



February 29, 2024

Ms. Debbie-Ann Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Kern River Gas Transmission Company
Docket No. RP24-_____

Dear Acting Secretary Reese:

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, 2024:

Sheet No. 5, Version 29.0.0
Sheet No. 5.02, Version 14.0.0
Sheet No. 5A, Version 29.0.0
Sheet No. 5A.02, Version 13.0.0
Sheet No. 5B, Version 23.0.0
Sheet No. 6, Version 25.0.0
Sheet No. 10, Version 9.0.0

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, 2024, through March 31, 2025.

Also, in compliance with the Commission's Order Issuing Certificate dated July 26, 2001, pertaining to Kern River's 2002 expansion project,¹ 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.

¹ *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, 2024 through March 31, 2025 as follows: The surcharge applicable to rolled-in rate shippers will increase from a charge of \$0.0009 per Dth to a charge of \$0.0024 per Dth. The surcharge applicable to incremental rate shippers will increase from a charge of \$0.0007 per Dth to a charge of \$0.0015 per Dth. The surcharge applicable to interruptible and authorized overrun shippers will increase from a charge of \$0.0008 per Dth to a charge of \$0.0019 per Dth.² 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 \$744,766 which is based on the invoices Kern River received from Southern California Edison Company for service at the Daggett compressor station during calendar year 2023. 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 \$513,887, and incremental rate shippers are responsible for the remaining 31%, or \$230,879.

The costs allocated to each rate group were adjusted by the under-collection for the applicable group through December 31, 2023, to determine total projected costs to be recovered during the 12-month period commencing April 1, 2024. The \$513,887 to be recovered from rolled-in rate shippers was increased by the under-collection of \$210,318 at year end 2023, resulting in a balance to be collected from Kern River rolled-in shippers of \$724,205. The \$230,879 to be recovered from the incremental rate shippers was increased by the under-collection of \$82,217 at year end 2023, resulting in a balance to be collected from Kern River incremental rate shippers of \$313,096. 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.

² 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.

2023 Net Benefit Computation

The Commission determined in its July 26, 2001, Order³ that Kern River should roll-in the costs of its 2002 expansion project and thereby lower rates for Kern River's vintage shippers. However, the Commission also 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, 2023, through December 31, 2023. As shown on Exhibit B, there was a positive net benefit for calendar year 2023.

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, 2024, or at the end of any minimal suspension period that may be imposed by the Commission.

Related Petition Filing

Kern River is concurrently filing with the Commission a petition to remove the requirement to annually submit the net benefit computation with its annual Daggett electric fuel surcharges filing and its annual gas compressor fuel reimbursement report.

³ See fn. 1.

Ms. Debbie-Anne Reese

February 29, 2024

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Communications

All communications regarding this filing should be served upon:

Luis Valdivia
Manager, Rates and Tariffs
Kern River Gas Transmission Company
2755 East Cottonwood Parkway
Salt Lake City, Utah 84121
(402) 398-7393
luis.valdivia@nngco.com

Jeff Tibbels
Senior Attorney & Chief Compliance Officer
Kern River Gas Transmission Company
2755 E. Cottonwood Parkway
Salt Lake City, Utah 84121
(801) 937-6068
jeff.tibbels@kernrivergas.com

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	\$ 0.4721	\$-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. 5A.

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 \$0.0024/Dth for quantities within contract demand and \$0.0019/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)

	<u>Other Rates</u>	<u>TRC 6/</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 \$0.0024/Dth for quantities within contract demand and \$0.0019/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 \$0.0015/Dth for quantities within contract demand and \$0.0019/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	\$ 0.4380	\$-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 \$0.0015/Dth for quantities within contract demand and \$0.0019/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 \$0.0015/Dth for quantities within contract demand and \$0.0019/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 \$0.0019/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 \$0.0015/Dth for quantities within contract demand and \$0.0019/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	\$ 0.4721	\$-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 \$0.002409/Dth for quantities within contract demand and \$0.001908/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)

	<u>Other Rates</u>	<u>TRC 6/</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 \$0.00~~24~~¹⁹/Dth for quantities within contract demand and \$0.00~~19~~⁸/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 \$0.00~~15.07~~/Dth for quantities within contract demand and \$0.00~~19.08~~/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	\$ 0.4380	\$-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 \$0.00~~1507~~/Dth for quantities within contract demand and \$0.00~~1908~~/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 \$0.001597/Dth for quantities within contract demand and \$0.001908/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 \$0.001908/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 \$0.0015~~07~~/Dth for quantities within contract demand and \$0.0019~~08~~/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, 2024 through March 31, 2025**

	Allocation of Costs		
	Total	Rolled-in Rate Shippers	Expansion Rate Shippers
Projected Electricity Costs: 1/ Balance as of 12/31/23 (see below):	\$744,766 \$292,535	\$513,887 \$210,318	\$230,879 \$82,217
Projected Cost Recovery Required:	\$1,037,299	\$724,205	\$313,096
Projected Deliveries Downstream of Daggett (Dths): 2/	517,531,159	304,956,218	212,574,941
Surcharge per Dth: 3/		<u><u>\$0.0024</u></u>	<u><u>\$0.0015</u></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 12/31/22						\$656	\$12,628	\$13,284
January, 2023	5,697	\$3,931	\$1,766	\$36,506	\$17,942	(32,575)	(16,176)	(48,751)
February, 2023	5,590	3,857	1,733	\$29,944	\$15,811	(26,087)	(14,078)	(40,165)
March, 2023	163,790	113,015	50,774	\$32,095	\$18,732	80,920	32,042	112,962
April, 2023	122,630	84,615	38,015	\$20,580	\$11,818	64,035	26,197	90,232
May, 2023	68,905	47,544	21,361	\$20,268	\$10,047	27,276	11,314	38,590
June, 2023	11,080	7,645	3,435	\$20,928	\$11,659	(13,283)	(8,224)	(21,507)
July, 2023	86,274	59,528	26,745	\$24,414	\$13,720	35,114	13,025	48,139
August, 2023	85,802	59,203	26,599	\$25,645	\$12,842	33,558	13,757	47,314
September, 2023	6,473	4,466	2,007	\$23,409	\$11,411	(18,943)	(9,404)	(28,347)
October, 2023	53,677	37,037	16,640	\$24,636	\$12,613	12,401	4,027	16,428
November, 2023	83,311	57,484	25,826	\$22,842	\$12,164	34,642	13,662	48,304
December, 2023	51,538	35,561	15,977	\$22,956	\$12,531	12,605	3,446	16,051
Total 2023	<u>\$744,766</u>	<u>\$513,887</u>	<u>\$230,879</u>	<u>\$304,224</u>	<u>\$161,289</u>	<u>\$209,662</u>	<u>\$69,589</u>	<u>\$279,251</u>
Balance as of 12/31/23						<u><u>\$210,318</u></u>	<u><u>\$82,217</u></u>	<u><u>\$292,535</u></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 2023.
- 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 \$0.0024 to rolled-in rate shippers and 55% of the \$0.0015 to incremental rate shippers resulting in a blended rate of \$0.0019.
- 4/ From 1/1/23-03/31/23, rolled-in shippers paid \$0.0013/Dth, expansion shippers paid \$0.0009/Dth, Apex shippers paid \$0.0009/Dth, and interruptible/AOS shippers paid \$0.0011/Dth. From 4/1/23-12/31/23, rolled-in shippers paid \$0.0009/Dth, expansion shippers paid \$0.0007/Dth, Apex shippers paid \$0.0007/Dth, and interruptible/AOS shippers paid \$0.0008/Dth.

**Net Benefit Computation
For Period from January 1, 2023 through December 31, 2023**

Annual Excess Revenue for 2023: <u>1/</u>	\$5,259,704
Plus: Fuel Cost Savings: <u>2/</u>	\$3,918,237
Less: Electric Compressor Fuel Charges: <u>3/</u>	441,943
Net Benefit for 2023:	<u>\$8,735,998</u>

Table 1 Gas Daily Monthly Average Index Prices (per Dth)	
Month	Price
January	\$51.58
February	\$11.93
March	\$5.29
April	\$3.84
May	\$2.52
June	\$2.30
July	\$3.01
August	\$3.98
September	\$3.30
October	\$2.60
November	\$5.14
December	\$5.85
Average	\$8.45

Table 2 Electricity Expenses					
Month	Total (A)	Incremental Share (B) (A)*(.31)	Rolled-In Share (C) (A)*(.69)	Rolled-In Allocation	
				2002 Expansion (D) (C)*(.14)	Vintage (E) (C)*(.86)
January	\$5,697	\$1,766	\$3,931	\$550	\$3,381
February	\$5,590	1,733	3,857	540	3,317
March	\$163,790	50,775	113,015	15,822	97,193
April	\$122,630	38,015	84,615	11,846	72,769
May	\$68,905	21,361	47,544	6,656	40,888
June	\$11,080	3,435	7,645	1,070	6,575
July	\$86,274	26,745	59,529	8,334	51,195
August	\$85,802	26,599	59,203	8,288	50,915
September	\$6,473	2,007	4,466	625	3,841
October	\$53,677	16,640	37,037	5,185	31,852
November	\$83,311	25,826	57,484	8,048	49,436
December	\$51,538	15,977	35,561	4,979	30,582
Total	\$744,766	\$230,879	\$513,887	\$71,944	\$441,943

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 2023 scheduled receipts of 331,408,013 Dth for rolled-in shippers times the incremental fuel savings rate of -0.14% (computed as the difference between the 2023 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 \$8.45. 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.