

142 FERC ¶ 61,091
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

February 4, 2013

In Reply Refer To:
Kern River Gas Transmission Company
Docket No. RP10-1410-005

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

Attention: Mary Kay Miller, Vice President
Regulatory & Government Affairs

Reference: Reservation Charge Credit Compliance Filing

Dear Ms. Miller:

1. On September 17, 2012, Kern River Gas Transmission Company (Kern River) filed revised tariff records¹ to comply with the Commission's August 27, 2012 order (August 27 Order) in this proceeding pertaining to reservation charge crediting.² The revised tariff records listed in footnote No. 1 are accepted effective December 1, 2010, subject to the condition discussed herein.
2. Kern River revised the definition of Undelivered Quantities in section 9.3(e) of its tariff to state that Undelivered Quantities means the "amount by which Shipper's Nominated Quantities exceed the quantities delivered by Transporter." Kern River clarified that Undelivered Quantities does not include

¹ Kern River Gas Transmission Company, FERC NGA Gas Tariff, Gas Tariff, [Sheet No. 26, Rate Schedule KRF-1, KR Firm Transportation Service, 4.0.0](#); [Sheet No. 27, Rate Schedule KRF-1, KR Firm Transportation Service, 3.0.0](#); [Sheet No. 29, Rate Schedule KRF-1, KR Firm Transportation Service, 2.0.0](#); [Sheet No. 29A, Rate Schedule KRF-1, KR Firm Transportation Service, 2.0.0](#).

² *Kern River Gas Transmission Co.*, 140 FERC ¶ 61,146 (2012).

quantities reduced as a result of other actions beyond the direct control of Transporter, other than *force majeure* on Transporter's facilities. Kern River also revised sections 9.3(b), 9.3(e), 9.4(c)(2), and 9.6 of its tariff to replace "scheduled by Transporter" and "scheduled for delivery by Transporter" with "delivered by Transporter" to reflect that any adjustment to the reservation charges payable by shipper will be based on the difference between the eligible quantities nominated by shipper and the quantities Transporter delivered.

3. Kern River revised section 9.4(c)(1) of its tariff to clarify that if all or a portion of shipper's nominated quantities are not scheduled by Kern River in the Timely Nomination Cycle and shipper subsequently nominates the unscheduled quantities on a third-party pipeline, shipper is not required to nominate in the Evening Nomination Cycle to receive an adjustment. Kern River has also revised section 9.4(c)(1) to state that to the extent shipper nominates and Transporter schedules previously unscheduled quantities in a subsequent nomination cycle, shipper's adjustment shall be appropriately reduced to account for the quantities delivered by Transporter. Kern River states that this language differs slightly from the August 27 Order since the term "Undelivered Quantities," which is now based on actual deliveries instead of scheduled deliveries, is no longer appropriate in the context of nomination cycles, which occur before total deliveries are made for any particular gas day.

4. Public notice of the filing was issued on September 18, 2012. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2012)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2012)), all timely filed motions to intervene and any unopposed motion 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 existing parties. Nevada Power Company d/b/a NV Energy (NV Energy) filed comments and a request for clarification.

5. NV Energy states that it is concerned that section 9.4(c)(1) as now proposed by Kern River is unclear since the term "Unscheduled Quantities" in this context places additional focus on the nomination cycles. NV Energy contends that Kern River has not specified that the "subsequent nomination cycle" must be on the same gas day. NV Energy states that it contacted Kern River about its concern and Kern River responded that if the Commission determines the language should be clarified it would have no objection to inserting "for the same gas day" after "subsequent nomination cycle" in section 9.4(c)(1). NV Energy requests the Commission require Kern River to modify section 9.4(c)(1) of its tariff as proposed by NV Energy.

6. The Commission finds that Kern River has complied with the August 27 Order. However, the Commission agrees that clarification of section 9.4(c)(1) of Kern River's tariff will eliminate uncertainty concerning Kern River's reservation charge crediting obligations when a shipper subsequently nominates unscheduled quantities on Transporter, which Transporter delivers. Therefore, as agreed to by Kern River, section 9.4(c)(1) must be revised to state "To the extent shipper nominates and Transporter schedules previously unscheduled quantities in a subsequent nomination cycle *for the same gas day*, shipper's adjustment shall be appropriately reduced to account for the quantities delivered by Transporter." Kern River is required to file with the Commission revised tariff language consistent with the above clarification within 15 days of the date this order issues.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.