

THIS FILING IS

Item 1: ☒ An Initial (Original)
Submission

OR ☐ Resubmission No. _____

Form 2 Approved
OMB No. 1902-0028
(Expires 05/31/2014)
Form 3-Q: Approved
OMB No. 1902-0205
(Expires 05/31/2014)



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Kern River Gas Transmission Company

Year/Period of Report

End of 2011/Q3

INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

GENERAL INFORMATION

I Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

III. What and Where to Submit

- (a) Submit Forms 2, 2-A and 3-Q electronically through the submission software at <http://www.ferc.gov/docs-filing/eforms/form-2/elec-subm-soft.asp>.
- (b) The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.
- (c) Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

Secretary of the Commission
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

- (i) Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- (ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

Reference	<u>Reference</u> <u>Schedules Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

(e) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders" and "CPA Certification Statement," have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission website at <http://www.ferc.gov/help/how-to.asp>

(f) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: <http://www.ferc.gov/docs-filing/eforms/form-2/form-2.pdf> and <http://www.ferc.gov/docs-filing/eforms/form-2a/form-2a.pdf>, respectively. Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE, Room 2A, Washington, DC 20426 or by calling (202).502-8371

IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

- (a) FERC Form 2 and 2-A --- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)
- (b) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R. § 260.300), and
- (c) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,623 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 250 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 165 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Footnote and further explain accounts or pages as necessary.
- IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

DEFINITIONS

- I. Btu per cubic foot – The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).
- II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- III. Dekatherm – A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
- IV Respondent – The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW
(Natural Gas Act, 15 U.S.C. 717-717w)

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. § 717t-1(a).

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Kern River Gas Transmission Company		Year/Period of Report End of <u>2011/Q3</u>	
03 Previous Name and Date of Change (If name changed during year)			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 2755 East Cottonwood Parkway Suite 300, Cottonwood Heights, UT 84121			
05 Name of Contact Person Thomas P. Tosoni		06 Title of Contact Person Director - Accounting & Reporting	
07 Address of Contact Person (Street, City, State, Zip Code) 1111 South 103rd Street, Omaha, NE 68124			
08 Telephone of Contact Person, Including Area Code 402-398-7993		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	
10 Date of Report (Mo, Da, Yr)			

QUARTERLY CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Mary Hausman	12 Title Controller
13 Signature /s/ Mary Hausman	14 Date Signed 11/29/2011

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q3
Important Changes During the Quarter/Year			

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None.

2. None.

3. None.

4. None.

5. None.

6. None.

7. None.

8. None.

9. Refer to Note 6 (Commitments and Contingencies) of the Notes to the Financial Statements for more information regarding material legal proceedings.

10. None.

11. Refer to Note 3 (Regulatory Matters) of the Notes to the Financial Statements for more information on the status of any estimated increase or decrease in annual revenues caused by important rate changes.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q3
Important Changes During the Quarter/Year			

12. None.

13. Not applicable.

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
Comparative Balance Sheet (Assets and Other Debits)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	UTILITY PLANT				
2	Utility Plant (101-106, 114)	200-201	2,447,720,147	2,418,392,512	
3	Construction Work in Progress (107)	200-201	297,313,737	146,591,211	
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	2,745,033,884	2,564,983,723	
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		900,474,127	856,935,002	
6	Net Utility Plant (Total of line 4 less 5)		1,844,559,757	1,708,048,721	
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0	
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0	
9	Nuclear Fuel (Total of line 7 less 8)		0	0	
10	Net Utility Plant (Total of lines 6 and 9)		1,844,559,757	1,708,048,721	
11	Utility Plant Adjustments (116)	122	0	0	
12	Gas Stored-Base Gas (117.1)	220	0	0	
13	System Balancing Gas (117.2)	220	0	0	
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0	
15	Gas Owed to System Gas (117.4)	220	0	0	
16	OTHER PROPERTY AND INVESTMENTS				
17	Nonutility Property (121)		0	0	
18	(Less) Accum. Provision for Depreciation and Amortization (122)		0	0	
19	Investments in Associated Companies (123)	222-223	0	0	
20	Investments in Subsidiary Companies (123.1)	224-225	0	0	
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)				
22	Noncurrent Portion of Allowances		0	0	
23	Other Investments (124)	222-223	0	0	
24	Sinking Funds (125)		0	0	
25	Depreciation Fund (126)		0	0	
26	Amortization Fund - Federal (127)		0	0	
27	Other Special Funds (128)		23,901,088	11,858,066	
28	Long-Term Portion of Derivative Assets (175)		0	0	
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0	
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		23,901,088	11,858,066	
31	CURRENT AND ACCRUED ASSETS				
32	Cash (131)		6,000,072	0	
33	Special Deposits (132-134)		6,813,114	2,141,629	
34	Working Funds (135)		0	0	
35	Temporary Cash Investments (136)	222-223	0	13,035,975	
36	Notes Receivable (141)		0	0	
37	Customer Accounts Receivable (142)		29,566,976	31,203,058	
38	Other Accounts Receivable (143)		941,779	1,598,151	
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		0	47,323	
40	Notes Receivable from Associated Companies (145)		0	0	
41	Accounts Receivable from Associated Companies (146)		387,529	432,099	
42	Fuel Stock (151)		0	0	
43	Fuel Stock Expenses Undistributed (152)		0	0	

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Kern River Gas Transmission Company			2011/Q3
FOOTNOTE DATA			

Schedule Page: 110 Line No.: 33 Column: c

<u>Description</u>	As of Sep. 30, <u>2011</u>	As of Dec. 31, <u>2010</u>
Other Special Deposits - Cash and Cash Equivalents- Funds Held for Retainage	\$ 6,312,705	\$ 1,641,828
Other Special Deposits - Restricted Cash - Customer Deposits	500,409	499,801
Total	\$ <u>6,813,114</u>	\$ <u>2,141,629</u>

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
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Comparative Balance Sheet (Liabilities and Other Credits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		3,657	0
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt		81,085,985	81,085,991
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		12,241,058	6,233,738
40	Notes Payable to Associated Companies (233)		0	0
41	Accounts Payable to Associated Companies (234)		464,263	736,387
42	Customer Deposits (235)		22,980,635	9,473,547
43	Taxes Accrued (236)	262-263	18,178,897	5,403,908
44	Interest Accrued (237)		950,538	729,431
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		153,068	112,607
49	Miscellaneous Current and Accrued Liabilities (242)	268	11,112,405	4,887,878
50	Obligations Under Capital Leases-Current (243)		0	0
51	Derivative Instrument Liabilities (244)		0	0
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		147,166,849	108,663,487
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		1,550,929	4,675
58	Accumulated Deferred Investment Tax Credits (255)		0	0
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	0	0
61	Other Regulatory Liabilities (254)	278	72,845,593	53,570,470
62	Unamortized Gain on Reacquired Debt (257)	260	0	0
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		345,359,772	326,325,919
65	Accumulated Deferred Income Taxes - Other (283)		23,311,000	24,438,000
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		443,067,294	404,339,064
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		2,057,501,128	1,926,404,549

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Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
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Statement of Income

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.

2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.

3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.

4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable

5. Do not report fourth quarter data in columns (e) and (f)

6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.

7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

9. Use page 122 for important notes regarding the statement of income for any account thereof.

10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.

11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.

13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.

14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.

15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	268,366,861	264,454,531	90,324,348	90,818,492
3	Operating Expenses					
4	Operation Expenses (401)	317-325	21,468,054	21,998,800	7,233,679	8,070,277
5	Maintenance Expenses (402)	317-325	2,413,627	777,742	875,499	243,626
6	Depreciation Expense (403)	336-338	48,202,244	52,413,500	13,854,217	17,495,816
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	1,117,312	274,468	763,402	91,489
9	Amortization of Utility Plant Accr. Adjustment (406)	336-338	0	0	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		34,816,285	47,887,290	9,378,016	15,358,400
13	(Less) Regulatory Credits (407.4)		2,127,535	20,079,000	(1,072,947)	5,916,700
14	Taxes Other than Income Taxes (408.1)	262-263	12,107,715	12,479,409	3,788,582	4,050,121
15	Income Taxes-Federal (409.1)	262-263	33,451,000	21,641,506	12,125,237	9,141,505
16	Income Taxes-Other (409.1)	262-263	4,952,000	3,171,150	1,766,307	1,536,150
17	Provision of Deferred Income Taxes (410.1)	234-235	17,990,853	26,688,476	6,587,583	7,790,476
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	10,691,504	9,059,000	2,941,545	3,457,000
19	Investment Tax Credit Adjustment-Net (411.4)		0	0	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		0	0	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		163,700,051	158,194,341	54,503,924	54,404,160
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		104,666,810	106,260,190	35,820,424	36,414,332

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2011/Q3	
Statement of Income(continued)							
Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)	
27	Net Utility Operating Income (Carried forward from page 114)		104,666,810	106,260,190	35,820,424	36,414,332	
28	OTHER INCOME AND DEDUCTIONS						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues form Merchandising, Jobbing and Contract Work (415)		0	0	0	0	
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		0	0	0	0	
33	Revenues from Nonutility Operations (417)		0	0	0	0	
34	(Less) Expenses of Nonutility Operations (417.1)		0	0	0	0	
35	Nonoperating Rental Income (418)		0	0	0	0	
36	Equity in Earnings of Subsidiary Companies (418.1)	119	0	0	0	0	
37	Interest and Dividend Income (419)		13,740	13,966	328	5,902	
38	Allowance for Other Funds Used During Construction (419.1)		8,000,802	2,065,975	3,395,736	821,523	
39	Miscellaneous Nonoperating Income (421)		(1,803)	0	(1,711)	0	
40	Gain on Disposition of Property (421.1)		0	0	0	0	
41	TOTAL Other Income (Total of lines 31 thru 40)		8,012,739	2,079,941	3,394,353	827,425	
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)		0	0	0	0	
44	Miscellaneous Amortization (425)		0	0	0	0	
45	Donations (426.1)	340	28,754	25,233	550	1,900	
46	Life Insurance (426.2)		0	0	0	0	
47	Penalties (426.3)		0	0	0	0	
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		29,028	0	12,729	0	
49	Other Deductions (426.5)		513	81	513	81	
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	58,295	25,314	13,792	1,981	
51	Taxes Applic. to Other Income and Deductions						
52	Taxes Other than Income Taxes (408.2)	262-263	0	0	0	0	
53	Income Taxes-Federal (409.2)	262-263	(6,000)	(4,000)	(1,000)	1,000	
54	Income Taxes-Other (409.2)	262-263	(1,000)	(1,000)	0	0	
55	Provision for Deferred Income Taxes (410.2)	234-235	3,034,000	783,000	506,000	335,045	
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	0	0	0	0	
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0	
58	(Less) Investment Tax Credits (420)		0	0	0	0	
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		3,027,000	778,000	505,000	336,045	
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		4,927,444	1,276,627	2,875,561	489,399	
61	INTEREST CHARGES						
62	Interest on Long-Term Debt (427)		31,659,995	34,933,092	10,274,158	11,374,814	
63	Amortization of Debt Disc. and Expense (428)	258-259	2,388,174	2,624,859	775,499	855,645	
64	Amortization of Loss on Reacquired Debt (428.1)		0	0	0	0	
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0	
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0	
67	Interest on Debt to Associated Companies (430)	340	0	0	0	0	
68	Other Interest Expense (431)	340	730,337	935,285	237,598	226,581	
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		4,882,216	1,720,004	2,072,436	682,630	
70	Net Interest Charges (Total of lines 62 thru 69)		29,896,290	36,773,232	9,214,819	11,774,410	
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		79,697,964	70,763,585	29,481,166	25,129,321	
72	EXTRAORDINARY ITEMS						
73	Extraordinary Income (434)		0	0	0	0	
74	(Less) Extraordinary Deductions (435)		0	0	0	0	
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0	
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0	
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0	
78	Net Income (Total of lines 71 and 77)		79,697,964	70,763,585	29,481,166	25,129,321	

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Schedule Page: 117 Line No.: 10 Column: g

Hedging pertains to natural gas commodity swaps.

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Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		(134,439,392)	(215,591,684)
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		79,697,964	70,763,585
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)	131		15,000,000
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		(54,741,428)	(159,828,099)
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		(54,741,428)	(159,828,099)
21	UNAPPROPRIATED UNDISTIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

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Statement of Cash Flows

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	79,697,964	70,763,585
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	49,319,556	52,413,500
5	Amortization of (Specify) (footnote details)	40,755,551	30,707,617
6	Deferred Income Taxes (Net)	10,333,349	18,455,476
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	1,622,824	1,498,634
9	Net (Increase) Decrease in Inventory	590,290	(76,176)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	9,617,162	832,193
12	Net (Increase) Decrease in Other Regulatory Assets	(5,986,841)	(1,606,786)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(34,306)	246,420
14	(Less) Allowance for Other Funds Used During Construction	8,000,802	2,065,975
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other (footnote details):	(598,772)	(34,050,048)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	177,315,975	137,118,440
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(185,830,590)	(88,946,890)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(8,000,802)	2,065,975
27	Other Net increase (decrease) in payables and accrued expenses	23,463,486	1,638,729
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(154,366,302)	(89,374,136)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		4,312,320
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

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Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other (footnote details):		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(154,366,302)	(85,061,816)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)		
54	Preferred Stock		
55	Common Stock		
56	Other Capital Contributions	35,000,000	45,000,000
57	Net Increase in Short-term Debt (c)		
58	Other (footnote details):		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	35,000,000	45,000,000
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(60,814,500)	(59,001,001)
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details):		
66	Net Decrease in Short-Term Debt (c)		
67	Distributions to Partners		(15,000,000)
68	Dividends on Preferred Stock		
69	Dividends on Common Stock		
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(25,814,500)	(29,001,001)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(2,864,827)	23,055,623
75			
76	Cash and Cash Equivalents at Beginning of Period	15,177,605	27,636,138
77			
78	Cash and Cash Equivalents at End of Period	12,312,777	50,691,761

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Schedule Page: 120 Line No.: 5 Column: b

<u>Description</u>	<u>2011</u>	<u>2010</u>
Amortization of Regulatory Assets and Liabilities	\$ 38,367,377	\$ 27,808,290
Amortization of Debt Discount and Expense	2,388,174	2,624,859
Amortization and Depletion of Utility Plant*	-	274,468
Total	\$ <u>40,755,551</u>	\$ <u>30,707,617</u>

*Amortization and depletion of utility plant is included in depreciation and amortization on the cash flow statement for the period ended September 30, 2011.

Schedule Page: 120 Line No.: 16 Column: b

<u>Description</u>	<u>2011</u>	<u>2010</u>
VEBA Contributions	\$ (343,787)	\$ (343,787)
Prepays and Other Assets	245,539	(3,456,658)
Customer Security and Other Deposits, Net*	(500,524)	(9,611)
Accumulated Provision for Rate Refunds	-	(30,239,992)
Total	\$ <u>(598,772)</u>	\$ <u>(34,050,048)</u>

*Customer security and other deposits, net of \$500,524 includes a correction of \$499,801 from the prior year resulting from the inclusion of restricted cash as a cash and cash equivalent on the cash flow statement as of December 31, 2010.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
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1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

(1) General

Kern River Gas Transmission Company (the "Respondent") is an indirect wholly-owned subsidiary of MidAmerican Energy Holdings Company ("MEHC"). MEHC is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway"). The Respondent owns an interstate natural gas pipeline system that extends from supply areas in the Rocky Mountains to consuming markets in Utah, Nevada and California. The Respondent's pipeline system consists of 1,700 miles of natural gas pipelines, including 1,400 miles of mainline section and 300 miles of common facilities, with a design capacity of 2,166,575 decatherms ("Dth") per day, which includes 266,000 Dth per day related to the Apex Expansion project that was placed in-service in October 2011. The Respondent owns the entire mainline section, which extends from the system's point of origination near Opal, Wyoming, through the Central Rocky Mountains area into Daggett, California. The mainline section consists of 1,300 miles of 36" diameter pipeline and 100 miles of various laterals that connect to the mainline. The common facilities are jointly owned by the Respondent and Mojave Pipeline Company ("Mojave"), a wholly-owned subsidiary of El Paso Corporation, as tenants-in-common. The Respondent's ownership percentage in the common facilities will increase or decrease pursuant to the capital contributions made by each respective joint owner. The Respondent has

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exclusive rights to 1,613,400 Dth per day of the common facilities' capacity, and Mojave has exclusive rights to 414,000 Dth per day of capacity. Operation and maintenance of the common facilities are the responsibility of Mojave Pipeline Operating Company, an affiliate of Mojave. The Respondent reimburses Mojave for its share of the pipeline expenses in proportion to its ownership interest. The common facilities and associated operating costs are included in the Financial Statements on a prorated basis. Except for quantities of natural gas owned for operational and system balancing purposes, the Respondent does not own the natural gas that is transported through its system. The Respondent's transportation operations are subject to a regulated tariff that is on file with the Federal Energy Regulatory Commission ("FERC"). The tariff rates are designed to allow the Respondent an opportunity to recover its costs and generate a regulated return on equity.

The unaudited Financial Statements have been prepared based upon the accounting regulations of the FERC pursuant to the Code of Federal Regulations, Title 18, Part 201, Uniform System of Accounts ("FERC accounting regulations"). Therefore, the unaudited Financial Statements contain certain differences from general purpose financial statements prepared in accordance with accounting principles generally accepted in the United States of America, including classifications of deferred income taxes, income tax expense and accumulated negative salvage.

The unaudited Financial Statements present the Respondent's stand-alone information. In accordance with FERC accounting regulations, the Respondent's 100% ownership of Kern River Funding Corporation ("Funding") is accounted for by the equity method. The Respondent's investment in Funding is included in miscellaneous deferred debits on the Balance Sheets.

Certain disclosures normally included in annual financial statements have been condensed or omitted, although the Respondent believes the disclosures are adequate to prevent the information presented from being misleading. Management believes the unaudited Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Financial Statements as of September 30, 2011 and for the three- and nine-month periods ended September 30, 2011 and 2010. Certain amounts in the prior year Balance Sheet have been reclassified to conform to the current period presentation. Such reclassifications did not impact previously reported retained earnings or partners' capital. The results of operations for the three- and nine-month periods ended September 30, 2011 are not necessarily indicative of the results to be expected for the full year. The Respondent has evaluated subsequent events through November 29, 2011, which is the date the Financial Statements were available to be issued.

The preparation of the unaudited Financial Statements in conformity with the FERC accounting regulations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Financial Statements. Note 2 of Notes to Financial Statements included in the Respondent's Annual Report for the year ended December 31, 2010 describes the most significant accounting policies used in the preparation of the Financial Statements. There have been no significant changes in the Respondent's assumptions regarding significant accounting estimates and policies during the nine-month period ended September 30, 2011.

(2) New Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-05, which amends FASB Accounting Standards Codification ("ASC") Topic 220, "Comprehensive Income." ASU No. 2011-05 provides an entity with the option to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. Regardless of the option chosen, this guidance also requires presentation of items on the face of the financial statements that are reclassified from other comprehensive income to net income. This guidance does not change the items that must be reported in other comprehensive income, when an item of other comprehensive income must be reclassified to net income or how tax effects of each item of other comprehensive income are presented. This guidance is effective for reporting periods ending after December 15, 2012. The Respondent is currently evaluating which presentation option will be implemented.

In May 2011, the FASB issued ASU No. 2011-04, which amends FASB ASC Topic 820, "Fair Value Measurements and Disclosures." The amendments in this guidance are not intended to result in a change in current accounting. ASU No. 2011-04 requires additional disclosures relating to fair value measurements categorized within Level 3 of the fair value hierarchy, including quantitative

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information about unobservable inputs, the valuation process used by the entity and the sensitivity of unobservable input measurements. Additionally, entities are required to disclose the level of the fair value hierarchy for assets and liabilities that are not measured at fair value in the balance sheet, but for which disclosure of the fair value is required. This guidance is effective for reporting periods beginning after December 15, 2011. The Respondent is currently evaluating the impact of adopting this guidance on its disclosures included within Notes to Financial Statements.

(3) Regulatory Matters

In December 2009, the FERC issued an order establishing rates for the period of the Respondent's current long-term contracts ("Period One rates") and required that rates be levelized for shippers that elect to continue to take service following the expiration of their current contracts ("Period Two rates"). The FERC set all other issues related to Period Two rates for hearing. In November 2010, the FERC issued an order that denied all requests for rehearing from the FERC's December 2009 order and established that the Respondent is entitled to a 100% equity capital structure in its Period Two rates. In January 2011, the Respondent filed a motion for clarification on certain depreciation issues with the FERC.

In April 2011, the presiding administrative law judge issued an initial decision regarding the Respondent's Period Two rates. Among other items, the administrative law judge determined the Period Two rates should be based on a return on equity of 11.55%, a capital structure of 100% equity, and a levelization period that coincides with each shipper group's uniform contract length of 10 or 15 years. The administrative law judge also determined the Respondent's regulatory asset associated with compressor engines and general plant replacements can only be recovered in a future rate case and may not be incorporated into Period Two rates at this time. Certain shippers, representing approximately 5% of the Respondent's 2010 annual operating revenue, were eligible for Period Two rates on October 1, 2011. The Respondent filed its initial brief on exceptions in May 2011 and its brief opposing exceptions in June 2011. In July 2011, the FERC issued its order substantially adopting the presiding administrative law judge's initial decision. The Respondent requested a rehearing and clarification of the order in August 2011. The Respondent filed tariffs in compliance with the FERC's order in August 2011 and, following an order on compliance, again in September 2011. In late September 2011, the FERC issued a second order on compliance, accepting the Respondent's tariff records establishing Period Two rates.

(4) Fair Value Measurements

The Respondent uses a three level hierarchy for determining fair value and a financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The Respondent has investments in money market mutual funds that are accounted for as available for sale securities, are stated at fair value and are included in cash and other special funds on the Balance Sheets. The fair value of the Respondent's money market mutual funds, which approximates cost, was \$21.9 million and \$17.0 million as of September 30, 2011 and December 31, 2010, respectively. The Respondent considers these money market mutual funds to be valued using Level 1 inputs, which are determined by using, when available, a readily observable quoted market price or net asset value of an identical security in an active market.

(5) Employee Benefit Plans

The Respondent participates in pension and other postretirement benefit plans sponsored by MidAmerican Energy Company ("MEC"), an indirect wholly-owned subsidiary of MEHC. The Respondent's contributions to the various plans were \$0.3 million for each of the three-month periods ended September 30, 2011 and 2010 and \$0.9 million and \$1.0 million for the nine-month periods ended September 30, 2011 and 2010, respectively. As of September 30, 2011 and December 31, 2010, the Respondent recorded a regulatory liability of \$2.0 million and \$2.9 million, respectively, related to the funded status of the plans. An offsetting net affiliate receivable is included in other property and investments on the Balance Sheets. Amounts were allocated from MEC to the Respondent in accordance with the intercompany administrative service agreement.

(6) Commitments and Contingencies

Legal Matters

The Respondent is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. The Respondent does not believe that such normal and routine litigation will have a material effect on its

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
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Notes to Financial Statements			

financial results.

(7) Other Related Party Transactions

MEHC provides certain administrative and management services, including executive, financial, legal, and tax, to the Respondent. Expenses incurred by MEHC and billed to the Respondent are based on the individual services and expense items provided and were \$0.3 million and \$0.5 million for the three-month periods ended September 30, 2011 and 2010, respectively, and \$0.9 million and \$1.3 million for the nine-month periods ended September 30, 2011 and 2010, respectively. Income tax transactions with MEHC resulted in net payments of \$12.7 million and \$9.2 million for the three-month periods ended September 30, 2011 and 2010, respectively, and \$32.6 million and \$34.8 million for the nine-month periods ended September 30, 2011 and 2010, respectively.

MEC provides certain administrative and management services, including executive, financial, legal, human resources, payroll and tax, to the Respondent. Expenses incurred by MEC and billed to the Respondent are based on the individual services and expense items provided and were \$0.3 million and \$0.2 million for the three-month periods ended September 30, 2011 and 2010, respectively, and \$0.7 million and \$0.6 million for the nine-month periods ended September 30, 2011 and 2010, respectively. As of September 30, 2011 and December 31, 2010, the Respondent had net accounts payable to MEHC and certain subsidiaries for intercompany transactions totaling \$0.4 million and \$0.6 million, respectively.

Northern Natural Gas Company ("Northern"), an indirect wholly-owned subsidiary of MEHC, provides certain administrative and management services, including executive, financial, regulatory and legal, to the Respondent. The Respondent was billed \$0.3 million and \$0.2 million for the three-month periods ended September 30, 2011 and 2010, respectively, and \$0.8 million and \$0.5 million for the nine-month periods ended September 30, 2011 and 2010, respectively, for these services.

Northern provides risk management services to the Respondent, pursuant to a service agreement dated August 1, 2008. The Respondent assumes all risks, liabilities, losses and profits associated with these risk management services. Northern entered into specific risk management transactions that settled on behalf of the Respondent totaling \$0.2 million and \$0.7 million for the three-month periods ended September 30, 2011 and 2010, respectively, and \$0.5 million and \$1.9 million for the nine-month periods ended September 30, 2011 and 2010, respectively.

The Respondent provided gas transportation and other services to PacifiCorp, an indirect subsidiary of MEHC, of \$0.9 million for each of the three-month periods ended September 30, 2011 and 2010 and \$2.5 million for each of the nine-month periods ended September 30, 2011 and 2010. PacifiCorp provides certain administrative and management services, including information technology, legislative and financial, to the Respondent. Expenses incurred by PacifiCorp and billed to the Respondent are based on the individual services and expense items provided and were \$0.1 million and \$0.2 million for the three-month periods ended September 30, 2011 and 2010, respectively, and \$0.1 million and \$0.4 million for the nine-month periods ended September 30, 2011 and 2010, respectively. As of September 30, 2011 and December 31, 2010, the Respondent had net accounts receivable from PacifiCorp for intercompany transactions totaling \$0.3 million.

For the three-month periods ended September 30, 2011 and 2010, the Respondent received a contribution from its partners of \$35.0 million and \$- million, respectively. For the nine-month periods ended September 30, 2011 and 2010, the Respondent distributed to its partners \$- million and \$15.0 million, respectively, and received a contribution from its partners of \$35.0 million and \$45.0 million, respectively.

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion				
Line No.	Item (a)	Total Company For the Current Quarter/Year		
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	2,356,573,997		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	91,146,150		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	2,447,720,147		
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	297,313,737		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	2,745,033,884		
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	900,474,127		
15	Net Utility Plant (Total of lines 13 and 14)	1,844,559,757		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	868,034,388		
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights			
20	Amortization of Underground Storage Land and Land Rights			
21	Amortization of Other Utility Plant	32,439,739		
22	TOTAL In Service (Total of lines 18 thru 21)	900,474,127		
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	TOTAL Leased to Others (Total of lines 24 and 25)			
27	Held for Future Use			
28	Depreciation			
29	Amortization			
30	TOTAL Held for Future Use (Total of lines 28 and 29)			
31	Abandonment of Leases (Natural Gas)			
32	Amortization of Plant Acquisition Adjustment			
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	900,474,127		

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
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Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)				
Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3		2,356,573,997		
4				
5				
6		91,146,150		
7				
8		2,447,720,147		
9				
10				
11		297,313,737		
12				
13		2,745,033,884		
14		900,474,127		
15		1,844,559,757		
16				
17				
18		868,034,388		
19				
20				
21		32,439,739		
22		900,474,127		
23				
24				
25				
26				
27				
28				
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30				
31				
32				
33		900,474,127		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q3
FOOTNOTE DATA			

Schedule Page: 200 Line No.: 14 Column: d

In the third quarter of 2011, the Respondent reversed \$3,666,798 of accumulated depreciation taken on its recoverable line pack to be consistent with its 2007 settlement with the Internal Revenue Service under section 7121 of the Internal Revenue Code. In that settlement, it was agreed that 82% of the Respondent's line pack was recoverable and therefore should not be depreciated. Because of the Respondent's levelized rate making, the reversal of depreciation did not affect the Respondent's net income for the period. Instead, the adjustment resulted in a reduction to the Respondent's regulatory asset for the accumulated difference between book and levelized depreciation.

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
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Gas Plant in Service and Accumulated Provision for Depreciation by Function			
1. Report below the original cost of plant in service by function. In addition to Account 101, include Account 102, and Account 106. Report in column (b) the original cost of plant in service and in column(c) the accumulated provision for depreciation and amortization by function.			
Line No.	Item	Plant in Service Balance at End of Quarter	Accumulated Depreciation And Amortization Balance at End of Quarter
	(a)	(b)	(c)
1	Intangible Plant	82,583,706	32,439,739
2	Productions-Manufactured Gas		
3	Production and Gathering-Natural Gas		
4	Products Extraction-Natural Gas		
5	Underground Gas Storage		
6	Other Storage Plant		
7	Base Load LNG Terminaling and Processing Plant		
8	Transmission	2,355,308,567	864,246,993
9	Distribution		
10	General	9,827,874	3,787,395
11	TOTAL (total of lines 1 thru 10)	2,447,720,147	900,474,127

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q3
FOOTNOTE DATA			

Schedule Page: 210 Line No.: 8 Column: c

In the third quarter of 2011, the Respondent reversed \$3,666,798 of accumulated depreciation taken on its recoverable line pack to be consistent with its 2007 settlement with the Internal Revenue Service under section 7121 of the Internal Revenue Code. In that settlement, it was agreed that 82% of the Respondent's line pack was recoverable and therefore should not be depreciated. Because of the Respondent's levelized rate making, the reversal of depreciation did not affect the Respondent's net income for the period. Instead, the adjustment resulted in a reduction to the Respondent's regulatory asset for the accumulated difference between book and levelized depreciation.

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
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Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Levelized Depreciation	68,694,061		407.3	7,421,502		61,272,559
2							
3							
4	Income taxes related to Equity AFUDC	26,089,700	2,135,400	407.3	355,000		27,870,100
5	(Amortization period - based upon levelized depr. rates in effect)						
6							
7	Federal tax rate change	208,350		407.3	9,375		198,975
8	(Amortization Period - 23 years)						
9							
10	Muddy Creek compressor station restage	547,650		407.3	24,225		523,425
11	(Amortization period - 15 years)						
12							
13	Fillmore compressor station restage	103,300		407.3	4,500		98,800
14	(Amortization Period - 15 years)						
15							
16	Deferred regulatory expense amortization	2,249,938	58,359	928	158,572		2,149,725
17	(Amortization Period - 5 years)						
18							
19	Deferred FERC Annual Charge	385,881	1,535,548	928	385,881		1,535,548
20	(12 month amortization ending September 2011)						
21							
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39							
40	Total	98,278,880	3,729,307		8,359,055	0	93,649,132

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q3
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 1 Column: a

Regulatory Authorization

<u>Line No.</u>	<u>Description</u>	<u>Regulatory Citation</u>
1	Levelized Depreciation:	
	Original System Certificate	CP89-2048
	2002 Expansion Certificate	CP01-31
		CP01-106
	2003 Expansion Certificate	CP01-422
	2010 Expansion Certificate	CP08-429
	Apex Expansion	CP10-14
4	Income Taxes related to Equity AFUDC	RP04-274
7	Federal Tax Rate Change	RP92-226
10	Muddy Creek Compressor Station Restage	CP01-106
13	Fillmore Compressor Station Restage	CP01-106
16	Deferred Regulatory Expense Amortization	RP04-274
19	Deferred FERC Annual Charge	18 CFR SEC 154.402

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
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Other Regulatory Liabilities (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Office lease accrual	1,097,869	931	11,435			1,086,434
2	(Amortization period through end of lease term)						
3	Employee benefits - pension	608,536				164	608,700
4							
5							
6	Employee benefits - OPEB	1,129,932	128	12,062		100,520	1,218,390
7							
8							
9	PBOP obligation	144,459					144,459
10							
11							
12	Levelized Depreciation	65,015,850				4,771,760	69,787,610
13							
14							
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44							
45	Total	67,996,646		23,497	0	4,872,444	72,845,593

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q3
FOOTNOTE DATA			

Schedule Page: 278 Line No.: 1 Column: a

Regulatory Authorization

<u>Line No.</u>	<u>Description</u>	<u>Regulatory Citation</u>
1	Office Lease Accrual	RP04-274
3	Employee Benefits - Pension	A107-1-00 and Order 710
6	Employee Benefits - OPEB	A107-1-00 and Order 710
9	PBOP Obligation	RP99-274
12	Levelized Depreciation:	
	Original System Certificate	CP89-2048
	2002 Expansion Certificate	CP01-31
		CP01-106
	2003 Expansion Certificate	CP01-422
	2010 Expansion Certificate	CP08-429

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
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Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
1	Total Sales (480-488)				46,137	46,137
2	Transportation of Gas for Others (489.2 and 489..3)					
3	KRF-1 Firm Mainline	62,447,851		118,651	28,067,770	28,186,421
4	KRI-1 Interruptible Mainline	8,239,256		15,655	1,806,541	1,822,196
5	KRFL-1 Firm High Desert	1,880,137		3,572	355,995	359,567
6	KRIL-1 Interruptible High Desert					
7						
8						
9						
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Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)						
Line No.	Item	Month 1 Quantity	Month 1 Revenue Costs and Take-or-Pay	Month 1 Revenue (GRI & ACA)	Month 1 Revenue (Other)	Month 1 Revenue (Total)
	(a)	(b)	(c)	(d)	(e)	(f)
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	72,567,244		137,878	30,230,306	30,368,184
64	Storage (489.4)					
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89						
90	Total Storage					
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible					
94	Total Gathering (489.1)					
95	Additional Revenues					
96	Products Sales and Extraction (490-492)					
97	Rents (493-494)					
98	Other Gas Revenues (495)				184,136	184,136
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				184,136	184,136
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	72,567,244		137,878	30,460,579	30,598,457

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
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Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1				46,137	46,137				46,137	46,137
2										
3	63,209,852		120,098	27,850,904	27,971,002	60,057,264		114,109	26,989,444	27,103,553
4	7,925,718		15,059	1,405,222	1,420,281	8,929,713		16,966	2,049,819	2,066,785
5	2,109,779		4,009	355,995	360,004	2,362,609		4,489	343,023	347,512
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Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63	73,245,349		139,166	29,612,121	29,751,287	71,349,586		135,564	29,382,286	29,517,850
64										
65										
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97										
98				181,843	181,843				182,637	182,637
99										
100				181,843	181,843				182,637	182,637
101	73,245,349		139,166	29,840,101	29,979,267	71,349,586		135,564	29,611,060	29,746,624

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
Natural Gas Company- Gas Revenues and Dekatherms				
1. Report below in columns (b), (d) and (f) natural gas operating revenues for each prescribed account year to date				
2. In column (f) report the quantity of Dekatherms sold of natural gas year to date.				
Line No.	Title of Account (a)	Total Operating Revenues Year to Date Current Qtr (b)	Dekatherms of Natural Gas Year to Date Current Qtr (c)	
1	(480) Residential Sales			
2	(481) Commercial and Industrial Sales			
3	(482) Other Sales to Public Authorities			
4	(483) Sales for Resale			
5	(484) Interdepartmental Sales			
6	Total Sales (Lines 1 to 5)			
7	485 Intracompany Transfers			
8	487 Forfeited Discounts			
9	488 Miscellaneous Service Revenues	415,233		
10	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities			
11	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities	266,492,688	611,727,517	
12	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities			
13	489.4 Revenues from Storing Gas of Others			
14	490 Sales of Prod. Ext. from Natural Gas			
15	491 Revenues from Natural Gas Proc. by Others			
16	492 Incidental Gasoline and Oil Sales			
17	493 Rent from Gas Property			
18	494 Interdepartmental Rents			
19	495 Other Gas Revenues	1,635,542		
20	Subtotal:	268,543,463		
21	496 (Less) Provision for Rate Refunds	176,602		
22	TOTAL	268,366,861		

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
Gas Production and Other Gas Supply Expenses					
Report the amount of gas production and other gas supply expenses year to date					
Line No.	Account (a)	Year to Date (b)			
1	Production Expenses				
2	Manufactured Gas Production				
3	Total Manufactured Gas Production (700-742)				
4	Natural Gas Production and Gathering				
5	(750-760) Operation				
6	(761-769) Maintenance				
7	Total Natural Gas Production and Gathering (lines 5 and 6)				
8	Production Extraction				
9	(770-783) Operation				
10	(784-791) Maintenance				
11	Total Production Extraction (lines 9 and 10)				
12	(795-798) Exploration and Development Expenses				
13	Other Gas Supply Expenses				
14	Operation				
15	(800) Natural Gas Well Head Purchases				
16	(800.1) Natural Gas Well Head Purchases, Intra company Transfers				
17	(801) Natural Gas Field Line Purchases				
18	(802) Natural Gasoline Plant Outlet Purchases				
19	(803) Natural Gas Transmission Line Purchases				
20	(804) Natural Gas City Gate Purchases				
21	(804.1) Liquefied Natural Gas Purchases				
22	(805) Other Gas Purchases	(912,758)			
23	(805.1) (Less) Purchase Gas Cost Adjustments				
24	Total Purchased Gas (lines 15 through 23)	(912,758)			
25	(806) Exchange Gas	912,758			
26	Purchased Gas Expenses				
27	(807.1) Well Expense - Purchased Gas				
28	(807.2) Operation of Purchased Gas Measuring Stations				
29	(807.3) Maintenance of Purchased Gas Measuring Stations				
30	(807.4) Purchased Gas Calculations Expenses				
31	(807.5) Other Purchased Gas Expenses				
32	Total Purchased Gas Expenses (lines 27 thru 31)				
33	(808.1) Gas Withdrawn from Storage-Debit				
34	(808.2) (Less) Gas Delivered to Storage - Credit				
35	(809.1) Withdrawals of Liquefied Natural Gas for Processing - Debit				
36	(809.2) (Less) Deliveries of Natural Gas Processing - Credit				
37	Gas Used in Utility Operation - Credit				
38	(810) Gas Used for Compressor Station Fuel - Credit	36,773,813			
39	(811) Gas Used for Products Extraction - Credit				
40	(812) Gas Used for Other Utility Operations - Credit				
41	Total Gas Used in Utility Operations - Credit (Lines 38 thru 40)	36,773,813			
42	(813) Other Gas Supply Expense				
43	Total Other Gas Supply Expenses (Lines 24, 25, 32, 33, thru 36, 42, less 41)	(36,773,813)			
44	Total Production Expenses (Lines 3,7,11,12, and 43)	(36,773,813)			

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
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Natural Gas Storage, Terminating, Processing Services

Report the amount of natural gas storage, terminaling, processing, transmission and distribution expenses year to date.

Line No.	Account (a)	Year to Date Quarter (b)	
1	NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
2	UNDERGROUND STORAGE EXPENSES		
3	(814-826) Operations		
4	(830-837) Maintenance		
5	Total Underground Storage Expenses (Lines 3 and 4)		
6	OTHER STORAGE EXPENSES		
7	(840-842.3) Operations		
8	(843.1-843.9) Maintenance		
9	Total Other Storage Expenses (lines 7 and 8)		
10	LIQUEFIED NATURAL GAS TERMINALING AND PROCESSING		
11	(844.1-846.2) Operations		
12	(847.1-847.8) Maintenance		
13	Total Liquefied Natural Gas Terminating and Processing (Lines 11 and 12)		
14	TRANSMISSION EXPENSES		
15	Transmission Operation Expenses		
16	(850) Operation Supervision and Engineering	5,140,161	
17	(851) System Control and Load Dispatching	1,327,489	
18	(852) Communication System Expenses	126,457	
19	(853) Compressor Station Labor and Expenses	1,405,798	
20	(854) Gas for Compressor Station Fuel	36,773,813	
21	(855) Other Fuel and Power for Compressor Stations	328,924	
22	(856) Mains Expenses	688,546	
23	(857) Measuring and Regulating Station Expenses	790,084	
24	(858) Transmission and Compression of Gas by Others		
25	(859) Other Expenses	725	
26	(860) Rents		
27	Total Transmission Operation Expenses (Lines 16 through 26)	46,581,997	
28	Transmission Maintenance Expenses		
29	(861) Maintenance Supervision and Engineering	242,741	
30	(862) Maintenance of Structures and Improvements		
31	(863) Maintenance of Mains	213,952	
32	(864) Maintenance of Compressor Station Equipment	1,870,281	
33	(865) Maintenance of Measuring and Regulating Equipment	58,732	
34	(866) Maintenance of Communication Equipment	130	
35	(867) Maintenance of Other Equipment	27,791	
36	Total Transmission Maintenance Expenses (Lines 29 through 35)	2,413,627	
37	Total Transmission Expenses (lines 27 and 36)	48,995,624	
38	DISTRIBUTION EXPENSES		
39	(870-881) Operation Expenses		
40	(885-894) Maintenance		
41	Total Distribution Expenses (Lines 39 and 40)		
42	Total (lines 5,9,13,37 and 41)	48,995,624	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q3
FOOTNOTE DATA			

Schedule Page: 339 Line No.: 1 Column: d

Amortization expense for intangible plant includes a prior period adjustment of \$1,079,634 on certain over-amortized vintage software groups. The Respondent's tariff rates are based on a levelized cost of service; therefore, the credit adjustment for intangible plant amortization was offset in the related regulatory asset for levelized depreciation and amortization.

Schedule Page: 339 Line No.: 9 Column: b

In the third quarter of 2011, the Respondent reversed \$3,666,798 of accumulated depreciation taken on its recoverable line pack to be consistent with its 2007 settlement with the Internal Revenue Service under section 7121 of the Internal Revenue Code. In that settlement, it was agreed that 82% of the Respondent's line pack was recoverable and therefore should not be depreciated. Because of the Respondent's levelized rate making, the reversal of depreciation did not affect the Respondent's net income for the period. Instead, the adjustment resulted in a reduction in the Respondent's regulatory asset for the accumulated difference between book and levelized depreciation.

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
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Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.

2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.

4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.

5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.

6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.

7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.

8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.

9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.

10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01 Name of System: Kern River Gas Transmissioin Mainline and Common Facility				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)			
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	601,771,900	210,794,097
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328	38,896	142,713
10	Gas Received as Imbalances (Account 806)	328	(44,069)	15,556
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)			
13	Gas Received from Shippers as Compressor Station Fuel		10,827,038	4,017,116
14	Gas Received from Shippers as Lost and Unaccounted for		(575,464)	285,798
15	Other Receipts (Specify) (footnote details)		(86,143)	(188,989)
16	Total Receipts (Total of lines 3 thru 15)		611,932,158	215,066,291
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)			
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305	601,771,900	210,794,097
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328	(467,173)	101,275
25	Gas Delivered as Imbalances (Account 806)	328	(1,061,447)	(34,720)
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)			
28	Gas Used for Compressor Station Fuel	509	10,900,327	3,907,401
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		611,143,607	214,768,053
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		788,551	298,238
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		611,932,158	215,066,291

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
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Gas Account - Natural Gas (continued)				
Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01 Name of System: High Desert Lateral				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)			
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	9,999,685	6,352,525
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328	(117,035)	(27,657)
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)			
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for		(1,518)	
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		9,881,132	6,324,868
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)			
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305	9,999,685	6,352,525
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328	(124,980)	(34,138)
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)			
28	Gas Used for Compressor Station Fuel	509		
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		9,874,705	6,318,387
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		6,427	6,481
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		9,881,132	6,324,868

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q3
FOOTNOTE DATA			

Schedule Page: 520 Line No.: 9 Column: c

Exchanged gas received from others represents operational balancing agreement imbalances which are the difference between actual receipts and scheduled receipts.

Schedule Page: 520 Line No.: 10 Column: c

Gas received as imbalances represents transportation imbalances which are the difference between scheduled deliveries and net scheduled receipts.

Schedule Page: 520 Line No.: 15 Column: c

Other Deliveries and Gas Used for Other Operations is represented by the following (all amounts in decatherms):

Item	Year to date	Quarter to date
	Mainline and Common Facility	Mainline and Common Facility
Apex linepack purchase	170,760	-
Apex compressor fuel usage	(193,748)	(178,512)
Apex Expansion blow down	(63,155)	(10,477)
	<u>(86,143)</u>	<u>(188,989)</u>

Schedule Page: 520 Line No.: 24 Column: c

Exchange gas delivered to others represents operational balancing agreement imbalances which are the difference between actual deliveries and scheduled deliveries.

Schedule Page: 520 Line No.: 25 Column: c

Gas delivered as imbalances represents transportation imbalances which are the difference between actual deliveries and scheduled deliveries.

Schedule Page: 520 Line No.: 32 Column: c

Gas losses and gas unaccounted for represents the following (year to date amounts in decatherms):

Item	Mainline and Common Facility	High Desert Lateral	Total
Transmission system losses	761,059	8,706	769,765
Change in linepack	27,492	(2,279)	25,213
Total	<u>788,551</u>	<u>6,427</u>	<u>794,978</u>

Gas losses and gas unaccounted for represents the following (quarter to date amounts in decatherms):

Item	Mainline and Common Facility	High Desert Lateral	Total
Transmission system losses (Reported on line 24, page 521)	329,921	10,535	340,456
Change in linepack	(31,683)	(4,054)	(35,737)
Total	<u>298,238</u>	<u>6,481</u>	<u>304,719</u>

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
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Shipper Supplied Gas for the Current Quarter

- Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
- On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
- On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
- Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
- Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
- On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
- On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
- On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
- On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
- Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering			1,308,595	1,308,595
3	Production/Extraction/Processing				
4	Transmission				
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas			1,308,595	1,308,595
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering			1,328,332	1,328,332
10	Production/Extraction/Processing				
11	Transmission				
12	Distribution				
13	Storage				
14	Total gas used in compressors			1,328,332	1,328,332
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations				
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering			74,890	74,890
25	Production/Extraction/Processing				
26	Transmission				
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For			74,890	74,890

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
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Shipper Supplied Gas for the Current Quarter (continued)					
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Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
31	NET EXCESS OR (DEFICIENCY)				
32	Gathering			(94,627)	(94,627)
33	Production/Extraction				
34	Transmission				
35	Distribution				
36	Storage				
37	Total Net Excess Or (Deficiency)			(94,627)	(94,627)
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas				
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas			94,627	94,627
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency			94,627	94,627

SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT	
66	Forwardhaul Volume in Dths for the Quarter
67	Backhaul Volume in Dths for the Quarter
68	TOTAL (Lines 66 and 67)

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
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Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering			1,486,798	1,486,798
3	Production/Extraction/Processing				
4	Transmission				
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas			1,486,798	1,486,798
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering			1,297,121	1,297,121
10	Production/Extraction/Processing				
11	Transmission				
12	Distribution				
13	Storage				
14	Total gas used in compressors			1,297,121	1,297,121
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations				
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering			134,964	134,964
25	Production/Extraction/Processing				
26	Transmission				
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For			134,964	134,964

Shipper Supplied Gas for the Current Quarter (continued)					
Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
31	NET EXCESS OR (DEFICIENCY)				
32	Gathering			54,713	54,713
33	Production/Extraction				
34	Transmission				
35	Distribution				
36	Storage				
37	Total Net Excess Or (Deficiency)			54,713	54,713
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances			54,713	54,713
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas			54,713	54,713
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency				

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
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Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering			1,507,521	1,507,521
3	Production/Extraction/Processing				
4	Transmission				
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas			1,507,521	1,507,521
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering			1,281,948	1,281,948
10	Production/Extraction/Processing				
11	Transmission				
12	Distribution				
13	Storage				
14	Total gas used in compressors			1,281,948	1,281,948
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations				
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering			130,602	130,602
25	Production/Extraction/Processing				
26	Transmission				
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For			130,602	130,602

Shipper Supplied Gas for the Current Quarter (continued)					
Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
31	NET EXCESS OR (DEFICIENCY)				
32	Gathering			94,971	94,971
33	Production/Extraction				
34	Transmission				
35	Distribution				
36	Storage				
37	Total Net Excess Or (Deficiency)			94,971	94,971
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas			94,971	94,971
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas			94,971	94,971
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency				

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q3</u>
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Shipper Supplied Gas for the Current Quarter (continued)										

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
1										
2			5,195,122	5,195,122					see footnote	see footnote
3										
4										
5										
6										
7			5,195,122	5,195,122						
8										
9			5,273,478	5,273,478					854	810
10										
11										
12										
13										
14			5,273,478	5,273,478						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24			297,313	297,313						
25										
26										
27										
28										
29										
30			297,313	297,313						

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
31										
32			(375,669)	(375,669)						
33										
34										
35										
36										
37			(375,669)	(375,669)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53			375,669	375,669						
54										
55										
56										
57										
58										
59										
60										
61										
62										
63										
64										
65			375,669	375,669						

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q3
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
1										
2			6,051,268	6,051,268					see footnote	see footnote
3										
4										
5										
6										
7			6,051,268	6,051,268						
8										
9			5,279,282	5,279,282					854	810
10										
11										
12										
13										
14			5,279,282	5,279,282						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24			549,303	549,303						
25										
26										
27										
28										
29										
30			549,303	549,303						

Shipper Supplied Gas for the Current Quarter (continued)										
Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
31										
32			222,683	222,683						
33										
34										
35										
36										
37			222,683	222,683						
38										
39										
40										
41			222,683	222,683						
42										
43										
44										
45										
46										
47										
48										
49										
50										
51			222,683	222,683						
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63										
64										
65										

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
1										
2			5,607,978	5,607,978					see footnote	see footnote
3										
4										
5										
6										
7			5,607,978	5,607,978						
8										
9			4,768,847	4,768,847					854	810
10										
11										
12										
13										
14			4,768,847	4,768,847						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24			485,839	485,839						
25										
26										
27										
28										
29										
30			485,839	485,839						

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q3
FOOTNOTE DATA			

Schedule Page: 521 Line No.: 2 Column: n

The Respondent accounts for gas used in compressors by debiting account 854 and crediting account 810. The amount is calculated by multiplying the Dth quantity by the Kern River Wyoming index rate published in Platts Gas Daily Price Guide at the first of every month. The Respondent does not account for shipper supplied gas, gas lost and unaccounted for, disposition of excess gas and gas acquired to meet deficiency on its general ledger. The Respondent uses a fuel tracker and a lost and unaccounted for tracker, which are maintained outside of the general ledger, to adjust its fuel and loss rates each month. The Respondent files an annual report with FERC as required by its Gas Tariff that supports the fuel and lost and unaccounted for gas factors used in the previous calendar year.

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