

March 29, 2024

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

Re: Kern River Gas Transmission Company  
Docket No. RP24-\_\_\_\_\_  
Negotiated Rate Transactions

Dear Acting Secretary Reese:

Pursuant to Part 154 of the regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”), Kern River Gas Transmission Company (“Kern River”) hereby 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. 450F, Version 2.0.0  
Sheet No. 453R, Version 2.0.0

### Purpose

The purpose of this filing is to obtain Commission acceptance of a negotiated rate transportation service agreement (“TSA”) in accordance with the Commission’s Statement of Policy on Alternatives to Traditional Cost of Service Ratemaking for Natural Gas Pipelines (“Policy Statement”)<sup>1</sup> and to reference the TSA and the applicable negotiated rate and terms in Kern River’s Tariff.

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

#### *New Negotiated Rate Agreement*

On January 17, 2024, Kern River and Chevron U.S.A., Inc. amended TSA No. 26047 to incorporate a negotiated rate. Tariff Sheet Nos. 450F and 453R are being updated to reflect the addition of the TSA beginning April 1, 2024. The term of the agreement is set forth on Tariff Sheet 450F. The negotiated rate provision is set forth on Tariff Sheet 453R, Footnote 30.

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<sup>1</sup> 74 FERC ¶ 61,076 (1996).

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This TSA does not deviate in any material respect from the form of service agreement for Rate Schedule KRF-1 in Kern River's tariff.

#### Other Regulatory Requirements

In accordance with the Policy Statement and applicable precedent, Kern River will record separately the billing determinants, quantities transported, rates, surcharges and revenues associated with negotiated rate transactions so this information can be separately identified and totaled in Statements G, I and J in Kern River's future general rate proceedings. Also, the negotiated rate transactions shall be reflected on Kern River's transactional report pursuant to Order Nos. 637, 637A and 637B.

#### Waiver and Effective Date

Kern River respectfully requests that the Commission grant a waiver of section 154.207 and any other waivers of its Regulations it deems necessary to allow the tendered tariff sheets to be effective April 1, 2024.

#### Materials Submitted

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

- this transmittal letter;
- the proposed 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.

#### Posting

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

#### Communications

Kern River respectfully requests that all communications regarding this filing be served upon each of the following:

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](mailto:luis.valdivia@nngco.com)

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

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Respectfully submitted,

**KERN RIVER GAS TRANSMISSION COMPANY**

*/s/ Luis Valdivia*

Luis Valdivia

Manager, Rates and Tariffs

NEGOTIATED RATE AGREEMENTS (Continued)

<u>Shipper Name/ Agreement No.</u>	<u>Negotiated Rate (per Dth)</u>	<u>Rate Schedule</u>	<u>Receipt Points</u>	<u>Delivery Points</u>	<u>Contract Quantity (Dth/d)</u>	<u>Term Expires</u>
Chevron U.S.A Inc. No. 26047	30/	KRF-1	Opal – WFS	Kramer Junction SoCal Gas	30,000	3/31/2031

FOOTNOTES: (Continued)

28/ This Agreement shall be in effect from November 1, 2023, through February 28, 2027, for the months of November through February. This Agreement may be extended for an additional term of one year or longer if Transporter and Shipper agree on a rate and term for the extended period prior to the expiration date of this Agreement.

29/ Shipper and Transporter have agreed to a Negotiated Daily Reservation/Demand Rate of \$0.5191 per Dth for the total DMDQ under this Agreement. In addition to the Negotiated Daily Reservation/Demand Rate, Shipper is responsible for reimbursing Transporter for fuel and Daggett surcharges at the rates applicable to incremental rate service related to the Apex Expansion Project and for commodity and other surcharges at the maximum rate applicable to incremental rate service related to the 2003/2010 Expansion Projects for all quantities scheduled.

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NEGOTIATED RATE AGREEMENTS (Continued)

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<u>Chevron U.S.A Inc. No. 26047</u>	<u>30/</u>	<u>KRF-1</u>	<u>Opal – WFS</u>	<u>Kramer Junction SoCal Gas</u>	<u>30,000</u>	<u>3/31/2031</u>

~~NEGOTIATED RATE AGREEMENTS (Continued)~~

~~(RESERVED FOR FUTURE USE)~~

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