

134 FERC ¶ 61,188 134 FERC ¶ 61,190
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

March 15, 2011

In Reply Refer To:
Kern River Gas Transmission
Company
Docket No. RP11-1774-000

Kern River Gas Transmission Company
2755 East Cottonwood Parkway
Salt Lake City, UT 84121

Attention: Patricia M. French
Vice President & Ass't. General Counsel

Reference: Limited Waiver Request

Dear Ms. French:

1. On February 14, 2011, Kern River Gas Transmission Company (Kern River) filed a request for a limited waiver of Section 10.6 (Balancing of Transportation Quantities) and a limited waiver of Section 12.7 (Reimbursement of Fuel Used and Lost and Unaccounted-for Gas (L&U)) of the General Terms and Conditions (GT&C) of its FERC Gas Tariff. Kern River states that due to a metering error at the Sunrise meter station that it jointly owns with Mojave Pipeline Company (MPC), delivered volumes at that interconnect were understated.¹ As a result, the affected shipper, California Department of Water Resources (CDWR), agreed to resolve the imbalance by reimbursing Kern River 959,042 Dth over an eight month period beginning April 1, 2011. The metering error also caused the balances in Kern River's system-wide L&U account to be overstated. Therefore, the volumes reimbursed by CDWR will be applied to Kern River's system-wide L&U balance over the eight month period in order to ensure that the recovery period and the crediting period are synchronized. Kern River explains that for operational reasons the limited waivers are necessary to allow

¹ The metering error on the common facilities occurred from August 19, 2008, through January 27, 2010.

Kern River to resolve the large imbalance over a longer period of time than is provided for in its tariff. Kern River requests the limited waivers be granted by March 15, 2011, in order to enable Kern River to include the recovered volumes in its calculation of the L&U reimbursement percentages commencing April 1, 2011.

2. Section 10.6(b) of Kern River's GT&C specifies that Kern River and a shipper will reconcile any imbalances within thirty (30) days. Kern River explains that due to the size of the imbalance to be resolved, Kern River is unable to accept the full reimbursement over the 30 days otherwise required by Section 10.6(b) of its tariff. Therefore, Kern River requests a limited waiver of Section 10.6 to allow CDWR to reimburse the L&U ratably over an eight month period.

3. Section 12 of Kern River's GT&C pertains to reimbursement of compressor fuel and L&U. Section 12.2 provides that shippers reimburse Kern River for fuel and L&U in-kind, and the factors for fuel and L&U are determined monthly. Section 12.7 provides that the monthly system-wide L&U factor will be determined based on the sum of the projected system-wide L&U gas and any required true-up adjustment² divided by total projected receipt quantities for that month. Kern River requests a limited waiver of Section 12.7 to allow it to credit the amount of gas recovered from CDWR to its system-wide L&U account over a time period that corresponds to the eight month recovery period. Kern River explains that this approach will minimize the impact to the L&U factor for any given month and will eliminate any potential operational issues that could arise if the recovery period and the crediting period are not synchronized.

4. Public notice of the filing was issued on February 15, 2011. Interventions and protests were due on or before February 28, 2011. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2010)), all timely unopposed motions to intervene and unopposed 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. No protests or adverse comments were filed.

5. The Commission finds that Kern River has adequately supported its request for the limited waivers as described above. The limited waivers are necessary to eliminate any potential operational issues that could arise if the recovery period and the crediting period were not synchronized. The Commission also finds that granting the limited waivers will minimize the impact to the L&U factor for any

² The true-up adjustment is the difference between the system-wide gas that was lost and unaccounted-for and the net system-wide lost and unaccounted-for gas reimbursed by shippers two months earlier.

given month while ensuring that system-wide shippers receive the full benefit of the L&U reimbursement true-up adjustment in a timely manner. Accordingly, for good cause shown, the Commission grants Kern River's request for limited waivers of Section 10.6 and Section 12.7 of the GT&C of its tariff to the extent necessary to resolve its imbalance with CDWR.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties