

THIS FILING IS

Item 1: ☒ An Initial (Original)
Submission

OR ☐ Resubmission No. _____

Form 2 Approved
OMB No.1902-0028
(Expires 10/31/2014)

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/Q4

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/Q4</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 S 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)			

ANNUAL 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 04/17/2012

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 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/Q4
List of Schedules (Natural Gas Company) (continued)					
Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)	
38	Unamortized Loss and Gain on Recquired Debt	260		NA	
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261			
40	Taxes Accrued, Prepaid, and Charged During Year	262-263			
41	Miscellaneous Current and Accrued Liabilities	268			
42	Other Deferred Credits	269			
43	Accumulated Deferred Income Taxes-Other Property	274-275			
44	Accumulated Deferred Income Taxes-Other	276-277			
45	Other Regulatory Liabilities	278			
	INCOME ACCOUNT SUPPORTING SCHEDULES				
46	Monthly Quantity & Revenue Data by Rate Schedule	299			
47	Gas Operating Revenues	300-301			
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		NA	
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305			
50	Revenues from Storage Gas of Others	306-307		NA	
51	Other Gas Revenues	308			
52	Discounted Rate Services and Negotiated Rate Services	313			
53	Gas Operation and Maintenance Expenses	317-325			
54	Exchange and Imbalance Transactions	328			
55	Gas Used in Utility Operations	331			
56	Transmission and Compression of Gas by Others	332		NA	
57	Other Gas Supply Expenses	334		NA	
58	Miscellaneous General Expenses-Gas	335			
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338			
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340			
	COMMON SECTION				
61	Regulatory Commission Expenses	350-351			
62	Employee Pensions and Benefits (Account 926)	352			
63	Distribution of Salaries and Wages	354-355			
64	Charges for Outside Professional and Other Consultative Services	357			
65	Transactions with Associated (Affiliated) Companies	358			
	GAS PLANT STATISTICAL DATA				
66	Compressor Stations	508-509			
67	Gas Storage Projects	512-513		NA	
68	Transmission Lines	514			
69	Transmission System Peak Deliveries	518			
70	Auxiliary Peaking Facilities	519		NA	
71	Gas Account-Natural Gas	520			
72	Shipper Supplied Gas for the Current Quarter	521			
73	System Map	522			
74	Footnote Reference	551			
75	Footnote Text	552			
76	Stockholder's Reports (check appropriate box)				
	<input type="checkbox"/> Four copies will be submitted <input checked="" type="checkbox"/> No annual report to stockholders is prepared				

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/Q4</u>
General Information			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>Mary Hausman, Controller</p> <p>1111 South 103rd Street, Omaha, NE 68124 2755 East Cottonwood Parkway Suite 300, Cottonwood, UT 84121</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p>Not incorporated Texas general partnership 05-29-85</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>N/A</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>During 2011, the respondent was engaged in the transportation of natural gas for major producers, municipalities, local distribution companies, cogeneration and natural gas marketers through a natural gas transmission system which extends from the overthrust area of southwest Wyoming, through the states of Utah and Nevada, to points of termination in Kern County near Bakersfield, California.</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes... Enter the date when such independent accountant was initially engaged: (2) <input checked="" type="checkbox"/> No</p>			

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/Q4
FOOTNOTE DATA			

Schedule Page: 102 Line No.: 4 Column: a

KR Acquisition 1, LLC is a wholly-owned subsidiary of KR Holding, LLC. KR Holding, LLC is a Delaware limited liability company and a wholly-owned subsidiary of MidAmerican Energy Holdings Company. MidAmerican Energy Holdings Company, an Iowa corporation, is located at 666 Grand Avenue, Des Moines, IA, 50309-2580.

Schedule Page: 102 Line No.: 5 Column: a

KR Acquisition 2, LLC is a wholly-owned subsidiary of KR Holding, LLC. KR Holding, LLC is a Delaware limited liability company and a wholly-owned subsidiary of MidAmerican Energy Holdings Company. MidAmerican Energy Holdings Company, an Iowa corporation, is located at 666 Grand Avenue, Des Moines, IA, 50309-2580.

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/Q4
FOOTNOTE DATA			

Schedule Page: 107 Line No.: 7 Column: e
 KR Acquisition 1, LLC and KR Acquisition 2, LLC each own a fifty percent (50%) general partnership interest in Kern River Gas Transmission Company.

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/Q4
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.

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
- State the estimated annual effect and nature of any important wage scale changes during the year.
- 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.
- 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.
- 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.
- Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
- 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.

- None
- None
- None
- None
- On September 16, 2010, the Federal Energy Regulatory Commission issued an order in Docket No. CP10-14-000 authorizing the Respondent to construct and operate facilities to expand the summer design capacity of its pipeline system by 266,000 dekatherms per day ("Apex Expansion") from receipt points in Wyoming to delivery points in the Las Vegas, Nevada area. The Respondent commenced construction of the facilities on October 4, 2010, and the Apex Expansion project was placed in service on October 1, 2011. Beginning on October 1, 2011, the Apex Expansion capacity was sold under a twenty year firm contract with one shipper that will generate annual demand revenue of approximately \$40 million.
- None
- None
- None
- For the status of material important legal proceedings, see Note 9 included in the Notes to Financial Statements on page 122.

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/Q4
Important Changes During the Quarter/Year			

10. None

11. None

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/Q4
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	2,749,393,310	2,418,392,512	
3	Construction Work in Progress (107)	200-201	13,659,977	146,591,211	
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	2,763,053,287	2,564,983,723	
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		910,117,587	856,935,002	
6	Net Utility Plant (Total of line 4 less 5)		1,852,935,700	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)		1,852,935,700	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)		22,801,653	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)		22,801,653	11,858,066	
31	CURRENT AND ACCRUED ASSETS				
32	Cash (131)		23,657,946	0	
33	Special Deposits (132-134)		6,514,426	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)		33,467,567	31,203,058	
38	Other Accounts Receivable (143)		481,073	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)		331,746	432,099	
42	Fuel Stock (151)		0	0	
43	Fuel Stock Expenses Undistributed (152)		0	0	

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/Q4
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Comparative Balance Sheet (Assets and Other Debits)(continued)

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)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		9,900,034	8,012,852
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground-Current (164.1)	220	0	0
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	753,965	1,333,296
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		1,555,054	1,903,180
60	Derivative Instrument Assets (175)		0	0
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
62	Derivative Instrument Assets - Hedges (176)		53,644	35,140
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		76,715,455	59,648,057
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		10,328,987	13,472,107
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	98,311,723	105,802,259
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		331,277	0
72	Clearing Accounts (184)		0	0
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	60,358	88,339
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		0	0
78	Accumulated Deferred Income Taxes (190)	234-235	131,544,055	27,487,000
79	Unrecovered Purchased Gas Costs (191)		0	0
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		240,576,400	146,849,705
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		2,193,029,208	1,926,404,549

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/Q4
FOOTNOTE DATA			

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

<u>Description</u>	As of Dec. 31, <u>2011</u>	As of Dec. 31, <u>2010</u>
Other Special Deposits - Cash and Cash Equivalents- Funds Held for Retainage	\$ 6,440,592	\$ 1,641,828
Other Special Deposits - Restricted Cash - Customer Deposits	73,834	499,801
Total	\$ <u>6,514,426</u>	\$ <u>2,141,629</u>

Schedule Page: 110 Line No.: 74 Column: d

The Respondent reclassified its 2010 balance for a negative liability of deferred compressor station electric surcharges (account 253) of \$22,056 to an asset in deferred debits (account 186) to conform to current year presentation.

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/Q4
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)		1,101,481	0	
36	CURRENT AND ACCRUED LIABILITIES				
37	Current Portion of Long-Term Debt		87,843,149	81,085,991	
38	Notes Payable (231)		0	0	
39	Accounts Payable (232)		8,147,494	6,233,738	
40	Notes Payable to Associated Companies (233)		0	0	
41	Accounts Payable to Associated Companies (234)		1,370,848	736,387	
42	Customer Deposits (235)		22,554,101	9,473,547	
43	Taxes Accrued (236)	262-263	8,023,700	5,403,908	
44	Interest Accrued (237)		4,256,049	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)		155,354	112,607	
49	Miscellaneous Current and Accrued Liabilities (242)	268	9,189,589	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)		141,540,284	108,663,487	
56	DEFERRED CREDITS				
57	Customer Advances for Construction (252)		1,347,118	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	119	0	
61	Other Regulatory Liabilities (254)	278	82,969,612	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)		448,300,432	326,325,919	
65	Accumulated Deferred Income Taxes - Other (283)		22,227,000	24,438,000	
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		554,844,281	404,339,064	
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		2,193,029,208	1,926,404,549	

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/Q4
FOOTNOTE DATA			

Schedule Page: 112 Line No.: 42 Column: d

The Respondent reclassified its 2010 balance for customer security deposits (account 253) to customer deposits (account 235) of \$8,975,584 to conform to current year presentation.

Schedule Page: 112 Line No.: 60 Column: d

The Respondent reclassified its 2010 balance for a negative liability of deferred Daggett compressor station electric surcharges (account 253) of \$22,056 to an asset in deferred debits (account 186) to conform to current year presentation.

The Respondent reclassified its 2010 balance for customer security deposits (account 253) to customer deposits (account 235) of \$8,975,584 to conform to current year presentation.

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/Q4</u>
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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	364,869,095	357,322,140	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	32,532,096	32,060,815	0	0
5	Maintenance Expenses (402)	317-325	1,020,069	999,964	0	0
6	Depreciation Expense (403)	336-338	68,061,918	68,621,030	0	0
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	1,815,288	1,791,522	0	0
9	Amortization of Utility Plant Acu. 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)		51,180,691	62,176,290	0	0
13	(Less) Regulatory Credits (407.4)		11,808,619	23,774,000	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	15,663,905	16,463,204	0	0
15	Income Taxes-Federal (409.1)	262-263	43,956,400	28,160,629	0	0
16	Income Taxes-Other (409.1)	262-263	6,417,954	3,979,385	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	128,018,513	39,904,069	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	115,427,132	14,988,000	0	0
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)		221,431,083	215,394,908	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		143,438,012	141,927,232	0	0

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/Q4</u>	
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)		143,438,012	141,927,232	0	0	
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)		14,438	20,140	0	0	
38	Allowance for Other Funds Used During Construction (419.1)		8,639,627	3,324,776	0	0	
39	Miscellaneous Nonoperating Income (421)		2,311	75,353	0	0	
40	Gain on Disposition of Property (421.1)		0	0	0	0	
41	TOTAL Other Income (Total of lines 31 thru 40)		8,656,376	3,420,269	0	0	
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	66,100	48,354	0	0	
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)		52,181	0	0	0	
49	Other Deductions (426.5)		6,903	(1,500)	0	0	
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	125,184	46,854	0	0	
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	(18,000)	16,000	0	0	
54	Income Taxes-Other (409.2)	262-263	(2,000)	2,000	0	0	
55	Provision for Deferred Income Taxes (410.2)	234-235	3,298,000	1,261,000	0	0	
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	22,000	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)		3,256,000	1,279,000	0	0	
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		5,275,192	2,094,415	0	0	
61	INTEREST CHARGES						
62	Interest on Long-Term Debt (427)		41,654,980	46,038,356	0	0	
63	Amortization of Debt Disc. and Expense (428)	258-259	3,143,120	3,461,198	0	0	
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	954,910	1,135,783	0	0	
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		5,255,458	2,765,982	0	0	
70	Net Interest Charges (Total of lines 62 thru 69)		40,497,552	47,869,355	0	0	
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		108,215,652	96,152,292	0	0	
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)		108,215,652	96,152,292	0	0	

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/Q4
FOOTNOTE DATA			

Schedule Page: 114 Line No.: 6 Column: d

The Respondent reclassified its 2010 balance for amortization of certain intangible property of \$1,363,906 from depreciation expense (account 403) to amortization and depletion of utility plant (account 404.3) to conform to current year presentation.

Schedule Page: 114 Line No.: 8 Column: d

The Respondent reclassified its 2010 balance for amortization of certain intangible property of \$1,363,906 from depreciation expense (account 403) to amortization and depletion of utility plant (account 404.3) to conform to current year presentation.

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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/Q4
FOOTNOTE DATA			

Schedule Page: 117 Line No.: 5 Column: g

The \$22,140 pertains to natural gas commodity swaps.

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

The \$33,644 pertains to natural gas commodity swaps.

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/Q4
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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)		108,215,652	96,152,292
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)		(26,223,740)	(134,439,392)
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		(26,223,740)	(134,439,392)
21	UNAPPROPRIATED UNDISTRIBUTED 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			

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/Q4
FOOTNOTE DATA			

Schedule Page: 118 Line No.: 12 Column: d

Distributions to Partners

April 30, 2010	\$	13,000,000
June 1, 2010		
		2,000,000
Total	\$	15,000,000

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/Q4
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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)	108,215,652	96,152,292
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	69,877,206	70,412,552
5	Amortization of (Specify) (footnote details)	49,963,262	41,863,488
6	Deferred Income Taxes (Net)	15,867,381	26,177,069
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	(942,500)	1,122,018
9	Net (Increase) Decrease in Inventory	(1,095,305)	(93,979)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	2,109,517	(1,548,063)
12	Net (Increase) Decrease in Other Regulatory Assets	(7,341,760)	(3,360,697)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(45,741)	1,935,183
14	(Less) Allowance for Other Funds Used During Construction	8,639,627	3,324,776
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other (footnote details):	(1,013,579)	(46,412,045)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	226,954,506	182,923,042
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(227,380,447)	(156,546,762)
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	(8,639,627)	3,324,776
27	Other: (footnote)	26,036,080	(1,069,258)
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(192,704,740)	(160,940,796)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		4,227,223
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)		

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/Q4</u>
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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)	(192,704,740)	(156,713,573)
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 (footnote details):		
57	Net Increase in Short-term Debt (c)		
58	Other		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)		
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(74,328,833)	(78,668,001)
63	Preferred Stock		
64	Common Stock		
65	Other: Contributions from Partners	55,000,000	55,000,000
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)	(19,328,833)	(38,668,001)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	14,920,933	(12,458,532)
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	30,098,538	15,177,605

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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	\$ 46,820,142	\$ 38,402,290
Amortization of Debt Discount and Expense	3,143,120	3,461,198
Total	\$ 49,963,262	\$ 41,863,488

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

<u>Description</u>	<u>2011</u>	<u>2010</u>
VEBA Contributions	\$ (458,383)	\$ (458,383)
Prepays and Other Assets	(571,071)	(611,911)
Customer Security and Other Deposits, Net*	(500,484)	(4,223)
Accumulated Provision for Rate Refunds	516,359	(45,337,528)
Total	\$ (1,013,579)	\$ (46,412,045)

*Customer security and other deposits, net of \$500,484 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.

Schedule Page: 120 Line No.: 27 Column: b

<u>Description</u>	<u>2011</u>	<u>2010</u>
Net Increase (Decrease) in Payables and Accrued Expenses	\$ 13,361,661	\$ (1,069,258)
Salvage Proceeds, net of removal costs	12,674,419	-
Total	\$ 26,036,080	\$ (1,069,258)

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This amount includes salvage proceeds.

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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) Organization and Operations

Kern River Gas Transmission Company (the "Respondent") is an indirect wholly owned subsidiary of MidAmerican Energy Holdings Company ("MEHC"), a holding company based in Des Moines, Iowa, that owns subsidiaries principally engaged in the energy business. 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. 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-inch 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, and ownership may increase or decrease pursuant to the capital contributions made by each respective joint owner. The Respondent has exclusive rights to 1,613,392 Dth per day of the common facilities' capacity, and Mojave has exclusive rights to 414,001 Dth per day of capacity.

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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. 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 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 provide the Company with an opportunity to recover its costs of providing services and earn a reasonable return on its investments. The Company also owns Kern River Funding Corporation ("Funding") which is an entity organized to issue and make payments on debt securities for the Company.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The 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 Financial Statements contain certain differences from general purpose financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), including the recognition of income taxes and certain regulatory assets for levelized depreciation and financial statement classifications such as deferred income taxes, income tax expense and accumulated negative salvage.

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

The presentation of customer deposits, deferred debits, other deferred credits, depreciation and amortization and depletion of utility plant in the prior year Financial Statements has been reclassified to conform to the current year presentation, which follows FERC accounting regulations. Such reclassifications did not impact previously reported net income, retained deficit, or net cash flows from operating activities. The Respondent has evaluated subsequent events through April 17, 2012, which is the date the Financial Statements were available to be issued.

Use of Estimates in Preparation of Financial Statements

The preparation of the Financial Statements in conformity with 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. These estimates include, but are not limited to, the effects of regulation; income taxes; long-lived asset recovery; and accounting for contingencies. Actual results may differ from the estimates used in preparing the Financial Statements.

Accounting for the Effects of Certain Types of Regulation

The Respondent prepares its Financial Statements in accordance with authoritative guidance for regulated operations, which recognizes the economic effects of regulation. Accordingly, the Respondent is required to defer the recognition of certain costs or income if it is probable that, through the ratemaking process, there will be a corresponding increase or decrease in future regulated rates.

The Respondent's rates for transportation service are derived on the basis of a levelized cost-of-service. In the FERC orders certificating the Respondent's original system and subsequent expansions, the FERC approved depreciation expense schedules designed to maintain a constant total cost-of-service over the initial contract terms ("Period One"). Rather than recovering plant costs through the depreciation allowance in rates on a straight-line basis, the Respondent's annual depreciation recovery in rates increases as the return on equity, interest expense and income taxes decrease, to obtain a constant or level cost-of-service. Because application of a straight-line depreciation rate to the Respondent's plant investment would result in substantial depreciation expense in the Respondent's early years of service, the effect of levelization has been to transfer some portion of the Respondent's cost recovery from the early years to the later years of the customers' initial contract terms. The cumulative difference between the composite or

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straight-line method described above and the plant cost recovered through levelized depreciation is recorded as a regulatory asset or liability pending recovery or return in future years. Refer to Note 4 of Notes to Financial Statements for additional information regarding regulatory matters and the Respondent's levelized rates.

The Respondent continually evaluates the applicability of the guidance for regulated operations and whether its regulatory assets and liabilities are probable of inclusion in future regulated rates by considering factors such as a change in the regulator's approach to setting regulated rates from cost-based ratemaking to another form of regulation, other regulatory actions or the impact of competition which could limit the Respondent's ability to recover its costs. Based upon this continuous evaluation, the Respondent believes the application of the guidance for regulated operations is appropriate and its existing regulatory assets and liabilities are probable of inclusion in future regulated rates. The evaluation reflects the current political and regulatory climate at the federal level and is subject to change in the future. If it becomes no longer probable that the deferred costs or income will be included in future regulated rates, the related regulatory assets and liabilities will be written-off to net income or returned to customers.

Cash Equivalents and Restricted Cash

Cash equivalents consist of funds invested in money market funds and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted amounts are included in miscellaneous current and accrued assets and other property and investments on the Balance Sheets.

Allowance for Doubtful Accounts

Receivables are stated at the outstanding principal amount, net of estimated allowances for doubtful accounts. The allowance for doubtful accounts is based on the Respondent's assessment of the collectability of amounts owed to the Respondent by its customers. This assessment requires judgment regarding the ability of customers to pay or the outcome of any pending disputes. As of December 31, 2011 and 2010, there was no significant allowance for doubtful accounts.

Transportation Imbalances

Shippers schedule their volumes into the Respondent's system with subsequent deliveries to various markets. Imbalance receivables from and payables to shippers are created when receipts to the system from shippers vary from deliveries off the system, including quantities retained by the pipeline for fuel. Receipts and deliveries from third parties in connection with balancing and other natural gas service contracts also result in imbalances. Temporary encroachments on line pack due to transportation imbalances are valued at current market prices and recorded as miscellaneous current and accrued assets and liabilities on the Balance Sheets with offsetting entries to operation and maintenance on the Statements of Income. Settlement of imbalances occurs in accordance with the contractual terms of the agreements and timing of delivery of natural gas based on operational conditions. *Plant Materials and Supplies*

Plant materials and supplies consist mainly of replacement parts used in the periodic overhaul of gas compressor units and materials for construction, operation and maintenance and are stated at average cost, except for compressor engines which are stated at historical cost.

Utility Plant, Net

General

Additions to utility plant are recorded at cost. The Respondent capitalizes all construction related material, direct labor and contract services, as well as indirect construction costs, which include debt and equity allowance for funds used during construction ("AFUDC") on rate base assets. The cost of additions and betterments are capitalized, while costs incurred that do not improve or extend the useful lives of the related assets are generally expensed.

Depreciation and amortization are generally computed by applying the composite or straight-line method based on either estimated useful lives or mandated recovery periods as prescribed by the FERC. Under the composite method when utility plant is retired, the

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original cost of the property retired is charged to accumulated depreciation and amortization, net of salvage and removal costs. For general plant, the original cost of the property retired is charged to accumulated depreciation and amortization at the end of the depreciable lives of the asset vintages with the exception of software, vehicles and large equipment, which are retired individually. Retirement gains or losses are not included in income except in the case of sales of operating units.

The Respondent capitalizes AFUDC, which represents the estimated costs of debt and equity funds necessary to finance the construction of regulated facilities, as a component of utility plant, with offsetting credits to the Statements of Income. AFUDC is computed based on guidelines set forth by the FERC. After construction is completed, the Respondent is permitted to earn a return on these costs as a component of the related assets, as well as recover these costs through depreciation expense over the useful lives of the related assets.

Line Pack Gas

Line pack gas is accounted for utilizing the fixed asset accounting method as prescribed by the FERC. Under this approach, line pack gas volumes are classified as utility plant, net and valued at cost.

Asset Retirement Obligations

The Respondent recognizes asset retirement obligations ("ARO") when it has a legal obligation to remove or abandon-in-place an asset upon retirement. The Respondent's AROs are primarily related to the retirement of long-lived assets that result from the acquisition, construction, development or normal use of assets. The fair value of an ARO liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made, and is added to the carrying amount of the associated asset, which is then depreciated over the remaining useful life of the asset. The Respondent has concluded that it is legally obligated to remove, or abandon-in-place, its pipeline and related equipment upon the final retirement of the pipeline. While interim removal or abandonment-in-place and replacement of such equipment is probable, the final retirement dates of these assets are not determinable, and therefore, the liabilities for their removal cannot be reasonably estimated.

Negative Salvage

Negative salvage is removal cost after salvage proceeds at the time the asset is removed from service. The Respondent recognizes a negative salvage reserve in accumulated depreciation and amortization and as of December 31, 2011 and 2010 the balance of this reserve was \$19.2 million and \$16.4 million, respectively. The negative salvage amount, which is 0.12% of transmission plant and is reflected in depreciation expense on the Statements of Income, was \$2.8 million and \$2.7 million for the years ended December 31, 2011 and 2010, respectively.

Impairment

The Respondent evaluates long-lived assets for impairment, including utility plant, when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable or the assets are being held for sale. Upon the occurrence of a triggering event, the asset is reviewed to assess whether the estimated undiscounted cash flows expected from the use of the asset plus the residual value from the ultimate disposal exceeds the carrying value of the asset. If the carrying value exceeds the estimated recoverable amounts, the asset is written down to the estimated fair value. The impacts of regulation are considered when evaluating the carrying value of regulated assets. For all other assets, any resulting impairment loss is reflected on the Statements of Income. There were no impairments for the years ended December 31, 2011 and 2010.

Revenue Recognition

Revenue from customers is recognized as natural gas is delivered or services are provided. The majority of the Respondent's transportation revenue is derived from fixed reservation charges based on contractual quantities and regulated rates. The remaining revenue is market-oriented, which is based on market-indexed, discounted or negotiated rates, and commodity charges. The rates are applied to scheduled quantities. Differences between scheduled quantities and actual measured quantities are reflected in revenue during the following month and are not material.

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The Respondent is subject to FERC regulations and, accordingly, certain revenue collected may be subject to refund upon final FERC orders in pending regulated rate proceedings. The Respondent may record revenue that is subject to refund based on its best estimates of the final outcomes of such proceedings and other third party regulatory proceedings, advice of counsel and estimated total exposure, as well as collection and other risks. Estimates of any refunds are included as provision for rate refunds on the Balance Sheets.

Unamortized Financing Costs

Financing costs incurred for the issuance of long-term debt are included as a component of approved rates and are amortized over the term of the related financing based on the percentage of debt principal retired each year, as prescribed by the FERC. The unamortized balance of debt issuance costs as of December 31, 2011 and 2010 was \$10.3 million and \$13.5 million, respectively, and is included in deferred debits on the Balance Sheets.

Income Taxes

Berkshire Hathaway includes MEHC and its subsidiaries in its United States federal income tax return. Consistent with established regulatory practice, the Respondent's provision for income taxes has been computed on a separate return basis, and substantially all of its respective currently payable or receivable income taxes are remitted to or received from MEHC.

Deferred income tax assets and liabilities are based on differences between the financial statement and income tax basis of assets and liabilities by shipper group using estimated income tax rates expected to be in effect for the year in which the differences are expected to reverse. Changes in deferred income tax assets and liabilities that are associated with the components of other comprehensive income are charged or credited directly to other comprehensive income. Other changes in deferred income tax assets and liabilities are included as a component of income tax expense. Valuation allowances are established for certain deferred income tax assets where realization is not likely.

In determining the Respondent's income taxes, management is required to interpret complex income tax laws and regulations. The Respondent's income tax returns are subject to continuous examinations by federal, state and local income tax authorities that may give rise to different interpretations of these complex laws and regulations. Due to the nature of the examination process, it generally takes years before these examinations are completed and these matters are resolved. The Respondent recognizes the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the Financial Statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Although the ultimate resolution of the Respondent's federal, state and local income tax examinations is uncertain, the Respondent believes it has made adequate provisions for these income tax positions. The aggregate amount of any additional income tax liabilities that may result from these examinations, if any, is not expected to have a material adverse impact on the Respondent's financial results. The Respondent's unrecognized tax benefits are included in income taxes payable on the Balance Sheets. Estimated interest and penalties, if any, related to uncertain tax positions are included as other interest expense and penalties, respectively, on the Statements of Income.

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 December 2011, the FASB issued ASU No. 2011-12, which also amends FASB ASC Topic 220 to defer indefinitely the ASU No. 2011-05 requirement to present items on the face of the financial statements that are reclassified from other comprehensive income to net income. ASU No. 2011-12 is also

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effective for reporting periods ending after December 15, 2012.

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 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) Utility Plant, Net

Utility plant, net consists of the following as of December 31 (in thousands):

	Depreciation Rates	2011	2010
Transmission plant – Original and 2002 Expansion ("Rolled-in") system ⁽¹⁾	1.95%	\$1,065,815	\$1,064,232
Transmission plant – 2003 and 2010 Expansion ("Incremental") system ⁽¹⁾	3.00%	1,209,944	1,210,086
Transmission plant – Apex Expansion system ⁽¹⁾	3.00%	295,745	-
Transmission plant – other	4.76% to 6.67%	32,922	32,431
Compressor engines	9.92%	108,333	81,748
Intangible plant ⁽²⁾	1.95% to 20.00%	26,417	20,554
General plant	4.00% to 33.33%	<u>10,217</u>	<u>9,342</u>
Total operating assets		2,749,393	2,418,393
Accumulated depreciation and amortization		<u>(910,117)</u>	<u>(856,935)</u>
Net operating assets		1,839,276	1,561,458
Construction work-in-progress		<u>13,660</u>	<u>146,591</u>
Utility plant, net		<u>\$1,852,936</u>	<u>\$1,708,049</u>

(1) Includes recoverable line pack gas of \$3.6 million, \$7.3 million and \$0.3 million for the Rolled-in, Incremental and Apex Expansion systems, respectively, as of December 31, 2011 and \$3.6 million, \$7.3 million and \$- million for the Rolled-in, Incremental and Apex Expansion systems, respectively, as of December 31, 2010. Recoverable line pack gas is not depreciated.

(2) Includes costs for capitalized software development, contributions in aid of construction and leasehold improvements.

The Respondent had gross costs for capitalized right of use or right of way of \$60.9 million and \$60.8 million and accumulated amortization of \$24.8 million and \$22.9 million as of December 31, 2011 and 2010, respectively, which is reflected in utility plant, net on the Balance Sheets. Capitalized right of use or right of way costs are amortized at rates ranging from 1.95% to 6.67%.

For the years ended December 31, 2011 and 2010, depreciation expense of \$68.1 million and \$68.7 million, respectively, and amortization expense of \$1.8 million and \$1.8 million, respectively, were included in depreciation and amortization on the Statements of Income. The Respondent expects amortization expense to be \$2.4 million for 2012, \$2.4 million for 2013, \$2.1 million for 2014, \$1.5 million for 2015 and \$1.5 million for 2016.

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(4) Regulatory Matters

Regulatory assets represent costs that are expected to be recovered in future regulated rates. The Respondent's regulatory assets reflected on the Balance Sheets consist of the following as of December 31 (in thousands):

	Weighted Average Remaining Life	2011	2010
Levelized depreciation on utility plant ⁽¹⁾	28 years	\$ 64,993	\$ 77,445
Deferred income taxes associated with equity AFUDC	28 years	28,683	24,044
Other	Various	<u>4,636</u>	<u>4,313</u>
Total		<u>\$ 98,312</u>	<u>\$ 105,802</u>

(1) Levelized depreciation on utility plant is in a net asset position for the Rolled-in, Apex Expansion and High Desert systems.

The Respondent had regulatory assets not earning a return on investment of \$3.9 million and \$5.5 million as of December 31, 2011 and 2010, respectively.

Regulatory liabilities represent income to be recognized or amounts to be returned to customers in future periods. The Respondent's regulatory liabilities reflected on the Balance Sheets consists of the following as of December 31 (in thousands):

	Weighted Average Remaining Life	2011	2010
Levelized depreciation on utility plant ⁽¹⁾	28 years	\$ 81,024	\$ 49,560
Other	Various	<u>1,946</u>	<u>4,010</u>
Total		<u>\$ 82,970</u>	<u>\$ 53,570</u>

(1) Levelized depreciation on utility plant is in a net liability position for the Incremental system.

In December 2009, the FERC issued an order establishing revised rates for the period of the Respondent's current long-term contracts ("Period One rates") and required that rates be established based on a levelized rate design for eligible customers to elect 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 related to Period One rates from the FERC's December 2009 order and established that the Respondent is entitled to base its Period Two rates on a 100% equity capital structure. In January 2011, the Respondent filed a motion for clarification on certain depreciation issues with the FERC.

In July 2011, the FERC issued its order substantially adopting the presiding administrative law judge's initial decision issued in April 2011 regarding the Respondent's Period Two rates. According to the decisions, 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 a contract length of 10 or 15 years. The Respondent has a regulatory asset approved by the FERC associated with compressor engines and general plant replacements that can be recovered in a future rate case and was not incorporated into Period Two rates at this time. The Respondent, as well as others, requested rehearing and clarification of the FERC's July 2011 order on a majority of these issues. 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 filing. The FERC has not yet responded to the requests for rehearing and clarification of the July 2011 order.

(5) Fair Value Measurements

The carrying value of cash, certain cash equivalents, receivables, payables and accrued liabilities approximates fair value because of

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the short-term maturity of these instruments. 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 temporary cash investments 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 December 31, 2011 and 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.

The Respondent's long-term notes payable to subsidiary is carried at cost on the Balance Sheets. The fair value of the Respondent's long-term notes payable to subsidiary has been estimated based upon quoted market prices. The following table presents the carrying value and estimated fair value of the Respondent's long-term notes payable to subsidiary as of December 31 (in thousands):

	<u>2011</u>		<u>2010</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Long-term notes payable to subsidiary	<u>\$ 715,705</u>	<u>\$ 822,180</u>	<u>\$790,034</u>	<u>\$904,395</u>

(6) Long-Term Notes Payable to Subsidiary

The Respondent's long-term notes payable to subsidiary, which amortize monthly, consist of the following as of December 31 (dollars in thousands):

	<u>2011</u>	<u>2010</u>
6.676% Senior Notes, due 2016	\$ 257,333	\$ 283,000
4.893% Senior Notes, due 2018	<u>458,372</u>	<u>507,034</u>
Total long-term notes payable to subsidiary	715,705	790,034
Less-current portion	<u>(87,843)</u>	<u>(81,086)</u>
Long-term portion	<u>\$ 627,862</u>	<u>\$ 708,948</u>

The Respondent provides a debt service reserve letter of credit in amounts that approximate the next six months of principal and interest payments due on the loans, which were equal to \$62.0 million and \$64.4 million as of December 31, 2011 and 2010, respectively.

The annual repayments of the Respondent's long-term notes payable to subsidiary for the years beginning January 1, 2012 and thereafter are as follows (in thousands):

2012	\$ 87,843
2013	79,742
2014	81,414
2015	85,340
2016	190,340
Thereafter	<u>191,026</u>
Total	<u>\$ 715,705</u>

Both the 6.676% Senior Notes and the 4.893% Senior Notes are secured equally and ratably by a collateral assignment of the long-term gas transportation agreements of the Respondent.

The terms of Funding's debt indentures to which the Respondent is guarantor preclude the issuance of mortgage bonds by Funding and

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the Respondent. The indentures contain provisions for the acceleration of repayment under certain conditions. The indentures also contain restrictions which, under certain circumstances, limit Funding and the Respondent's ability to issue additional debt, pay cash distributions, and dispose of a major portion of the Respondent's natural gas pipeline system. As of December 31, 2011 and 2010, Funding is in compliance with all debt covenants.

(7) Employee Benefit Plans

The Respondent participates in multi-employer benefit plans sponsored by MidAmerican Energy Company ("MEC"), an indirect wholly owned subsidiary of MEHC. The MidAmerican Energy Company Retirement Plan provides pension benefits for eligible employees ("pension plan") and the MidAmerican Energy Company Welfare Benefit Plan provides certain postretirement health care and life insurance benefits for eligible retirees ("other postretirement plan") on behalf of the Respondent. Employees hired on or after January 1, 2008 for the pension plan or after June 30, 2004 for the other postretirement plan are not eligible to participate. Benefit obligations under the pension plan are based on a cash balance arrangement for salaried employees. Under the other postretirement plan, certain employees may become eligible for these benefits if they reach retirement age while working for the Respondent. Effective January 1, 2012, MEC changed the medical benefits for all Medicare-eligible participants in its other postretirement benefit plan. Medicare-eligible participants now enroll in individual medical plans, rather than company-sponsored plans, under which MEC contributes fixed amounts to the participant's health reimbursement account. Benefit obligations under the pension plan and other postretirement plans are determined for the Respondent's employees by an independent actuary.

Net Periodic Benefit Cost

For purposes of calculating the expected return on pension plan assets, a market-related value is used. The market-related value of plan assets is calculated by spreading the difference between expected and actual investment returns on equity investments over a five-year period beginning after the first year in which they occur.

Net periodic benefit cost for the plans of MEC and its participating affiliates included the following components for the years ended December 31 (in millions):

	Pension		Other Postretirement	
	2011	2010	2011	2010
Service cost	\$ 18	\$ 17	\$ 4	\$ 4
Interest cost	39	39	10	11
Expected return on plan assets	(43)	(40)	(13)	(13)
Net amortization	-	-	(2)	(2)
Net periodic benefit cost (benefit)	<u>\$ 14</u>	<u>\$ 16</u>	<u>\$ (1)</u>	<u>\$ -</u>

The Respondent's share of pension cost totaled \$0.7 million and \$0.8 million for the years ended December 31, 2011 and 2010, respectively. The Respondent's share of other postretirement cost totaled \$0.1 million for each of the years ended December 31, 2011 and 2010.

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Funded Status

The following table is a reconciliation of the fair value of plan assets for MEC and its participating affiliates for the years ended December 31 (in millions):

	Pension		Other Postretirement	
	2011	2010	2011	2010
Plan assets at fair value, beginning of year	\$ 546	\$ 497	\$ 216	\$ 204
Employer contributions	55	24	2	2
Participant contributions	-	-	7	8
Actual return on plan assets	-	62	4	20
Benefits paid	(46)	(37)	(16)	(18)
Plan assets at fair value, end of year	<u>\$ 555</u>	<u>\$ 546</u>	<u>\$ 213</u>	<u>\$ 216</u>

The Respondent's contributions to the pension plan and the other postretirement plan, including net periodic benefit cost, totaled \$1.1 million and \$1.3 million for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, the fair value of plan assets attributable to the Respondent in the pension plan was \$11.2 million and \$11.4 million, respectively, and the other postretirement plan was \$5.3 million and \$4.8 million, respectively. Amounts attributable to the Respondent were allocated from MEC to the Respondent in accordance with the intercompany administrative service agreement.

The following table is a reconciliation of the benefit obligations for MEC and its participating affiliates for the years ended December 31 (in millions):

	Pension		Other Postretirement	
	2011	2010	2011	2010
Benefit obligation, beginning of year	\$ 738	\$ 687	\$ 189	\$ 201
Service cost	18	17	4	4
Interest cost	39	39	10	11
Participant contributions	-	-	7	8
Plan amendments	-	-	(18)	(7)
Actuarial loss (gain)	50	32	22	(10)
Benefits paid, net of Medicare subsidy	(46)	(37)	(16)	(18)
Benefit obligation, end of year	<u>\$ 799</u>	<u>\$ 738</u>	<u>\$ 198</u>	<u>\$ 189</u>
Accumulated benefit obligation, end of year	<u>\$ 771</u>	<u>\$ 707</u>		

MEC paid benefits from the plans to the Respondent's participants totaling \$1.0 million and \$0.6 million for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, the benefit obligation attributable to the Respondent for the pension plan was \$11.8 million and \$10.8 million, respectively, and for the other postretirement plan was \$4.4 million and \$3.7 million, respectively.

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The funded status of the plans for MEC and its participating affiliates as of December 31 is as follows (in millions):

	Pension		Other Postretirement	
	2011	2010	2011	2010
Plan assets at fair value, end of year	\$ 555	\$ 546	\$ 213	\$ 216
Less - Benefit obligation, end of year	799	738	198	189
Funded status	<u>\$ (244)</u>	<u>\$ (192)</u>	<u>\$ 15</u>	<u>\$ 27</u>

As of December 31, 2011, the Respondent recorded an affiliate company payable included in accumulated provision for pensions and benefits relating to the under funded status of the pension plan and an affiliate company receivable included in other special funds relating to the over funded status of the other postretirement plan of \$0.6 million and \$0.9 million, respectively on the Balance Sheets. As of December 31, 2010, the Respondent recorded an affiliate company receivable included in other special funds relating to the over funded status of the pension and other postretirement plans of \$2.9 million on the Balance Sheets. Amounts attributable to the Respondent were allocated from MEC to the Respondent in accordance with the intercompany administrative service agreement. Offsetting regulatory assets and liabilities have been recorded related to the amounts not yet recognized as a component of net periodic benefit costs that will be included in regulated rates.

Unrecognized Amounts

The portion of the funded status of the plans for MEC and its participating affiliates not yet recognized in net periodic benefit cost as of December 31 is as follows (in millions):

	Pension		Other Postretirement	
	2011	2010	2011	2010
Net loss	\$ 111	\$ 18	\$ 48	\$ 21
Prior service cost (credit)	4	5	(58)	(43)
Curtailment gain	-	(1)	-	-
Total	<u>\$ 115</u>	<u>\$ 22</u>	<u>\$ (10)</u>	<u>\$ (22)</u>

A reconciliation of the amounts not yet recognized as components of net periodic benefit cost for MEC and its participating affiliates for the years ended December 31, 2011 and 2010 is as follows (in millions):

	Regulatory Asset	Regulatory Liability	Receivables (Payables) with Affiliates	Total
Pension				
Balance, December 31, 2009	\$ 10	\$ (9)	\$ 11	\$ 12
Net loss (gain) arising during the year	4	7	(1)	10
Net amortization	-	1	(1)	-
Total	4	8	(2)	10
Balance, December 31, 2010	14	(1)	9	22
Net loss arising during the year	85	1	7	93
Net amortization	-	-	-	-
Total	85	1	7	93
Balance, December 31, 2011	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 115</u>

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	Regulatory Asset	Regulatory Liability	Receivables (Payables) with Affiliates	Deferred Income Taxes	Total
Other Postretirement					
Balance, December 31, 2009	\$ 6	\$ -	\$ (13)	\$ 7	\$ -
Net gain arising during the year	(6)	(11)	-	-	(17)
Prior service credit arising during the year	-	(5)	(2)	-	(7)
Income tax benefits no longer realizable ⁽¹⁾	-	7	-	(7)	-
Net amortization	-	1	1	-	2
Total	(6)	(8)	(1)	(7)	(22)
Balance, December 31, 2010	-	(8)	(14)	-	(22)
Net loss arising during the year	16	8	5	-	29
Prior service credit arising during the year	(15)	-	(4)	-	(19)
Net amortization	1	-	1	-	2
Total	2	8	2	-	12
Balance, December 31, 2011	\$ 2	\$ -	\$ (12)	\$ -	\$ (10)

(1) Represents adjustments to regulatory assets associated with income tax benefits that will no longer be realized when the net periodic benefit cost is recognized as a result of the healthcare reform legislation.

The net loss and prior service cost (credit) for MEC and its participating affiliates that will be amortized in 2012 into net periodic benefit cost are estimated to be as follows (in millions):

	Net Loss	Prior Service Cost (Credit)	Total
Pension	\$ 3	\$ 1	\$ 4
Other postretirement	3	(6)	(3)
Total	\$ 6	\$ (5)	\$ 1

The net loss and prior service cost amounts expected to be recognized by the Respondent for the year ended December 31, 2012 for the pension plan and the other postretirement plan are a credit of \$0.1 million.

Plan Assumptions

Assumptions used to determine benefit obligations and net periodic benefit cost for MEC and its participating affiliates were as follows:

	Pension		Other Postretirement	
	2011	2010	2011	2010
Benefit obligations as of December 31:				
Discount rate	4.75%	5.50%	4.75%	5.50%
Rate of compensation increase	3.50%	3.50%	N/A	N/A
Net periodic benefit cost for the years ended December 31:				
Discount rate	5.50%	6.00%	5.50%	6.00%
Expected return on plan assets ⁽¹⁾	7.50%	7.50%	7.50%	7.50%
Rate of compensation increase	3.50%	3.00%	N/A	N/A

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- (1) Amounts reflected are pre-tax values. Assumed after-tax returns for a taxable, non-union other postretirement plan were 5.75% for 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Assumed healthcare cost trend rates as of December 31:		
Healthcare cost trend rate assumed for next year	7.40%	8.00%
Rate that the cost trend rate gradually declines to	5.00%	5.00%
Year that the rate reaches the rate it is assumed to remain at	2016	2016

In establishing MEC's assumption as to the expected return on plan assets, MEC utilizes the expected asset allocation and return assumptions for each asset class based on historical performance and forward-looking views of the financial markets.

A one percentage-point change in assumed healthcare cost trend rates would have the following effects for MEC and its participating affiliates (in millions):

	<u>One Percentage-Point</u>	
Increase (decrease) in:	<u>Increase</u>	<u>Decrease</u>
Total service and interest cost	\$ -	\$ -
Other postretirement benefit obligation	3	(2)

Contributions and Benefit Payments

MEC's contributions to its pension and other postretirement benefit plans are expected to be \$32 million and \$- million, respectively, during 2012. Funding to MEC's pension benefit plan trust is based upon the actuarially determined costs of the plan and the requirements of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006, as amended. MEC considers contributing additional amounts from time to time in order to achieve certain funding levels specified under the Pension Protection Act of 2006, as amended. MEC's funding policy for its other postretirement benefit plan is to contribute an amount equal to the net periodic benefit cost. The Respondent's contributions to the pension plan and the other postretirement plan are expected to be \$0.7 million and \$0.5 million, respectively, during 2012.

Net periodic benefit costs assigned to MEC affiliates are reimbursed currently in accordance with the intercompany administrative service agreement. The expected benefit payments to participants in MEC's pension and other postretirement benefit plans for 2012 through 2016 and for the five years thereafter are summarized below (in millions):

	<u>Projected Benefit Payments</u>	
	<u>Pension</u>	<u>Other Postretirement</u>
2012	\$ 52	\$ 14
2013	53	15
2014	56	16
2015	56	16
2016	59	17
2017-21	316	91

Plan Assets

Investment Policy and Asset Allocations

MEC's investment policy for its pension and other postretirement benefit plans is to balance risk and return through a diversified portfolio of debt securities, equity securities, and other alternative investments. Maturities for debt securities are managed to targets consistent with prudent risk tolerances. The plans retain outside investment advisors to manage plan investments within the parameters

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outlined by the MidAmerican Energy Pension and Employee Benefits Plans Administrative Committee. The investment portfolio is managed in line with the investment policy with sufficient liquidity to meet near-term benefit payments. The return on assets assumption for each plan is based on a weighted-average of the expected historical performance for the types of assets in which the plans invest.

The target allocations (percentage of plan assets) for MEC's pension and other postretirement benefit plan assets are as follows as of December 31, 2011:

	<u>Pension</u>	<u>Other Postretirement</u>
Debt securities ⁽¹⁾	20-30%	25-35%
Equity securities ⁽¹⁾	65-75%	60-80%
Real estate funds	0-10%	- %
Other	0-5%	0-5%

- (1) For purposes of target allocation percentages and consistent with the plans' investment policy, investment funds have been allocated based on the underlying investments in debt and equity securities.

Fair Value Measurements

A financial asset or liability classification within the three levels of the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that an entity has the ability to access at the measurement date.
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 – Unobservable inputs reflect an entity's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. An entity develops these inputs based on the best information available, including its own data.

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The following table presents the fair value of plan assets for MEC and its participating affiliates, by major category, for the defined benefit pension plan (in millions):

	Input Levels for Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
<u>As of December 31, 2011</u>				
Cash equivalents	\$ -	\$ 9	\$ -	\$ 9
Debt securities:				
United States government obligations	6	-	-	6
Corporate obligations	-	29	-	29
Municipal obligations	-	5	-	5
Agency, asset and mortgage-backed obligations	-	35	-	35
Equity securities:				
United States companies	115	-	-	115
Investment funds ⁽¹⁾	76	256	-	332
Real estate funds	<u>-</u>	<u>-</u>	<u>24</u>	<u>24</u>
 Total	 <u>\$ 197</u>	 <u>\$ 334</u>	 <u>\$ 24</u>	 <u>\$ 555</u>
 <u>As of December 31, 2010</u>				
Cash equivalents	\$ -	\$ 11	\$ -	\$ 11
Debt securities:				
United States government obligations	9	-	-	9
Corporate obligations	-	25	-	25
Municipal obligations	-	3	-	3
Agency, asset and mortgage-backed obligations	-	29	-	29
Equity securities:				
United States companies	123	-	-	123
Investment funds ⁽¹⁾	73	256	-	329
Real estate funds	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>
 Total	 <u>\$ 205</u>	 <u>\$ 324</u>	 <u>\$ 17</u>	 <u>\$ 546</u>

- (1) Investment funds are comprised of mutual funds and collective trust funds. These funds represent equity and debt securities of approximately 77% and 23%, respectively, for 2011 and 78% and 22%, respectively, for 2010. Additionally, these funds are invested in United States and international securities of approximately 79% and 21%, respectively, for 2011 and 76% and 24%, respectively, for 2010.

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The following table presents the fair value of plan assets for MEC and its participating affiliates, by major category, for the defined benefit other postretirement plans (in millions):

	<u>Input Levels for Fair Value Measurements</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>As of December 31, 2011</u>				
Cash equivalents	\$ 6	\$ -	\$ -	\$ 6
Debt securities:				
United States government obligations	6	-	-	6
Corporate obligations	-	7	-	7
Municipal obligations	-	30	-	30
Agency, asset and mortgage-backed obligations	-	12	-	12
Equity securities:				
United States companies	88	-	-	88
Investment funds ⁽¹⁾	<u>64</u>	<u>-</u>	<u>-</u>	<u>64</u>
Total	<u>\$ 164</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 213</u>
<u>As of December 31, 2010</u>				
Cash equivalents	\$ 6	\$ -	\$ -	\$ 6
Debt securities:				
United States government obligations	3	-	-	3
Corporate obligations	-	12	-	12
Municipal obligations	-	28	-	28
Agency, asset and mortgage-backed obligations	-	8	-	8
Equity securities:				
United States companies	85	-	-	85
Investment funds ⁽¹⁾	<u>74</u>	<u>-</u>	<u>-</u>	<u>74</u>
Total	<u>\$ 168</u>	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ 216</u>

- (1) Investment funds are comprised of mutual funds and collective trust funds. These funds represent equity and fixed maturity securities of approximately 83% and 17%, respectively, for 2011 and 81% and 19%, respectively, for 2010. Additionally, these funds are invested in United States and international securities of approximately 59% and 41%, respectively, for 2011 and 2010.

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When available, a readily observable quoted market price or net asset value of an identical security in an active market is used to record the fair value. In the absence of a quoted market price or net asset value of an identical security, the fair value is determined using pricing models or net asset values based on observable market inputs and quoted market prices of securities with similar characteristics. When observable market data is not available, the fair value is determined using unobservable inputs, such as estimated future cash flows, purchase multiples paid in other comparable third-party transactions or other information. The real estate funds determine fair value of their underlying assets using independent appraisals given there is no current liquid market for the underlying assets. The following table reconciles the beginning and ending balances of MEC's pension plan assets measured at fair value using significant Level 3 inputs for the years ended December 31 (in millions):

	Real Estate Funds	
	2011	2010
Beginning balance	\$ 17	\$ 15
Actual return on plan assets still held at period end	4	2
Purchases	3	-
Sales	-	-
Ending balance	<u>\$ 24</u>	<u>\$ 17</u>

MEC sponsors a defined contribution plan for MEC and its participating affiliates covering substantially all employees. MEC's contributions are based primarily on each participant's level of contribution and cannot exceed the maximum allowable for tax purposes. MEC's contributions to the plan were \$15 million for each of the years ended December 31, 2011 and 2010, respectively.

The Respondent participates in the MEC sponsored defined contribution plan and contributed \$0.5 million for each of the years ended December 31, 2011 and 2010.

(8) Income Taxes

Income tax expense consists of the following for the years ended December 31 (in thousands):

	2011	2010
Current:		
Federal	\$ 43,939	\$ 28,177
State	<u>6,416</u>	<u>3,981</u>
	<u>50,355</u>	<u>32,158</u>
Deferred:		
Federal	14,490	23,660
State	<u>1,377</u>	<u>2,517</u>
	<u>15,867</u>	<u>26,177</u>
Total	<u>\$ 66,222</u>	<u>\$ 58,335</u>

A reconciliation of the federal statutory income tax rate to the effective income tax rate applicable to income before income tax expense is as follows for the years ended December 31:

	2011	2010
Federal statutory income tax rate	35.0%	35.0%
State income tax, net of federal income tax benefit	3.0	2.9
Other, net	-	(0.1)
Effective income tax rate	<u>38.0%</u>	<u>37.8%</u>

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The net deferred income tax liability consists of the following as of December 31 (in thousands):

	<u>2011</u>	<u>2010</u>
Deferred income tax assets:		
Federal and state carryforwards	\$ 92,815	\$ -
Regulatory liabilities	31,629	20,328
Unamortized deferred debt costs	3,818	4,058
Contribution in aid of construction	2,461	2,732
Other	<u>821</u>	<u>369</u>
Total deferred income tax assets	<u>131,544</u>	<u>27,487</u>
Deferred income tax liabilities:		
Utility plant, net	(448,300)	(326,326)
Regulatory assets	(21,528)	(23,019)
Other	<u>(699)</u>	<u>(1,419)</u>
Total deferred income tax liabilities	<u>(470,527)</u>	<u>(350,764)</u>
Net deferred income tax liability	<u>\$ (338,983)</u>	<u>\$ (323,277)</u>

As of December 31, 2011, the Respondent has federal and state carryforwards for net operating losses totaling \$92.8 million, which expire between 2026 and 2031.

The United States Internal Revenue Service has closed examinations of MEHC's income tax returns through February 2006, including components related to the Respondent. In addition, state jurisdictions have closed examination of MEHC's income tax returns through at least February 9, 2006.

(9) 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 financial results.

Construction Commitments

The Respondent has future capital requirements for its ongoing construction program. The Respondent has approved plans to meet new market opportunities and system reliability objectives. Capital expenditure needs are reviewed regularly by management and may change significantly as a result of such reviews. Estimates may change significantly at any time as a result of, among other factors, changes in rules and regulations, including environmental; changes in income tax laws; general business conditions; load projections; system reliability standards; the cost and efficiency of construction labor, equipment, and materials; and the cost and availability of capital. The Respondent's firm construction commitments as of December 31, 2011 were \$36.1 million for the year ended December 31, 2012.

Operating Leases, Easements and Maintenance Contracts

The Respondent has non-cancelable operating leases primarily for computer equipment, office space and land. These leases generally require the Respondent to pay for insurance, taxes and maintenance applicable to the leased property. Certain leases contain renewal options for varying periods and escalation clauses for adjusting rent to reflect changes in price indices. The minimum payments under these leases as of December 31, 2011 were \$1.4 million, for each of the years 2012 through 2016 and \$3.7 million for the years thereafter. These amounts are not reflected on the Balance Sheets. For each of the years ended December 31, 2011 and 2010, rent expense on non-cancelable operating leases totaled \$1.1 million, and was included in operating expenses on the Statements of Income.

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The Respondent has a construction, operation and maintenance agreement with Mojave and Mojave Pipeline Operating Company, ("Mojave Pipeline Operating"). Mojave Pipeline Operating serves as operator and agent of the common facilities beginning at Daggett, California. The twenty year term of the construction, operation and maintenance agreement ended on February 15, 2012 and was amended. The amended term expires on December 31, 2013. The agreement automatically renews each year thereafter unless the Respondent or Mojave provides six months written notice of intent to terminate. Under the terms of this agreement, the Respondent and Mojave reimburse Mojave Pipeline Operating for their share of the pipeline expenses under a fixed arrangement. In the event that Mojave Pipeline Operating is unwilling or unable to serve as an operator following the expiration of this agreement, the Respondent believes that it or one of its affiliates could fulfill this role. The expected minimum payments under this agreement as of December 31, 2011 were \$2.2 million for 2012 and \$2.2 million for 2013.

(10) Credit Risk

The Respondent has a concentration of customers, which includes utilities, marketers and major oil and natural gas companies in California, Nevada and Utah. This concentration of customers may impact the Respondent's overall exposure to credit risk in that the customer base may be similarly affected by changes in economic, industry, weather or other conditions.

The following customers accounted for 10% or more of the Respondent's total revenues for the years ended December 31 and accounts receivable as of December 31:

	<u>Revenue</u>		<u>Accounts Receivable</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
NV Energy	14%	12%	17%	10%
Southwest Gas Corporation	6%	3%	12%	13%

As a general policy, collateral is not required for receivables from creditworthy customers. Customers' financial condition and creditworthiness are regularly evaluated, and historical losses have been minimal. In order to provide protection against credit risk, and as permitted by the terms of the Respondent's tariff, the Respondent has, among other alternatives, required customers that lack creditworthiness, as defined by the tariff, to provide letters of credit, cash security deposits or to establish separate legally restricted escrow funds to be held until these customers' creditworthiness can be demonstrated. As of December 31, 2011 and 2010, the Respondent has reflected escrow funds of \$0.1 million and \$- million, respectively, in special deposits and \$21.9 million and \$9.0 million, respectively, in other special funds. The Respondent also had offsetting cash security deposit and escrow fund obligations of \$22.0 million and \$9.0 million as of December 31, 2011 and 2010, respectively, in customer deposits on the Balance Sheets. Letters of credit, not reflected on the Balance Sheets, were \$127.8 million and \$137.1 million as of December 31, 2011 and 2010, respectively.

(11) 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 \$2.3 million and \$2.5 million for the years ended December 31, 2011 and 2010, respectively. Income tax transactions with MEHC resulted in net payments of \$47.2 million and \$39.3 million for the years ended December 31, 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 \$0.8 million and \$0.6 million for the years ended December 31, 2011 and 2010, respectively.

As of December 31, 2011 and 2010, the Respondent had net accounts payable to MEHC and certain subsidiaries for intercompany transactions totaling \$1.3 million and \$0.6 million, respectively, which is reflected in accounts payable on the Balance Sheets.

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 \$1.1 million and \$0.8 million for the years ended December 31, 2011 and 2010, respectively, for these services.

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/Q4
Notes to Financial Statements			

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 \$0.6 million and \$3.8 million for the years ended December 31, 2011 and 2010, respectively.

The Respondent provided natural gas transportation and other services to PacifiCorp, an indirect subsidiary of MEHC, of \$3.4 million and \$3.3 million for the years ended December 31, 2011 and 2010, respectively. PacifiCorp provided electricity and other services to the Respondent of \$0.6 million and \$0.5 million for the years ended December 31, 2011 and 2010, respectively. 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 \$0.2 million and \$- million for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, the Respondent had net accounts receivable from PacifiCorp for intercompany transactions totaling \$0.3 million, which is reflected in customer accounts receivable on the Balance Sheets.

For the years ended December 31, 2011 and 2010, the Respondent distributed to its partners \$- million and \$15.0 million, respectively, and received a contribution from its partners of \$55.0 million and \$55.0 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/Q4
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)	2,379,122,453		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	370,270,857		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	2,749,393,310		
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	13,659,977		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	2,763,053,287		
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	910,117,587		
15	Net Utility Plant (Total of lines 13 and 14)	1,852,935,700		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	878,643,559		
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	31,474,028		
22	TOTAL In Service (Total of lines 18 thru 21)	910,117,587		
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)	910,117,587		

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		2,379,122,453		
4				
5				
6		370,270,857		
7				
8		2,749,393,310		
9				
10				
11		13,659,977		
12				
13		2,763,053,287		
14		910,117,587		
15		1,852,935,700		
16				
17				
18		878,643,559		
19				
20				
21		31,474,028		
22		910,117,587		
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32				
33		910,117,587		

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/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d),

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	15,196,035	7,790,605
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	15,196,035	7,790,605
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

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/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)			
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary		
41	TOTAL Production Plant (Enter Total of lines 39 and 40)		
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land		
45	350.2 Rights-of-Way		
46	351 Structures and Improvements		
47	352 Wells		
48	352.1 Storage Leaseholds and Rights		
49	352.2 Reservoirs		
50	352.3 Non-recoverable Natural Gas		
51	353 Lines		
52	354 Compressor Station Equipment		
53	355 Other Equipment		
54	356 Purification Equipment		
55	357 Other Equipment		
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru		
58	Other Storage Plant		
59	360 Land and Land Rights		
60	361 Structures and Improvements		
61	362 Gas Holders		
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment		
65	363.3 Compressor Equipment		
66	363.4 Measuring and Regulating Equipment		
67	363.5 Other Equipment		
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)		
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment		
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminaling and		

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/Q4</u>
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,		
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights	3,156,651	
84	365.2 Rights-of-Way	60,849,983	98,301
85	366 Structures and Improvements	50,444,171	665,496
86	367 Mains	1,810,376,074	196,197,953
87	368 Compressor Station Equipment	398,220,973	160,115,358
88	369 Measuring and Regulating Station Equipment	56,323,338	(6,039,314)
89	370 Communication Equipment	9,017,757	(440,737)
90	371 Other Equipment	109,102	
91	372 Asset Retirement Costs for Transmission Plant		
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)	2,388,498,049	350,597,057
93	DISTRIBUTION PLAN		
94	374 Land and Land Rights		
95	375 Structures and Improvements		
96	376 Mains		
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General		
99	379 Measuring and Regulating Station Equipment-City Gate		
100	380 Services		
101	381 Meters		
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment		
106	386 Other Property on Customers' Premises		
107	387 Other Equipment		
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)		
110	GENERAL PLANT		
111	389 Land and Land Rights		
112	390 Structures and Improvements	669,352	24,311
113	391 Office Furniture and Equipment	8,084,051	462,518
114	392 Transportation Equipment	1,622,249	710,975
115	393 Stores Equipment		
116	394 Tools, Shop, and Garage Equipment	2,766,051	382,489
117	395 Laboratory Equipment		
118	396 Power Operated Equipment	535,680	97,150
119	397 Communication Equipment	962,165	242,668
120	398 Miscellaneous Equipment	58,880	3,908
121	Subtotal (Enter Total of lines 111 thru 120)	14,698,428	1,924,019
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	14,698,428	1,924,019
125	TOTAL (Accounts 101 and 106)	2,418,392,512	360,311,681
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	2,418,392,512	360,311,681

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/Q4</u>
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				
3				
4	1,663,688		5,094,222	26,417,174
5	1,663,688		5,094,222	26,417,174
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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/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)				
Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81				
82				
83				3,156,651
84				60,948,284
85	34,497		(8,935)	51,066,235
86	2,681,006		8,935	2,003,901,956
87	23,620,567			534,715,764
88				50,284,024
89				8,577,020
90				109,102
91				
92	26,336,070			2,712,759,036
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110				
111				
112			(669,352)	24,311
113	1,028,562		(4,424,870)	3,093,137
114	282,563			2,050,661
115				
116				3,148,540
117				
118				632,830
119				1,204,833
120				62,788
121	1,311,125		(5,094,222)	10,217,100
122				
123				
124	1,311,125		(5,094,222)	10,217,100
125	29,310,883			2,749,393,310
126				
127				
128				
129	29,310,883			2,749,393,310

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/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 88 Column: c

Negative addition of \$6,039,314 for Gas Plant Account 369 Measuring and Regulating Station Equipment reflects reversal of tentative classification of Account 106 Completed Construction Not Classified in the amount of \$8,231,479 that was transferred to other accounts. The Account 106 reversal was offset by Account 101 additions of \$2,102,047 and Account 106 tentative classification additions of \$90,118.

Schedule Page: 204 Line No.: 89 Column: c

Negative addition amount of \$440,737 for Gas Plant Account 370 Communication Equipment reflects reversal of tentative classification of Account 106 Completed Construction Not Classified that was transferred to Account 101 Gas Plant in Service and classified to other transmission gas plant accounts.

Schedule Page: 204 Line No.: 125 Column: c

Tentative Classification of Assets in Account 106 (Gas Plant in Service but Not Unitized)
(Only affected groups are reported)

Account 106

Page 204 Line	Account	Balance at 12/31/10	Net Additions	Balance at 12/31/11
82	TRANSMISSION PLANT			
84	365 Rights-of-Way	-	92,802	92,802
85	366 Structures & Improvements	234,063	(204,101)	29,962
86	367 Mains	27,366,480	179,201,340	206,567,820
87	368 Compressor Station Equip	39,022,792	124,260,594	163,283,386
88	369 Measuring & Regulating Equip	8,231,479	(8,141,361)	90,118
89	370 Communication Equip	594,613	(440,737)	153,876
92	TOTAL Transmission Plant	75,449,427	294,768,537	370,217,964
110	GENERAL PLANT			
112	390 Structures & Improvements	-	20,057	20,057
113	391 Office Furniture & Equip	322,526	(289,690)	32,836
124	TOTAL General Plant	322,526	(269,633)	52,893
129	TOTAL Gas Plant In Service	75,771,953	294,498,904	370,270,857

Gas Property and Capacity Leased from Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1				
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45	Total			

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/Q4
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<p align="center">Gas Property and Capacity Leased to Others</p> <p>1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.</p> <p>2. In column (d) provide the lease payments received from others.</p> <p>3. Designate associated companies with an asterisk in column (b).</p>
--

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1				
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45	Total			

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/Q4
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Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.

2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1				
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45	Total			

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/Q4
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<p align="center">Construction Work in Progress-Gas (Account 107)</p> <p>1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).</p> <p>3. Minor projects (less than \$1,000,000) may be grouped.</p>
--

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Dry Lake Compressor #2 Engine Replacement	4,798,076	62,938
2	Alternating Current Mitigation	3,967,132	15,839,576
3	MolyCorp Mountain Pass Lateral and Meter	3,591,950	15,996,362
4	Various Projects Under \$1,000,000	1,302,819	1,754,078
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45	Total	13,659,977	33,652,954

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/Q4
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Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.

2. In column b, list the CP Docket Number where the Commission authorized the facility.

3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)

4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.

5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)
1	2003 and 2010 Expansions	CP01-422	Incremental	1,280,611,393
2	High Desert	CP01-405	Incremental	29,891,616
3	Apex Expansion	CP10-14	Incremental	319,453,954
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	Total			1,629,956,963

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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/Q4
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Non-Traditional Rate Treatment Afforded New Projects (continued)							
6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility. 7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense). 8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility. 9. In column i, report the amount of depreciation expense accrued on the facility during the year. 10. In column j, list any other expenses(including taxes) allocated to the facility. 11. In column k, report the incremental revenues associated with the facility. 12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project. 13. Provide the total amounts for each column.							
Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1	282,957,979	209,041,000	15,922,894	1,722,095	69,017,979	8,103,156	212,998,260
2	11,798,375	6,350,000	241,530	4,754	1,027,585	192,320	4,747,100
3	2,692,722	16,115,000	226,809	7,167	(404,016)	19,431	20,067,184
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	297,449,076	231,506,000	16,391,233	1,734,016	69,641,548	8,314,907	237,812,544

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/Q4
FOOTNOTE DATA			

Schedule Page: 217 Line No.: 1 Column: b

The Commission authorized Respondent's 2003 Expansion in Docket No. CP01-422 and Respondent's 2010 Expansion in Docket No. CP08-429. The Commission's June 4, 2009 order in Docket No. CPO8-429 authorized rolled in rate treatment, allowing the 2010 Expansion to be rolled into the Respondent's incremental 2003 Expansion rates.

Schedule Page: 217 Line No.: 1 Column: e

Accumulated depreciation reported of \$282,957,979 reflects depreciation accrued on tangible plant in service of \$1,245,742,432 for Responent's 2003 and 2010 Expansions. In addition to accumulated depreciation, Respondent has recorded accumulated amortization in the amount of \$6,626,572 on intangible plant in service of \$34,868,961 for its 2003 and 2010 Expansions.

Schedule Page: 217 Line No.: 1 Column: i

Depreciation expense reported of \$69,017,979 reflects depreciation accrued on tangible plant in service of \$1,245,742,432 for Respondent's 2003 and 2010 Expansions. In addition to reported depreciation expense for tangible plant, Respondent has accrued amortization expense in the amount of \$896,938 on intangible plant in service of \$34,868,961 for its 2003 and 2010 Expansions.

Schedule Page: 217 Line No.: 2 Column: i

Reported depreciation expense of \$1,027,585 reflects depreciation accrued on tangible plant in service of \$27,407,102 for Respondent's High Desert Expansion. In addition to reported depreciation expense, Respondent has accrued amortization expense in the amount of \$118,263 on intangible plant in service of \$2,484,514 for its High Desert Expansion.

Schedule Page: 217 Line No.: 1 Column: d

Plant in service for Respondent's 2003 and 2010 Expansions includes tangible plant in the amount of \$1,245,742,432 and intangible plant in the amount of \$34,868,961 for total reported plant in service of \$1,280,611,393.

Schedule Page: 217 Line No.: 2 Column: d

Plant in service for Respondent's High Desert Expansion includes tangible plant of \$27,407,102 and intangible plant of \$2,484,514 for total reported plant in service of \$29,891,616.

Schedule Page: 217 Line No.: 2 Column: e

Accumulated depreciation reported of \$11,798,375 reflects depreciation accrued on tangible plant in service of \$27,407,102 for the High Desert Expansion. In addition to accumulated depreciation, Respondent has recorded accumulated amortization of \$1,090,772 on intangible plant in service of \$2,484,514 for the High Desert Expansion.

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/Q4
General Description of Construction Overhead Procedure			

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

(a) Engineering, supervision, general office salaries and expenses and supervision provided by others, related to the general oversight of capital construction projects are charged to an overhead work order.

(b) A study was conducted to determine which employees devote a portion of their time in support of construction activities. Based on this study a percentage of such employees' payroll and, based on Salt Lake City office personnel payroll charged to capital, a portion of Respondent's Salt Lake City office rent are charged each month to the overhead work order to be allocated to construction projects.

(c) The overhead costs are allocated to individual projects based on direct charges to each capital construction project excluding overhead and AFUDC.

(d) A minimum overhead rate has been established for non expansion construction projects to ensure that a representative share of construction overhead is charged to these smaller projects.

(e) Each month the total overhead charges for the month are divided by the total current month direct charges to construction projects excluding AFUDC and overhead charges to determine an overall overhead rate. If the overall overhead rate is less than the established minimum overhead rate for non-expansion projects, the minimum overhead rate is applied to the direct current month charges of the non-expansion project excluding overhead and AFUDC. The balance of unallocated construction overhead is allocated to expansion projects based on the rate determined by dividing the overhead balance by the direct charges to expansion projects for the month excluding overhead and AFUDC.

If the overall overhead rate is greater than the minimum overhead rate established for non-expansion projects, the overall overhead rate is applied to all direct charges for all construction projects regardless if the project is for expansion or non-expansion construction.

Overheads allocated to Compressor engine exchanges are allocated at the same rate as non-expansion projects, but are capped at \$15,000 because the purchase price of the engine is disproportional to the construction overhead required to change out the engine.

(f) Overhead is directly assigned to each work order based on current month charges excluding overheads and AFUDC.

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/Q4
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General Description of Construction Overhead Procedure (continued)			
<p>COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES</p> <p>1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.</p> <p>2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.</p> <p>3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.</p>			

1. Components of Formula (Derived from actual book balances and actual cost rates):				
Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S		
	(2) Short-Term Interest			s
	(3) Long-Term Debt	D 715,705,160	45.20	d 6.49
	(4) Preferred Stock	P		p
	(5) Common Equity	C 867,681,151	54.80	c 11.55
	(6) Total Capitalization	1,583,386,311	100.00	
	(7) Average Construction Work In Progress Balance	W 163,042,742		
2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))]			2.93	
3. Rate for Other Funds [1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]			6.33	
4. Weighted Average Rate Actually Used for the Year:				
a. Rate for Borrowed Funds -			3.41	
b. Rate for Other Funds -			5.44	

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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FOOTNOTE DATA			

Schedule Page: 218 Line No.: 5 Column: d

The 11.55% rate of return was established by the Commission on January 16, 2009 when it issued Opinion No. 486B in regard to Respondent's RP04-274 rate case proceedings.

Schedule Page: 218 Line No.: 6 Column: c

The capital structure of the Respondent was used in the computation of allowance for funds used during construction.

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/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 16 Column: c

Respondent transferred from Account 108 Accumulated Provision for Depreciation of Gas Utility Plant to Account 111 Accumulated Provision for Amortization of Gas Utility Plant the accumulated provision for depreciation of \$26,691,308 accrued on its transmission right of way, computer software and leasehold improvements that were reclassified from tangible to intangible plant. In addition, a credit adjustment of \$58,157 was made to offset the amount included in Line 3 Column (c) associated with the amortization of a regulatory asset for deferred depreciation expense for which the increase to Account 108 was previously recorded.

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/Q4
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Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.

2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.

3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of								
2	Gas Delivered to Storage								
3	Gas Withdrawn from								
4	Other Debits and Credits								
5	Balance at End of Year								
6	Dth								
7	Amount Per Dth								

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/Q4</u>
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Investments (Account 123, 124, and 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.

2. Provide a subheading for each account and list thereunder the information called for:

(a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.

(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Account 136.0 short-term money market investments		13,035,975	42,505,838
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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/Q4</u>
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Investments (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1	55,541,813			5,838	
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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/Q4</u>
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Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.

2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).

(a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.

(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.

3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Kern River Funding Corp.	03/15/1996		
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40	TOTAL Cost of Account 123.1 \$		TOTAL	

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/Q4
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Investments in Subsidiary Companies (Account 123.1) (continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
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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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FOOTNOTE DATA			

Schedule Page: 224 Line No.: 40 Column:

Kern River Funding Corporation is exclusively a financial intermediary whose limited purpose is to administer the long-term debt reflected on the Respondent's financial statements. For this reason, no investment has been recorded.

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/Q4</u>
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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	546,460
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	207,505
6	TOTAL	753,965

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/Q4
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<p>Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)</p> <p align="center">(continued)</p>
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<p>EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)</p>

Line No.	Description of Extraordinary Loss [include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7							
8							
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11							
12							
13							
14							
15	Total						

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)
(continued)

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
16							
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26	Total						

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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FOOTNOTE DATA			

Schedule Page: 230 Line No.: 5 Column: b

Miscellaneous prepayments include:

Software licenses & maintenance contracts	\$	65,935
Letter of credit fees		60,359
Rating agency fees		44,363
Platts subscription		36,848
Total	\$	<u>207,505</u>

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/Q4
FOOTNOTE DATA			

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

Line No.	Description	Regulatory Citation	Amortization Period
1	Levelized depreciation:		
	Original system certificate	CP89-2048	(1)
	2002 Expansion certificate	CP01-31,CP01-106	(1)
	Apex Expansion certificate	CP10-14	(1)
	High Desert Expansion certificate	CP01-405	(1)
	Big Horn Expansion certificate	CP03-159	(1)
3	Income taxes related to equity AFUDC	RP04-274	(1)
5	Federal tax rate change	RP92-226	Over 276 months through 12/2016
7	Muddy Creek compressor station restage	CP01-106	Over 180 months through 02/2017
9	Fillmore compressor station restage	CP01-106	Over 180 months through 02/2017
11	Deferred regulatory commission expense	RP04-274	Over 60 months through 12/2016
13	Defined benefit pension plan	A107-1-000	
15	Deferred FERC annual charge	18 CFR SEC 154.402	Over 12 months through 09/2012

(1) Based on levelized depreciation rates in effect

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than \$250,000) may be grouped by classes.

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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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FOOTNOTE DATA			

Schedule Page: 233 Line No.: 3 Column: e

The Respondent reclassified its 2010 balance for a negative liability of deferred Daggett compressor station electric surcharges (account 253) of \$22,056 to an asset in deferred debits (account 186) to conform to current year presentation.

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/Q4
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Accumulated Deferred Income Taxes (Account 190)
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1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions. 3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	27,487,000	807,000	104,189,000
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	27,487,000	807,000	104,189,000
6	Other (Specify) (footnote details)			7,132
7	TOTAL Account 190 (Total of lines 5 thru 6)	27,487,000	807,000	104,196,132
8	Classification of TOTAL			
9	Federal Income Tax	24,186,000	706,000	91,825,713
10	State Income Tax	3,301,000	101,000	12,370,419
11	Local Income Tax			

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/Q4</u>
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Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3					254, 282	642,000	131,511,000
4							
5						642,000	131,511,000
6					236	25,923	33,055
7						667,923	131,544,055
8							
9						586,764	115,892,477
10						81,159	15,651,578
11							

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/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 6 Column: k

FIN 48 Position

Schedule Page: 234 Line No.: 7 Column: k

The Respondent estimates that the following amounts of deferred income taxes in account 190 could be included in the development of jurisdictional recourse rates.

	12/31/2010	12/31/2011
Deferred income taxes related to:		
Long term debt costs	4,058,000	3,818,000
Regulatory liabilities	20,328,000	31,629,000
Miscellaneous accrued liabilities	155,000	271,000
Contribution in aid of construction	2,732,295	2,461,121
Net operating losses		92,815,000
	-	
Total	\$ 27,273,295	\$ 130,994,121

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/Q4
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Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange	Number of Shares Authorized by Charter	Par or Stated Value per Share	Call Price at End of Year
	(a)	(b)	(c)	(d)
1				
2				
3				
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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/Q4</u>
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<p align="center">Capital Stock (Accounts 201 and 204)</p> <p>4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.</p> <p>5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.</p> <p>6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.</p>
--

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
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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/Q4</u>
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Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Recieved on (Accts 202, 203, 205, 206, 207, and 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.

2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.

3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of year.

4. For Premium on Account 207, Capital Stock, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1				
2				
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40	Total		0	0

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/Q4
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Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	211 Paid-In Capital	893,871,247
2		
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40	Total	893,871,247

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/Q4
FOOTNOTE DATA			

Schedule Page: 253 Line No.: 1 Column: b

2011

	Capital Contributions
August 12, 2011	\$
	15,000,000
September 8, 2011	
	20,000,000
October 7, 2011	
	20,000,000
Total	\$
	55,000,000

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/Q4</u>
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DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)		
1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data. 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.		

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
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14		
TOTAL		

CAPITAL STOCK EXPENSE (ACCOUNT 214)		
1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above. 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.		

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16		
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28		
TOTAL		

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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/Q4
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

<p>1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.</p> <p>2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.</p> <p>3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.</p> <p>5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.</p>

During 2011, the Respondent made all the monthly scheduled principal and interest payments on its 6.676% Senior Notes, due 2016 as required by its indenture agreement. For 2011, principal payments were \$25,666,667 and interest payments were \$16,604,695.

During 2011, the Respondent made all the monthly scheduled principal and interest payments on its 4.893% Senior Notes, due 2018 as required by its indenture agreement. For 2011, principal payments were \$48,662,167 and interest payments were \$21,749,643.

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/Q4
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Long-Term Debt (Accounts 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	224 ACCOUNT DETAIL			
2	6.676% Senior Notes Due 2016	08/13/2001	07/31/2016	257,333,327
3	4.893% Senior Notes Due 2018	05/01/2003	04/30/2018	458,371,833
4				
5				
6				
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40	TOTAL			715,705,160

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/Q4</u>
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Long-Term Debt (Accounts 221, 222, 223, and 224)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.

7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)
1					
2	6.676	18,036,326			
3	4.893	23,618,654			
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40		41,654,980			

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/Q4
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.

2. Show premium amounts by enclosing the figures in parentheses.

3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	181 ACCOUNT DETAIL				
2	6.676% Senior Notes Due 2016	510,000,000	48,082,708	08/13/2001	07/31/2016
3	4.893% Senior Notes Due 2018	836,000,000	7,845,495	05/01/2003	04/30/2018
4					
5	181 Total	1,346,000,000	55,928,203		
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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/Q4
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<p align="center">Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)</p> <p>5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p> <p>6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.</p> <p>7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.</p>
--

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2	11,074,490		2,643,285	8,431,205
3	2,397,617		499,835	1,897,782
4				
5	13,472,107		3,143,120	10,328,987
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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/Q4
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Unamortized Loss and Gain on Reacquired Debt (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.

2. In column (c) show the principal amount of bonds or other long-term debt reacquired.

3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.

4. Show loss amounts by enclosing the figures in parentheses.

5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
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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/Q4
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Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	108,215,652
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Taxable Contribution in Aid of Construction	2,917,381
6	Capitalized Interest - Tax	8,855,302
7		
8	TOTAL	11,772,683
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal Income Taxes (Current and Deferred)	58,428,496
11	Deferred State Income Taxes	1,377,285
12	Other (see footnote)	119,318,695
13	TOTAL	179,124,476
14	Income Recorded on Books Not Included in Return	
15	Equity AFUDC	8,639,627
16	Debt AFUDC	5,255,458
17	Regulatory Asset/Liability, Net of Amortization	6,560,187
18	TOTAL	20,455,272
19	Deductions on Return Not Charged Against Book Income	
20	Tax Depreciation and Repairs	390,910,774
21	Tax Loss - Disposition of Assets	1,855,359
22	Tax Amortization - Regulatory Assets	7,228,386
23	Tax Amortization - Debt Costs	3,777,131
24		
25		
26	TOTAL	403,771,650
27	Federal Tax Net Income	(125,114,111)
28	Show Computation of Tax:	
29	NOL carryforward generated in 2011 by the Apex expansion	244,820,144
30	Federal Taxable Income (after NOL adjustment)	119,706,033
31	Federal Tax Rate 35%	
32	Current Year Federal Income Tax Provision	41,897,000
33	Other charges including Book to Tax Return Adjustments, FIN 48, and Audits	2,041,400
34	Total Current Federal Income Tax Provision (accounts 409.1 and 409.2)	43,938,400
35		

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/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 12 Column: b

Other Deductions Recorded on Books Not Deducted for Return:

Book Depreciation	\$
	69,877,206
Levelized Depreciation Adjustment	
	43,858,671
Book Debt Cost Amortization	
	3,143,120
Change in Prepaid Expenses	
	1,269,272
Other	
	1,170,426
Total	\$
	119,318,695

Schedule Page: 261 Line No.: 27 Column: b

MEHC Sub-Group:

Alaska Gas Transmission Company, LLC	MidAmerican Renewables, LLC	HomeServices of Kentucky Real Estate Academy, LLC
American Pacific Finance Company	MidAmerican Solar, LLC	HomeServices of Nebraska, Inc
American Pacific Finance Company II	MidAmerican Transmission, LLC	HomeServices of the Carolinas, Inc
BG Energy Holding LLC	MidAmerican Wind, LLC	HomeServices Relocation, LLC
BG Energy LLC	Midwest Capital Group, Inc	HomeSvc of IL LLC d/b/a Koenig & Strey GMAC RE
Bishop Hill II Holdings, LLC	Midwest Gas Company	HSR Equity Funding, Inc
CalEnergy Company, Inc	Midwest Power Transmission Illinois LLC	Huff Commercial Group, LLC
CalEnergy Generation Operating Company	Midwest Power Transmission Iowa LLC	Huff-Drees Realty, Inc
CalEnergy Holdings, Inc	MWR Capital, Inc	IMO Company, Inc
CalEnergy International Services, Inc	NNGC Acquisition, LLC	Iowa Realty Company, Inc
CalEnergy International, Inc	Northern Aurora Inc	Iowa Realty Insurance Agency, Inc
CalEnergy Minerals Development LLC	Northern Natural Gas Company	Iowa Title Company
CalEnergy Minerals LLC	Quad Cities Energy Company	J.S. White Associates, Inc
CalEnergy Pacific Holdings Corp	Salton Sea Minerals Corporation	JBRC, Inc
CalEnergy UK Inc	TPZ Holding, LLC	Jim Huff Realty, Inc.
CBEC Railway, Inc	Two Rivers, Inc	JRHBW Realty, Inc d/b/a RealtySouth
CE Administrative Services, Inc	Centralia Mining Company	Kansas City Title, Inc
CE Black Rock Holdings LLC	Energy West Mining Company	Kentucky Residential Referral Service, LLC
CE Butte Energy Holdings LLC	Glenrock Coal Company	Larabee School of Real Estate & Insurance
CE Butte Energy LLC	Interwest Mining Company	Mid-America Referral Network, Inc.
CE Electric (NY), Inc	Pacific Minerals, Inc	Midland Escrow Services, Inc
CE Electric, Inc	PacifiCorp	Nebraska Land Title & Abstract Company
CE Exploration Company	PacifiCorp Environmental Remediation Co	Pickford Escrow Company, Inc
CE Geothermal, Inc.	PacifiCorp Investment Management, Inc	Pickford Holdings LLC
CE Indonesia Geothermal, Inc	PPW Holdings LLC	Pickford Real Estate, Inc
CE International Investments, Inc	Allerton Capital, Ltd	Pickford Services Company, Inc
CE Obsidian Energy LLC	Arizona Home Services, LLC	Plaza Financial Services, LLC
CE Obsidian Holding LLC	Capitol Intermediary Company	Plaza Mortgage Services, LLC
CE Power, Inc	Capitol Title Company	Preferred Carolinas Realty, Inc
CE Red Island Energy Holdings LLC	CBSHome Real Estate Company	Preferred Carolinas Title Agency, L.L.C.
CE Red Island Energy LLC	CBSHome Real Estate of Iowa, Inc	Professional Referral Organization, Inc
CE/TA LLC	CBSHome Relocation Services, Inc	Real Estate Links, LLC
Cimmred Leasing Company	Champion Realty, Inc	Real Estate Referral Network, Inc
Constellation Energy Holdings LLC	Chancellor Title Services, Inc	Reece & Nichols Alliance, Inc
Cordova Energy Company LLC	Columbia Title of Florida, Inc	Reece & Nichols Realtors, Inc
Cordova Funding Corporation	Edina Financial Services, Inc	Reece Commercial, Inc.
Dakota Dunes Development Company	Edina Realty Referral Network, Inc	Referral Company of North Carolina, Inc
DCCO, Inc	Edina Realty Relocation, Inc	RHL Referral Company, LLC
Kern River Funding Corporation	Edina Realty Title, Inc	Roberts Brothers, Inc
Kern River Gas Transmission Company	Edina Realty, Inc	Roy H. Long Realty Company, Inc
KR Acquisition 1, LLC	Esslinger-Wooten-Maxwell, Inc	San Diego PCRE, Inc
KR Acquisition 2, LLC	E-W-M Referral Services, Inc.	Semonin Realtors, Inc

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/Q4
FOOTNOTE DATA			

KR Holding, LLC
 M & M Ranch Acquisition Company, LLC
 M & M Ranch Holding Company, LLC
 MEC Construction Services Company
 MEHC America Transco, LLC
 MEHC Insurance Services Ltd.
 MEHC Investment, Inc
 MEHC Texas Transco, LLC
 MHC Investment Company
 MHC, Inc
 MidAmerican AC Holding, LLC
 MidAmerican Energy Company
 MidAmerican Energy Holdings Company
 MidAmerican Energy Machining Services LLC
 MidAmerican Funding, LLC
 MidAmerican Geothermal, LLC
 MidAmerican Hydro, LLC
 MidAmerican Nuclear Energy Company, LLC
 MidAmerican Nuclear Energy Holdings Co., LLC

FFR, Inc
 First Realty, Ltd
 First Reserve Insurance, Inc
 For Rent, Inc
 HMSV Financial Services, Inc
 HN Insurance Holdings, LLC
 HN Mortgage, LLC
 HN Real Estate Group N.C., Inc
 HN Real Estate Group, LLC
 HN Referral Corporation
 HomeServices Financial Holdings, Inc
 HomeServices Insurance, Inc
 HomeServices of Alabama, Inc.
 HomeServices of America, Inc
 HomeServices of California, Inc
 HomeServices of Florida, Inc
 HomeServices of Illinois Holdings, LLC
 HomeServices of Iowa, Inc
 HomeServices of Kentucky, Inc

Southwest Relocation, LLC
 The Escrow Firm
 The Referral Company
 Title South, LLC
 United Settlement Services, L.C.

With respect to members of the MEHC Sub-Group, MidAmerican Energy Holdings Company (MEHC) requires all subsidiaries to pay to or receive from MEHC an amount of tax based primarily on the stand-alone method of allocation. The computation includes all tax benefits from tax deductions stemming from cost borne by utility customers.

All Other Affiliates:

Acme Brick Company
 Acme Brick DFW, Inc.
 Acme Brick Sales Company
 Acme Ochs Brick and Stone, Inc.

American Tile and Stone, Inc
 Innovative Building Products, Inc
 Alpha Cargo Motor Express, Inc

Brick Acquisition Company
 Acme Building Brands, Inc
 Acme Investment Company
 Acme Management Company
 Acme Services Company, L.P.
 Denver Brick Company
 Edmonds Material and Equipment Co.
 Justin Industries, Inc.
 AEG Processing Center No. 35, Inc.
 AEG Processing Center No. 58, Inc.
 American Employers Group, Inc.
 Applied Group Insurance Holdings, Inc.
 Applied Investigations Inc.
 Applied Logistics, Inc.
 Applied Premium Finance, Inc.
 Applied Risk Services of New York, Inc.
 Applied Risk Services, Inc.
 AU Captive Risk Assurance Co., Inc.
 AU Holding Company, Inc.
 Applied Underwriters, Inc.
 AU Captive Risk Assurance Co.
 BH, LLC
 Combined Claims Services, Inc.
 Coverage Dynamics Group, Inc.
 Commercial General Indemnity, Inc.
 California Insurance Company
 Continental Indemnity Company
 Applied Underwriters Captive Risk Assurance Company, Inc.
 Laurier Indemnity Company
 North American Casualty Co.
 Promesa Health, Inc.

Los Angeles Junction Railway Company
 Star Lake Railroad Company
 Santa Fe Receivables Corporation
 The BN and SF Railway de Mexico, S.A. de C.V.
 The Zia Company
 Santa Fe Pacific Pipeline Holdings, Inc.
 Burlington Northern Santa Fe British Columbia, Ltd.
 Pine Canyon Land Company
 Santa Fe Pacific Insurance Company
 Santa Fe Pacific Railroad Company
 Western Fruit Express Company
 Burlington Northern Railroad Holdings, Inc.
 Winona Bridge Railroad Company
 BNSF Railway International Services, Inc.
 BN Leasing Corporation
 Midwest Northwest Properties, Inc.
 Santa Fe Pacific Pipelines, Inc.
 BNSF Communications, Inc.
 BNSF Spectrum, Inc.
 Borsheim Jewelry Company, Inc
 The Buffalo News, Inc.
 Business Wire, Inc.
 Clayton Commercial Buildings, Inc.
 CMH Hodgenville, Inc.
 CMH Manufacturing, Inc.
 CMH Set and Finish, Inc.
 CMH Manufacturing West, Inc.
 AL/TEX Homes, Inc.
 BR Agency, Inc.
 Giles Industries, Inc.
 MH Transport, Inc.
 Southern Energy Homes, Inc.
 Cavalier Homes, Inc.
 CMH Homes, Inc.
 CMH of KY, Inc.
 CMH Parks, Inc.
 Chatwell, Inc.
 Freedom Warehouse Corp.

International Dairy Queen, Inc.
 American Dairy Queen Corporation
 DQF, Inc.
 DQGC, Inc.

Unified Supply Chain, Inc.
 DQ Funding Corporation
 Dairy Queen Of Georgia, Inc.

Golden Skillet International, Inc.
 Karmelkorn Shoppes, Inc.
 Orange Julius Of America
 Dairy Queen Corporate Stores, Inc.
 DQ Managed Stores, Inc.
 DQ Wholly-Owned Stores, Inc.
 DQ Joint Venture Stores, Inc.
 PJR Management, Inc.
 All Bilt Uniforms
 Bricker-Mincolla Uniforms
 Command Uniforms
 Commonwealth Uniforms Inc.
 Crowley Garment Mfg Co Inc.
 Crowley Shirt Mfg Co Inc.
 The Eagle Company
 West Virginia Uniforms
 Farriors, Inc.
 The Fechheimer Brothers Co.
 Fulton Manufacturing Company
 Great Plains Uniforms
 Griffey Uniforms
 Harris Uniforms
 Harrison Uniforms
 Kale Uniforms
 Kay Uniforms
 Martin Manufacturing Company
 McCain Uniform Company Inc.
 Metro Uniforms

Nick Bloom Uniforms
 Nationwide Uniforms
 Pima Uniforms

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/Q4
FOOTNOTE DATA			

Strategic Staff Management, Inc.
The Ben Bridge Corporation
Ben Bridge Jeweler, Inc.
BH Affordable Housing, Inc.

Berkadia Commercial Mortgage Inc.
Berkshire Hathaway Credit Corporation
BH Columbia Inc.
Berkshire Hathaway Finance Corporation
Berkshire Hathaway Inc.
BHR Inc.
Railsplitter Holdings Corporation
Wesco Holdings Midwest, Inc.
Benjamin Moore & Co.
Complementary Coatings Corporation
Eco Color Company
The Indecor Group, Inc.
Burlington Northern Santa Fe, LLC
FreightWise, Inc.
Burlington Northern Santa Fe Insurance Company, Ltd.
BNSF Logistics International, Inc.
BNSF Railway Company
Bayport Systems, Inc.
Burlington Northern Santa Fe Manitoba, Inc.
Martin Mills, Inc.
Camp Manufacturing Company
Leesburg Yarn Mills, Inc.
Rabun Apparel, Inc.
Fruit of The Loom Caribbean, Inc.
FTL Sales Company, Inc.
FTL Regional Sales Co., Inc.
Union Sales, Inc.
Fruit of the Loom Trading Company
Fruit of the Loom, Inc. (Sub)
Mobile Disaster Structures, Inc.
Forest River Financial Services, Inc.
Forest River Housing, Inc.
Forest River, Inc.
Mapletree Transportation, Inc.
Priority One Financial Services, Inc.

Veritas Insurance Group, Inc.
FlightSafety Capital Corp.

FlightSafety Development Corp.
FlightSafety International Inc.
FlightSafety New York, Inc.
FlightSafety Properties, Inc.

FlightSafety Services Corporation
Garan Central America Corp.
Garan Incorporated
Garan Manufacturing Corp.
Garan Services Corp
Criterion Insurance Agency
GEICO Corporation
Government Employees Financial Corp.
GEICO Insurance Agency
GEICO Products, Inc.
International Insurance Underwriters, Inc.
Maryland Ventures, Inc..
Plaza Financial Services Co.
Plaza Resources Co.
Top Five Club, Inc.
GEICO Advantage Insurance Company
GEICO Casualty Co.

Vanderbilt ABS Corp.
Vanderbilt Mortgage and Finance, Inc.
Vanderbilt SPC, Inc.
Vanderbilt Property&Casualty Insurance Co., Ltd.
Homefirst Agency, Inc.
21st Communities, Inc.
21st Mortgage Corporation
Henley Holdings, LLC
21 SPC, Inc.
Clayton Homes, Inc.
CMH Capital, Inc.
CMH Services, Inc.
Cort Business Services Corporation
Central States of Omaha Companies, Inc.
Central States Indemnity Co. of Omaha
CSI Life Insurance Company
Agile Manufacturing, Inc.
CTB Credit Corp
CTB Inc.

CTB International Corp
Ironwood Plastics Inc
CTB IW INC
CTB MN Investments
General Star National Insurance Company
National Reinsurance Corporation
Helzberg's Diamond Shops, Inc.
HDS Redevelopment Corporation
Dexter Shoe Company
H. H. Brown Shoe Company, Inc.
Isabella Shoe Corporation
Macro Retailing, Inc.
Pan-Am Shoe Co., Inc.
Running with Heels, Inc.
BH Shoe Holdings, Inc.
Sofft Shoe Company
H. H. Brown Shoe Technologies, Inc.
Vision Retailing, Inc.
American All Risk Insurance Services Inc.
American Commercial Claims Administrators Inc
Brookwood Insurance Company
Berkshire Hathaway Homestate Insurance Company
Continental Divide Insurance Company
Cypress Insurance Company
Oak River Insurance Company
Redwood Fire and Casualty Insurance Company
Boot Royalty Company
Chippewa Shoe Company
Footwear Investment Company
H.J. Justin & Sons, Inc.
Justin Belt Company, Inc.
Justin Brands, Inc.
Justin Boot Company
J.S Justin, Inc.
Nocona Boot Company
Tony Lama Company
Johns Manville Corporation
Johns Manville, Inc.
Seventeenth Street Realty, Inc.
Johns Manville China, Ltd.
JM E3 CO
Corbond Corporation
Jordan's Furniture, Inc.

Roberts Men's Shop
Silver State Uniforms
Simon's Incorporated
Sol Frank Uniforms Inc.

Uniforms of Texas
Universal Uniforms
Waynesburg Shirt Company Inc.
Zuckerbergs Uniforms
Fruit of the Loom, Inc.
Union Underwear Co., Inc
Union Underwear Co., Inc
Cumberland Asset Management, Inc.
Brooks Sports, Inc.
Cross Creek Apparel, LLC
Fruit of the Loom Direct, Inc.
Vanity Fair, Inc.
VFI-Mexico, Inc.
Ponce Fashions, Inc.
The BVD Licensing Corporation

Apeks Apparel, Inc.
Russell Athletic Corporation
Total Quality Apparel Resources
Undergarment Fashions, Inc.
Marmon Water, Inc.
Marmon Construction Services, Inc.
Marmon Flow Products, Inc.
Marmon Industrial Companies, Inc.
Marmon Retail Services, Inc.
Marmon Wire & Cable, Inc.
Lockwood Street Urban Renewal Corporation
Ecodyne Corporation
J.L. Mining Company
Fontaine Truck Equipment Company
Morgantown-National Supply, Inc.
Procrane Holdings, Inc.
RCP Investment, Inc.
HG-Power Plant. Inc.
Penn Coal Land, Inc.
Penn Pocahontas Coal Co.

TRH Holding Corp.
Alexander-Otto Company LLC

Precision Millwork Settings LLC
Marmon Holdings, Inc.
Getz Bros. & Co. Zug, Inc.
Webb Wheel Products, Inc.

Perfection Hy-Test Company
Marathon Suspension Systems, Inc.
Fontaine Specialized, Inc.
Fontaine Trailer Company
Fontaine Modification Company
Fontaine Fifth Wheel Company
Marmon-Herrington Company
Triangle Suspension Systems, Inc.
Fontaine Spray Suppression Company
TSE Brakes, Inc.
Union Tank Car Company
Uni-Form Components Company
Marmon Distribution Services, Inc.
Railserve, Inc.
Tiger-Sunbelt Industries, Inc.
Worldwide Containers, Inc.
Exsif Worldwide, Inc.

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/Q4
FOOTNOTE DATA			

GEICO Choice Insurance Company	Kansas Bankers Surety Company	McLane Southern, Inc.
GEICO General Insurance Co.	Albecca, Inc.	McLane Western, Inc.
Government Employees Insurance Co.	Ohio Merger Sub, Inc.	McLane Minnesota, Inc.
GEICO Indemnity Co.	Active Organics, Inc.	McLane Express, Inc.
GEICO Secure Insurance Company	Lubrizol Inter-Americas Corporation	McLane New Jersey, Inc.
General Re Corporation	Lubrizol Advanced Materials China, Inc.	Kahn Ventures, Inc.
Gen Re Long Ridge LLC	The Lubrizol Corporation	Empire Distributors, Inc.
Cologne Services Corporation	CPI Engineering Services, Inc.	Empire Distributors of North Carolina, Inc.
Elm Street Corporation	Lubrizol Holding, Inc.	Horizon Wine & Spirits - Nashville, Inc.
GRD Holdings Corporation	Lubrizol Advanced Materials FCC, Inc.	Horizon Wine & Spirits - Chattanooga, Inc.
Gen Re Intermediaries Corporation	Lubrizol Advanced Materials Holding Corporation	Salado Sales, Inc.
General Re New England Asset Management	LZ Holding Corporation	McLane Foodservice, Inc.
Genesis Management and Insurance Services Corporation	Lubrizol Advanced Materials International, Inc.	McCarty-Hull Cigar Company, Inc.
General Star Management Company	Lubrizol Enterprises, Inc.	Professional Datasolutions, Inc.
United States Aviation Underwriters, Inc.	Lubrizol International Management Corporation	Claims Services, Inc.
General Re Financial Products Corporation	Lubrizol Overseas Trading Corporation	M & C Products, Inc.
General Reinsurance Corporation	MPP Pipeline Corporation	Transco, Inc.
Faraday Capital Limited	Merquinsa North America, Inc.	McLane Company, Inc.
Fairfield Insurance Company	Noveon Hilton Davis, Inc.	McLane Eastern, Inc.
Genesis Indemnity Insurance Company	Lubrizol Advanced Materials, Inc.	McLane Midwest, Inc.
Genesis Insurance Company	Lubrizol Advanced Materials Gibraltar, Inc.	McLane Suneast, Inc.
General Star Indemnity Company	Lubricant Investments, Inc.	McLane Mid-Atlantic, Inc.
C & R Insurance Services, Inc.	National Indemnity Company of the South	ScottCare Corporation
C & R Legal Insurance Agency, LLC	AAS-Lunken, Inc.	The Scott Fetzer Company
Medical Protective Finance Corporation	BNJ NetJets, Inc.	CG Service, Inc.
The Medical Protective Company	Executive Jet Europe, Inc.	Campbell Hausfeld/Scott Fetzer Company
Medical Protective Insurance Services, Inc.	Executive Jet Management, Inc.	Adalet/Scott Fetzer Company
Medical Protective Corporation	NetJets Aviation, Inc.	Western/Scott Fetzer Company
MedPro Risk Retention Services, Inc.	NetJets Europe Holdings, LLC	Halex/Scott Fetzer Company
Somerset Services, Inc.	NetJets Inc.	Stahl/Scott Fetzer Company
Princeton Insurance Company	NetJets International, Inc.	France/Scott Fetzer Company
Princeton Advertising & Marketing Group, Inc.	NetJets Large Aircraft, Inc.	Wayne/Scott Fetzer Company
Princeton Risk Protection, Inc.	NetJets Leasing, Inc.	Carefree/Scott Fetzer Company
Alexander Road Insurance Agency, Inc.	NetJets M.E., Inc.	Northland/Scott Fetzer Company
Diedrich Technologies, Inc.	NetJets Sales, Inc.	Scott Fetzer Financial Group, Inc.
MiTek Framings, Inc.	NetJets Services, Inc.	BH Finance, Inc.
Hardy Frames, Inc.	NetJets U.S., Inc.	United Consumer Financial Services Company
HeatPipe Technology, Inc.	NJ Executive Services, Inc.	United Direct Finance, Inc.
Hohmann & Barnard, Inc.	NJA Jets Inc.	World Book, Inc.
MiTek Holdings, Inc.	NJE Holdings, LLC	World Book Encyclopedia, Inc.
MiTek, Inc.	NJI Sales, Inc.	World Book/Scott Fetzer Company
MiTek Industries, Inc.	NJI, Inc.	Worldbook.com, Inc.
Rush Air Inc	Marquis Jet Partners, Inc.	SHX Leasing, Inc.
Miller-Sage, Inc.	Marquis Jet Holdings, Inc.	SHX Flooring, Inc.
SidePlate Systems, Inc.	Omaha World-Herald Company	Shaw International Services, Inc.
Simpad, Inc.	World Investments, Inc.	Pro Installations, Inc.
TMI Custom Air Systems, Inc.	World Marketing, Inc.	Shaw Contract Flooring Installation Services, Inc.
United Steel Products Company	Midlands Newspapers, Inc.	Shaw Contract Flooring Services, Inc.
Floors, Inc.	World Enterprises, Inc.	Spectra Contract Flooring Puerto Rico, Inc.
NFM of Kansas, Inc.	Capitol Avenue Real Estate Company	Shaw Industries Group, Inc.
Nebraska Furniture Mart, Inc.	World Real Estate Management, LLC	Shaw Industries, Inc.
Homemakers Plaza, Inc.	World Media Company	Shaw Diversified Services, Inc.
TXFM, Inc.	Suburban Newspapers, Inc.	Shaw Transport, Inc.
WMC Corp.	Western Nebraska Newspapers, Inc.	Queen Carpet Corporation
First Berkshire Hathaway Life Insurance Company	Kearney Hub Publishing Company, Inc.	Shaw Floors, Inc.
Berkshire Hathaway Life Insurance Company of Nebr.	Lexington Publishing Company, Inc.	Shaw Retail Properties, Inc.
Ringwalt & Liesche Co.	North Platte Publishing Company, Inc.	Shaw Funding Company
Brilliant National Services, Inc.	Scottsbluff Publishing Company, Inc.	Star Furniture Company
Soco West, Inc.	Central Nebraska Publications, Inc.	CJE II
Whittaker, Clark & Daniels, Inc.	Hemingford Building, LLC	Mouser Electronics, Inc.
L.A. Terminals, Inc.	Southwest Iowa Newspapers, Inc.	TTI, Inc.
Boat America Corporation	Western Iowa Newspapers, Inc.	Gateway Underwriters Agency, Inc.
Boat U.S, Inc.	Grand Island Independent Real Estate, LLC	U.S. Investment Corporation

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 2011/Q4
Kern River Gas Transmission Company			
FOOTNOTE DATA			

Vessel Assist insurance Services, Inc.	Grand Island Publishing Company, Inc.	United States Liability Insurance Company
BHG Structured Settlements, Inc.	York Publishing Company, Inc.	Mount Vernon Fire Insurance Company
Resolute Management Inc.	Ace Mailing Service, Inc.	U.S. Underwriters Insurance Co.
International America Group Inc.	World Technologies, Inc.	Wesco Financial Corporation
International American Management Company	Mail Tech, Ltd.	MS Property Company
Northern States Agency, Inc.	LEE Distributing Service, Inc.	Blue Chip Stamps
Finial Holdings, Inc.	Diversified Mailing, Inc.	Blue Chip Stamps, Inc
Consolidated Health Plans Inc.	World Broadcasting, Inc.	AJF Warehouse Distributors, Inc.
Affordable Housing Partners, Inc.	World Interactive Group, Inc.	XTRA Chassis, Inc.
American Centennial Insurance Company	Riverview Land, LLC	Expertos en Administracion, S.A. de C.V.
Citadel Insurance Company	Douglas Building, LLC	XTRA Finance Corporation
Berkshire Hathaway Assurance Corporation	TPC European Holdings, LTD.	XTRA International, Ltd.
Wesco-Financial Insurance Company	TPC North America, Ltd.	XTRA Mexicana, S.A. de C.V.
National Liability & Fire Insurance Company	TPC N.A.S.A., LLC	MMX Corporation
National Indemnity Company of Mid-America	The Pampered Chef, Ltd.	XTRA Intermodal, Inc.
National Fire & Marine Insurance Company	Precision Steel Warehouse - Charlotte S/C	Strick Mexicana, S.A. de C.V.
National Indemnity Company	Precision Steel Warehouse, Inc.	XTRA International Pacific, Ltd.
Atlanta International Insurance Company	Precision Brand Products, Inc.	RENTCO Trailer Corporation
Stonewall Insurance Company	R.C. Willey Home Furnishings	X-L-Co., Inc.
Columbia Insurance Company	Richline Group, Inc	XLI, Inc.
Commercial Casualty Insurance Company	See's Candies, Inc	XTR, Inc.
Unione Italiana Reinsurance Company of America, Inc.	Sees Candy Shops, Incorporated	XTRA Corporation
Seaworthy Insurance Company	BHSF, Inc.	XTRA Companies, Inc.
Finial Reinsurance Company	Ambucor Health Solutions, Inc.	

Schedule Page: 261 Line No.: 29 Column: b
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The Apex expansion incremental facility generated a tax net operating loss in the amount of \$244,820,144 for the year ended December 31, 2011. Under the Respondent's current rate structure, this amount may not be utilized to offset taxable income generated by other Respondent incremental facilities. Therefore, this amount will be carried forward and utilized to offset future taxable income generated by the Apex expansion incremental facility. The amount may be carried forward for twenty years.

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/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	FEDERAL TAX		
2	Federal Income	1,497,887	549,000
3	FICA		
4	Unemployment	(333)	
5	Subtotal	1,497,554	549,000
6			
7	STATE INCOME TAX		
8	California		85,000
9	Utah		42,000
10	FIN 48 Adjustments	341,962	
11	Subtotal	341,962	127,000
12			
13	USE TAX		
14	California		
15	Nevada	26,849	
16	Utah	179,655	
17	Wyoming	12,771	
18	SALES TAX		
19	Subtotal	219,275	
20			
21	AD VALOREM / PROPERTY TAX		
22	California	1,844,334	
23	Nevada	750,036	
24	Nevada (Moapa Indian Reservation)		
25	Utah		
26	Wyoming	751,051	
27	Subtotal	3,345,421	
28			
29	STATE UNEMPLOYMENT TAX		
30	California		
31	Nevada	(46)	
32	Utah	(194)	
33	Wyoming	(64)	
34	Subtotal	(304)	
35			
36	OTHER STATE TAXES		
37	California Natural Gas Surcharge		
38	Subtotal		
39			
TOTAL		5,403,908	676,000

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/Q4</u>
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2	43,938,400	41,234,400	20,764	3,673,651	
3	1,162,560	1,066,576		95,984	
4	10,459	9,596		530	
5	45,111,419	42,310,572	20,764	3,770,165	
6					
7					
8	2,877,789	2,597,789		195,000	
9	3,538,165	3,328,165		168,000	
10			5,159	347,121	
11	6,415,954	5,925,954	5,159	710,121	
12					
13					
14	170,921	83,197		87,724	
15	107,287	156,124		(21,988)	
16	1,179,442	1,164,363		194,734	
17	160,210	167,700		5,281	
18	(11,339)	(11,339)			
19	1,606,521	1,560,045		265,751	
20					
21					
22	3,475,322	3,581,995		1,737,661	
23	3,287,328	3,251,082		786,282	
24	146,891	147,491		(600)	
25	7,352,083	7,352,083			
26	1,498,629	1,500,365		749,315	
27	15,760,253	15,833,016		3,272,658	
28					
29					
30	732	672		60	
31	16,991	15,588		1,357	
32	32,963	30,242		2,527	
33	13,630	12,505		1,061	
34	64,316	59,007		5,005	
35					
36					
37	55	55			
38	55	55			
39					
TOTAL	68,958,518	65,688,649	25,923	8,023,700	

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/Q4
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<p>Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)</p> <p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)			
Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)
1			
2		43,956,400	(18,000)
3		936,326	
4		8,424	
5		44,901,150	(18,000)
6			
7			
8		2,878,589	(800)
9		3,539,365	(1,200)
10			
11		6,417,954	(2,000)
12			
13			
14			
15			
16		226,817	
17			
18		(11,339)	
19		215,478	
20			
21			
22		3,475,322	
23		3,103,628	
24		146,891	
25		6,230,383	
26		1,449,329	
27		14,405,553	
28			
29			
30		590	
31		13,684	
32		26,549	
33		10,977	
34		51,800	
35			
36			
37		55	
38		55	
39			
TOTAL		65,991,990	(20,000)

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/Q4</u>
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<p align="center">Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)</p> <p align="center">(continued)</p> <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> <p>11. Report in column (q) the applicable effective state income tax rate.</p>
--

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)					
Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3				226,234	
4				2,035	
5				228,269	
6					
7					
8					8.84
9					5.00
10					
11					
12					
13					
14				170,921	
15				107,287	
16				952,625	
17				160,210	
18					
19				1,391,043	
20					
21					
22					
23				183,700	
24					
25				1,121,700	
26				49,300	
27				1,354,700	
28					
29					
30				142	
31				3,307	
32				6,414	
33				2,653	
34				12,516	
35					
36					
37					
38					
39					
TOTAL				2,986,528	

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/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 2 Column: f

FIN 48 Position adjustments reclassified from account 236 to 190.

Schedule Page: 262 Line No.: 10 Column: f

FIN 48 Position adjustments reclassified from account 236 to 190.

Schedule Page: 262 Line No.: 27 Column: p

Respondent capitalized property taxes assessed on its Apex Expansion during the construction period as an overhead cost. Overhead costs were then allocated to Transmission Gas Plant Account 367 Mains and Account 368 Compressor Station Equipment based on the tentative classification of direct costs to each account.

Schedule Page: 262 Line No.: 40 Column: j

Total charges distributed to Gas (408.1, 409.1)	65,991,990
FICA taxes billed from others	91,727
Taxes billed to others	(25,214)
Telephone excise tax	(20,244)
Total taxes reported on page 114, lines 14-16	66,038,259

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/Q4</u>
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<p align="center">Miscellaneous Current and Accrued Liabilities (Account 242)</p> <p>1. Describe and report the amount of other current and accrued liabilities at the end of year.</p> <p>2. Minor items (less than \$250,000) may be grouped under appropriate title.</p>		
--	--	--

Line No.	Item (a)	Balance at End of Year (b)
1	Contract retainage	6,516,595
2	Transportation and exchange gas payable	1,555,054
3	Accrued vacation and other employee benefits	1,053,288
4	Miscellaneous items	64,652
5		
6		
7		
8		
9		
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44		
45	Total	9,189,589

Other Deferred Credits (Account 253)

- | |
|--|
| 1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$250,000) may be grouped by classes. |
|--|

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Daggett compressor station elec surcharges		131	80,972	81,091	119
2						
3						
4						
5						
6						
7						
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45	Total	0		80,972	81,091	119

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/Q4
FOOTNOTE DATA			

Schedule Page: 269 Line No.: 1 Column: a

The Respondent reclassified its 2010 balance for a negative liability of deferred Daggett compressor station electric surcharges (account 253) of \$22,056 to an asset in deferred debits (account 186) to conform to current year presentation. The Respondent also reclassified its 2010 balance of non-current customer security deposits in account 253 of \$8,975,584 to the customer deposits liability account (account 235). Refer to Note #2 on page 122 of the Notes to the Financial Statements for more information.

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/Q4
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<p align="center">Accumulated Deferred Income Taxes-Other Property (Account 282)</p>

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas	328,459,000	123,802,000	6,492,000
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	328,459,000	123,802,000	6,492,000
6	Other (Specify) (footnote details)	(2,133,081)	(1,487)	
7	TOTAL Account 282 (Enter Total of lines 5 thr	326,325,919	123,800,513	6,492,000
8	Classification of TOTAL			
9	Federal Income Tax	293,651,235	109,669,809	5,919,000
10	State Income Tax	32,674,684	14,130,704	573,000
11	Local Income Tax			

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/Q4
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Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3	3,298,000	22,000	190, 283	1,390,000			450,435,000
4							
5	3,298,000	22,000		1,390,000			450,435,000
6							(2,134,568)
7	3,298,000	22,000		1,390,000			448,300,432
8							
9	2,906,000	19,000		1,225,000			401,514,044
10	392,000	3,000		165,000			46,786,388
11							

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/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 6 Column: k

FIN 48 tax correction

Schedule Page: 274 Line No.: 7 Column: k

The Respondent estimates that the entire amount of deferred income taxes in account 282 could be included in the development of jurisdictional recourse rates for the periods ending December 31, 2011 and 2010.

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/Q4</u>
Accumulated Deferred Income Taxes-Other (Account 283)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.					
2. At Other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3	Gas	24,438,000	3,411,000	4,739,000	
4	Other (Define) (footnote details)				
5	Total (Total of lines 2 thru 4)	24,438,000	3,411,000	4,739,000	
6	Other (Specify) (footnote details)				
7	TOTAL Account 283 (Total of lines 5 thru	24,438,000	3,411,000	4,739,000	
8	Classification of TOTAL				
9	Federal Income Tax	21,524,000	3,007,000	4,035,000	
10	State Income Tax	2,914,000	404,000	704,000	
11	Local Income Tax				

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/Q4</u>
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Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3			219	7,000	254, 282	890,000	22,227,000
4							
5				7,000		890,000	22,227,000
6							
7				7,000		890,000	22,227,000
8							
9				7,000		784,000	19,719,000
10						106,000	2,508,000
11							

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/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 7 Column: k

The Respondent estimates that the following amounts of deferred income taxes in account 283 could be included in the development of jurisdictional recourse rates.

	12/31/2010	12/31/2011
Deferred income taxes related to:		
Regulatory assets	20,719,000	18,748,000
Prepaid expenses, etc.	1,305,000	824,000
Total	\$ 22,024,000	\$ 19,572,000

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/Q4</u>
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Other Regulatory Liabilities (Account 254)

- 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).
- For regulatory liabilities being amortized, show period of amortization in column (a).
- 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.
- 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	1,120,740	931	45,741			1,074,999
2							
3	Employee benefits	2,281,321	128,926	2,281,321		869,653	869,653
4							
5	Levelized depreciation	49,560,200				31,464,760	81,024,960
6							
7	Defined benefit pension plan	608,209	128	608,209			
8							
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45	Total	53,570,470		2,935,271	0	32,334,413	82,969,612

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/Q4
FOOTNOTE DATA			

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

Line No.	Description	Regulatory Citation	Amortization Period
1	Office lease accrual	RP04-274	Over 180 months through 12/2018
3	Employee benefits	A107-1-000,RP99-274	
5	Levelized depreciation:		
	2003 Expansion certificate	CP01-422	(1)
	2010 Expansion certificate	CP08-429	(1)
7	Defined benefit pension plan	A107-1-000	(1)

(1) Based on levelized depreciation rates in effect.

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/Q4</u>
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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	65,757,619		118,364	30,870,473	30,988,837
4	KRI - 1 Interruptible Mainline	6,634,451		11,942	534,149	546,091
5	KRFL - 1 Firm High Desert	1,635,154		2,943	355,995	358,938
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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/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)						
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)
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	74,027,224		133,249	31,760,617	31,893,866
64	Storage (489.4)					
65						
66						
67						
68						
69						
70						
71						
72						
73						
74						
75						
76						
77						
78						
79						
80						
81						
82						
83						
84						
85						
86						
87						
88						
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)				166,289	166,289
99	(Less) Provision for Rate Refunds				159,972	159,972
100	Total Additional Revenues				6,317	6,317
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	74,027,224		133,249	31,813,071	31,946,320

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/Q4
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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	63,917,586		115,052	29,811,441	29,926,493	74,160,813		133,488	31,573,923	31,707,411
4	12,564,133		22,615	798,036	820,651	9,407,592		16,934	1,254,118	1,271,052
5	766,325		1,379	343,023	344,402	1,887,089		3,397	355,995	359,392
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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/Q4
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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	77,248,044		139,046	30,952,500	31,091,546	85,455,494		153,819	33,184,036	33,337,855
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65										
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67										
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93										
94										
95										
96										
97										
98				201,320	201,320				189,307	189,307
99				154,812	154,812				201,575	201,575
100				46,508	46,508				(12,268)	(12,268)
101	77,248,044		139,046	31,045,145	31,184,191	85,455,494		153,819	33,217,905	33,371,724

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/Q4</u>
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Gas Operating Revenues					
1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages. 2. Revenues in columns (b) and (c) include transition costs from upstream pipelines. 3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.					
Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
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	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities			1,588,397	1,613,148
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:			1,588,397	1,613,148
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:			1,588,397	1,613,148

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/Q4
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Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1						
2						
3						
4						
5						
6						
7						
8	553,644	553,644	553,644	553,644		
9						
10	361,227,557	369,551,204	362,815,954	371,164,352	848,458,279	849,025,177
11						
12						
13						
14						
15						
16						
17						
18	2,192,458	2,018,494	2,192,458	2,018,494		
19	363,973,659	372,123,342	365,562,056	373,736,490		
20	692,961	16,414,350	692,961	16,414,350		
21	363,280,698	355,708,992	364,869,095	357,322,140		

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/Q4
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Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)
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- | |
|--|
| 1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308. |
|--|

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Current Year (d)
1					
2					
3					
4					
5					
6					
7					
8					
9					
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11					
12					
13					
14					
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21					
22					
23					
24					
25					

Empty space for additional reporting

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/Q4
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Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)

<p>3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e).</p> <p>4. Delivered Dth of gas must not be adjusted for discounting.</p>

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1						
2						
3						
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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/Q4
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)					
1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule. 2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308. 3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).					
Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	KRF - 1 Firm Mainline			1,382,218	1,410,336
2	KRI - 1 Interruptible Mainline			179,460	154,971
3	KRFL - 1 Firm High Desert			26,171	45,612
4	KRIL - 1 Interruptible High Desert			548	2,229
5					
6	TOTAL			1,588,397	1,613,148
7					
8					
9					
10					
11					
12					
13					
14					
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17					
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24					
25					

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/Q4
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

4. Delivered Dth of gas must not be adjusted for discounting.

5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.

6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	344,547,849	351,935,589	345,930,067	353,345,925	738,212,191	742,281,446
2	12,486,252	13,336,064	12,665,712	13,491,035	95,957,835	81,563,439
3	4,181,136	4,227,723	4,207,307	4,273,335	13,999,727	24,007,055
4	12,320	51,828	12,868	54,057	288,526	1,173,237
5						
6	361,227,557	369,551,204	362,815,954	371,164,352	848,458,279	849,025,177
7						
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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 2011/Q4
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Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	(a)				
2					
3					
4					
5					
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7					
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12					
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25					

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/Q4
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<p align="center">Revenues from Storing Gas of Others (Account 489.4)</p> <p>4. Dth of gas withdrawn from storage must not be adjusted for discounting.</p> <p>5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.</p>

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1						
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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/Q4</u>
Other Gas Revenues (Account 495)				
Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.				
Line No.	Description of Transaction (a)	Amount (in dollars) (b)		
1	Commissions on Sale or Distribution of Gas of Others			
2	Compensation for Minor or Incidental Services Provided for Others			
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale			
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments			
5	Miscellaneous Royalties			
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495			
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures			
8	Gains on Settlements of Imbalance Receivables and Payables			
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements			
10	Revenues from Shipper Supplied Gas			
11	Other revenues (Specify):			
12	Facility charge on California common facility	1,380,000		
13	Facility charge on Big Horn Lateral	615,468		
14	Waste heat recovery revenue	196,990		
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
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33				
34				
35				
36				
37				
38				
39				
	Total	2,192,458		

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/Q4
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Discounted Rate Services and Negotiated Rate Services

1. In column b, report the revenues from discounted rate services.
2. In column c, report the volumes of discounted rate services.
3. In column d, report the revenues from negotiated rate services.
4. In column e, report the volumes of negotiated rate services.

Line No.	Account	Discounted Rate Services	Discounted Rate Services	Negotiated Rate Services	Negotiated Rate Services
	(a)	Revenue (b)	Volumes (c)	Revenue (d)	Volumes (e)
1	Account 489.1, Revenues from transportation of gas of others through gathering facilities.				
2	Account 489.2, Revenues from transportation of gas of others through transmission facilities.	36,256,134	127,041,274	16,490,911	33,911,688
3	Account 489.4, Revenues from storing gas of others.				
4	Account 495, Other gas revenues.				
5					
6					
7					
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32					
33					
34					
35					
36					
37					
38					
39					
	Total	36,256,134	127,041,274	16,490,911	33,911,688

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/Q4
FOOTNOTE DATA			

Schedule Page: 313 Line No.: 2 Column: b

Discounted revenue and quantities are reported for all interruptible transactions that were less than the maximum interruptible rate. In addition, all firm contracts that have a discounted rate component (either for demand or for commodity or both) are reported. If a firm contract is defined as a discounted contract, all commodity quantities are shown and all revenue - both demand and commodity are reported. If a contract can be considered both a negotiated rate contract and a discounted contract, the contract quantities and revenues are all reported in the negotiated rate columns.

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/Q4</u>
Gas Operation and Maintenance Expenses					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
1	1. PRODUCTION EXPENSES				
2	A. Manufactured Gas Production				
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0		
4	B. Natural Gas Production				
5	B1. Natural Gas Production and Gathering				
6	Operation				
7	750 Operation Supervision and Engineering	0	0		
8	751 Production Maps and Records	0	0		
9	752 Gas Well Expenses	0	0		
10	753 Field Lines Expenses	0	0		
11	754 Field Compressor Station Expenses	0	0		
12	755 Field Compressor Station Fuel and Power	0	0		
13	756 Field Measuring and Regulating Station Expenses	0	0		
14	757 Purification Expenses	0	0		
15	758 Gas Well Royalties	0	0		
16	759 Other Expenses	0	0		
17	760 Rents	0	0		
18	TOTAL Operation (Total of lines 7 thru 17)	0	0		
19	Maintenance				
20	761 Maintenance Supervision and Engineering	0	0		
21	762 Maintenance of Structures and Improvements	0	0		
22	763 Maintenance of Producing Gas Wells	0	0		
23	764 Maintenance of Field Lines	0	0		
24	765 Maintenance of Field Compressor Station Equipment	0	0		
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0		
26	767 Maintenance of Purification Equipment	0	0		
27	768 Maintenance of Drilling and Cleaning Equipment	0	0		
28	769 Maintenance of Other Equipment	0	0		
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0		
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0		

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/Q4</u>
Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
31	B2. Products Extraction				
32	Operation				
33	770 Operation Supervision and Engineering	0	0		
34	771 Operation Labor	0	0		
35	772 Gas Shrinkage	0	0		
36	773 Fuel	0	0		
37	774 Power	0	0		
38	775 Materials	0	0		
39	776 Operation Supplies and Expenses	0	0		
40	777 Gas Processed by Others	0	0		
41	778 Royalties on Products Extracted	0	0		
42	779 Marketing Expenses	0	0		
43	780 Products Purchased for Resale	0	0		
44	781 Variation in Products Inventory	0	0		
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0		
46	783 Rents	0	0		
47	TOTAL Operation (Total of lines 33 thru 46)	0	0		
48	Maintenance				
49	784 Maintenance Supervision and Engineering	0	0		
50	785 Maintenance of Structures and Improvements	0	0		
51	786 Maintenance of Extraction and Refining Equipment	0	0		
52	787 Maintenance of Pipe Lines	0	0		
53	788 Maintenance of Extracted Products Storage Equipment	0	0		
54	789 Maintenance of Compressor Equipment	0	0		
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0		
56	791 Maintenance of Other Equipment	0	0		
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0		
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0		

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/Q4
Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
86	808.1 Gas Withdrawn from Storage-Debit	0	0		
87	(Less) 808.2 Gas Delivered to Storage-Credit	0	0		
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0		
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0		
90	Gas used in Utility Operation-Credit				
91	810 Gas Used for Compressor Station Fuel-Credit	59,622,441	58,514,852		
92	811 Gas Used for Products Extraction-Credit	0	0		
93	812 Gas Used for Other Utility Operations-Credit	0	0		
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	59,622,441	58,514,852		
95	813 Other Gas Supply Expenses	0	0		
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	(59,622,441)	(58,514,852)		
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	(59,622,441)	(58,514,852)		
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES				
99	A. Underground Storage Expenses				
100	Operation				
101	814 Operation Supervision and Engineering	0	0		
102	815 Maps and Records	0	0		
103	816 Wells Expenses	0	0		
104	817 Lines Expense	0	0		
105	818 Compressor Station Expenses	0	0		
106	819 Compressor Station Fuel and Power	0	0		
107	820 Measuring and Regulating Station Expenses	0	0		
108	821 Purification Expenses	0	0		
109	822 Exploration and Development	0	0		
110	823 Gas Losses	0	0		
111	824 Other Expenses	0	0		
112	825 Storage Well Royalties	0	0		
113	826 Rents	0	0		
114	TOTAL Operation (Total of lines of 101 thru 113)	0	0		

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/Q4
Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
147	C. Liquefied Natural Gas Terminating and Processing Expenses				
148	Operation				
149	844.1 Operation Supervision and Engineering	0	0		
150	844.2 LNG Processing Terminal Labor and Expenses	0	0		
151	844.3 Liquefaction Processing Labor and Expenses	0	0		
152	844.4 Liquefaction Transportation Labor and Expenses	0	0		
153	844.5 Measuring and Regulating Labor and Expenses	0	0		
154	844.6 Compressor Station Labor and Expenses	0	0		
155	844.7 Communication System Expenses	0	0		
156	844.8 System Control and Load Dispatching	0	0		
157	845.1 Fuel	0	0		
158	845.2 Power	0	0		
159	845.3 Rents	0	0		
160	845.4 Demurrage Charges	0	0		
161	(less) 845.5 Wharfage Receipts-Credit	0	0		
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0		
163	846.1 Gas Losses	0	0		
164	846.2 Other Expenses	0	0		
165	TOTAL Operation (Total of lines 149 thru 164)	0	0		
166	Maintenance				
167	847.1 Maintenance Supervision and Engineering	0	0		
168	847.2 Maintenance of Structures and Improvements	0	0		
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0		
170	847.4 Maintenance of LNG Transportation Equipment	0	0		
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0		
172	847.6 Maintenance of Compressor Station Equipment	0	0		
173	847.7 Maintenance of Communication Equipment	0	0		
174	847.8 Maintenance of Other Equipment	0	0		
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0		
176	TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 and 175)	0	0		
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	0	0		

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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/Q4</u>
Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
235	904 Uncollectible Accounts	0	0		
236	905 Miscellaneous Customer Accounts Expenses	0	0		
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	0	0		
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
239	Operation				
240	907 Supervision	0	0		
241	908 Customer Assistance Expenses	0	0		
242	909 Informational and Instructional Expenses	0	0		
243	910 Miscellaneous Customer Service and Informational Expenses	0	0		
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	0	0		
245	7. SALES EXPENSES				
246	Operation				
247	911 Supervision	0	0		
248	912 Demonstrating and Selling Expenses	0	0		
249	913 Advertising Expenses	0	0		
250	916 Miscellaneous Sales Expenses	0	0		
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	0	0		
252	8. ADMINISTRATIVE AND GENERAL EXPENSES				
253	Operation				
254	920 Administrative and General Salaries	7,538,783	6,671,726		
255	921 Office Supplies and Expenses	2,633,766	3,117,303		
256	(Less) 922 Administrative Expenses Transferred-Credit	222,838	233,433		
257	923 Outside Services Employed	534,121	635,841		
258	924 Property Insurance	575,607	573,151		
259	925 Injuries and Damages	148,923	174,702		
260	926 Employee Pensions and Benefits	2,408,774	3,362,074		
261	927 Franchise Requirements	0	0		
262	928 Regulatory Commission Expenses	2,170,970	1,172,901		
263	(Less) 929 Duplicate Charges-Credit	0	0		
264	930.1General Advertising Expenses	0	0		
265	930.2Miscellaneous General Expenses	20,420	12,000		
266	931 Rents	829,443	816,729		
267	TOTAL Operation (Total of lines 254 thru 266)	16,637,969	16,302,994		
268	Maintenance				
269	932 Maintenance of General Plant	0	0		
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	16,637,969	16,302,994		
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	33,552,165	33,060,779		

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/Q4
FOOTNOTE DATA			

Schedule Page: 317 Line No.: 260 Column: b

The following is the disclosure required by RP04-274 for the qualified pension plan:

	2011	2010
Service cost	\$ 939,724	\$ 990,122
Interest cost	605,908	576,827
Expected return on assets	(873,555)	(763,093)
Prior service cost amortization	17,261	17,261
Net loss/(gain) amortization	-	(11,679)
Amortization of regulatory asset (liability)	(16,607)	(16,607)
Respondent's actual benefit cost incurred*	672,731	792,831
Less: cost included for the pension plan in RP04-274	1,305,325	1,305,325
Expense more (less) than RP04-274	\$ (632,594)	\$ (512,494)

*Reported actual expenses were based upon actuarial studies provided to the Respondent for the reporting periods shown and charged to the Respondent.

The funded status of the qualified pension plan was \$(581k) and \$608k as of December 31, 2011 and 2010, respectively.

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

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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/Q4
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Gas Used in Utility Operations						
1. Report below details of credits during the year to Accounts 810, 811, and 812.						
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).						

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit	854	15,751,057	59,622,441		
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6	Unaccounted for		1,094,964			
7	Change in line pack		255,364			
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11						
12						
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14						
15						
16						
17						
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20						
21						
22						
23						
24						
25	Total		17,101,385	59,622,441		

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/Q4
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Transmission and Compression of Gas by Others (Account 858)				
1. Report below details concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline. 2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system. 3. Designate associated companies with an asterisk in column (b).				
Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1				
2				
3				
4				
5				
6				
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23				
24				
25	Total			

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/Q4
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Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1		
2		
3		
4		
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23		
24		
25	Total	

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/Q4
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Miscellaneous General Expenses (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	18,935
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Other expenses (6)	1,485
5		
6		
7		
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19		
20		
21		
22		
23		
24		
25	Total	20,420

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/Q4
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<p align="center">Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)</p> <p>1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.</p> <p>2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are</p>

Section A. Summary of Depreciation, Depletion, and Amortization Charges					
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant				
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant	67,299,412			
9	Distribution plant				
10	General plant	762,506			
11	Common plant-gas				
12	TOTAL	68,061,918			

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/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges				
Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3)	Amortization of Other Gas Plant (Account 405)	Total (b to g)	Functional Classification
	(f)	(g)	(h)	(a)
1	339,266		339,266	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5				Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8	1,476,022		68,775,434	Transmission plant
9				Distribution plant
10			762,506	General plant
11				Common plant-gas
12	1,815,288		69,877,206	TOTAL

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/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)	2,698,731	0.00
8	General Plant (footnote details)	10,218	0.00
9	Intangible Plant (footnote details)	26,417	0.00
10			
11			
12			
13			
14			
15			

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 2011/Q4
Kern River Gas Transmission Company			
FOOTNOTE DATA			

Schedule Page: 336 Line No.: 7 Column: c

Depreciation basis for transmission plant as of December 31, 2011 in thousands.

Transmission Plant Onshore	Plant as of 12/31/11	Life	Rate
Transmission - Vintage & 2002 Expansion	1,061,446	51.3	1.95%
Transmission - 2003, 2010, & Apex Expansions	1,496,102	33.3	3.00%
Transmission - High Desert	29,190	21.0	4.76%
Transmission - Big Horn	3,660	15.0	6.67%
Transmission - Compressor Engines	108,333	10.1	9.92%
Transmission Total	2,698,731		

Depreciation rate are based on RP04-274.

Schedule Page: 336 Line No.: 8 Column: c

Depreciation basis for general plant as of December 31, 2011 in thousands.

General Plant	Plant as of 12/31/11	Life	Rate
General Plant - Structures	24	15.0	6.67%
General Plant - Office Furniture & Equipment	1,550	15.0	6.67%
General Plant - Computers (PCs & Laptops)	310	3.0	33.33%
General Plant - Other Computer Equipment	1,234	5.0	20.00%
General Plant - Vehicles	2,051	5.6	18.00%
General Plant - Communications	1,205	10.0	10.00%
General Plant - Other	3,844	25.0	4.00%
General Plant Total	10,218		

Depreciation rate are based on RP04-274.

Schedule Page: 336 Line No.: 9 Column: c

Amortization basis for intangible plant as of December 31, 2011 in thousands.

Intangible Plant	Plant as of 12/31/11	Life	Rate
Contributions in Aid of Construction			
Vintage	8,000	51.3	1.95%
2003 & 2010 Expansions	12,689	33.3	3.00%
High Desert	630	21.0	4.76%
2003 & 2010 Expansion	32	20.0	5.00%
Total Contributions in Aid of Construction	21,351		
Other Intangible Plant			
Leasehold Improvements	669	15.0	6.67%
Computer Software	4,397	5.0	20.00%
Total Other Intangible Plant	5,066		
Intangible Plant Total	26,417		

Depreciation rates are based on RP04-274.

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/Q4
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<p align="center">Particulars Concerning Certain Income Deductions and Interest Charges Accounts</p> <p>Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.</p> <p>(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.</p> <p>(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$250,000 may be grouped by classes within the above accounts.</p> <p>(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.</p> <p>(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.</p>

Line No.	Item (a)	Amount (b)
1	426.1 - Charitable donations less than \$250,000	66,100
2		
3	426.4 - Expenditures for Certain Civic, Political and Related Activities	
4	Activities less than \$250,000	52,181
5		
6	426.5 - Other deductions - activities less than \$250,000	6,903
7		
8	431.0 Other interest expense	
9	Letters-of-credit fees (rates less than 0.05% based upon face value)	892,316
10	Rate refunds (based upon the quarterly rate published by FERC)	40,872
11	FIN 48 tax income tax adjustments (rates vary by taxing authority)	21,445
12	Other	277
13	Account subtotal	954,910
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Empty space for additional information
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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/Q4</u>
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Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	FERC RP04-274 General Rate Case (amortized over a five year period)		8,049,824	8,049,824	2,219,416
2					
3	FERC Order No. 472 2011 Annual Charge (Oct-10 through Sep-11)	1,543,524		1,543,524	1,157,643
4					
5	FERC Order No. 472 2011 Annual Charge (Oct-11 through Sep-12)	1,535,548		1,535,548	
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Total	3,079,072	8,049,824	11,128,896	3,377,059

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/Q4
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Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than \$250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1				529,111	182.3	629,440	2,119,087
2							
3					182.3	1,157,643	
4							
5				1,535,548	182.3	383,887	1,151,661
6							
7							
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23							
24							
25				2,064,659		2,170,970	3,270,748

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/Q4</u>
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Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (line 6)				
22	Customer Service and Informational (line 7)				
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply				
31	Storage, LNG Terminaling and Processing				
32	Transmission	7,375,279			7,375,279
33	Distribution				
34	Customer Accounts				
35	Customer Service and Informational				
36	Sales				
37	Administrative and General	4,537,556	2,778,388		7,315,944
38	TOTAL Operation (Total of lines 28 thru 37)	11,912,835	2,778,388		14,691,223
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing				
44	Transmission	493,046			493,046
45	Distribution				

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/Q4
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Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)	493,046			493,046
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)				
53	Storage, LNG Terminating and Processing (Total of ll. 31 and 43)				
54	Transmission (Total of lines 32 and 44)	7,868,325			7,868,325
55	Distribution (Total of lines 33 and 45)				
56	Customer Accounts (Total of line 34)				
57	Customer Service and Informational (Total of line 35)				
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	4,537,556	2,778,388		7,315,944
60	Total Operation and Maintenance (Total of lines 50 thru 59)	12,405,881	2,778,388		15,184,269
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	12,405,881	2,778,388		15,184,269
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant	2,690,723	123,628	534,642	3,348,993
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	2,690,723	123,628	534,642	3,348,993
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant	20,050			20,050
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	20,050			20,050
75	Other Accounts (Specify) (footnote details)				
76	TOTAL Other Accounts				
77	TOTAL SALARIES AND WAGES	15,116,654	2,902,016	534,642	18,553,312

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/Q4
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Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services.

(b) Total charges for the year.

2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned services.

4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	Barnard Pipeline Inc	67,098,044
2	Bodell Construction Company	17,240,459
3	Infrasource Pipeline Facilities Inc	15,743,732
4	Tulsa Inspection Resources Inc	7,405,706
5	Sunland Construction Inc	6,172,187
6	Flare Construction Inc	4,789,744
7	Universal Ensco Inc	4,133,379
8	Quality Integrated Services Inc	2,901,875
9	Ecology and Environment Inc	2,687,060
10	BJ Services Company USA	2,163,188
11	Consultnet	1,795,281
12	Solar Turbines Incorporated	1,484,809
13	Mears Group Inc	1,479,663
14	National Inspection Services LLC	1,210,191
15	G E L Inc	1,182,275
16	Epcon Partners Inc	1,109,284
17	Gulf Interstate Engineering Company	864,047
18	Urs Corporation	717,977
19	NPL Construction Company	699,708
20	Classic Helicopter Service	522,055
21	Englobal Construction Resources Inc	516,762
22	Stanley Consultants Inc	470,567
23	Contract Land Staff LLC	424,305
24	Entrix Inc	419,175
25	EN Engineering LLC	399,766
26	RTD Quality Services USA LP	388,778
27	Southern Nevada Environmental Inc	372,298
28	Wright and Talisman PC	313,199
29	Corrpro Companies Incorporated	264,359
30		
31	Other (\$250,000 or less)	2,217,955
32		
33	Total	147,187,828
34		
35		

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/Q4
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Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.

2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned goods and services.

4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Executive management services	MidAmerican Energy Holdings Company ("MEHC")	408.1, 920, 921, 926	1,537,202
3	Other-goods and services under \$250,000	MEHC	Various	738,680
4	Other-goods and services under \$250,000	MidAmerican Energy Company	Various	871,958
5	Finance and accounting services	Northern Natural Gas Company ("NNG")	Various	415,307
6	Regulatory support services	NNG	Various	263,250
7	Risk management services (natural gas swaps)	NNG	421	(588,873)
8	Other-goods and services under \$250,000	NNG	Various	459,104
9	Other-goods and services under \$250,000	PacifiCorp	Various	168,325
10				
11	Total			3,864,953
12				
13				
14				
15				
16				
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21	Gas transportation services	PacifiCorp	489.2	3,209,624
22	Other-goods and services under \$250,000	PacifiCorp	Various	150,711
23				
24	Total			3,360,335
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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 2011/Q4
Kern River Gas Transmission Company			
FOOTNOTE DATA			

Schedule Page: 358 Line No.: 3 Column: c

Accounts charged or credited for MEHC: 107, 165, 228.2, 242, 408.1, 426.1, 426.4, 426.5, 920, 921, 923, 924, 925, 926, and 930.2.

Schedule Page: 358 Line No.: 4 Column: c

Accounts charged or credited for MEC: 228.3, 242, 408.1, 426.1, 920, 921, 923, 926, and 931.

Schedule Page: 358 Line No.: 5 Column: c

Accounts charged or credited for NNG: 107, 182.3, 408.1, 920, 921, 926.

Schedule Page: 358 Line No.: 6 Column: c

Accounts charged or credited for NNG: 107, 408.1, 920, 921, 923, and 926.

Schedule Page: 358 Line No.: 7 Column: c

Accounts charged or credited for NNG: 107, 408.1, 920, 921, 923, and 926.

Schedule Page: 358 Line No.: 9 Column: c

Accounts charged or credited: 107, 426.4, 920, 921, and 923.

Schedule Page: 358 Line No.: 11 Column: a

Amounts which are chargeable from another affiliate are assigned first by coding to the specific affiliate. These charges were based on actual labor, benefits, and operational costs incurred. Amounts not directly assignable to an individual affiliate, such as work performed where multiple affiliates benefit, are assigned on the basis of allocations from MidAmerican Energy Holdings Company, MHC Inc., and MidAmerican Energy Company, as described below:

Allocator	Description
Labor and Assets	An equal weighting of each company's labor and assets expressed as a percentage of the whole ((labor % + assets %) / 2) determines the portion assigned to each company. Labor is 12 months ended through December of the prior year. Assets are total assets at December 31 of the prior year. Five combinations of this allocator are used for allocating services that benefit different companies within the holding company organization.
Legislative and Regulatory	The Legislative and Regulatory allocation is used to allocate costs incurred by the holding company's Legislative & Regulatory groups. The Legislative & Regulatory groups work on a variety of legislative and regulatory subject matter for select groups of companies within the holding company organization. The Legislative & Regulatory allocation percentages are based on the Legislative & Regulatory groups' estimation of the time and resources that are being spent on these selected companies.
Information Technology Infrastructure	Allocates costs related to shared information technology infrastructure owned by the affiliate to other benefited affiliates based on an aggregation of various measures of usage of such infrastructure including storage capacity utilized, number of servers utilized, server processing times, etc.
Employee Count	This allocator distributes costs to benefited affiliates based on employee counts at such affiliates as of the prior year end.
Processes	This allocator distributes costs of electronic data interchange software and services based on the number of employees within each affiliate using such software or services.
Oracle Users	This allocator distributes costs of Oracle software and services based on the number of employees within each affiliate using such software and services.
Plant	This allocator distributes costs of managing the corporate insurance function based on assets for each affiliate.

Schedule Page: 358 Line No.: 22 Column: c

Accounts charged or credited for PacifiCorp: 408.1, 852, 856, 920, 921, 923, and 926.

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/Q4</u>
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Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Transmission: Transmission Compressor Stations			
2	Transmission: Muddy Creek, Lincoln County, Wyoming	6	95,500	119,131,833
3	Transmission: Painter, Uinta County, Wyoming	2	11,000	17,266,729
4	Transmission: Anschutz, Uinta County, Wyoming	2	720	4,883,095
5	Transmission: Coyote Creek, Uinta County, Wyoming	2	31,000	54,012,785
6	Transmission: Salt Lake City, Salt Lake County, Utah	2	30,000	37,815,239
7	Transmission: Elberta, Utah County, Utah	2	31,000	51,768,125
8	Transmission: Fillmore, Millard County, Utah	2	30,000	43,654,730
9	Transmission: Milford, Beaver County, Utah	1	30,000	59,492,867
10	Transmission: Veyo, Washington County, Utah	3	45,000	59,673,187
11	Transmission: Dry Lake, Clark County, Nevada	2	31,000	49,608,967
12	Transmission: Goodsprings, Clark County, Nevada	3	45,000	58,940,309
13	Transmission: Daggett, San Bernadino County, California	1	4,000	24,103,243
14				
15	Transmission Total	28	384,220	580,351,109
16				
17				
18				
19				
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21				
22				
23				
24				
25				

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/Q4</u>
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Compressor Stations

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1								
2	17,546,151		764,302	4,608,968	4,167,120	46,599	6	12/14/2011
3	835,709		165,292	219,675	421,890	8,721	1	12/23/2011
4	31,811		65,694	8,166	120,000	5,460	1	01/30/2011
5	3,245,792		221,710	868,505	508,240	8,919	2	12/14/2011
6	6,288,084		250,717	1,650,158	524,800	15,969	2	12/14/2011
7	3,965,106		216,372	1,058,214	501,040	10,294	2	12/10/2011
8	5,535,128		260,453	1,454,621	454,440	13,683	2	12/12/2011
9	1,276,584		13,058	365,308	665,360	3,466	1	12/12/2011
10	9,226,612		422,859	2,425,517	1,058,960	24,802	3	12/12/2011
11	3,740,795		221,909	1,004,462	928,800	10,483	2	12/12/2011
12	7,930,669		542,388	2,088,144	630,720	21,117	3	11/12/2011
13		52,742	18,600		419,652			
14								
15	59,622,441		3,144,753	15,751,738	10,401,022	169,513	25	
16								
17								
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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/Q4
FOOTNOTE DATA			

Schedule Page: 508 Line No.: 5 Column: a

Additional unit added in 2011 as part of the Apex Expansion project. The newly added compressor unit was available for operation on October 1, 2011.

Schedule Page: 508 Line No.: 7 Column: a

Additional unit added in 2011 as part of the Apex Expansion project. The newly added compressor unit was available for operation on October 1, 2011.

Schedule Page: 508 Line No.: 9 Column: a

New compressor station added in 2011 as part of the Apex Expansion project. The newly added compressor station was available for operation on October 1, 2011.

Schedule Page: 508 Line No.: 11 Column: a

Additional unit added in 2011 as part of the Apex Expansion project. The newly added compressor unit was available for operation on June 23, 2011.

Schedule Page: 508 Line No.: 13 Column: a

The Daggett compressor station was run for one hour in 2011 for the sole purpose of determining the readiness of the compressor. Respondent retains the compressor station in ready for service status in anticipation that operating conditions may change that would require placing the station on line to meet the certificated capacity of the pipeline system.

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/Q4
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Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.
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Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March			
5	April			
6	May			
7	June			
8	July			
9	August			
10	September			
11	October			
12	November			
13	December			
14	TOTAL (Total of lines 2 thru 13)			
15	Gas Withdrawn from Storage			
16	January			
17	February			
18	March			
19	April			
20	May			
21	June			
22	July			
23	August			
24	September			
25	October			
26	November			
27	December			
28	TOTAL (Total of lines 16 thru 27)			

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/Q4
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Gas Storage Projects		
1. On line 4, enter the total storage capacity certificated by FERC. 2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.		
Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	
2	Cushion Gas (Including Native Gas)	
3	Total Gas in Reservoir (Total of line 1 and 2)	
4	Certificated Storage Capacity	
5	Number of Injection - Withdrawal Wells	
6	Number of Observation Wells	
7	Maximum Days' Withdrawal from Storage	
8	Date of Maximum Days' Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

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/Q4</u>
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Transmission Lines			
1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year. 2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned. 3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated. 4. Report the number of miles of pipe to one decimal point.			
Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1	Op by resp - Wyoming		154.00
2			
3	Op by resp - Utah		739.70
4			
5	Op by resp - Nevada		275.50
6			
7	Op by resp - California		238.20
8			
9	Total Op by resp		1,407.40
10			
11	Op by others - California operated by Mojave Pipeline Operating Company	*	300.70
12			
13	Grand Total		1,708.10
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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/Q4
FOOTNOTE DATA			

Schedule Page: 514 Line No.: 11 Column: a

The Respondent's ownership percentage is 75% of these California facilities with the remaining 25% owned by Mojave Pipeline Company, which is a wholly-owned subsidiary of El Paso Natural Gas Company.

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/Q4</u>
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Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date: December 12, 2011			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation		2,416,749	2,416,749
5	Interruptible Transportation	25,000	461,198	486,198
6	Other (Describe) (footnote details)			
7	TOTAL	25,000	2,877,947	2,902,947
8	Volumes of gas Withdrawn form Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12	Other (Describe) (footnote details)			
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack		161,493	161,493
17	Other (Describe) (footnote details)			
18	TOTAL		161,493	161,493
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates: December 10-12, 2011			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation		7,149,828	7,149,828
24	Interruptible Transportation	75,000	1,533,453	1,608,453
25	Other (Describe) (footnote details)			
26	TOTAL	75,000	8,683,281	8,758,281
27	Volumes of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31	Other (Describe) (footnote details)			
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack		231,602	231,602
36	Other (Describe) (footnote details)			
37	TOTAL		231,602	231,602

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/Q4
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Auxiliary Peaking Facilities

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1					
2					
3					
4					
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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/Q4
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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 Transmission Mainline and common facilities				
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	834,240,201	232,468,301
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	(19,820)	(58,716)
10	Gas Received as Imbalances (Account 806)	328	(70,176)	(26,107)
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		15,743,920	4,916,882
14	Gas Received from Shippers as Lost and Unaccounted for		70,011	645,475
15	Other Receipts (Specify) (footnote details)		117,536	203,679
16	Total Receipts (Total of lines 3 thru 15)		850,081,672	238,149,514
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	834,240,201	232,468,301
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	(236,664)	230,509
25	Gas Delivered as Imbalances (Account 806)	328	(1,011,204)	50,243
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	15,751,738	4,851,419
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		848,744,071	237,600,472
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		1,337,601	549,042
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		850,081,672	238,149,514

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/Q4
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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: Kern River 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	14,288,253	4,288,568
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	(109,992)	7,043
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		1,141	2,659
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		14,179,402	4,298,270
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	14,288,253	4,288,568
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	(121,578)	3,402
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)		14,166,675	4,291,970
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		12,727	6,300
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		14,179,402	4,298,270

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 2011/Q4
Kern River Gas Transmission Company			
FOOTNOTE DATA			

Schedule Page: 520 Line No.: 5 Column: c

Quantity plus line 10 equals lines 1 and 2 of column J on page 305. The Respondent bills on net scheduled receipt quantities; therefore, it is necessary to include shipper imbalances from gross scheduled quantities to match the billable quantity booked to account 489.2.

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

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

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of December 31, 2011. Line 9 reflects total quantity of exchange gas received from others during 2011 only. It is more accurate to use said quantity here rather than page 328.

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.

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of December 31, 2011. Line 9 reflects total quantity of exchange gas received from others during 2011 only. It is more accurate to use said quantity here rather than page 328.

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):

	Year to date Mainline and Common Facility	Quarter to date Mainline and Common Facility
Apex linepack purchase	466,465	295,705
Apex compressor fuel usage	(193,748)	-
Apex Expansion blow down	(155,181)	(92,026)
	117,536	203,679

Schedule Page: 520 Line No.: 20 Column: c

Quantity plus line 10 equals lines 1 and 2 of column J on page 305. The Respondent bills on net scheduled receipt quantities; therefore, it is necessary to include shipper imbalances from gross scheduled quantities to match the billable quantity booked to account 489.2.

Use the total on page 305 for ACA collection purposes. Kern River collected ACA on quantities of 848,458,279 decatherms for calendar year 2011, which is the total on page 305 column J.

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

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

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of

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/Q4
FOOTNOTE DATA			

December 31, 2011. Line 9 reflects total quantity of exchange gas received from others during 2011 only. It is more accurate to use said quantity here rather than page 328.

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.

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of December 31, 2011. Line 9 reflects total quantity of exchange gas received from others during 2011 only. It is more accurate to use said quantity here rather than page 328.

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

Gas losses and gas unaccounted for represents transmission system losses of 1,082,601 Dth and change in linepack of 255,000 Dth for a total of 1,337,601 Dth.

Schedule Page: 520.1 Line No.: 5 Column: c

Quantity equals line 3 and 4 of column J on pg 305.

Schedule Page: 520.1 Line No.: 9 Column: c

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

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of December 31, 2011. Line 9 reflects total quantity of exchange gas received from others during 2011 only. It is more accurate to use said quantity here rather than page 328.

Schedule Page: 520.1 Line No.: 20 Column: c

Quantity equals line 3 and 4 of column J on page 305.

Use the total on page 305 for ACA collection purposes. Kern River collected ACA on quantities of 848,458,279 decatherms for calendar year 2011, which is the total on page 305 column J.

Schedule Page: 520.1 Line No.: 24 Column: c

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

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of December 31, 2011. Line 9 reflects total quantity of exchange gas received from others during 2011 only. It is more accurate to use said quantity here rather than page 328.

Schedule Page: 520.1 Line No.: 32 Column: c

Gas losses and gas unaccounted for represents transmission system losses of 12,363 Dth and change in linepack of 364 Dth for a total of 12,727 Dth.

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

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: d

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

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Kern River Gas Transmission Company			2011/Q4
FOOTNOTE DATA			

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

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

	Year to date Mainline and Common Facility	Quarter to date Mainline and Common Facility
Apex linepack purchase	466,465	295,705
Apex compressor fuel usage	(193,748)	-
Apex Expansion blow down	(155,181)	(92,026)
	117,536	203,679

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

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

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

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

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

Gas losses and gas unaccounted for represents transmission system losses of 321,534 Dth and change in linepack of 227,508 Dth for a total of 549,042 Dth.

Schedule Page: 520.1 Line No.: 9 Column: d

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

Schedule Page: 520.1 Line No.: 24 Column: d

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

Schedule Page: 520.1 Line No.: 32 Column: d

Gas losses and gas unaccounted for represents transmission system losses of 3,657 Dth and change in linepack of 2,643 Dth for a total of 6,300 Dth.

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/Q4</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 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				
3	Production/Extraction/Processing				
4	Transmission	404,778	40,342	1,299,301	1,744,421
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	404,778	40,342	1,299,301	1,744,421
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	358,589	31,343	1,120,341	1,510,273
12	Distribution				
13	Storage				
14	Total gas used in compressors	358,589	31,343	1,120,341	1,510,273
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				
25	Production/Extraction/Processing				
26	Transmission	31,412	6,711	120,775	158,898
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	31,412	6,711	120,775	158,898

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/Q4</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				
33	Production/Extraction				
34	Transmission	14,777	2,288	58,185	75,250
35	Distribution				
36	Storage				
37	Total Net Excess Or (Deficiency)	14,777	2,288	58,185	75,250
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	Line pack	14,777	2,288	58,185	75,250
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas	14,777	2,288	58,185	75,250
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				

SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT		
66	Forwardhaul Volume in Dths for the Quarter	223,921,769
67	Backhaul Volume in Dths for the Quarter	12,808,993
68	TOTAL (Lines 66 and 67)	236,730,762

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/Q4</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				
3	Production/Extraction/Processing				
4	Transmission	527,283	45,342	1,305,549	1,878,174
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	527,283	45,342	1,305,549	1,878,174
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	453,276	35,098	1,103,289	1,591,663
12	Distribution				
13	Storage				
14	Total gas used in compressors	453,276	35,098	1,103,289	1,591,663
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				
25	Production/Extraction/Processing				
26	Transmission	34,040	5,309	95,839	135,188
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	34,040	5,309	95,839	135,188

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				
33	Production/Extraction				
34	Transmission	39,967	4,935	106,421	151,323
35	Distribution				
36	Storage				
37	Total Net Excess Or (Deficiency)	39,967	4,935	106,421	151,323
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	Line pack	39,967	4,935	106,421	151,323
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas	39,967	4,935	106,421	151,323
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				

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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/Q4</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				
3	Production/Extraction/Processing				
4	Transmission	586,798	7,082	1,348,541	1,942,421
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	586,798	7,082	1,348,541	1,942,421
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	536,982	724	1,211,777	1,749,483
12	Distribution				
13	Storage				
14	Total gas used in compressors	536,982	724	1,211,777	1,749,483
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				
25	Production/Extraction/Processing				
26	Transmission	8,190	812	22,103	31,105
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	8,190	812	22,103	31,105

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/Q4</u>
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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				
33	Production/Extraction				
34	Transmission	41,626	5,546	114,661	161,833
35	Distribution				
36	Storage				
37	Total Net Excess Or (Deficiency)	41,626	5,546	114,661	161,833
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	Line pack	41,626	5,546	114,661	161,833
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas	41,626	5,546	114,661	161,833
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 2011/Q4
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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										
3										
4	1,465,296	146,038	4,703,470	6,314,804						
5										
6										
7	1,465,296	146,038	4,703,470	6,314,804						
8										
9										
10										
11	1,298,092	113,462	4,055,634	5,467,188					854	810
12										
13										
14	1,298,092	113,462	4,055,634	5,467,188						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	113,711	24,294	437,206	575,211						
27										
28										
29										
30	113,711	24,294	437,206	575,211						

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/Q4
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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)		
31										
32										
33										
34	53,493	8,282	210,630	272,405						
35										
36										
37	53,493	8,282	210,630	272,405						
38										
39										
40										
41										
42										
43										
44	53,493	8,282	210,630	272,405						
45										
46										
47										
48										
49										
50										
51	53,493	8,282	210,630	272,405						
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 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										
3										
4	1,819,126	156,430	4,504,144	6,479,700						
5										
6										
7	1,819,126	156,430	4,504,144	6,479,700						
8										
9										
10										
11	1,563,802	121,088	3,806,347	5,491,237						
12										
13										
14	1,563,802	121,088	3,806,347	5,491,237						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	117,438	18,316	330,645	466,399						
27										
28										
29										
30	117,438	18,316	330,645	466,399						

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										
33										
34	137,886	17,026	367,152	522,064						
35										
36										
37	137,886	17,026	367,152	522,064						
38										
39										
40										
41										
42										
43										
44	137,886	17,026	367,152	522,064						
45										
46										
47										
48										
49										
50										
51	137,886	17,026	367,152	522,064						
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										
3										
4	2,006,849	24,220	4,612,010	6,643,079						
5										
6										
7	2,006,849	24,220	4,612,010	6,643,079						
8										
9										
10										
11	1,836,478	2,476	4,144,277	5,983,231						
12										
13										
14	1,836,478	2,476	4,144,277	5,983,231						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	28,010	2,777	75,592	106,379						
27										
28										
29										
30	28,010	2,777	75,592	106,379						

[illegible]

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/Q4
FOOTNOTE DATA			

Schedule Page: 521 Line No.: 4 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 the 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 tracks its fuel and lost and unaccounted for gas outside of its general ledger and adjusts its fuel and loss rates monthly. 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.

Schedule Page: 521 Line No.: 4 Column: o

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 the 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 tracks its fuel and lost and unaccounted for gas outside of its general ledger and adjusts its fuel and loss rates monthly. 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.

Name of Respondent	This Report is: (1) <u>X</u> An Original (2) <u> </u> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2011/Q4
System Maps			

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

2. Indicate the following information on the maps:

- (a) Transmission lines.
- (b) Incremental facilities.
- (c) Location of gathering areas.
- (d) Location of zones and rate areas.
- (e) Location of storage fields.
- (f) Location of natural gas fields.
- (g) Location of compressor stations.
- (h) Normal direction of gas flow (indicated by arrows).
- (i) Size of pipe.
- (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
- (k) Principal communities receiving service through the respondent's pipeline.

3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.

4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

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