

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 2012/Q4

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Partners of
Kern River Gas Transmission Company
Salt Lake City, Utah

We have audited the accompanying financial statements of Kern River Gas Transmission Company (the "Company"), which comprise of the balance sheets — regulatory basis as of December 31, 2012 and 2011, and the related statements of income — regulatory basis, retained earnings — regulatory basis and cash flows — regulatory basis for the years then ended, and the related notes to the financial statements — regulatory basis, included on pages 110 through 122 of the accompanying Federal Energy Regulatory Commission Form 2.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the assets, liabilities and proprietary capital of Kern River Gas Transmission Company as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Basis of Accounting

As discussed in Note 2 to the financial statements, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restricted Use

This report is intended solely for the information and use of the board of directors and management of the Company and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

April 18, 2013

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>2012/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 <i>Mary Hausman</i>	14 Date Signed 04/18/2013

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 <u>2012/Q4</u>
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List of Schedules (Natural Gas Company)

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)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
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10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		NA
15	Gas Property and Capacity Leased to Others	213		NA
16	Gas Plant Held for Future Use	214		NA
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		NA
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		NA
26	Unrecovered Plant and Regulatory Study Costs	230		NA
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		NA
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		NA
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		NA
34	Capital Stock Expense	254		NA
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

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 2012/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 Reacquired 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		
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	INCOME ACCOUNT SUPPORTING SCHEDULES			
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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>2012/Q4</u>
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General Information

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.

Mary Hausman, Controller

1111 South 103rd Street, Omaha, NE 68124
2755 East Cottonwood Parkway Suite 300, Cottonwood, UT 84121

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.

Not incorporated

Texas general partnership
05-29-85

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.

N/A

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

During 2012, 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.

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?

(1) ☐ Yes... Enter the date when such independent accountant was initially engaged:

(2) ☒ No

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>2012/Q4</u>
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Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.
2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.
3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Berkshire Hathaway, Inc	M	DE	89.80
2	MidAmerican Energy Holdings Company	I	IA	100.00
3	KR Holding, LLC	I	DE	100.00
4	KR Acquisition 1, LLC	J	DE	50.00
5	KR Acquisition 2, LLC	J	DE	50.00
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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 2012/Q4
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Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Kern River Funding Corporation	D	Financial Intermediary	100	Not used
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2012/Q4</u>

Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants,

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:

2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.

Total:

By Proxy:

3. Give the date and place of such meeting:

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	100			100
6	TOTAL number of security holders	2			2
7	TOTAL votes of security holders listed below	100			100
8	KR Acquisition 1, LLC 666 Grand Ave., Des Moines, IA, 50309-2580	50			50
9	KR Acquisition 2, LLC 666 Grand Ave., Des Moines, IA, 50309-2580	50			50
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Kern River Gas Transmission Company			2012/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.

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

1. None

2. None

3. None

4. None

5. On January 19, 2012, the Federal Energy Regulatory Commission issued an order in Docket No. CP11-46-000 authorizing the Respondent to construct and operate the Mountain Pass Lateral, an 8.6-mile 8-inch-diameter lateral pipeline from Respondent's mainline to the MolyCorp Minerals, LLC, rare earth mine in San Bernardino County, California. Construction began February 2, 2012, and service commenced June 1, 2012. The lateral capacity was sold to one shipper under a 10-year contract that will generate annual revenue of \$5.2 million.

6. None

7. None

8. None

9. For the status of material important legal proceedings, see Note 9 included in the Notes to the Financials on page 122.

10. None

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Kern River Gas Transmission Company			2012/Q4
Important Changes During the Quarter/Year			

11. None

12. Bret W. Reich replaced Patricia French as Vice President and Assistant General Counsel effective July 31, 2012.

13. Not applicable

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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	2,797,140,992	2,749,393,310	
3	Construction Work in Progress (107)	200-201	645,040	13,659,977	
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	2,797,786,032	2,763,053,287	
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		984,020,870	910,117,587	
6	Net Utility Plant (Total of line 4 less 5)		1,813,765,162	1,852,935,700	
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)		1,813,765,162	1,852,935,700	
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)		27,729,100	22,801,653	
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)		27,729,100	22,801,653	
31	CURRENT AND ACCRUED ASSETS				
32	Cash (131)		0	23,657,946	
33	Special Deposits (132-134)		8,148,267	6,514,426	
34	Working Funds (135)		0	0	
35	Temporary Cash Investments (136)	222-223	41,068,400	0	
36	Notes Receivable (141)		0	0	
37	Customer Accounts Receivable (142)		33,086,531	33,467,567	
38	Other Accounts Receivable (143)		2,005,305	481,073	
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		0	0	
40	Notes Receivable from Associated Companies (145)		0	0	
41	Accounts Receivable from Associated Companies (146)		740,409	331,746	
42	Fuel Stock (151)		0	0	
43	Fuel Stock Expenses Undistributed (152)		0	0	

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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	383,393,663	364,869,095	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	36,103,275	32,532,096	0	0
5	Maintenance Expenses (402)	317-325	1,467,609	1,020,069	0	0
6	Depreciation Expense (403)	336-338	81,253,842	68,061,918	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	3,041,231	1,815,288	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)		51,197,794	51,180,691	0	0
13	(Less) Regulatory Credits (407.4)		18,584,574	11,808,619	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	17,619,651	15,663,905	0	0
15	Income Taxes-Federal (409.1)	262-263	35,775,997	43,956,400	0	0
16	Income Taxes-Other (409.1)	262-263	5,824,369	6,417,954	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	93,588,055	128,018,513	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	69,056,142	115,427,132	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)		238,231,107	221,431,083	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		145,162,556	143,438,012	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>2012/Q4</u>
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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)		145,162,556	143,438,012	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)		4,724	14,438	0	0
38	Allowance for Other Funds Used During Construction (419.1)		572,949	8,639,627	0	0
39	Miscellaneous Nonoperating Income (421)		590,302	2,311	0	0
40	Gain on Disposition of Property (421.1)		0	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		1,167,975	8,656,376	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	49,836	66,100	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)		69,098	52,181	0	0
49	Other Deductions (426.5)		84,075	6,903	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	203,009	125,184	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	147,000	(18,000)	0	0
54	Income Taxes-Other (409.2)	262-263	21,000	(2,000)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	359,000	3,298,000	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	135,000	22,000	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)		392,000	3,256,000	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		572,966	5,275,192	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		37,188,202	41,654,980	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	2,814,194	3,143,120	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	867,335	954,910	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		581,680	5,255,458	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		40,288,051	40,497,552	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		105,447,471	108,215,652	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)		105,447,471	108,215,652	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of 2012/Q4

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

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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 2012/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		(26,223,740)	(134,439,392)
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)		105,447,471	108,215,652
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	93,500,000	
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)		(14,276,269)	(26,223,740)
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		(14,276,269)	(26,223,740)
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			

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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>2012/Q4</u>
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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)	105,447,471	108,215,652
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	84,295,073	69,877,206
5	Amortization of (Specify) (footnote details)	37,905,140	49,963,262
6	Deferred Income Taxes (Net)	24,755,913	15,867,381
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	245,555	(942,500)
9	Net (Increase) Decrease in Inventory	(722,968)	(1,095,305)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	1,404,596	2,109,517
12	Net (Increase) Decrease in Other Regulatory Assets	(2,595,335)	(7,341,760)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(25,381)	(45,741)
14	(Less) Allowance for Other Funds Used During Construction	572,949	8,639,627
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other (footnote details):	(1,584,086)	(1,013,579)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	248,553,029	226,954,506
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(61,723,809)	(227,380,447)
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	(572,949)	(8,639,627)
27	Other: (footnote)	10,995,794	26,036,080
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(50,155,066)	(192,704,740)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		
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>2012/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):	(1,286,128)	
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(51,441,194)	(192,704,740)
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)	(87,843,166)	(74,328,833)
63	Preferred Stock		
64	Common Stock		
65	Other: Contributions from Partners		55,000,000
66	Net Decrease in Short-Term Debt (c)		
67	Distributions to Partners	(93,500,000)	
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)	(181,343,166)	(19,328,833)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	15,768,669	14,920,933
75			
76	Cash and Cash Equivalents at Beginning of Period	30,098,538	15,177,605
77			
78	Cash and Cash Equivalents at End of Period	45,867,207	30,098,538

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			2012/Q4
Notes to Financial Statements			

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 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") 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. Operation and maintenance of the common facilities are the responsibility of Mojave Pipeline Operating 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			2012/Q4
Notes to Financial Statements			

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

(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 Respondent has evaluated subsequent events through April 18, 2013, 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. Regulatory assets and liabilities are established to reflect the impacts of these deferrals and are recognized in earnings as they are recovered in regulated rates.

The Respondent's rates for transportation service are primarily derived on the basis of a levelized cost-of-service. In the FERC orders certifying 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") or the period eligible customers elect to take service upon the expiration of the Period One contracts ("Period Two"). 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 straight-line method described above and the plant cost recovered through levelized depreciation is recorded as a regulatory asset or

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liability to be recovered or returned 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 that could limit the Respondent's ability to recover its costs. 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. 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, returned to customers, or re-established as accumulated other comprehensive (loss) income ("AOCI").

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 other property and investments and current and accrued assets on the Balance Sheets.

Allowance for Doubtful Accounts

Receivables are stated at the outstanding principal amount, net of an estimated allowance 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, 2012 and 2011, 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, excluding 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. The Respondent is permitted to earn a return on the cost of its rate base assets as well as recover these costs through depreciation expense over the useful lives of the assets.

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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 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. 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 cost 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.

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. In addition, line pack is classified as either recoverable or non-recoverable. Non-recoverable line pack is depreciated while recoverable line pack is not depreciated.

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 the amount recovered in transportation rates for the estimated removal cost after salvage proceeds at the time the asset is removed from service. The Respondent recognizes a negative salvage reserve for final abandonment and removal of its gas transmission system in accumulated depreciation and amortization and, as of December 31, 2012 and 2011, the balance of this reserve was \$22.3 million and \$19.2 million, respectively. The annual negative salvage allowance, which is 0.12% of transmission plant and is reflected in depreciation expense on the Statements of Income, was \$3.1 million and \$2.8 million for the years ended December 31, 2012 and 2011, 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, 2012 and 2011.

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 on

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transportation or balancing agreements the following month and are not material.

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, 2012 and 2011 was \$7.5 million and \$10.3 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 for each of the shipper groups comprising the Respondent as if each were a distinct entity not included as a member of a consolidated tax return. Substantially all of the Respondent's 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 is more-likely-than-not 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 February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-02, which amends FASB Accounting Standards Codification ("ASC") Topic 220, "Comprehensive Income". The amendments in this guidance require an entity to provide information about the amounts reclassified out of AOCI by component. In addition, an entity is required to present, either on the face of the financial statements or in the notes, significant amounts reclassified out of AOCI by the respective line items of net income if the amount reclassified is required under GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required by GAAP that provide additional detail about those amounts. This guidance is effective prospectively for annual reporting periods beginning after December 15, 2013. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial

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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 interim and annual reporting periods beginning after December 15, 2011. The Respondent adopted ASU No. 2011-04 on January 1, 2012. The adoption of this guidance did not have a material impact on the Respondent's 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	2012	2011
Transmission plant – Original and 2002 Expansion ("Rolled-in") system ⁽¹⁾	1.95%	\$1,091,519	\$1,065,815
Transmission plant – 2003 and 2010 Expansion ("Incremental") system ⁽¹⁾	3.00%	1,205,151	1,209,944
Transmission plant – Apex Expansion system ⁽¹⁾	3.00%	278,238	295,745
Transmission plant – other	4.76% to 6.67%	52,596	32,922
Compressor engines	9.92%	132,160	108,333
Intangible plant ⁽²⁾	1.95% to 20.00%	25,650	26,417
General plant	4.00% to 33.33%	11,827	10,217
Total operating assets		2,797,141	2,749,393
Accumulated depreciation and amortization		(984,021)	(910,117)
Net operating assets		1,813,120	1,839,276
Construction work-in-progress		645	13,660
Utility plant, net		<u>\$1,813,765</u>	<u>\$1,852,936</u>

(1) Includes recoverable line pack gas of \$3.6 million, \$7.3 million and \$0.4 million for the Rolled-in, Incremental and Apex Expansion systems, respectively, as of December 31, 2012 and \$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. 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 \$72.0 million and \$60.9 million and accumulated amortization of \$26.5 million and \$24.8 million as of December 31, 2012 and 2011, 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, 2012 and 2011, depreciation expense of \$81.3 million and \$68.1 million, respectively, and amortization expense of \$3.0 million and \$1.8 million, respectively, were included in depreciation and amortization on the Statements of Income. The Respondent expects amortization expense to be \$2.3 million for each of 2013 and 2014, \$2.0 million for 2015, and \$1.6 million for each of 2016 and 2017.

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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	2012	2011
Levelized depreciation on utility plant ⁽¹⁾	27 years	\$ 57,806	\$ 64,993
Deferred income taxes associated with equity AFUDC	27 years	27,812	28,683
Other	Various	6,371	4,636
Total		<u>\$ 91,989</u>	<u>\$ 98,312</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 \$5.7 million and \$3.9 million as of December 31, 2012 and 2011, respectively.

Regulatory liabilities represent income to be recognized or amounts to be returned to eligible 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	2012	2011
Levelized depreciation on utility plant ⁽¹⁾	27 years	\$ 105,483	\$ 81,024
Other	Various	2,533	1,946
Total		<u>\$ 108,016</u>	<u>\$ 82,970</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 Period One and required that rates be established based on a levelized rate design for Period Two. The FERC set all other issues related to Period Two for hearing. In November 2010, the FERC issued an order that denied all requests for rehearing related to Period One 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 July 2011, the FERC issued an order requiring, among other things, that Period Two rates be based on a return on equity of 11.55% and a levelization period that coincides with a contract length of 10 or 15 years. The FERC also determined that capital expenditures associated with compressor engines and general plant replacements can be recovered in a future rate case and cannot be 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. The Respondent filed 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 filing. In February 2013, the FERC issued an order that denied the requests for rehearing regarding its previous orders on Period Two. In March 2013, the Respondent requested a clarification, or in the alternative a rehearing, on recovery of plant replacements.

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(5) Fair Value Measurements

The carrying value of cash, certain cash equivalents, receivables, payables and accrued liabilities approximates fair value because of 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 property and investments on the Balance Sheets. The fair value of the Respondent's money market mutual funds, which approximates cost, was \$67.3 million and \$21.9 million as of December 31, 2012 and 2011, 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 is a Level 2 fair value measurement and 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):

	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term notes payable to subsidiary	<u>\$ 627,862</u>	<u>\$ 712,920</u>	<u>\$ 715,705</u>	<u>\$ 822,180</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 (in thousands):

	2012	2011
6.676% Senior Notes, due 2016	\$ 227,000	\$ 257,333
4.893% Senior Notes, due 2018	<u>400,862</u>	<u>458,372</u>
Total long-term notes payable to subsidiary	627,862	715,705
Less - current portion	<u>(79,742)</u>	<u>(87,843)</u>
Long-term portion	<u>\$ 548,120</u>	<u>\$ 627,862</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 \$59.0 million and \$62.0 million as of December 31, 2012 and 2011, respectively.

The annual repayments of the Respondent's long-term notes payable to subsidiary for the years beginning January 1, 2013 and thereafter are as follows (in thousands):

2013	\$ 79,742
2014	81,414
2015	85,340
2016	190,340
2017	61,864
2018	<u>129,162</u>
Total	<u>\$ 627,862</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.

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The terms of Funding's debt indentures to which the Respondent is guarantor preclude the issuance of mortgage bonds by Funding and 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, 2012 and 2011, Funding is in compliance with all debt covenants.

(7) Income Taxes

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

	<u>2012</u>	<u>2011</u>
Current:		
Federal	\$ 35,923	\$ 43,939
State	<u>5,845</u>	<u>6,416</u>
	<u>41,768</u>	<u>50,355</u>
Deferred:		
Federal	18,771	14,490
State	<u>5,985</u>	<u>1,377</u>
	<u>24,756</u>	<u>15,867</u>
Total	<u>\$ 66,524</u>	<u>\$ 66,222</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:

	<u>2012</u>	<u>2011</u>
Federal statutory income tax rate	35.0%	35.0%
State income tax, net of federal income tax benefit	4.5	2.9
Other, net	<u>(0.8)</u>	<u>0.1</u>
Effective income tax rate	<u>38.7%</u>	<u>38.0%</u>

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

	<u>2012</u>	<u>2011</u>
Deferred income tax assets:		
Federal and state carryforwards	\$ 70,565	\$ 92,815
Regulatory liabilities	41,470	31,629
Unamortized deferred debt costs	3,499	3,818
Contribution in aid of construction	3,067	2,461
Other	<u>312</u>	<u>821</u>
Total deferred income tax assets	<u>118,913</u>	<u>131,544</u>
Deferred income tax liabilities:		
Utility plant, net	(460,346)	(448,300)
Regulatory assets	(23,576)	(21,528)
Other	<u>(1,042)</u>	<u>(699)</u>
Total deferred income tax liabilities	<u>(484,964)</u>	<u>(470,527)</u>
Net deferred income tax liability	<u>\$ (366,051)</u>	<u>\$ (338,983)</u>

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As of December 31, 2012, the Respondent has federal and state carryforwards for net operating losses totaling \$70.6 million, which expire between 2026 and 2032. The Respondent does not consider a valuation allowance on these amounts necessary, as they are expected to be utilized prior to their expiration.

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.

(8) Employee Benefit Plans

The Respondent participates in 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):

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Service cost	\$ 18	\$ 18	\$ 4	\$ 4
Interest cost	37	39	8	10
Expected return on plan assets	(45)	(43)	(13)	(13)
Net amortization	4	-	(3)	(2)
Net periodic benefit cost (benefit)	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ (4)</u>	<u>\$ (1)</u>

The Respondent's share of pension cost totaled \$0.5 million and \$0.7 million for the years ended December 31, 2012 and 2011, respectively. The Respondent's share of other postretirement cost totaled \$- million and \$0.1 million for the years ended December 31, 2012 and 2011, respectively.

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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):

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Plan assets at fair value, beginning of year	\$ 555	\$ 546	\$ 213	\$ 216
Employer contributions	65	55	1	2
Participant contributions	-	-	2	7
Actual return on plan assets	74	-	25	4
Benefits paid	(51)	(46)	(15)	(16)
Plan assets at fair value, end of year	<u>\$ 643</u>	<u>\$ 555</u>	<u>\$ 226</u>	<u>\$ 213</u>

The Respondent's contributions to the pension plan and the other postretirement plan totaled \$1.0 million and \$1.1 million for the years ended December 31, 2012 and 2011, respectively. As of December 31, 2012 and 2011, the fair value of plan assets attributable to the Respondent in the pension plan was \$12.3 million and \$11.2 million, respectively, and the other postretirement plan was \$6.2 million and \$5.3 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):

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Benefit obligation, beginning of year	\$ 799	\$ 738	\$ 198	\$ 189
Service cost	18	18	4	4
Interest cost	37	39	8	10
Participant contributions	-	-	2	7
Plan amendments	-	-	-	(18)
Actuarial loss	43	50	16	22
Benefits paid	(51)	(46)	(15)	(16)
Benefit obligation, end of year	<u>\$ 846</u>	<u>\$ 799</u>	<u>\$ 213</u>	<u>\$ 198</u>
Accumulated benefit obligation, end of year	<u>\$ 821</u>	<u>\$ 771</u>		

MEC paid benefits from the plans to the Respondent's participants totaling \$1.0 million for each of the years ended December 31, 2012 and 2011. As of December 31, 2012 and 2011, the benefit obligation attributable to the Respondent for the pension plan was \$12.0 million and \$11.8 million, respectively, and for the other postretirement plan was \$5.0 million and \$4.4 million, respectively.

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

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Plan assets at fair value, end of year	\$ 643	\$ 555	\$ 226	\$ 213
Less - Benefit obligation, end of year	846	799	213	198
Funded status	<u>\$ (203)</u>	<u>\$ (244)</u>	<u>\$ 13</u>	<u>\$ 15</u>

As of December 31, 2012, 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 \$1.5 million. As of December 31, 2011, the Respondent recorded an

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affiliate company payable included in accumulated provision for pensions and benefits relating to the under funded status of the pension plan of \$0.6 million and an affiliate company receivable included in other special funds relating to the over funded status of the other postretirement plan of \$0.9 million. 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):

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net loss	\$ 121	\$ 111	\$ 51	\$ 48
Prior service cost (credit)	<u>4</u>	<u>4</u>	<u>(53)</u>	<u>(58)</u>
Total	<u>\$ 125</u>	<u>\$ 115</u>	<u>\$ (2)</u>	<u>\$ (10)</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, 2012 and 2011 is as follows (in millions):

	<u>Regulatory Asset</u>	<u>Regulatory Liability</u>	<u>Receivables (Payables) with Affiliates</u>	<u>Total</u>
<u>Pension</u>				
Balance, December 31, 2010	\$ 14	\$ (1)	\$ 9	\$ 22
Net gain arising during the year	85	1	7	93
Balance, December 31, 2011	<u>99</u>	<u>-</u>	<u>16</u>	<u>115</u>
Net loss arising during the year	14	-	-	14
Net amortization	<u>(3)</u>	<u>-</u>	<u>(1)</u>	<u>(4)</u>
Total	<u>11</u>	<u>-</u>	<u>(1)</u>	<u>10</u>
Balance, December 31, 2012	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 125</u>

	<u>Regulatory Asset</u>	<u>Regulatory Liability</u>	<u>Receivables (Payables) with Affiliates</u>	<u>Total</u>
<u>Other Postretirement</u>				
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	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>
Total	<u>2</u>	<u>8</u>	<u>2</u>	<u>12</u>
Balance, December 31, 2011	<u>2</u>	<u>-</u>	<u>(12)</u>	<u>(10)</u>
Net loss (gain) arising during the year	6	-	(2)	4
Net amortization	<u>3</u>	<u>-</u>	<u>1</u>	<u>4</u>
Total	<u>9</u>	<u>-</u>	<u>(1)</u>	<u>8</u>
Balance, December 31, 2012	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ (13)</u>	<u>\$ (2)</u>

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The net loss and prior service cost (credit) for MEC and its participating affiliates that will be amortized in 2013 into net periodic benefit cost are estimated to be as follows (in millions):

	<u>Net Loss</u>	<u>Prior Service Cost (Credit)</u>	<u>Total</u>
Pension	\$ 10	\$ 1	\$ 11
Other postretirement	3	(6)	(3)
Total	<u>\$ 13</u>	<u>\$ (5)</u>	<u>\$ 8</u>

The net loss and prior service cost amounts expected to be recognized by the Respondent for the year ended December 31, 2013 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:

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Benefit obligations as of December 31:				
Discount rate	4.00%	4.75%	3.75%	4.75%
Rate of compensation increase	3.00%	3.50%	N/A	N/A
Net periodic benefit cost for the years ended				
December 31:				
Discount rate	4.75%	5.50%	4.75%	5.50%
Expected return on plan assets ⁽¹⁾	7.50%	7.50%	7.50%	7.50%
Rate of compensation increase	3.50%	3.50%	N/A	N/A

(1) Amounts reflected are pre-tax values. Assumed after-tax returns for a taxable, non-union other postretirement plan were 5.75% for 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Assumed healthcare cost trend rates as of December 31:		
Healthcare cost trend rate assumed for next year	8.00%	7.40%
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	2018	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	1	(1)

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Contributions and Benefit Payments

MEC's contributions to its pension and other postretirement benefit plans are expected to be \$8 million and \$- million, respectively, during 2013. 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 sum of the net periodic benefit cost. The Respondent's contributions to the pension plan and the other postretirement plan are each expected to be \$0.5 million during 2013.

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 2013 through 2017 and for the five years thereafter are summarized below (in millions):

Projected Benefit Payments			
	<u>Pension</u>		<u>Other Postretirement</u>
2013	\$ 53	\$	15
2014	56		15
2015	56		16
2016	58		17
2017	61		18
2018-22	310		92

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 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, 2012:

	<u>Pension</u>	<u>Other Postretirement</u>
Debt securities ⁽¹⁾	20-30%	25-35%
Equity securities ⁽¹⁾	65-75%	60-80%
Real estate funds	2-8%	- %
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.

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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):

	<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, 2012</u>				
Cash equivalents	\$ -	\$ 7	\$ -	\$ 7
Debt securities:				
United States government obligations	19	-	-	19
Corporate obligations	-	31	-	31
Municipal obligations	-	5	-	5
Agency, asset and mortgage-backed obligations	-	29	-	29
Equity securities:				
United States companies	137	-	-	137
Investment funds(1)	101	288	-	389
Real estate funds	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
Total	<u>\$ 257</u>	<u>\$ 360</u>	<u>\$ 26</u>	<u>\$ 643</u>
<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>

- (1) Investment funds are comprised of mutual funds and collective trust funds. These funds represent equity and debt securities of approximately 74% and 26%, respectively, for 2012 and 77% and 23%, respectively, for 2011. Additionally, these funds are invested in United States and international securities of approximately 77% and 23%, respectively, for 2012 and 79% and 21%, respectively, for 2011.

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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, 2012</u>				
Cash equivalents	\$ 2	\$ -	\$ -	\$ 2
Debt securities:				
United States government obligations	4	-	-	4
Corporate obligations	-	9	-	9
Municipal obligations	-	32	-	32
Agency, asset and mortgage-backed obligations	-	14	-	14
Equity securities:				
United States companies	102	-	-	102
Investment funds ⁽¹⁾	<u>63</u>	<u>-</u>	<u>-</u>	<u>63</u>
Total	<u>\$ 171</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 226</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>

- (1) Investment funds are comprised of mutual funds and collective trust funds. These funds represent equity and debt securities of approximately 86% and 14%, respectively, for 2012 and 83% and 17%, respectively, for 2011. Additionally, these funds are invested in United States and international securities of approximately 51% and 49%, respectively, for 2012 and 59% and 41%, respectively, for 2011.

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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):

	<u>Real Estate Funds</u>	
	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 24	\$ 17
Actual return on plan assets still held at period end	2	4
Purchases and sales	-	3
Ending balance	<u>\$ 26</u>	<u>\$ 24</u>

The Respondent participates in the MEC sponsored defined contribution plan and contributed \$0.5 million for each of the years ended December 31, 2012 and 2011.

(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, 2012 were \$11.4 million for the year ended December 31, 2013.

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, 2012 were \$1.4 million for each of the years 2013 through 2016, \$1.5 million for the year 2017, and \$2.1 million for the years thereafter. These amounts are not reflected on the Balance Sheets. Rent expense on non-cancelable operating leases totaled \$1.2 million and \$1.1 million for the years ended December 31, 2012 and 2011, respectively, and was included in operation and maintenance on the Statements of Income.

The Respondent has a construction, operation and maintenance agreement with Mojave and 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

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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 total \$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 or accounts receivable as of December 31:

	Revenue		Accounts Receivable	
	2012	2011	2012	2011
NV Energy	17%	14%	16%	17%
Southwest Gas Corporation	8%	6%	12%	12%

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, 2012 and 2011, the Respondent has reflected escrow funds of \$2.1 million and \$0.1 million, respectively, in special deposits and \$26.2 million and \$21.9 million, respectively, in other special funds. The Respondent also had offsetting cash security deposit and escrow fund obligations of \$28.3 million and \$22.0 million as of December 31, 2012 and 2011, respectively, in customer deposits on the Balance Sheets. Letters of credit, not reflected on the Balance Sheets, were \$96.6 million and \$127.8 million as of December 31, 2012 and 2011, 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 \$1.7 million and \$2.3 million for the years ended December 31, 2012 and 2011, respectively. Income tax transactions with MEHC resulted in net payments of \$36.4 million and \$47.2 million for the years ended December 31, 2012 and 2011, 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 \$1.1 million and \$0.8 million for the years ended December 31, 2012 and 2011, respectively.

As of December 31, 2012 and 2011, the Respondent had net accounts payable to MEHC and certain subsidiaries for intercompany transactions totaling \$0.3 million and \$1.3 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, legal, commercial, and tax to the Respondent. The Respondent was billed \$1.1 million for each of the years ended December 31, 2012 and 2011 for these services.

Northern provides risk management services to the Respondent, pursuant to a service agreement dated August 1, 2008. The Respondent assumes all risks, liabilities, losses and profits associated with these risk management services. Northern entered into specific risk management transactions that settled on behalf of the Respondent totaling \$0.6 million for each of the years ended December 31, 2012 and 2011.

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The Respondent provided natural gas transportation and other services to PacifiCorp, an indirect subsidiary of MEHC, of \$3.2 million and \$3.4 million for the years ended December 31, 2012 and 2011, respectively. PacifiCorp provided electricity and other services to the Respondent of \$0.7 million and \$0.6 million for the years ended December 31, 2012 and 2011, 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 for each of the years ended December 31, 2012 and 2011. As of December 31, 2012 and 2011, the Respondent had net accounts receivable from PacifiCorp for intercompany transactions totaling \$0.3 million, which is reflected in accounts receivable from associated companies on the Balance Sheets.

For the years ended December 31, 2012 and 2011, the Respondent distributed to its partners \$93.5 million and \$- million, respectively, and received a contribution from its partners of \$- million and \$55.0 million, respectively.

(12) Subsequent Events

Subsequent to December 31, 2012, the Respondent distributed to its Partners \$43.0 million on January 31, 2013, \$16.0 million on February 28, 2013, and \$3.0 million on April 1, 2013.

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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)	2,686,240,973
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	110,900,019
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	2,797,140,992
9	Leased to Others	
10	Held for Future Use	
11	Construction Work in Progress	645,040
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	2,797,786,032
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	984,020,870
15	Net Utility Plant (Total of lines 13 and 14)	1,813,765,162
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	950,682,883
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	33,337,987
22	TOTAL In Service (Total of lines 18 thru 21)	984,020,870
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)	984,020,870

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Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3		2,686,240,973		
4				
5				
6		110,900,019		
7				
8		2,797,140,992		
9				
10				
11		645,040		
12				
13		2,797,786,032		
14		984,020,870		
15		1,813,765,162		
16				
17				
18		950,682,883		
19				
20				
21		33,337,987		
22		984,020,870		
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33		984,020,870		

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

- Report below the original cost of gas plant in service according to the prescribed accounts.
- 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.
- Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
- Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
- 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	26,417,174	409,613
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	26,417,174	409,613
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 <u>2012/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				
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4	1,177,271			25,649,516
5	1,177,271			25,649,516
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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 2012/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 Terminating 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, Terminating 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 2012/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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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>2012/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	60,948,284	11,057,016
85	366 Structures and Improvements	51,066,235	7,502,849
86	367 Mains	2,003,901,956	26,947,174
87	368 Compressor Station Equipment	534,715,764	20,842,671
88	369 Measuring and Regulating Station Equipment	50,284,024	10,085,739
89	370 Communication Equipment	8,577,020	76,552
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)	2,712,759,036	76,512,001
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	24,311	180,312
113	391 Office Furniture and Equipment	3,093,137	468,202
114	392 Transportation Equipment	2,050,661	249,274
115	393 Stores Equipment		
116	394 Tools, Shop, and Garage Equipment	3,148,540	874,725
117	395 Laboratory Equipment		190,600
118	396 Power Operated Equipment	632,830	79,764
119	397 Communication Equipment	1,204,833	43,325
120	398 Miscellaneous Equipment	62,788	8,117
121	Subtotal (Enter Total of lines 111 thru 120)	10,217,100	2,094,319
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)	10,217,100	2,094,319
125	TOTAL (Accounts 101 and 106)	2,749,393,310	79,015,933
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)	2,749,393,310	79,015,933

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 2012/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)
81				
82				
83				3,156,651
84				72,005,300
85	103,367		(6,774)	58,458,943
86	134,592		(616,026)	2,030,098,512
87	28,572,818		9,762,959	536,748,576
88	87,674		(7,944,842)	52,337,247
89	14,315		(1,888,757)	6,750,500
90				109,102
91				
92	28,912,766		(693,440)	2,759,664,831
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112				204,623
113	269,791			3,291,548
114	868,130			1,431,805
115				
116			233,286	4,256,551
117			385,901	576,501
118				712,594
119	40,293		74,253	1,282,118
120				70,905
121	1,178,214		693,440	11,826,645
122				
123				
124	1,178,214		693,440	11,826,645
125	31,268,251			2,797,140,992
126				
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129	31,268,251			2,797,140,992

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>2012/Q4</u>
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Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
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).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Various Projects under \$1,000,000	645,040	1,037,000
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45	Total	645,040	1,037,000

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 2012/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	1,272,869,188
2	High Desert	CP01-405	Incremental	29,942,040
3	Apex Expansion	CP10-14	Incremental	328,003,507
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	Total			1,630,814,735

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 2012/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	321,293,374	199,241,000	18,277,823	552,285	42,501,512	9,244,832	211,204,953
2	13,010,393	6,237,000	214,353	7,953	1,301,386	209,284	4,775,602
3	14,458,656	38,654,000	2,717,697	109,633	11,740,078	153,827	46,132,809
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	348,762,423	244,132,000	21,209,873	669,871	55,542,976	9,607,943	262,113,364

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 2012/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.

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(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 fixed amount of payroll and 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 small 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 2012/Q4
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General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

- 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.
- Identify, in a footnote, the specific entity used as the source for the capital structure figures.
- 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.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio (percent) (c)	Cost Rate Percentage (d)
(1)	Average Short-Term Debt	S		
(2)	Short-Term Interest			s
(3)	Long-Term Debt	D 627,861,994	41.65	d 6.49
(4)	Preferred Stock	P		p
(5)	Common Equity	C 879,564,358	58.35	c 11.55
(6)	Total Capitalization	1,507,426,358	100.00	
(7)	Average Construction Work In Progress Balance	W 11,604,747		

2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$ 2.70

3. Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$ 6.74

4. Weighted Average Rate Actually Used for the Year:

- Rate for Borrowed Funds - 2.93
- Rate for Other Funds - 6.33

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Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	878,643,559	878,643,559		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	81,253,842	81,253,842		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	81,253,842	81,253,842		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(30,090,980)	(30,090,980)		
13	Cost of Removal	(145,271)	(145,271)		
14	Salvage (Credit)	(21,078,369)	(21,078,369)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(9,157,882)	(9,157,882)		
16	Other Debit or Credit Items (Describe) (footnote details):	(56,636)	(56,636)		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	950,682,883	950,682,883		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas				
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage				
25	Other Storage Plant				
26	Base Load LNG Terminating and Processing Plant				
27	Transmission	946,602,667	946,602,667		
28	Distribution				
29	General	4,080,216	4,080,216		
30	TOTAL (Total of lines 21 thru 29)	950,682,883	950,682,883		

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 2012/Q4
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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			130,001,000
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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>2012/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	88,932,600		41,068,400	1,000	
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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 2012/Q4
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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		
2				
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40	TOTAL Cost of Account 123.1 \$	0	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 <u>2012/Q4</u>
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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 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>2012/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	531,376
2	Prepaid Rents	
3	Prepaid Taxes	16,687
4	Prepaid Interest	
5	Miscellaneous Prepayments	891,526
6	TOTAL	1,439,589

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 2012/Q4	
Other Regulatory Assets (Account 182.3)							
<p>1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).</p> <p>2. For regulatory assets being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.</p> <p>5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).</p>							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Levelized depreciation	64,993,432	13,096,918	403,407.3	20,284,217		57,806,133
2							
3	Income taxes related to equity AFUDC	28,683,200	889,200	407.3	1,760,800		27,811,600
4							
5	Federal tax rate change	189,600		407.3	37,500		152,100
6							
7	Muddy Creek compressor station restage	499,200		407.3	96,900		402,300
8							
9	Fillmore compressor station restage	94,300		407.3	18,000		76,300
10							
11	Deferred regulatory commission expense	2,119,087	5,454	928	620,020		1,504,521
12							
13	Employee benefits	581,243		228.3	581,243		
14							
15	Deferred FERC annual charge	1,151,661	1,564,780	928	1,542,856		1,173,585
16							
17	Gas loss		664,251				664,251
18							
19	State tax rate change - apportionment		2,398,000				2,398,000
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40	Total	98,311,723	18,618,603		24,941,536	0	91,988,790

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>2012/Q4</u>
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Miscellaneous Deferred Debits (Account 186)

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.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	Noncurrent Letter of Credit Fees	60,358		165	60,358	
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39	Miscellaneous Work in Progress					
40	Total	60,358	0		60,358	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>2012/Q4</u>
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Accumulated Deferred Income Taxes (Account 190)

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	131,511,000	36,311,000	23,667,000
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	131,511,000	36,311,000	23,667,000
6	Other (Specify) (footnote details)	33,055	33,055	
7	TOTAL Account 190 (Total of lines 5 thru 6)	131,544,055	36,344,055	23,667,000
8	Classification of TOTAL			
9	Federal Income Tax	115,892,477	29,069,477	20,039,000
10	State Income Tax	15,651,578	7,274,578	3,628,000
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>2012/Q4</u>
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Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at
	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits	Debits	Credits	Credits	End of Year
	(e)	(f)	Account No. (g)	Amount (h)	Account No. (i)	Amount (j)	(k)
1							
2							
3					254	46,000	118,913,000
4							
5						46,000	118,913,000
6							
7						46,000	118,913,000
8							
9						40,000	106,902,000
10						6,000	12,011,000
11							

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>2012/Q4</u>
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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
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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			2012/Q4
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

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.
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.
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.
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.
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.

During 2012, 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 2012, principal payments were \$30,333,333 and interest payments were \$17,598,677.

During 2012, 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 2012, principal payments were \$57,509,833 and interest payments were \$22,890,167.

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 2012/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	226,999,994
3	4.893% Senior Notes Due 2018	05/01/2003	04/30/2018	400,862,000
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40	TOTAL			627,861,994

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>2012/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	16,167,046			
3	4.893	21,021,156			
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40		37,188,202			

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 2012/Q4
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

- 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.
- Show premium amounts by enclosing the figures in parentheses.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- 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	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 <u>2012/Q4</u>
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

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.

6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.

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.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2	8,431,205		2,369,329	6,061,876
3	1,897,782		444,865	1,452,917
4				
5	10,328,987		2,814,194	7,514,793
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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 2012/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)	105,447,471
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Taxable Contribution in Aid of Construction	2,394,257
6	Capitalized Interest - Tax	636,088
7	Tax Gain on Disposition of Assets	58,568
8	TOTAL	3,088,913
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal Income Taxes (Current & Deferred)	54,693,754
11	Deferred State Income Taxes	5,985,156
12	Other (see footnote)	118,964,509
13	TOTAL	179,643,419
14	Income Recorded on Books Not Included in Return	
15	Equity AFUDC	572,949
16	Debt AFUDC	581,680
17		
18	TOTAL	1,154,629
19	Deductions on Return Not Charged Against Book Income	
20	Tax Depreciation and Repairs	127,812,425
21	Tax Amortization - Regulatory Assets	7,228,386
22	Tax Amortization - Debt Costs	3,777,131
23	Contribution Carryforward to 2012 (Apex Expansion & 2010 Expansion)	8,343
24	NOL Carryforward to 2012 (Apex Expansion & 2010 Expansion)	40,400,105
25		
26	TOTAL	179,226,390
27	Federal Tax Net Income	107,798,784
28	Show Computation of Tax:	
29	NOL Carryforward generated in 2012 by Molycorp Mountain Pass Lateral	7,055,402
30	Federal Taxable Income (after NOL adjustment)	114,854,186
31	Federal Tax Rate 35%	
32	Current Year Federal Income Tax Return	40,199,000
33	Other Charges including Book to Tax Return Adjustments, FIN 48, and Audits	(4,276,003)
34	Total Current Federal Income Tax Provision (accounts 409.1 and 409.2)	35,922,997
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 <u>2012/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)

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	3,673,651	
3	FICA	95,984	
4	Unemployment	530	
5	Subtotal	3,770,165	
6			
7	STATE INCOME TAX		
8	California	195,000	
9	Utah	168,000	
10	FIN 48 Adjustments	347,121	
11	Subtotal	710,121	
12			
13	USE TAX		
14	California	87,724	
15	Nevada	(21,988)	
16	Utah	194,734	
17	Wyoming	5,281	
18	Subtotal	265,751	
19			
20	AD VALOREM / PROPERTY TAX		
21	California	1,737,661	
22	Nevada	786,282	
23	Nevada (Moapa Indian Reservation)	(600)	
24	Utah		
25	Wyoming	749,315	
26	Subtotal	3,272,658	
27			
28	STATE UNEMPLOYMENT TAX		
29	California	60	
30	Nevada	1,357	
31	Utah	2,527	
32	Wyoming	1,061	
33	Subtotal	5,005	
34			
35	OTHER STATE TAXES		
36	California Natural Gas Surcharge		
37	Subtotal		
38			
39			
TOTAL		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 <u>2012/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	35,922,997	31,161,436	1	8,435,213	
3	1,011,168	1,079,420		27,732	
4	6,678	7,129		79	
5	36,940,843	32,247,985	1	8,463,024	
6					
7					
8	2,644,761	2,763,761		76,000	
9	2,891,908	2,474,908		585,000	
10	308,700		(1)	655,820	
11	5,845,369	5,238,669	(1)	1,316,820	
12					
13					
14	36,161	115,961		7,924	
15	52,386	26,862		3,536	
16	579,720	701,770		72,684	
17	39,279	43,389		1,171	
18	707,546	887,982		85,315	
19					
20					
21	3,156,531	3,315,927		1,578,265	
22	3,116,513	3,132,889		769,906	
23	136,963	136,363			
24	8,623,713	8,623,713			
25	1,439,046	1,468,838		719,523	
26	16,472,766	16,677,730		3,067,694	
27					
28					
29	302	322		40	
30	13,781	14,711		427	
31	29,079	31,042		564	
32	11,269	12,029		301	
33	54,431	58,104		1,332	
34					
35					
36	56	56			
37	56	56			
38					
39					
TOTAL	60,021,011	55,110,526		12,934,185	

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 2012/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.

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)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2		35,775,997		147,000
3		882,957		
4		5,831		
5		36,664,785		147,000
6				
7				
8		2,636,561		8,200
9		2,879,108		12,800
10		308,700		
11		5,824,369		21,000
12				
13				
14				
15				
16		284,387		
17				
18		284,387		
19				
20				
21		3,123,031		
22		3,113,443		
23		136,963		
24		8,623,713		
25		1,439,046		
26		16,436,196		
27				
28				
29		263		
30		12,033		
31		25,392		
32		9,840		
33		47,528		
34				
35				
36		56		
37		56		
38				
39				
TOTAL		59,257,321		168,000

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>2012/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.

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				128,211	
4				847	
5				129,058	
6					
7					
8					8.84
9					5.00
10					
11					
12					
13					
14				36,161	
15				52,386	
16				295,333	
17				39,279	
18				423,159	
19					
20					
21				33,500	
22				3,070	
23					
24					
25					
26				36,570	
27					
28					
29				39	
30				1,748	
31				3,687	
32				1,429	
33				6,903	
34					
35					
36					
37					
38					
39					
TOTAL				595,690	

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>2012/Q4</u>
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Miscellaneous Current and Accrued Liabilities (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than \$250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Contract retainage	4,802,292
2	Transportation and exchange gas payable	2,084,024
3	Accrued vacation and other employee benefits	1,215,569
4	Miscellaneous items	86,776
5		
6		
7		
8		
9		
10		
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45	Total	8,188,661

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 2012/Q4
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Other Deferred Credits (Account 253)

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

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	119	131	141,460	172,566	31,225
2						
3						
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5						
6						
7						
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9						
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45	Total	119		141,460	172,566	31,225

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 2012/Q4
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Accumulated Deferred Income Taxes-Other Property (Account 282)

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	450,435,000	47,651,000	34,116,000
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	450,435,000	47,651,000	34,116,000
6	Other (Specify) (footnote details)	(2,134,568)		1,713,142
7	TOTAL Account 282 (Enter Total of lines 5 thr	448,300,432	47,651,000	35,829,142
8	Classification of TOTAL			
9	Federal Income Tax	401,514,044	38,936,000	28,875,720
10	State Income Tax	46,786,388	8,715,000	6,953,422
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>2012/Q4</u>
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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	359,000	135,000					464,194,000
4							
5	359,000	135,000					464,194,000
6							(3,847,710)
7	359,000	135,000					460,346,290
8							
9	319,000	121,000					411,772,324
10	40,000	14,000					48,573,966
11							

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>2012/Q4</u>
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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	22,227,000	9,593,000	9,560,000
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	22,227,000	9,593,000	9,560,000
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru 6)	22,227,000	9,593,000	9,560,000
8	Classification of TOTAL			
9	Federal Income Tax	19,719,000	7,816,000	8,334,000
10	State Income Tax	2,508,000	1,777,000	1,226,000
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 2012/Q4
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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			182.3	2,398,000	219	40,000	24,618,000
4							
5				2,398,000		40,000	24,618,000
6							
7				2,398,000		40,000	24,618,000
8							
9				2,070,000		35,000	21,236,000
10				328,000		5,000	3,382,000
11							

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>2012/Q4</u>	
Other Regulatory Liabilities (Account 254)							
<p>1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory liabilities being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).</p>							
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	1,074,999	931	71,380			1,003,619
2							
3	Employee benefits	869,653	128	869,653		1,482,988	1,482,988
4							
5	Levelized depreciation	81,024,960	403,407.4	9,768,597		34,227,155	105,483,518
6							
7	State tax rate change - apportionment					46,000	46,000
8							
9							
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45	Total	82,969,612		10,709,630	0	35,756,143	108,016,125

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>2012/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule

- Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
- Total Quantities and Revenues in whole numbers
- 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.
- 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.
- 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	71,257,092		128,263	30,967,437	31,095,700
4	KRI - 1 Interruptible Mainline	3,154,148		5,677	386,846	392,523
5	KRFL - 1 Firm High Desert	3,284,451		5,912	355,121	361,033
6	KRIL - 1 Interruptible High Desert	8,545		15	364	379
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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 2012/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	68,801,205		123,841	30,411,943	30,535,784	76,533,002		137,759	32,142,633	32,280,392
4	3,913,781		7,045	287,363	294,408	5,568,201		10,023	430,111	440,134
5	2,022,053		3,640	342,177	345,817	3,130,672		5,635	355,121	360,756
6	1,742		3		3	2,863,740		5,155	37,807	42,962
7										
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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>2012/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Item	Month 1 Quantity	Month 1 Revenue Costs and Take-or-Pay	Month 1 Revenue (GRI & ACA)	Month 1 Revenue (Other)	Month 1 Revenue (Total)
	(a)	(b)	(c)	(d)	(e)	(f)
47						

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>2012/Q4</u>
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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)
47										

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>2012/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)	77,704,236		139,867	31,709,768	31,849,635
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)				51,289	51,289
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				51,289	51,289

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 2012/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	74,738,781		134,529	31,041,483	31,176,012	88,095,615		158,572	32,965,672	33,124,244
64										
65										
66										
67										
68										
69										
70										
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86										
87										
88										
89										
90										
91										
92										
93										
94										
95										
96										
97										
98				56,026	56,026				68,062	68,062
99										
100				56,026	56,026				68,062	68,062

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>2012/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)
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	77,704,236		139,867	31,807,194	31,947,061

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>2012/Q4</u>
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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)
101	74,738,781		134,529	31,143,646	31,278,175	88,095,615		158,572	33,079,871	33,238,443

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>2012/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			1,740,310	1,588,397
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:			1,740,310	1,588,397
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:			1,740,310	1,588,397

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>2012/Q4</u>
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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	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1						
2						
3						
4						
5						
6						
7						
8	553,644	553,644	553,644	553,644		
9						
10	381,011,854	361,227,557	382,752,164	362,815,954	966,841,050	848,458,279
11						
12						
13						
14						
15						
16						
17						
18	1,090,223	2,192,458	1,090,223	2,192,458		
19	382,655,721	363,973,659	384,396,031	365,562,056		
20	1,002,368	692,961	1,002,368	692,961		
21	381,653,353	363,280,698	383,393,663	364,869,095		

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 2012/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			1,591,421	1,382,218
2	KRI - 1 Interruptible Mainline			79,199	179,460
3	KRF - L1 Firm High Desert			64,517	26,171
4	KRI - L1 Interruptible High Desert			5,173	548
5					
6	TOTAL			1,740,310	1,588,397
7					
8					
9					
10					
11					
12					
13					
14					
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16					
17					
18					
19					
20					
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>2012/Q4</u>
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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	371,198,159	344,547,849	372,789,580	345,930,067	884,126,858	738,212,191
2	5,591,736	12,486,252	5,670,935	12,665,712	43,997,929	95,957,835
3	4,183,788	4,181,136	4,248,305	4,207,307	35,842,236	13,999,727
4	38,171	12,320	43,344	12,868	2,874,027	288,526
5						
6	381,011,854	361,227,557	382,752,164	362,815,954	966,841,050	848,458,279
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25						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2012/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	345,000
13	Facility charge on Big Horn Lateral	615,468
14	Miscellaneous (2)	129,755
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16		
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38		
39		
	Total	1,090,223

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>2012/Q4</u>
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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 (a)	Discounted Rate Services	Discounted Rate Services	Negotiated Rate Services	Negotiated Rate Services
		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.	69,779,260	220,370,521	19,405,819	39,361,763
3	Account 489.4, Revenues from storing gas of others.				
4	Account 495, Other gas revenues.				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
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22					
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25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
	Total	69,779,260	220,370,521	19,405,819	39,361,763

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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>2012/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	

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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>2012/Q4</u>
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	50,185,008	59,622,441	
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)	50,185,008	59,622,441	
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)	(50,185,008)	(59,622,441)	
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	(50,185,008)	(59,622,441)	
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	

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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 2012/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	

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>2012/Q4</u>
Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	7,625,771	7,039,108	
181	851 System Control and Load Dispatching	1,611,538	1,728,088	
182	852 Communication System Expenses	374,757	210,346	
183	853 Compressor Station Labor and Expenses	2,844,990	2,174,256	
184	854 Gas for Compressor Station Fuel	50,185,008	59,622,441	
185	855 Other Fuel and Power for Compressor Stations	615,605	484,824	
186	856 Mains Expenses	4,276,531	3,158,951	
187	857 Measuring and Regulating Station Expenses	950,425	1,097,829	
188	858 Transmission and Compression of Gas by Others	0	0	
189	859 Other Expenses	0	725	
190	860 Rents	0	0	
191	TOTAL Operation (Total of lines 180 thru 190)	68,484,625	75,516,568	
192	Maintenance			
193	861 Maintenance Supervision and Engineering	617,666	331,909	
194	862 Maintenance of Structures and Improvements	0	0	
195	863 Maintenance of Mains	234,074	226,971	
196	864 Maintenance of Compressor Station Equipment	491,392	346,885	
197	865 Maintenance of Measuring and Regulating Station Equipment	83,217	76,308	
198	866 Maintenance of Communication Equipment	0	130	
199	867 Maintenance of Other Equipment	41,260	37,866	
200	TOTAL Maintenance (Total of lines 193 thru 199)	1,467,609	1,020,069	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	69,952,234	76,536,637	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	0	0	
205	871 Distribution Load Dispatching	0	0	
206	872 Compressor Station Labor and Expenses	0	0	
207	873 Compressor Station Fuel and Power	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>2012/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	6,235,451	7,538,783	
255	921 Office Supplies and Expenses	1,883,377	2,633,766	
256	(Less) 922 Administrative Expenses Transferred-Credit	153,921	222,838	
257	923 Outside Services Employed	3,015,928	534,121	
258	924 Property Insurance	636,187	575,607	
259	925 Injuries and Damages	171,190	148,923	
260	926 Employee Pensions and Benefits	2,927,974	2,408,774	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	2,212,880	2,170,970	
263	(Less) 929 Duplicate Charges-Credit	0	0	
264	930.1General Advertising Expenses	0	0	
265	930.2Miscellaneous General Expenses	19,176	20,420	
266	931 Rents	855,416	829,443	
267	TOTAL Operation (Total of lines 254 thru 266)	17,803,658	16,637,969	
268	Maintenance			
269	932 Maintenance of General Plant	0	0	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	17,803,658	16,637,969	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	37,570,884	33,552,165	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2012/Q4</u>

Exchange and Imbalance Transactions

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.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others	Gas Received from Others	Gas Delivered to Others	Gas Delivered to Others
		Amount	Dth	Amount	Dth
		(b)	(c)	(d)	(e)
1	Transportation	115,811	31,556	204,683	55,772
2	OBA - Operational Balancing Agreements	1,724,617	469,923	1,879,341	512,082
3					
4					
5					
6					
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19					
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23					
24					
25	Total	1,840,428	501,479	2,084,024	567,854

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>2012/Q4</u>
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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	18,783,876	50,185,008		
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		948,356			
7	Change in line pack		(347,827)			
8	Line pack loss - May 2, 2012 force majeure		295,713			
9						
10						
11						
12						
13						
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17						
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24						
25	Total		19,680,118	50,185,008		

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>2012/Q4</u>
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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.	18,500
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 (1)	676
5		
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23		
24		
25	Total	19,176

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>2012/Q4</u>
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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)

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.
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

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	80,077,591			
9	Distribution plant				
10	General plant	1,176,251			
11	Common plant-gas				
12	TOTAL	81,253,842			

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>2012/Q4</u>
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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) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	1,480,509		1,480,509	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	1,560,722		81,638,313	Transmission plant
9				Distribution plant
10			1,176,251	General plant
11				Common plant-gas
12	3,041,231		84,295,073	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 <u>2012/Q4</u>
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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)	2,719,997	0.00
8	General Plant (footnote details)	11,827	0.00
9	Intangible Plant (footnote details)	25,649	0.00
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11			
12			
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15			

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 2012/Q4
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Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(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.

(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.

(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.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	426.1 - Charitable donations less than \$250,000	49,836
2		
3	426.4 - Expenditures for Certain Civic, Political and Related Activities	69,098
4	Activities less than \$250,000	
5		
6	426.5 - Other deductions - activities less than \$250,000	84,075
7		
8	431.0 - Other interest expense	
9	Letters-of-credit fees (rates less than 0.05% based upon face value)	814,635
10	FIN 48 tax income tax adjustments (rates vary by taxing authority)	51,807
11	Other	893
12	Account subtotal	867,335
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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 2012/Q4
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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)		8,105,282	8,105,282	2,119,087
2					
3	FERC Order No. 472 2011 Annual Charge (Oct-11 through Sep-12)	1,535,548		1,535,548	1,551,661
4					
5	FERC Order No. 472 2012 Annual Charge (Oct-12 through Sep-13)	1,564,780		1,564,780	
6					
7					
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24					
25	Total	3,100,328	8,105,282	11,205,610	3,670,748

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>2012/Q4</u>
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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	Gas	928	50,004	5,454	182.3	670,024	1,504,521
2							
3					182.3	1,151,661	
4							
5				1,564,780	182.3	391,195	1,173,585
6							
7							
8							
9							
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22							
23							
24							
25			50,004	1,570,234		2,212,880	2,678,106

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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>2012/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	7,545,019			7,545,019
33	Distribution				
34	Customer Accounts				
35	Customer Service and Informational				
36	Sales				
37	Administrative and General	5,179,785	2,170,090		7,349,875
38	TOTAL Operation (Total of lines 28 thru 37)	12,724,804	2,170,090		14,894,894
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	655,389			655,389
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 2012/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)	655,389			655,389
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.)(II. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)				
53	Storage, LNG Terminating and Processing (Total of II. 31 and 43)				
54	Transmission (Total of lines 32 and 44)	8,200,408			8,200,408
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)	5,179,785	2,170,090		7,349,875
60	Total Operation and Maintenance (Total of lines 50 thru 59)	13,380,193	2,170,090		15,550,283
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	13,380,193	2,170,090		15,550,283
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant	1,113,115	103,119	621,342	1,837,576
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	1,113,115	103,119	621,342	1,837,576
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant	41,696			41,696
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	41,696			41,696
75	Other Accounts (Specify) (footnote details)	57,290			57,290
76	TOTAL Other Accounts	57,290			57,290
77	TOTAL SALARIES AND WAGES	14,592,294	2,273,209	621,342	17,486,845

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 2012/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	ARB Inc	11,024,902
2	Mears Group Inc	6,580,763
3	Flare Construction Inc	3,457,689
4	Sunland Construction Inc	2,697,344
5	Quality Integrated Services Inc	2,653,930
6	Ecology and Environment Inc	2,365,983
7	G E L Inc	2,089,390
8	Southern Nevada Environmental Inc	1,151,848
9	Bodell Construction Company	910,472
10	Universal Ensco	910,179
11	Elkhorn Construction Inc	888,600
12	Infrasource Pipeline Facilities Inc	669,278
13	Quality Electrical Contractors Inc	541,493
14	Solar Turbines Incorporated	403,256
15	El Paso Natural Gas Company	373,042
16	ICORR Technologies Inc	349,328
17	Consultnet	348,599
18	Blue Sky Construction LLC	345,550
19	Urs Corporation	338,894
20	Hunter McDonnell Pipeline Services	337,048
21	Sunrise Engineering Inc	331,668
22	Tulsa Inspection Resources Inc	307,139
23	EPG Inc	305,677
24	Barnard Pipeline Inc	272,749
25		
26	Other (\$250,000 or less)	5,197,518
27		
28	Total	44,852,339
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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>2012/Q4</u>
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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")	920, 923	990,324
3	Other-goods and services under \$250,000	MEHC	Various	726,460
4	Other-goods and services under \$250,000	MidAmerican Energy Company	Various	981,252
5	Finance and accounting services	Northern Natural Gas ("NNG")	107, 923	596,803
6	Risk management services (natural gas swaps)	NNG	421	(553,425)
7	Other-goods and services under \$250,000	NNG	Various	530,300
8	Other-goods and services under \$250,000	PacifiCorp	Various	164,272
9	Other-goods and services under \$250,000	MidAmerican Holdings Company, Inc.	923	67,811
10				
11	Total			3,503,797
12				
13				
14				
15				
16				
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21	Gas transportation services	PacifiCorp	489.2	3,175,157
22	Other-goods and services under \$250,000	PacifiCorp	Various	169,609
23				
24	Total			3,344,766
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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>2012/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	127,293,454
3	Transmission: Painter, Uinta County, Wyoming	2	11,000	17,271,610
4	Transmission: Anschutz, Uinta County, Wyoming	2	720	4,883,095
5	Transmission: Coyote Creek, Uinta County, Wyoming	2	31,000	54,752,274
6	Transmission: Salt Lake City, Salt Lake County, Utah	2	30,000	37,882,397
7	Transmission: Elberta, Utah County, Utah	2	31,000	53,194,674
8	Transmission: Fillmore, Millard County, Utah	2	30,000	43,748,453
9	Transmission: Milford, Beaver County, Utah	1	30,000	61,121,051
10	Transmission: Veyo, Washington County, Utah	3	45,000	59,694,912
11	Transmission: Dry Lake, Clark County, Nevada	2	31,000	45,735,410
12	Transmission: Goodsprings, Clark County, Nevada	3	45,000	60,137,540
13	Transmission: Daggett, San Bernadino County, California	1	4,000	24,114,919
14				
15	Transmission Total	28	384,220	589,829,789
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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 2012/Q4
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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	12,371,728		766,178	4,631,290	2,559,920	47,428	6	01/13/2012
3	576,760		170,700	214,003	361,200	8,809	1	12/21/2012
4	211		56,315	71	99,200			
5	3,714,069		235,603	1,377,099	579,200	15,032	2	04/25/2012
6	4,070,089		278,864	1,555,538	554,080	15,748	2	04/25/2012
7	4,461,013		173,416	1,663,753	704,840	16,995	2	01/22/2012
8	4,047,372		380,256	1,519,975	445,560	15,608	2	01/22/2012
9	3,702,384		336,701	1,380,330	1,617,200	8,435	1	12/18/2012
10	6,586,275		541,006	2,453,987	1,420,960	25,650	3	01/22/2012
11	4,616,918		259,680	1,721,487	1,041,600	16,232	2	12/18/2012
12	6,038,189		890,550	2,268,221	651,840	23,431	3	04/11/2012
13		34,387	13,897		279,000			
14								
15	50,185,008		4,089,269	18,785,754	11,982,520	193,368	24	
16								
17								
18								
19								
20								
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>2012/Q4</u>
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Transmission Lines

- Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
- 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.
- 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.
- 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		740.60
4			
5	Op by resp - Nevada		275.50
6			
7	Op by resp - California		246.90
8			
9	Total Op by resp		1,417.00
10			
11	Op by others - California operated by Mojave Pipeline Operating Company	*	300.70
12			
13	Grand Total		1,717.70
14			
15			
16			
17			
18			
19			
20			
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 2012/Q4
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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 19, 2012			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation	25,184	2,630,421	2,655,605
5	Interruptible Transportation		151,457	151,457
6	Other (Describe) (footnote details)			
7	TOTAL	25,184	2,781,878	2,807,062
8	Volumes of gas Withdrawn from 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		150,172	150,172
17	Other (Describe) (footnote details)			
18	TOTAL		150,172	150,172
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates: December 19-21, 2012			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation	54,146	7,998,574	8,052,720
24	Interruptible Transportation	24,418	422,565	446,983
25	Other (Describe) (footnote details)			
26	TOTAL	78,564	8,421,139	8,499,703
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		148,840	148,840
36	Other (Describe) (footnote details)			
37	TOTAL		148,840	148,840

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 2012/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
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01 Name of System: Kern River Gas Transmission Mainline and Common Facility

2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)			
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	928,205,666	229,226,099
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	139,460	105,070
10	Gas Received as Imbalances (Account 806)	328	(80,879)	1,330
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		18,746,196	4,452,095
14	Gas Received from Shippers as Lost and Unaccounted for		814,278	134,576
15	Other Receipts (Specify) (footnote details)		297,456	
16	Total Receipts (Total of lines 3 thru 15)		948,122,177	233,919,170
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	928,205,666	229,226,099
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	282,793	94,579
25	Gas Delivered as Imbalances (Account 806)	328	(29,304)	23,697
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	18,785,754	4,459,364
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		947,244,909	233,803,739
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		877,268	115,431
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		948,122,177	233,919,170

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 2012/Q4
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	38,716,263	11,311,203	
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	(916,997)	(940,743)	
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		19,183		
15	Other Receipts (Specify) (footnote details)				
16	Total Receipts (Total of lines 3 thru 15)		37,818,449	10,370,460	
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	38,716,263	11,311,203	
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	(916,788)	(965,817)	
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)		37,799,475	10,345,386	
31	GAS LOSSES AND GAS UNACCOUNTED FOR				
32	Gas Losses and Gas Unaccounted For		18,974	25,074	
33	TOTALS				
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		37,818,449	10,370,460	

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>2012/Q4</u>
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Shipper Supplied Gas for the Current Quarter

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

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	352,473	37,465	1,138,408	1,528,346
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	352,473	37,465	1,138,408	1,528,346
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	330,855	32,868	1,049,395	1,413,118
12	Distribution				
13	Storage				
14	Total gas used in compressors	330,855	32,868	1,049,395	1,413,118
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	22,036	5,588	83,858	111,482
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	22,036	5,588	83,858	111,482

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 2012/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	993,974	105,651	3,210,311	4,309,936						
5										
6										
7	993,974	105,651	3,210,311	4,309,936						
8										
9										
10										
11	933,011	92,688	2,959,294	3,984,993					854	810
12										
13										
14	933,011	92,688	2,959,294	3,984,993						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	62,142	15,758	236,480	314,380						
27										
28										
29										
30	62,142	15,758	236,480	314,380						

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 2012/Q4
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Shipper Supplied Gas for the Current Quarter (continued)					
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)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	(418)	(991)	5,155	3,746
35	Distribution				
36	Storage				
37	Total Net Excess Or (Deficiency)	(418)	(991)	5,155	3,746
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			5,155	5,155
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas			5,155	5,155
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Line pack	418	991		1,409
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	418	991		1,409

SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT		
66	Forwardhaul Volume in Dths for the Quarter	225,878,023
67	Backhaul Volume in Dths for the Quarter	14,660,609
68	TOTAL (Lines 66 and 67)	240,538,632

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 2012/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	(1,179)	(2,795)	14,537	10,563						
35										
36										
37	(1,179)	(2,795)	14,537	10,563						
38										
39										
40										
41										
42										
43										
44			14,537	14,537						
45										
46										
47										
48										
49										
50										
51			14,537	14,537						
52										
53										
54										
55										
56	1,179	2,795		3,974						
57										
58										
59										
60										
61										
62										
63										
64										
65	1,179	2,795		3,974						

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>2012/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	329,903	40,147	1,112,903	1,482,953
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	329,903	40,147	1,112,903	1,482,953
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	288,887	34,845	967,172	1,290,904
12	Distribution				
13	Storage				
14	Total gas used in compressors	288,887	34,845	967,172	1,290,904
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	15,706	3,833	60,915	80,454
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	15,706	3,833	60,915	80,454

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 2012/Q4
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Shipper Supplied Gas for the Current Quarter (continued)										

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
1										
2										
3										
4	1,141,464	138,909	3,850,644	5,131,017						
5										
6										
7	1,141,464	138,909	3,850,644	5,131,017						
8										
9										
10										
11	999,549	120,564	3,346,415	4,466,528					854	810
12										
13										
14	999,549	120,564	3,346,415	4,466,528						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	54,343	13,262	210,766	278,371						
27										
28										
29										
30	54,343	13,262	210,766	278,371						

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>2012/Q4</u>
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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)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	25,310	1,469	84,816	111,595
35	Distribution				
36	Storage				
37	Total Net Excess Or (Deficiency)	25,310	1,469	84,816	111,595
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	25,310	1,469	84,816	111,595
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas	25,310	1,469	84,816	111,595
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 2012/Q4
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
31										
32										
33										
34	87,572	5,083	293,463	386,118						
35										
36										
37	87,572	5,083	293,463	386,118						
38										
39										
40										
41										
42										
43										
44	87,572	5,083	293,463	386,118						
45										
46										
47										
48										
49										
50										
51	87,572	5,083	293,463	386,118						
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63										
64										
65										

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>2012/Q4</u>
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Shipper Supplied Gas for the Current Quarter

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

Line No.	Item (a)	Month 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	479,441	1,387	1,094,544	1,575,372
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	479,441	1,387	1,094,544	1,575,372
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	535,384		1,219,958	1,755,342
12	Distribution				
13	Storage				
14	Total gas used in compressors	535,384		1,219,958	1,755,342
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	19,999	1,586	47,011	68,596
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	19,999	1,586	47,011	68,596

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>2012/Q4</u>
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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	1,759,549	5,090	4,016,976	5,781,615						
5										
6										
7	1,759,549	5,090	4,016,976	5,781,615						
8										
9										
10										
11	1,964,859		4,477,246	6,442,105					854	810
12										
13										
14	1,964,859		4,477,246	6,442,105						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	73,396	5,821	172,530	251,747						
27										
28										
29										
30	73,396	5,821	172,530	251,747						

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 2012/Q4
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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)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	(75,942)	(199)	(172,425)	(248,566)
35	Distribution				
36	Storage				
37	Total Net Excess Or (Deficiency)	(75,942)	(199)	(172,425)	(248,566)
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas				
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Line pack	75,942	199	172,425	248,566
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	75,942	199	172,425	248,566

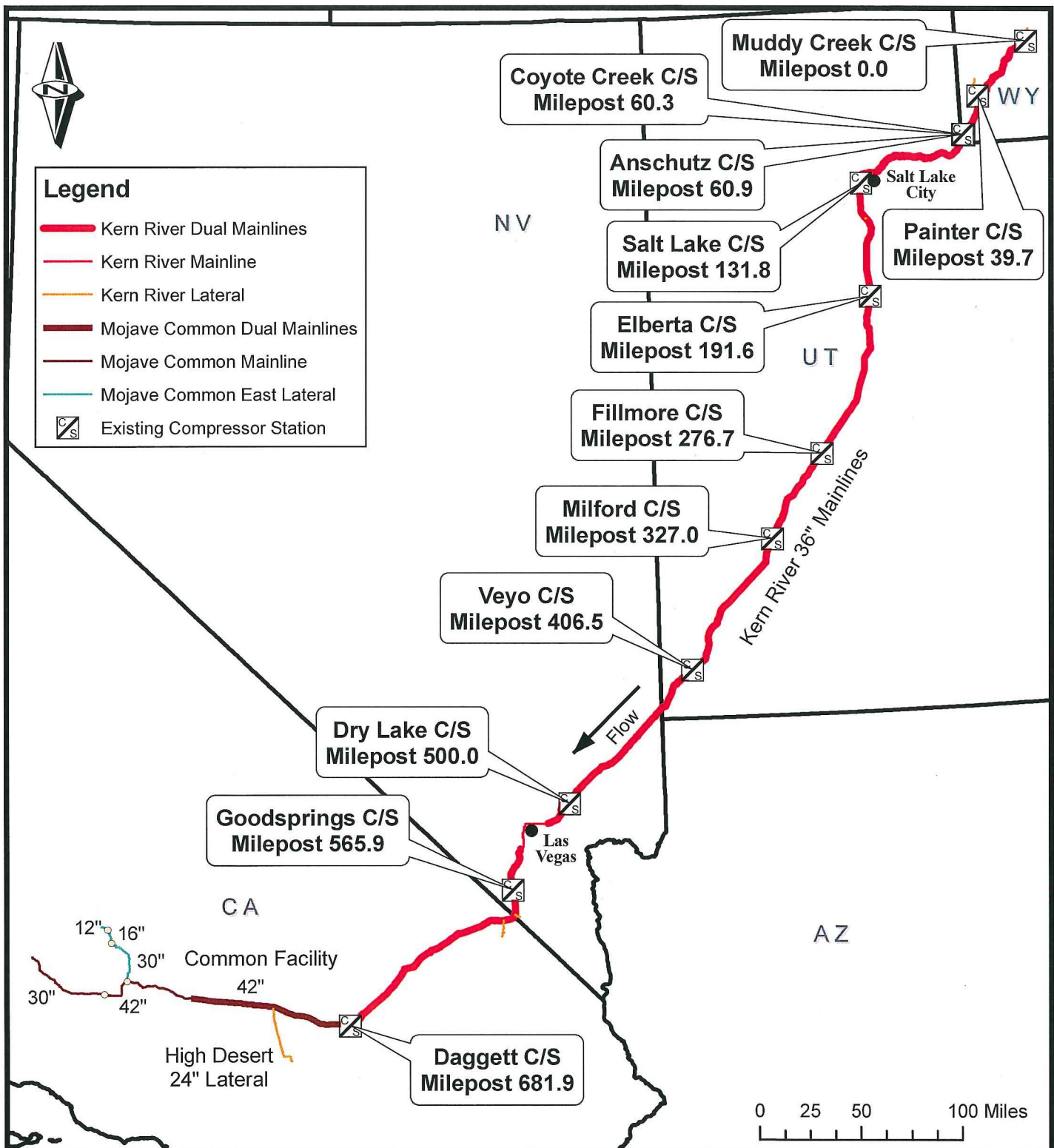
Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Shipper Supplied 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)		
31										
32										
33										
34	(278,706)	(731)	(632,800)	(912,237)						
35										
36										
37	(278,706)	(731)	(632,800)	(912,237)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	278,706	731	632,800	912,237						
57										
58										
59										
60										
61										
62										
63										
64										
65	278,706	731	632,800	912,237						

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			2012/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.



KERN RIVER GAS TRANSMISSION COMPANY Index Map

THIS DOCUMENT IS THE EXCLUSIVE PROPERTY OF KERN RIVER GAS TRANSMISSION. THE SUBJECT MATTER IS PROPRIETARY AND IS NOT BE DIVULGED TO ANY PARTY, NOR IS THE DOCUMENT TO BE REPRODUCED, EXHIBITED, COPIED, OR FURNISHED TO ANY OTHER PARTY, NOR TO BE USED FOR ANY PURPOSE OTHER THAN THAT FOR WHICH IT IS SPECIFICALLY FURNISHED WITHOUT THE EXPRESS PERMISSION OF KERN RIVER GAS TRANSMISSION COMPANY.

DRAWN BY: KES	DATE: 1/30/2013	ISSUED FOR BID:	SCALE: 1:4,250,000
CHECKED BY:	DATE:	ISSUED FOR CONSTRUCTION:	
APPROVED BY:	DATE:	DRAWING NUMBER:	FERC FORM NO. 2

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 2012/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 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 2012/Q4
FOOTNOTE DATA			

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

<u>Description</u>	As of December 31, 2012	As of December 31, 2011
Other Special Deposits - Cash and Cash Equivalents- Funds Held for Retainage	\$ 4,798,807	\$ 6,440,592
Other Special Deposits - Restricted Cash - Customer Deposits	2,063,332	73,834
Other Special Deposits - Escrows	1,286,128	-
Total	\$ 8,148,267	\$ 6,514,426

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 2012/Q4
FOOTNOTE DATA			

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

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

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

The (\$30,620) pertains to natural gas commodity swaps.

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			2012/Q4
FOOTNOTE DATA			

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

Distributions to Partners

January 31, 2012	\$	21,000,000
February 29, 2012		14,000,000
April 2, 2012		4,500,000
April 30, 2012		7,000,000
May 31, 2012		8,000,000
July 2, 2012		6,000,000
July 31, 2012		13,000,000
August 31, 2012		5,000,000
October 1, 2012		15,000,000
Total	\$	93,500,000

Subsequent event:

The Respondent distributed to its partners \$43,000,000 on January 31, 2013, \$16,000,000 on February 28, 2013, and \$3,000,000 on April 1, 2013.

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 2012/Q4
FOOTNOTE DATA			

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

<u>Description</u>	<u>2012</u>	<u>2011</u>
Amortization of Regulatory Assets and Liabilities	\$ 35,090,946	\$ 46,820,142
Amortization of Debt Discount and Expense	2,814,194	3,143,120
Total	\$ 37,905,140	\$ 49,963,262

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

<u>Description</u>	<u>2012</u>	<u>2011</u>
VEBA contributions	\$ (458,383)	\$ (458,383)
Prepays and other assets	(609,962)	(571,071)
Customer security and other deposits, net	(912)	(500,484)
Accumulated provision for rate refunds	(516,359)	516,359
Price management risk activities	1,530	-
Total	\$ (1,584,086)	\$ (1,013,579)

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

<u>Description</u>	<u>2012</u>	<u>2011</u>
Net Increase (Decrease) in Payables and Accrued Expenses	\$ (605,562)	\$ 13,361,661
Salvage Proceeds, net of removal costs	11,601,356	12,674,419
Total	\$ 10,995,794	\$ 26,036,080

Schedule Page: 120 Line No.: 47 Column: b

<u>Description</u>	<u>2012</u>	<u>2011</u>
Increase in restricted cash	\$ (1,286,128)	\$ -
Total	\$ (1,286,128)	\$ -

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			2012/Q4
FOOTNOTE DATA			

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

Tentative Classification of Assets in Account 106 Completed Construction Not Classified
(Only affected groups are reported.)

Account 106

Page 204	Account	Balance at 12/31/11	Net Change	Balance at 12/31/12
Line				
1	INTANGIBLE PLANT			
4	303 Misc intangible plant	-	389,604	389,604
5	TOTAL Intangible Plant	-	389,604	389,604
82	TRANSMISSION PLANT			
84	365 Rights-of-way	92,802	(92,802)	-
85	366 Structures and improvements	29,962	1,573,032	1,602,994
86	367 Mains	206,567,820	(203,706,522)	2,861,298
87	368 Compressor station equipment	163,283,385	(60,620,352)	102,663,033
88	369 Measure/reg station equip	90,118	2,404,440	2,494,558
89	370 Communication equipment	153,876	(153,876)	-
92	TOTAL Transmission Plant	370,217,963	(260,596,080)	109,621,883
110	GENERAL PLANT			
112	390 Structures and improvements	20,058	(20,058)	-
113	391 Computer Equipment	32,836	244,376	277,212
116	394 Tools, shop and garage equip	-	603,678	603,678
119	397 Communication equipment	-	7,642	7,642
121	TOTAL General Plant	52,894	835,638	888,532
	Total Account 106	370,270,857	(259,370,838)	110,900,019

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			2012/Q4
FOOTNOTE DATA			

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

The Commission authorized the Respondent's 2003 Expansion in Docket No. CP01-422 and the Respondent's 2010 Expansion in Docket No. CP08-429. The Commission's June 4, 2009 order in Docket No. CP08-429 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: d

Plant in service for Respondent's 2003 and 2010 Expansions includes tangible plant in the amount of \$1,237,110,245 and intangible plant in the amount of \$35,758,943 for total reported plant in service of \$1,272,869,188.

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

Accumulated depreciation reported of \$321,293,374 reflects depreciation accrued on tangible plant in service of \$1,237,110,245 for the Respondent's 2003 and 2010 Expansions. In addition to accumulated depreciation, the Respondent has recorded accumulated amortization in the amount of \$7,724,896 on intangible plant in service of \$35,758,943. Total accumulated depreciation and amortization is \$329,018,270 for Respondent's 2003 and 2010 Expansions.

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

Depreciation expense reported of \$42,501,512 reflects depreciation accrued on tangible plant in service of \$1,237,110,245 for Respondent's 2003 and 2010 Expansions. In addition to depreciation expense, the Respondent has recorded amortization expense in the amount of \$1,071,675 on intangible plant in service of \$35,758,943. Total depreciation and amortization expense for Respondent's 2003 and 2010 Expansions is \$43,573,187.

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

Plant in service for the Respondent's High Desert Lateral includes tangible plant in the amount of \$27,457,526 and intangible plant in the amount of \$2,484,514 for total reported plant in service of \$29,942,040.

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

Accumulated depreciation reported of \$13,010,393 reflects depreciation accrued on tangible plant in service of \$27,457,526 for the Respondent's High Desert lateral. In addition to accumulated depreciation, the Respondent has recorded accumulated amortization in the amount of \$1,209,035 on intangible plant in service of \$2,484,514. Total accumulated depreciation and amortization is \$14,219,428 for the Respondent's High Desert lateral.

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

Depreciation expense reported of \$1,301,386 reflects depreciation accrued on tangible plant in service of \$27,457,526 for Respondent's High Desert lateral. In addition to depreciation expense, the Respondent has recorded amortization expense in the amount of \$88,271 on intangible plant in service of \$2,484,514. Total depreciation and amortization expense for Respondent's High Desert Lateral is \$1,389,657.

Schedule Page: 217 Line No.: 3 Column: d

Plant in service for the Respondent's Apex Expansion includes tangible plant in the amount of \$317,987,238 and intangible plant in the amount of \$10,016,269 for total reported plant in service of \$328,003,507.

Schedule Page: 217 Line No.: 3 Column: e

Accumulated depreciation reported of \$14,458,656 reflects depreciation accrued on tangible plant in service of \$317,987,238 for the Respondent's Apex Expansion. In addition to accumulated depreciation, the Respondent has recorded accumulated amortization in the amount of \$39,063 on intangible plant in service of \$10,016,269. Total accumulated amortization and depreciation is \$14,497,719 for the Respondent's Apex Expansion.

Schedule Page: 217 Line No.: 3 Column: i

Depreciation expense reported of \$11,740,078 reflects depreciation accrued on tangible plant in service of \$317,987,238 for the Respondent's Apex Expansion. In addition to depreciation expense, the respondent has recorded amortization expense in the amount of \$37,561 on intangible plant in service of \$10,016,269. Total depreciation and amortization expense for Respondent's Apex Expansion is \$11,777,639.

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			2012/Q4
FOOTNOTE DATA			

Schedule Page: 218 Line No.: 5 Column: d
The 11.55% rate of return was established by the Commission on January 15, 2009 when it issued Opinion No. 486-B 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. For Period Two rates the equity component is 100%, pursuant to the FERC order in Docket No. RP04-274.

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			2012/Q4
FOOTNOTE DATA			

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

A credit adjustment of \$56,636 was made to offset the amount included in Line 3 Column (c) for amortization of a regulatory asset for deferred depreciation expense. A credit to Account 108 was recorded at the time the depreciation expense was deferred.

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			2012/Q4
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 2012/Q4
FOOTNOTE DATA			

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

Miscellaneous prepayments include:

Software licenses & maintenance contracts	\$	329,481
Right of way lease		292,262
2013 HSA contribution		87,500
Rating agency fees		63,253
Letter of credit fees		60,358
Platts subscription		58,672
Total	\$	<u>891,526</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			2012/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	Employee benefits	A107-1-000	
15	Deferred FERC annual charge	18 CFR SEC 154.402	Over 12 months through 09/2012
17	Gas loss associated with May 2, 2012 force majeure	(2)	
19	State tax rate change-apportionment	18 CFR SEC 154.305	

(1) Based on levelized depreciation rates in effect

(2) As allowed by the description in the FERC Uniform System of Accounts for account 182.3

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			2012/Q4
FOOTNOTE DATA			

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

	12/31/2011	12/31/2012
Deferred income taxes related to:		
Long term debt costs	3,818,000	3,499,000
Regulatory liabilities	31,629,000	41,433,000
Miscellaneous accrued liabilities	271,000	-
Contribution in aid of construction	2,461,121	3,067,000
Net operating losses	92,815,000	70,565,000
Total	\$ 130,994,121	\$ 118,564,000

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			2012/Q4
FOOTNOTE DATA			

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Other Deductions Recorded on Books Not Deducted for Return:

Book Depreciation	\$ 84,238,437
Levelized Depreciation Adjustment	31,645,856
Book Regulatory Asset/Liability, net of amortization	2,075,589
Book Debt Cost Amortization	2,814,194
Change in Prepaid Expenses	(1,194,773)
Current State Income Taxes - FIN 48	308,700
Other	(923,494)
Total	\$ 118,964,509

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MEHC Sub-Group:

Alaska Gas Transmission Company, LLC	MidAmerican Geothermal, LLC	HomeServices of Connecticut, LLC
American Pacific Finance Company	MidAmerican Hydro, LLC	HomeServices of Florida, Inc
American Pacific Finance Company II	MidAmerican Nuclear Energy Company LLC	HomeServices of Illinois Holdings, LLC
AVSP 1A, LLC	MidAmerican Renewables, LLC	HomeServices of Iowa, Inc
AVSP 1B, LLC	MidAmerican Solar, LLC	HomeServices of Kentucky, Inc
AVSP 2A, LLC	MidAmerican Transmission, LLC	HomeServices of Nebraska, Inc
AVSP 2B, LLC	MidAmerican Wind, LLC	HomeServices of Oregon, LLC
AVSP Holding, LLC	Midwest Capital Group, Inc	HomeServices of the Carolinas, Inc
BG Energy Holding Company LLC	MWR Capital, Inc	HomeServices of Washington, LLC
BG Energy LLC	NNGC Acquisition LLC	HomeServices Real Estate Academy
Bishop Hill Energy II, LLC	Northern Aurora Inc	HomeServices Referral Network, LLC
Bishop Hill II Holdings, LLC	Northern Natural Gas Company	HomeServices Relocation, LLC
CalEnergy Company, Inc	Pinyon Pines I Holding Company, LLC	HomeSvc of IL LLC d/b/a Koenig & Strey
CalEnergy Generation Operating Company	Pinyon Pines II Holding Company, LLC	GMAC RE
CalEnergy Holdings, Inc	Pinyon Pines Wind I, LLC	HS Franchise Holding, LLC
CalEnergy International Services, Inc	Pinyon Pines Wind II, LLC	HSR Equity Funding, Inc
CalEnergy International, Inc	Quad Cities Energy Company	Huff Commercial Group, LLC
CalEnergy Minerals Development, LLC	Salton Sea Minerals Corporation	Huff-Drees Realty, Inc
CalEnergy Minerals LLC	Topaz Solar Farms, LLC	IMO Company, Inc
CalEnergy Pacific Holdings Corp	TPZ Holding, LLC	InsuranceSouth, LLC
CalEnergy UK Inc	Two Rivers, Inc	Iowa Realty Company, Inc
CBEC Railway, Inc	Wailuku Investment LLC	Iowa Realty Insurance Agency, Inc
CE Administrative Services, Inc	Centralia Mining Company	Iowa Title Company
CE Black Rock Holdings LLC	Energy West Mining Company	J.S. White Associates, Inc
CE Butte Energy Holdings LLC	Glenrock Coal Company	JBRC, Inc
CE Butte Energy LLC	Interwest Mining Company	Jim Huff Realty, Inc.
CE Electric (NY), Inc	Pacific Minerals, Inc	JRHBW Realty, Inc d/b/a/ RealtySouth
CE Electric, Inc	PacifiCorp	Kansas City Title, Inc
CE Exploration Company	PacifiCorp Environmental Remediation Co	Kentucky Residential Referral, LLC
CE Geothermal, Inc.	PacifiCorp Investment Management, Inc	Larabee School of Real Estate & Insurance, Inc
CE Indonesia Geothermal, Inc	PPW Holdings LLC	Mid-America Referral Network, Inc.
CE International Investments, Inc	Arizona HomeServices, LLC	Midland Escrow Services, Inc
CE Obsidian Energy LLC	Capitol Title Company	Nebraska Land Title & Abstract Company
CE Obsidian Holding LLC	CBSHome Commerical, LLC	Nebraska Referral, Inc.
CE Power, Inc	CBSHome Real Estate Company	NMA, LLC
CE Red Island Energy Holdings LLC	CBSHome Real Estate of Iowa, Inc	NW Referral Services, LLC
CE Red Island Energy LLC	CBSHome Relocation Services, Inc	PCRE, L.L.C.
Century Development LLC	Champion Realty, Inc	Pickford Escrow Company, Inc
Cimmred Leasing Company	Chancellor Title Services, Inc	Pickford Holdings, LLC
Cordova Energy Company, LLC	Columbia Title of Florida, Inc	Pickford Real Estate, Inc
Cordova Funding Corporation	Connecticut Referral Group, L.L.C.	Pickford Services Company, Inc
Dakota Dunes Development Company	CTHM, L.L.C.	Pilot Butte, LLC
DCCO, Inc	CTRE, L.L.C.	PNW Referral, LLC
Kern River Funding Corporation	Edina Financial Services, Inc	Preferred Carolinas Realty, Inc
Kern River Gas Transmission Company	Edina Realty Referral Network, Inc	Preferred Carolinas Title Agency, LLC
KR Acquisition 1, LLC	Edina Realty Relocation, Inc	Professional Referral Organization, Inc
KR Acquisition 2, LLC	Edina Realty Title, Inc	Real Estate Knowledge Services, L.L.C.
		Real Estate Links, LLC

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			2012/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 Canada, LLC
MEHC Insurance Services Ltd.
MEHC Investment, Inc
MEHC Merger Sub 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

Edina Realty, Inc
Esslinger-Wooten-Maxwell, Inc
E-W-M Referral Services, Inc.
FFR, Inc
First Realty, Ltd
First Reserve Insurance, Inc
For Rent, Inc
Fort Dearborn Land & Title Company
HMSV Financial Services, Inc
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

Real Estate Referral Network, Inc
Reece & Nichols Alliance, Inc
Reece & Nichols Realtors, Inc
Reece Commercial, Inc.
Referral Company of North Carolina, Inc
Referral Network of IL LLC
Relocation Advantage Partners, LLC
RHL Referral Company, LLC
Roberts Brothers, Inc
Roy H. Long Realty Company, Inc
San Diego PCRE, Inc
Semonin Realtors, Inc
Southwest Relocation, LLC
The Escrow Firm
The Referral Company
TitleSouth, LLC
Wm Broughton, LLC

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:

Berkshire Hathaway Inc.
Berkshire Hathaway Credit Corporation
Berkshire Hathaway Finance Corporation
BH Columbia Inc.

Railsplitter Holdings Corporation
Wesco Holdings Midwest, Inc.
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.
Applied Processing Center No. 60, 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 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.

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
Brooks Sports, Inc.
Total Quality Apparel Resources
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.
Fontana Wood Products, Inc.
Fontana Wood Products of Oregon, Inc.
CMH Homes, Inc.
CMH of KY, Inc.
CMH Parks, Inc.
Chatwell, Inc.
Freedom Warehouse Corp.
Vanderbilt ABS Corp.
Vanderbilt Mortgage and Finance, Inc.

CTB MN Investments
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
B. Lippman
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
Roberts Men's Shop

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			2012/Q4
FOOTNOTE DATA			

Illinois Insurance Company
North American Casualty Co.
Promesa Health, Inc.
Pennsylvania Insurance Company
Strategic Staff Management, Inc.
The Ben Bridge Corporation
Ben Bridge Jeweler, 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.
Los Angeles Junction Railway Company
Star Lake Railroad Company
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.
GEICO Choice Insurance Company
GEICO General Insurance Co.
Government Employees Insurance Co.
GEICO Indemnity Co.
GEICO Secure Insurance Company
General Re Corporation
Gen Re Long Ridge LLC
Cologne Services Corporation
Elm Street Corporation

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
Isabella Shoe Corporation, LLC
Macro Retailing, LLC
Pan-Am Shoe Company, LLC
Running with Heels, Inc.

BH Shoe Holdings, Inc.
Sofft Shoe Company, LLC
H. H. Brown Shoe Technologies, LLC
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.
Kansas Bankers Surety Company
Albecca, Inc.
Active Organics, Inc.
Lubrizol Inter-Americas Corporation
Lubrizol Advanced Materials China, Inc.
The Lubrizol Corporation
CPI Engineering Services, Inc.
Lubrizol Holding, Inc
Lubrizol Advanced Materials FCC, Inc.
Lubrizol Advanced Materials Holding Corporation
LZ Holding Corporation

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
Cumberland Asset Management, Inc.
Fruit of the Loom Direct, Inc.
Vanity Fair, Inc.
VFI-Mexico, Inc.
The BVD Licensing Corporation
Apeks Apparel, Inc.
Russell Athletic Corporation
Martin Mills, Inc.
Camp Manufacturing Company
Leesburg Yarn Mills, Inc.
Rabun Apparel, Inc.
Ecodyne Corporation
J.L. Mining Company
Fontaine Truck Equipment Company
Marmon Retail Home Improvement Products, Inc.
Cerro Plumbing Retail, Inc.
Cerro Wire Distribution, Inc.
Morgantown-National Supply, Inc.
Procrane Holdings, Inc.
RCP Investment, Inc.
Wells Lamont Retail, Inc.
HG-Power Plant, Inc.
Marmon Natural Resource & Transportation Service
UTLX Company, Inc.
Anderson Retail, 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 Co.
Marmon Distribution Services, Inc.
Railserve, Inc.
Tiger-Sunbelt Industries, Inc.
Worldwide Containers, Inc.
Exsif Worldwide, Inc.
McLane Southern, Inc.
McLane Western, Inc.
MCLANE BEVERAGE DISTRIBUTION, INC.
MCLANE BEVERAGE HOLDING, INC.
McLane Minnesota, 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			2012/Q4
FOOTNOTE DATA			

GRD Holdings Corporation	Lubrizol Advanced Materials International, Inc.	McLane Express, Inc.
Gen Re Intermediaries Corporation	Lipotec Group Corp.	JDS PROPERTIES, INC.
General Re New England Asset Management	Lubrizol Enterprises, Inc.	INTREPID JSB, INC.
Genesis Management and Insurance Services Corporation	Lubrizol International Management Corporation	INTERNATIONAL TRADERS, INC.
General Star Management Company	Lubrizol Overseas Trading Corporation	FIRST AMERICAN CARRIERS, INC.
United States Aviation Underwriters, Incorporated	MPP Pipeline Corporation	Meadowbrook Meat Company, Inc.
General Re Financial Products Corporation	Noveon Hilton Davis, Inc.	McLane New Jersey, Inc.
General Reinsurance Corporation	Lubrizol Advanced Materials, Inc.	Kahn Ventures, Inc.
Faraday Capital Limited	Lubrizol Advanced Materials Gibraltar, Inc.	Empire Distributors, Inc.
Fairfield Insurance Company	Lubricant Investments, Inc.	Empire Distributors of North Carolina, Inc.
Genesis Insurance Company	Marmon Water, Inc.	Horizon Wine & Spirits - Nashville, Inc.
General Star Indemnity Company	Marmon Crane Services, Inc.	Horizon Wine & Spirits - Chattanooga, Inc.
General Star National Insurance Company	Marmon Flow Products, Inc.	DELTA WHOLESALE LIQUORS, INC.
Helzberg's Diamond Shops, Inc.	Marmon Industrial Companies, Inc.	Salado Sales, Inc.
HDS Redevelopment Corporation	Marmon Retail Services, Inc.	McLane Foodservice, Inc.
Dexter Shoe Company	Marmon Wire & Cable, Inc.	McCarty-Hull Cigar Company, Inc.
H. H. Brown Shoe Company, Inc.	Lockwood Street Urban Renewal Corporation	Professional Datasolutions, Inc.
Claims Services, Inc.	GUARDco, Inc.	CG Service, Inc.
M & C Products, Inc.	Affiliated Agency Operations Co.	Campbell Hausfeld/Scott Fetzer Company
Transco, Inc.	InterGUARD, Ltd.	Adalet/Scott Fetzer Company
McLane Company, Inc.	TransGUARD, Ltd.	Western/Scott Fetzer Company
McLane Eastern, Inc.	Consolidated Health Plans Inc.	Halex/Scott Fetzer Company
McLane Midwest, Inc.	Affordable Housing Partners, Inc.	Stahl/Scott Fetzer Company
McLane Suneast, Inc.	Boat Owners Association of the United States	France/Scott Fetzer Company
McLane Mid-Atlantic, Inc.	American Centennial Insurance Company	Wayne/Scott Fetzer Company
C & R Insurance Services, Inc.	Citadel Insurance Company	Carefree/Scott Fetzer Company
Medical Protective Finance Corporation	WestGUARD Insurance Company	Scott Fetzer Financial Group, Inc.
The Medical Protective Company	Berkshire Hathaway Assurance Corporation	BH Finance, Inc.
Medical Protective Insurance Services, Inc.	EastGUARD Insurance Company	United Consumer Financial Services Company
Princeton Advertising & Marketing Group, Inc.	Wesco-Financial Insurance Company	United Direct Finance, Inc.
Alexander Road Insurance Agency, Inc.	National Liability & Fire Insurance Company	World Book, Inc.
Princeton Insurance Company	National Indemnity Company of Mid-America	World Book Encyclopedia, Inc.
Medical Protective Corporation	National Fire & Marine Insurance Company	World Book/Scott Fetzer Company
Princeton Risk Protection, Inc.	National Indemnity Company	SHX Leasing, Inc.
MedPro Risk Retention Services, Inc.	Atlanta International Insurance Company	SHX Flooring, Inc.
Somerset Services, Inc.	Stonewall Insurance Company	Shaw International Services, Inc.
MiTek Framings, Inc.	Columbia Insurance Company	Pro Installations, Inc.
Hardy Frames, Inc.	NorGUARD Insurance Company	Shaw Contract Flooring Installation Services, Inc.
HeatPipe Technology, Inc.	Commercial Casualty Insurance Company	Shaw Contract Flooring Services, Inc.
Hohmann & Barnard, Inc.	Unione Italiana Reinsurance Company of America, Inc.	Spectra Contract Flooring Puerto Rico, Inc.
MiTek Holdings, Inc.	Seaworthy Insurance Company	Shaw Industries Group, Inc.
MiTek, Inc.	Finial Reinsurance Company	Shaw Industries, Inc.
MiTek Industries, Inc.	National Indemnity Company of the South	Shaw Diversified Services, Inc.
Rush Air Inc	AmGUARD Insurance Company	Shaw Transport, Inc.
Miller-Sage, Inc.	BNJ NetJets, Inc.	Queen Carpet Corporation
SidePlate Systems, Inc.	Executive Jet Europe, Inc.	Shaw Floors, Inc.
Simpad, Inc.	Executive Jet Management, Inc.	Shaw Retail Properties, Inc.
TMI Custom Air Systems, Inc.	NetJets Aviation, Inc.	Shaw Funding Company
United Steel Products Company	NetJets Europe Holdings, LLC	Star Furniture Company
121 Acquisition Co., LLC	NetJets Inc.	CJE II
Floors, Inc.	NetJets International, Inc.	Mouser Electronics, Inc.
NFM of Kansas, Inc.	NetJets Large Aircraft, Inc.	TTI, Inc.
LMG Ventures, LLC	NetJets M.E., Inc.	Gateway Underwriters Agency, Inc.
Nebraska Furniture Mart, Inc.	NetJets Sales, Inc.	U.S. Investment Corporation
NFM SERVICES, LLC	NetJets Services, Inc.	United States Liability Insurance Company
Homemakers Plaza, Inc.	NetJets U.S., Inc.	Mount Vernon Fire Insurance Company
TXFM, Inc.	NJ Executive Services, Inc.	U.S. Underwriters Insurance Co.
WMC Corp.	NJE Holdings, LLC	Wesco Financial Corporation
First Berkshire Hathaway Life Insurance Company	NJI Sales, Inc.	MS Property Company
Berkshire Hathaway Life Insurance Company of Nebr.	NJI, Inc.	Blue Chip Stamps

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 2012/Q4
Kern River Gas Transmission Company			
FOOTNOTE DATA			

BHG Life Insurance Company	Marquis Jet Partners, Inc.	AJF Warehouse Distributors, Inc.
Ringwalt & Liesche Co.	Marquis Jet Holdings, Inc.	XTRA Chassis, Inc.
Brilliant National Services, Inc.	Omaha World-Herald Company	XTRA Finance Corporation
Soco West, Inc.	TPC European Holdings, LTD.	XTRA International, Ltd.
Whittaker, Clark & Daniels, Inc.	TPC North America, Ltd.	MMX Corporation
L.A. Terminals, Inc.	TPC N.A.S.A., LLC	XTRA Intermodal, Inc.
Boat America Corporation	The Pampered Chef, Ltd.	XTRA International Pacific, Ltd.
Boat U.S., Inc.	Precision Steel Warehouse - Charlotte S/C	RENTCO Trailer Corporation
Vessel Assist Association of America, Inc.	Precision Steel Warehouse, Inc.	X-L-Co., Inc.
BHG Structured Settlements, Inc.	Precision Brand Products, Inc.	XLI, Inc.
Resolute Management Inc.	R.C. Willey Home Furnishings	XTR, Inc.
International America Group Inc.	Richline Group, Inc	XTRA Corporation
International American Management Company	See's Candies, Inc	XTRA Companies, Inc.
Northern States Agency, Inc.	Sees Candy Shops, Incorporated	
Finial Holdings, Inc.	BHSF, Inc.	
CLAL U.S. Holdings, Inc.	Ambucor Health Solutions, Inc.	
GUARD Financial Group, Inc.	ScottCare Corporation	
GUARD Insurance Group, Inc.	The Scott Fetzer Company	

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The Molycorp Mountain Pass Lateral project generated a tax net operating loss in the amount of \$7,055,402 for the year ended December 31, 2012. Under the Respondent's current tax 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 Molycorp Mountain Pass Lateral project. The amount may be carried forward for twenty years.

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			2012/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 2 Column: f
FIN 48 Correction rounding adjustment.

Schedule Page: 262 Line No.: 10 Column: f
FIN 48 Correction rounding adjustment.

Schedule Page: 262 Line No.: 21 Column: p
The Respondent capitalized property taxes assessed on its Molycorp Mountain Pass Lateral expansion during the construction period. These costs will become part of the project overhead and will be allocated to Transmission Gas Plant Accounts 367 Mains and 369 Measuring Station Equipment.

Schedule Page: 262 Line No.: 22 Column: p
The Respondent capitalized property taxes assessed on its Apex Expansion during the construction period. A revised 2011 property tax bill from the state of Nevada was received in 2012, which resulted in additional capitalized property taxes for the Apex Expansion in 2012. These costs will become part of the project overhead and will be allocated to Transmission Gas Plant Accounts 367 Mains and 368 Compressor Station Equipment.

Schedule Page: 262 Line No.: 40 Column: j			
Total charges distributed to Gas (408.1, 409.1)	\$	59,257,321	
December 2011 payroll tax accrual reversal*		(19,197)	
Taxes charged to others		(18,107)	
Total taxes reported on page 114, lines 14-16	\$	59,220,017	

*The entry to record the reversal of the December 2011 payroll tax accrual in January 2012 debited Account 232 and credited account 408.1. Beginning in 2012, the payroll tax accrual was credited to Account 236.

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 2012/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 6 Column: b
FIN 48 tax correction

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, 2012 and 2011.

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			2012/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.

	<u>12/31/2011</u>	<u>12/31/2012</u>
Deferred income taxes related to:		
Regulatory assets	18,748,000	20,010,000
Prepaid expenses, etc.	824,000	466,000
Total	<u>\$ 19,572,000</u>	<u>\$ 20,476,000</u>

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/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	State tax rate change-apportionment	18 CFR SEC 154.305	

(1) Based on levelized depreciation rates in effect

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			2012/Q4
FOOTNOTE DATA			

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

Discounted revenue and volumes 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 volumes 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 volumes and revenues are all reported in the negotiated rate columns.

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			2012/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:

	2012	2011
Service cost	\$ 826,337	\$ 939,724
Interest cost	549,910	605,908
Expected return on assets	(887,080)	(873,555)
Prior service cost amortization	17,261	17,261
Net loss/(gain) amortization	-	-
Amortization of regulatory asset (liability)	-	(16,607)
Respondent's actual benefit cost incurred*	506,428	672,731
Less: cost included for the pension plan in RP04-274	1,305,325	1,305,325
Expense more (less) than RP04-274	\$ (798,897)	\$ (632,594)

*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 \$255k and \$(581k) as of December 31, 2012 and 2011, 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 2012/Q4
FOOTNOTE DATA			

Schedule Page: 331 Line No.: 1 Column: c

Total Gas Used for Compressor Station Fuel - Credit (810)	\$	18,783,876
Adjustments for actual gas vs. estimated gas		1,878
Total Gas Used for Compressor Station Fuel reported on page 520, line 28, column C	\$	18,785,754

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			2012/Q4
FOOTNOTE DATA			

Schedule Page: 338 Line No.: 7 Column: c

Depreciation basis for transmission plant as of December 31, 2012 in thousands.

Transmission Plant Onshore	Plant as of 12/31/12	Life	Rate
Transmission - Vintage & 2002 Expansion	\$ 1,091,204	51.3	1.95%
Transmission - 2003, 2010, & Apex Expansions	1,487,558	33.3	3.00%
Transmission - High Desert	29,241	21.0	4.76%
Transmission - Big Horn	3,660	15.0	6.67%
Transmission - Compressor Engines	108,334	10.1	9.92%
Transmission Total	\$ 2,719,997		

Depreciation rates are based on RP04-274.

Schedule Page: 338 Line No.: 8 Column: c

Depreciation basis for general plant as of December 31, 2012 in thousands.

General Plant	Plant as of 12/31/12	Life	Rate
General Plant - Structures	\$ 204	15.0	6.67%
General Plant - Office Furniture & Equipment	1,605	15.0	6.67%
General Plant - Computers (PCs & Laptops)	357	3.0	33.33%
General Plant - Other Computer Equipment	1,330	5.0	20.00%
General Plant - Vehicles	1,432	5.6	18.00%
General Plant - Communications	1,282	10.0	10.00%
General Plant - Other	5,617	25.0	4.00%
General Plant Total	\$ 11,827		

Depreciation rates are based on RP04-274.

Schedule Page: 338 Line No.: 9 Column: c

Amortization basis for intangible plant as of December 31, 2012 in thousands.

Intangible Plant	Plant as of 12/31/12	Life	Rate
Contributions in Aid of Construction			
Vintage	\$ 8,032	51.2	1.95%
2003 & 2010 Expansions	12,687	33.3	3.00%
High Desert	630	21.0	4.76%
Total Contributions in Aid of Construction	\$ 21,349		
Other Intangible Plant			
Leasehold Improvements	\$ 745	15.0	6.67%
Computer Software	3,555	5.0	20.00%
Total Other Intangible Plant	\$ 4,300		
Intangible Plant Total	\$ 25,649		

Depreciation rates are based on RP04-274.

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			2012/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 75 Column: b

Costs incurred for customer requested feasibility study.

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			2012/Q4
FOOTNOTE DATA			

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

Accounts charges or credited for MEHC: 165, 426.1, 426.4, 426.5, 923, and 925.

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

Accounts charged or credited for MidAmerican Energy Company: 165, 426.1, 426.4, 426.5, and 923.

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

Accounts charged or credited for NNG: 107, 165, 426.1, 850, 864, 923, and 928.

Schedule Page: 358 Line No.: 8 Column: c

Accounts charged or credited for PacifiCorp: 107, 426.4, 426.5, 850, 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 allocator 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, and 926.

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			2012/Q4
FOOTNOTE DATA			

Schedule Page: 508 Line No.: 4 Column: a

Operation of the Anschutz compressor station was not required during 2012 to meet system demand. The 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 certified capacity of the pipeline system. All compressor fuel consumed in 2012 was to maintain the ready for service status.

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

Operation of the Daggett compressor station was not required during 2012 to meet system demand. The 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 certified capacity of the pipeline system.

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Kern River Gas Transmission Company			2012/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.

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			2012/Q4
FOOTNOTE DATA			

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

The sum of line 5 page 520, line 10 page 520 and line 5 page 520a equals line 6 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: 520.1 Line No.: 5 Column: c

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

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

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

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of December 31, 2012. Line 9 reflects total quantity of exchange gas received from others during 2012 only. It is more accurate to use said quantity here rather than page 328.

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

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

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of December 31, 2012. Line 9 reflects total quantity of exchange gas received from others during 2012 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, 2012. Line 9 reflects total quantity of exchange gas received from others during 2012 only. It is more accurate to use said quantity here rather than page 328.

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

Other Receipts is represented by the following (all amounts in decatherms):

	Year to date Mainline and Common Facility
May 2, 2012 force majeure - linepack purchase - charged to Account 182.3	295,713
Mountain Pass Lateral linepack purchase - charged to Account 107	1,743
	<u>297,456</u>

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 balances 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 966,841,050 decatherms for calendar year 2012, which is the total on page 305 column J.

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

Quantity equals lines 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 966,841,050

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			2012/Q4
FOOTNOTE DATA			

decatherms for calendar year 2012, which is the total on page 305 column J.

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

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

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of December 31, 2012. Line 9 reflects total quantity of exchange gas received from others during 2012 only. It is more accurate to use said quantity here rather than page 328.

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

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

Quantity does not match that on page 328 because quantity on page 328 is a cumulative life-to-date imbalance as of December 31, 2012. Line 9 reflects total quantity of exchange gas received from others during 2012 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, 2012. Line 9 reflects total quantity of exchange gas received from others during 2012 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 929,824 Dth, linepack loss of 295,713 Dth due to May 2, 2012 force majeure and an increase in linepack of 348,269 Dth for a total loss of 877,268 Dth.

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

Gas losses and gas unaccounted for represents transmission system losses of 239,463 Dth and an increase in linepack of 124,032 Dth for a total loss of 115,431 Dth.

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

Gas losses and gas unaccounted for represents transmission system losses of 18,532 Dth and a decrease in linepack of 442 Dth for a total loss of 18,974 Dth.

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

Gas losses and gas unaccounted for represents transmission system losses of 21,069 Dth and a decrease in linepack of 4,005 Dth for a total loss of 25,074 Dth.

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			2012/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 Platts Gas Daily 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 Platts Gas Daily 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.: 14 Column: e

Monthly quantities of gas used for compressor station fuel are determined for each type of transportation service agreement by multiplying the total gas used each day by the ratio of the shipper supplied gas by type of agreement divided by the total shipper supplied gas each day.

Schedule Page: 521 Line No.: 30 Column: e

Monthly quantities of lost and unaccounted for gas are determined for each type of transportation service agreement by multiplying the total lost and unaccounted for gas each day by the ratio of the total scheduled receipts by type of agreement divided by the total scheduled receipts each day.

Amount excludes changes in linepack.