

127 FERC ¶ 61,300
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

June 26, 2009

In Reply Refer To:
Kern River Gas Transmission Company
Docket No. RP09-616-000

Kern River Gas Transmission Company
P.O. Box 71400
Salt Lake City, Utah 84171-0400

Attention: Billie L. Tolman
Manager, Regulatory Affairs

Reference: Tariff Revisions to Reflect Current Business Practices

Dear Ms. Tolman:

1. On May 28, 2009, Kern River Gas Transmission Company (Kern River) filed tariff sheets¹ updating several provisions to reflect its current business practices. These updated provisions pertain to authorized overrun service, capacity release, supply area pool, unexecuted agreements, segmentation, and other miscellaneous matters.

2. Notice of Kern River's filing was issued on June 2, 2009. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.² No protests or adverse comments were filed. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,³ all timely filed motions to intervene and any motions to intervene out-of-time filed before issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties.

3. The first modification Kern River proposes relates to its authorized overrun service. Kern River explains that through segmentation, a shipper may nominate

¹ See Appendix.

² 18 C.F.R. § 154.210 (2008).

³ 18 C.F.R. § 385.214 (2008).

quantities in excess of its Transportation Maximum Daily Quantity (TMDQ) without using authorized overrun service. Kern River further explains that the North American Energy Standards Board's (NAESB) Business Practice Standard 1.3.19 (Version 1.8) requires authorized overrun service to be nominated as a separate transaction. Consistent with this standard, Kern River proposes to remove the language in sections 4.1 of Rate Schedule KRF-1 and sections 4.1 and 4.2 Rate Schedule KRF L1 stating that quantities scheduled by shipper for transportation in excess of shipper's TMDQ will be considered authorized overrun service. Kern River also proposes to revise the language in section 5.5 of Rate Schedules KRF-1 and KRF-L1 to state that the authorized overrun charge will be based on the quantity of gas scheduled as authorized overrun service.

4. Kern River's second proposed revision relates to segmentation. Kern River explains that receipt point and delivery point entitlements on its system are based on TMDQ, and not Demand Maximum Daily Quantity (DMDQ). Therefore, Kern River proposes to remove from section 26.2(b) of the General Terms and Conditions (GT&C) the existing reference to DMDQ and replace it with TMDQ. In addition, Kern River proposes to revise section 26.2(c) of the GT&C to correct the formula used to calculate a releasing shipper's pre-release in the event of segmentation based on TMDQ. Finally, Kern River proposes to move the tariff language pertaining to segmentation from Sheet No. 201 to 202 to improve readability.

5. Kern River also proposes to revise its capacity release tariff provisions to reflect its current business practices. Kern River explains that it no longer utilizes a paper contracting process, and that instead, it electronically generates the appropriate exhibits using the releasing shipper's offer and the replacement shipper's bid. Therefore, Kern River proposes to modify the tariff language in section 15.7(c) of the GT&C to replace paper contracting with electronic business practices including e-mail and facsimile. Kern River also proposes to modify section 15.6(d) of the GT&C to state that released capacity may be allocated to more than one bidder under a random lottery system. Section 15.6(d) currently states that the lottery system may award released capacity to only one successful bidder. Kern River explains that depending on the bid criteria specified by a releasing shipper and the bids received, such a lottery system may result in capacity being awarded to multiple bidders. Kern River further explains that once capacity is awarded under its random lottery system, any remaining capacity will be awarded to the bidder with the next highest lottery priority with this process being repeated until all capacity is released to the extent possible.

6. Kern River also proposes to revise the provisions of its tariff that relate to unexecuted Transportation Service Agreements (TSAs). Kern River explains that a provision in Rate Schedules KRF-1 and KRF-L1 permits Kern River to consider a TSA that is not executed and returned by a shipper at least 24 hours prior to its proposed

effective date to be invalid. To ensure consistency across rate schedules, Kern River proposes to revise section 3.3 of Rate Schedules KRI-1 and KRI-L1 and section 1.2 of Rate Schedule PAL to include the same provision described above.

7. Kern River also proposes to revise section 22.1(b)(1)(vi) of its GT&C to change the name of one of its firm and interruptible pool receipt points from Cal/Nev to Dag Moj. Kern River explains that it seeks to change the name to Dag Moj because that name correlates with the receipt point on Kern River's system associated with that pool.

8. Kern River also proposes several other miscellaneous revisions to ensure consistency throughout its tariff. Kern River proposes to update its Table of Contents to add a reference to the *pro forma* amendment that was recently accepted by the Commission in Docket No. RP09-465. In addition, Kern River proposes to delete an outdated provision in section 13.1(c) of its GT&C stating that capacity shall be allocated solely on the basis of nominations for the month in which such capacity becomes available and not on the basis of nominations for prior months. Kern River explains that section 13.1(c) is unnecessary because section 13.2 of its GT&C contains provisions describing Kern River's current scheduling process. Finally, Kern River has removed software code TF079461205 from the first line of Sheet No. 633. Kern River explains that the software code is used to generate tariff sheets and should not appear on the sheet itself.

9. The Commission finds these revised provisions reflect Kern River's current business practices and provide consistency among Kern River's firm and interruptible rate schedules. Therefore, the Commission accepts the revised tariff sheets listed in the Appendix effective July 1, 2009, as proposed.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

**Kern River Gas Transmission Company
Second Revised Volume No. 1
Tariff Sheets Accepted
Effective July 1, 2009**

Fifth Revised Sheet No. 2
Fourth Revised Sheet No. 14
Fourth Revised Sheet No. 16
Second Revised Sheet No. 29
First Revised Sheet No. 31
Third Revised Sheet No. 54
Third Revised Sheet No. 65
First Revised Sheet No. 69-B
Second Revised Sheet No. 121
Third Revised Sheet No. 151
Second Revised Sheet No. 152
Second Revised Sheet No. 153
Eighth Revised Sheet No. 178
Third Revised Sheet No. 201
Second Revised Sheet No. 202
Third Revised Sheet No. 633