10-Year 2003/2010 Expansion Shippers:

25-Year Alternate Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum	\$ 0.2021	\$-0.0222
Minimum	\$ 0.0000	

Alternate Period Two Reservation/Demand Rate Applicable to Former Period One 15-Year 2003 Expansion Shippers:

25-Year Alternate Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum	\$ 0.2012	\$-0.0221
Minimum	\$ 0.0000	

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	\$ 0.4380	\$-0.0482
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	\$ 0.4432	\$-0.0488
Minimum	\$ 0.0000	
20-Year Rate:		
Daily Reservation/Demand Rate 3/		
Maximum	\$ 0.4432	\$-0.0488
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0044	
Minimum	\$ 0.0044	
Authorized Overrun Rate:		
Maximum	\$ 0.4380	\$-0.0482
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	\$ 0.4380	\$-0.0482
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 SCHEDULES KRF-L1 AND KRI-L1
 HIGH DESERT LATERAL SERVICE
 (RATES PER DTH)

The rates shown below are those rates which Transporter is authorized to charge for service rendered under Rate Schedules KRF-L1 and KRI-L1.

	<u>Base Tariff Rates 2/</u>	<u>TRC 4/, 5/</u>
KRF-L1 Recourse Rate:		
Daily Reservation/Demand Rate 3/:		
Maximum	\$ 0.0426	\$-0.0047 4/
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0000	
Minimum	\$ 0.0000	
Authorized Overrun Rate:		
Maximum	\$ 0.0426	\$-0.0047 4/
Minimum	\$ 0.0000	
KRI-L1 Recourse Rate:		
Interruptible Transportation Rate:		
Maximum	\$ 0.0426	\$-0.0047 5/
Minimum	\$ 0.0000	

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-L1 and Section 5.3 of Rate Schedule KRI-L1.

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.

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 Transportation Charge in the monthly billing invoice.

STATEMENT OF RATES 1/
RATE SCHEDULE PAL
PARK AND LOAN SERVICE
(RATES PER DTH)

	<u>Base Tariff Rate</u>		<u>TRC 3/</u>
	<u>Minimum</u>	<u>Maximum</u>	
Daily Rate 2/	\$0.0000	\$ 0.4380	\$-0.0482

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

2/ 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.

3/ 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 Daily Rate in the monthly billing invoice.

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

Base Tariff Rates 2/

TRC 4/

Daily Reservation/Demand Rate 3/

Maximum Rate (Unadjusted)	\$ 0.5817	\$-0.0640
Minimum Rate	\$ 0.0000	

The Maximum Daily Reservation/Demand Rate for Rate Schedule KRF-PK shall be derived from the maximum recourse rate applicable to firm, incremental rate service for the 2003/2010 Expansion Projects under Rate Schedule KRF-1 as shown above, adjusted to reflect Shipper's peak flow period, or PFP (the minimum number of hours during which Shipper may take its full DMDQ), utilizing the following formula, with the result rounded to four decimal places:

$$\text{KRF-PK} = \text{KRF-1} \times (24/\text{PFP})$$

where:

KRF-PK	=	KRF-PK Reservation/Demand Rate
KRF-1	=	KRF-1 Maximum Recourse Reservation/Demand Rate for 2003/2010 Expansion Projects
24	=	Number of Hours in a Day
PFP	=	Peak Flow Period in Hours

Firm Transportation Commodity/Usage Rate:

Maximum	\$ 0.0044
Minimum	\$ 0.0044

Authorized Overrun Rate:

Maximum	\$ 0.4380	\$-0.0482
Minimum	\$ 0.0037	

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

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 <u>4721</u>	\$-0. 0521 <u>0519</u>
Minimum	\$ 0.0000	
10-Year Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0. 4734 <u>4721</u>	\$-0. 0521 <u>0519</u>
Minimum	\$ 0.0000	
15-Year Rate:		
Daily Reservation/Demand Rate 4/		
Maximum	\$ 0. 3633 <u>3623</u>	\$-0. 0400 <u>0399</u>
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0031	
Minimum	\$ 0.0031	
Authorized Overrun Rate:		
Maximum	\$ 0. 4392 <u>4380</u>	\$-0. 0483 <u>0482</u>
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)

Base Tariff Rates 3/

Period Two Reservation/Demand Rates

	<u>Period Two</u> <u>Insulated</u> <u>Rates 5/</u>	<u>TRC 6/</u>	<u>Period Two</u> <u>Rates</u>	<u>TRC 6/</u>	
Period Two Reservation/Demand Rates Applicable to Former Period One 10-Year Rolled-in Rate Shippers:					
10-Year Period Two Rate:					
Daily Reservation/Demand Rate 4/					
0.03004	Maximum	\$ 0.2720 2713	\$-0.02989	\$ 0.27318	\$-
	Minimum	\$ 0.0000	\$ 0.0000		
15-Year Period Two Rate:					
Daily Reservation/Demand Rate 4/					
0.0258	Maximum	\$ 0.23239	\$-0.02556	\$ 0.2347 2341	\$-
	Minimum	\$ 0.0000	\$ 0.0000		
Period Two Reservation/Demand Rates Applicable to Former Period One 15-Year Rolled-in Rate Shippers:					
10-Year Period Two Rate:					
Daily Reservation/Demand Rate 4/					
	Maximum	\$ 0.22928	\$-0.02523	\$ 0.23106	\$-0.02545
	Minimum	\$ 0.0000	\$ 0.0000		
15-Year Period Two Rate:					
Daily Reservation/Demand Rate 4/					
	Maximum	\$ 0.194651	\$-0.02145	\$ 0.19649	\$-0.02167
	Minimum	\$ 0.0000	\$ 0.0000		

Alternate Period Two Reservation/Demand Rates

Alternate Period Two Reservation/Demand Rate Applicable to Former Period One 10-Year Rolled-in Rate Shippers:

25-Year Period Two Rate:			
Daily Reservation/Demand Rate 4/			
	Maximum	\$ 0.208793	\$-0.0230
	Minimum	\$ 0.0000	

Alternate Period Two Reservation/Demand Rate Applicable to Former Period One 15-Year Rolled-in Rate Shippers:

25-Year Period Two Rate:	
Daily Reservation/Demand Rate -4/	

	Maximum	\$ 0.17 ³⁷ 42	\$-0.019 ¹ 2
	Minimum	\$ 0.0000	

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	\$ 0.43 80 ⁹²	\$-0.048 2 ³
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)

Base Tariff Rates 2/

TRC 4/

Recourse Rate:

Daily Reservation/Demand Rate 3/

Maximum	\$ 0.58 17 ³³	\$-0.064 02
Minimum	\$ 0.0000	

10-Year Rate:

Daily Reservation/Demand Rate 3/

Maximum	\$ 0.58 17 ³³	\$-0.064 02
Minimum	\$ 0.0000	

15-Year Rate:

Daily Reservation/Demand Rate 3/

Maximum	\$ 0.47 04 ¹⁷	\$-0.051 79
Minimum	\$ 0.0000	

Firm Transportation Commodity/Usage Rate:

Maximum	\$ 0.0044
Minimum	\$ 0.0044

Authorized Overrun Rate:

Maximum	\$ 0.43 80 ⁹²	\$-0.048 23
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/

Period Two Reservation/Demand Rates

TRC 5/

Period Two Reservation/Demand Rates Applicable to Former Period One 10-Year 2003/2010 Expansion Shippers:

10-Year Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum

\$ 0.25~~58~~⁶⁵

\$-0.028~~12~~

Minimum

\$ 0.0000

15-Year Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum

\$ 0.223~~28~~

\$-0.0246

Minimum

\$ 0.0000

Period Two Reservation/Demand Rates Applicable to Former Period One 15-Year 2003 Expansion Shippers:

10-Year Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum

\$ 0.25~~36~~⁴³

\$-0.02~~79~~⁸⁰

Minimum

\$ 0.0000

15-Year Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum

\$ 0.22~~18~~²⁴

\$-0.024~~45~~

Minimum

\$ 0.0000

Alternate Period Two Reservation Demand Rates

TRC 5/

Alternate Period Two Reservation/Demand Rate Applicable to Former Period One 10-Year 2003/2010 Expansion Shippers:

25-Year Alternate Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum

\$ 0.202~~17~~

\$-0.022~~23~~

Minimum

\$ 0.0000

Alternate Period Two Reservation/Demand Rate Applicable to Former Period One 15-Year 2003 Expansion Shippers:

25-Year Alternate Period Two Rate:

Daily Reservation/Demand Rate 4/

Maximum

\$ 0.201~~28~~

\$-0.022~~12~~

Minimum

\$ 0.0000

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	\$ 0.43 8092	\$-0.048 23
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)

Base Tariff Rates 2/

TRC 4/

Recourse Rate:

Daily Reservation/Demand Rate 3/

Maximum	\$ 0.44 32 44	\$-0.048 8 9
Minimum	\$ 0.0000	

20-Year Rate:

Daily Reservation/Demand Rate 3/

Maximum	\$ 0.44 32 44	\$-0.048 8 9
Minimum	\$ 0.0000	

Firm Transportation Commodity/Usage Rate:

Maximum	\$ 0.0044
Minimum	\$ 0.0044

Authorized Overrun Rate:

Maximum	\$ 0.43 80 92	\$-0.048 2 3
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)

Base Tariff Rates 2/

TRC 4/

Interruptible Transportation Rate 3/

Maximum	\$ 0.43 80 ⁹²	\$-0.048 23
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 SCHEDULES KRF-L1 AND KRI-L1
 HIGH DESERT LATERAL SERVICE
 (RATES PER DTH)

The rates shown below are those rates which Transporter is authorized to charge for service rendered under Rate Schedules KRF-L1 and KRI-L1.

	<u>Base Tariff Rates 2/</u>	<u>TRC 4/, 5/</u>
KRF-L1 Recourse Rate:		
Daily Reservation/Demand Rate 3/:		
Maximum	\$ 0.042 6 7	\$-0.0047 4/
Minimum	\$ 0.0000	
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0000	
Minimum	\$ 0.0000	
Authorized Overrun Rate:		
Maximum	\$ 0.042 6 7	\$-0.0047 4/
Minimum	\$ 0.0000	
KRI-L1 Recourse Rate:		
Interruptible Transportation Rate:		
Maximum	\$ 0.042 6 7	\$-0.0047 5/
Minimum	\$ 0.0000	

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-L1 and Section 5.3 of Rate Schedule KRI-L1.

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.

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 Transportation Charge in the monthly billing invoice.

STATEMENT OF RATES 1/
 RATE SCHEDULE PAL
 PARK AND LOAN SERVICE
 (RATES PER DTH)

	<u>Base Tariff Rate</u>		<u>TRC 3/</u>
	<u>Minimum</u>	<u>Maximum</u>	
Daily Rate 2/	\$0.0000	\$ 0.43 80 ⁹²	\$-0.048 23

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

2/ 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.

3/ 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 Daily Rate in the monthly billing invoice.

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

Base Tariff Rates 2/

TRC 4/

Daily Reservation/Demand Rate 3/

Maximum Rate (Unadjusted)	\$ 0.58 17 ³³	\$-0.064 20
Minimum Rate	\$ 0.0000	

The Maximum Daily Reservation/Demand Rate for Rate Schedule KRF-PK shall be derived from the maximum recourse rate applicable to firm, incremental rate service for the 2003/2010 Expansion Projects under Rate Schedule KRF-1 as shown above, adjusted to reflect Shipper's peak flow period, or PFP (the minimum number of hours during which Shipper may take its full DMDQ), utilizing the following formula, with the result rounded to four decimal places:

$$\text{KRF-PK} = \text{KRF-1} \times (24/\text{PFP})$$

where:

KRF-PK	=	KRF-PK Reservation/Demand Rate
KRF-1	=	KRF-1 Maximum Recourse Reservation/Demand Rate for 2003/2010 Expansion Projects
24	=	Number of Hours in a Day
PFP	=	Peak Flow Period in Hours

Firm Transportation Commodity/Usage Rate:

Maximum	\$ 0.0044
Minimum	\$ 0.0044

Authorized Overrun Rate:

Maximum	\$ 0.43 80 ⁹²	\$-0.048 23
Minimum	\$ 0.0037	

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