

150 FERC ¶ 61,243  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

March 31, 2015

In Reply Refer To:  
Kern River Gas Transmission Company  
Docket No. RP15-509-000

Kern River Gas Transmission Company  
Attention: Laura Demman  
2755 East Cottonwood Parkway  
Salt Lake City, UT 84121

Dear Ms. Demman:

1. On February 24, 2015, Kern River Gas Transmission Company (Kern River) filed revised tariff records<sup>1</sup> for the purpose of changing the electric compressor fuel surcharges used for gas delivered downstream of the Daggett compressor station pursuant to section 12.12 of the General Terms and Conditions of its Tariff. The Commission accepts the proposed tariff records, effective April 1, 2015.
2. For the period from April 1, 2015 through March 31, 2016, Kern River proposes to increase the surcharge rates from \$0.0002 per Dth to (i) \$0.0034 per Dth for rolled-in rate shippers, (ii) \$0.0023 per Dth for incremental rate shippers and (iii) \$0.0028 per Dth for interruptible and authorized overrun shippers. Kern River states that the cost increase arises from “increased electricity usage due to higher scheduled quantities from Mojave Pipeline Company to delivery points downstream of the Daggett compressor.”<sup>2</sup>
3. Public notice of the filing was issued on February 25, 2015. Interventions and protests were due as provided in section 154.210 of the Commission’s regulations (18 C.F.R. § 154.210 (2014)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2014)), all timely filed motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on

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<sup>1</sup> See Appendix to this letter order.

<sup>2</sup> See Exhibit A workpaper n.6 to the proposed filing.

existing parties. Indicated Shippers<sup>3</sup> filed a joint Motion Requesting Additional Information Regarding Tariff Filing, arguing that Kern River should be required to provide more information related to the increased charges. Indicated Shippers sought information explaining why, in the current filing, the total monthly electricity cost for the months of August through October 2014 (\$171,533, \$241,930, and \$222,403, respectively) increased so significantly in comparison to the same months in the prior year. Indicated Shippers make clear that they are not currently protesting the filing, but rather seeking additional information.

4. On March 17, 2015, Kern River filed a response to the concerns raised by the Indicated Shippers. Kern River responded in some detail to the Indicated Shippers' concerns, and stated that the operator informed Kern River that the surcharge was the result of several factors, including increase in usage of the compressor station when compared to usage during the same period in 2013, and the increase was not due to operational events or changes to Mojave Pipeline Company's system.<sup>4</sup>

5. Based upon a review of the motion, response, and the filing, the Commission finds that the proposed tariff records to be just and reasonable, since the surcharge appears to have been calculated consistent with the established methodology.<sup>5</sup> The Commission notes that the methodology used to reach these rates was previously found just and reasonable by the Commission without protest, so that to the extent there are objections to the established mechanism itself, these should be raised in a proceeding under section 5 of the Natural Gas Act. Here the only issue before the Commission is whether the existing mechanism has been implemented correctly. Accordingly, since the mechanism appears to have been correctly applied, the Commission accepts the proposed tariff records.

6. In response to Indicated Shippers, Kern River states that it is agreeable to seeking a waiver from the Commission to allow to it to make an out-of-period tariff filing to adjust the Daggett surcharges earlier than the required annual filing date if actual

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<sup>3</sup> The Indicated Shippers include Aera Energy LLC, Anadarko Energy Services Company, Chevron U.S.A. Inc., ConocoPhillips Company, Cross Timbers Energy Services, Inc., Shell Energy North America (US), L.P., Southwest Gas Corporation, and WPX Energy Marketing, LLC.

<sup>4</sup> The subject compressor supplies compression for both the Kern River and Mojave systems, with Mojave as the operator.

<sup>5</sup> *Kern River Gas Transmission Co.*, 96 FERC ¶ 61,137, at 61,581 (2001).

electricity costs incurred during 2015 prove to be significantly different than projected. The Commission would look with favor on such a filing should it be needed.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

**Appendix**

**Kern River Gas Transmission Company**  
**FERC NGA Gas Tariff**  
**Gas Tariff**

*Tariff Records Accepted, Effective April 1, 2015*

[Sheet No. 5, Statement of Rates, Schedules KRF-1, CH-1, UP-1, MO-1, SH-1, 13.0.0](#)

[Sheet No. 5.01, Statement of Rates, Period Two \(Step-Down\) Rates, 7.0.0](#)

[Sheet No. 5A, Statement of Rates, Firm Incremental Service, 13.0.0](#)

[Sheet No. 5A.01, Statement of Rates, 2003 Expansion, 4.0.0](#)

[Sheet No. 5B, Statement of Rates, Apex Expansion Project, 7.0.0](#)

[Sheet No. 6, Statement of Rates, Interruptible Service, 11.0.0](#)