

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** 2013/Q1

**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>2013/Q1</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 Coltonwood Parkway Suite 300, Coltonwood 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)

**QUARTERLY CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

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

11 Name Mary Hausman		12 Title Controller	
13 Signature /s/ Mary Hausman <i>Mary Hausman</i>		14 Date Signed 05/24/2013	

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 2013/Q1
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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			
1	Important Changes During the Year	108		
2	Comparative Balance Sheet	110-113		
3	Statement of Income for the Year	114-116		
4	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
5	Statement of Retained Earnings for the Year	118-119		
6	Statements of Cash Flows	120-121		
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	BALANCE SHEET SUPPORTING SCHEDULES			
8	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
9	Gas Plant in Service and Accumulated Provision for Depreciation by Function	210		
10	Other Regulatory Assets	232		
11	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
12	Monthly Quantity & Revenue Data	299		
13	Natural Gas Company- Gas Revenues and Dekatherms	309		
14	Gas Production and Other Gas Supply Expenses	310		
15	Natural Gas Storage, Terminating, Processing Services	311		
16	Gas Customer Accounts, Service, Sales, Administrative and General Expenses	312		
17	Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 403.1, 404.1, 404.2, 404.3, 405) (Except Amort of Acquisition Adjustments)	339		
	GAS PLANT STATISTICAL DATA			
18	Gas Account - Natural Gas	520		
19	Shipper Supplied Gas for the Current Quarter	521		

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 2013/Q1
<b>Important Changes During the Quarter/Year</b>			

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

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None
2. None
3. None
4. None
5. None
6. None
7. None
8. None
9. For the status of materially important legal proceedings, see Note 6 in the Notes to the Financial Statements on page 122.
10. None
11. None

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 2013/Q1
<b>Important Changes During the Quarter/Year</b>			

12. None

13. Not applicable

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2013/Q1
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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	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	2,800,826,341	2,797,140,992
3	Construction Work in Progress (107)	200-201	750,750	645,040
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	2,801,577,091	2,797,786,032
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		996,097,562	984,020,870
6	Net Utility Plant (Total of line 4 less 5)		1,805,479,529	1,813,765,162
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)		1,805,479,529	1,813,765,162
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	<b>OTHER PROPERTY AND INVESTMENTS</b>			
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)		27,809,700	27,729,100
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)		27,809,700	27,729,100
31	<b>CURRENT AND ACCRUED ASSETS</b>			
32	Cash (131)		13,800,393	0
33	Special Deposits (132-134)		6,547,211	8,148,267
34	Working Funds (135)		0	0
35	Temporary Cash Investments (136)	222-223	19,874,000	41,068,400
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		31,320,869	33,086,531
38	Other Accounts Receivable (143)		957,878	2,005,305
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)		311,958	740,409
42	Fuel Stock (151)		0	0
43	Fuel Stock Expenses Undistributed (152)		0	0

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**Comparative Balance Sheet (Assets and Other Debits)(continued)**

Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		10,173,399	10,152,015
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground-Current (164.1)	220	0	0
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	911,377	1,439,589
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		1,390,054	2,084,024
60	Derivative Instrument Assets (175)		0	0
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
62	Derivative Instrument Assets - Hedges (176)		35,172	0
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		85,322,311	98,724,540
65	<b>DEFERRED DEBITS</b>			
66	Unamortized Debt Expense (181)		6,862,977	7,514,793
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	90,508,584	91,988,790
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		340,577	331,277
72	Clearing Accounts (184)		0	0
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	0	0
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		0	0
78	Accumulated Deferred Income Taxes (190)	234-235	117,678,000	118,913,000
79	Unrecovered Purchased Gas Costs (191)		0	0
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		215,390,138	218,747,860
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		2,134,001,678	2,158,966,662

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**Comparative Balance Sheet (Liabilities and Other Credits)**

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250-251	0	0
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	893,871,247	893,871,247
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	( 48,370,433)	( 14,276,269)
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	21,172	( 30,620)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		845,521,986	879,564,358
16	<b>LONG TERM DEBT</b>			
17	Bonds (221)	256-257	0	0
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	0	0
20	Other Long-Term Debt (224)	256-257	614,571,660	627,861,994
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	0	0
23	(Less) Current Portion of Long-Term Debt		86,805,167	79,742,000
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		527,766,493	548,119,994
25	<b>OTHER NONCURRENT LIABILITIES</b>			
26	Obligations Under Capital Leases-Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		25,783	15,547
29	Accumulated Provision for Pensions and Benefits (228.3)		2,302	0
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0



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**Comparative Balance Sheet (Liabilities and Other Credits)(continued)**

Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		28,085	15,547
36	<b>CURRENT AND ACCRUED LIABILITIES</b>			
37	Current Portion of Long-Term Debt		86,805,167	79,742,000
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		2,557,816	5,277,456
40	Notes Payable to Associated Companies (233)		0	0
41	Accounts Payable to Associated Companies (234)		235,502	256,217
42	Customer Deposits (235)		27,160,298	28,337,337
43	Taxes Accrued (236)	262-263	21,697,696	12,934,185
44	Interest Accrued (237)		3,815,236	966,572
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		193,534	129,837
49	Miscellaneous Current and Accrued Liabilities (242)	268	8,232,934	8,188,661
50	Obligations Under Capital Leases-Current (243)		0	0
51	Derivative Instrument Liabilities (244)		0	0
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
53	Derivative Instrument Liabilities - Hedges (245)		0	52,150
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		150,698,183	135,884,415
56	<b>DEFERRED CREDITS</b>			
57	Customer Advances for Construction (252)		4,314,903	2,370,708
58	Accumulated Deferred Investment Tax Credits (255)		0	0
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	36,473	31,225
61	Other Regulatory Liabilities (254)	278	117,086,387	108,016,125
62	Unamortized Gain on Reacquired Debt (257)	260	0	0
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		463,787,168	460,346,290
65	Accumulated Deferred Income Taxes - Other (283)		24,762,000	24,618,000
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		609,986,931	595,382,348
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		2,134,001,678	2,158,966,662

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>2013/Q1</u>
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**Statement of Income**

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	<b>UTILITY OPERATING INCOME</b>					
2	Gas Operating Revenues (400)	300-301	94,013,548	97,848,869	94,013,548	97,848,869
3	Operating Expenses					
4	Operation Expenses (401)	317-325	7,948,559	7,724,172	7,948,559	7,724,172
5	Maintenance Expenses (402)	317-325	292,034	321,979	292,034	321,979
6	Depreciation Expense (403)	336-338	20,451,702	20,253,716	20,451,702	20,253,716
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	788,222	749,183	788,222	749,183
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)		13,913,501	12,577,792	13,913,501	12,577,792
13	(Less) Regulatory Credits (407.4)		3,967,277	4,519,895	3,967,277	4,519,895
14	Taxes Other than Income Taxes (408.1)	262-263	4,639,190	4,800,890	4,639,190	4,800,890
15	Income Taxes-Federal (409.1)	262-263	9,118,000	10,964,000	9,118,000	10,964,000
16	Income Taxes-Other (409.1)	262-263	1,704,000	1,676,000	1,704,000	1,676,000
17	Provision of Deferred Income Taxes (410.1)	234-235	8,880,000	8,576,661	8,880,000	8,576,661
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	4,138,122	4,003,624	4,138,122	4,003,624
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)		59,629,809	59,120,874	59,629,809	59,120,874
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		34,383,739	38,727,995	34,383,739	38,727,995

**Statement of Income**

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	0	0	94,013,548	97,848,869	0	0
3						
4	0	0	7,948,559	7,724,172	0	0
5	0	0	292,034	321,979	0	0
6	0	0	20,451,702	20,253,716	0	0
7	0	0	0	0	0	0
8	0	0	788,222	749,183	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	13,913,501	12,577,792	0	0
13	0	0	3,967,277	4,519,895	0	0
14	0	0	4,639,190	4,800,890	0	0
15	0	0	9,118,000	10,964,000	0	0
16	0	0	1,704,000	1,676,000	0	0
17	0	0	8,880,000	8,576,661	0	0
18	0	0	4,138,122	4,003,624	0	0
19	0	0	0	0	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	0	0	59,629,809	59,120,874	0	0
26	0	0	34,383,739	38,727,995	0	0

**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)		34,383,739	38,727,995	34,383,739	38,727,995
28	<b>OTHER INCOME AND DEDUCTIONS</b>					
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)		1,137	1,109	1,137	1,109
38	Allowance for Other Funds Used During Construction (419.1)		47,945	( 65,506)	47,945	( 65,506)
39	Miscellaneous Nonoperating Income (421)		15,671	951	15,671	951
40	Gain on Disposition of Property (421.1)		0	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		64,753	( 63,446)	64,753	( 63,446)
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	11,575	10,390	11,575	10,390
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)		10,488	10,929	10,488	10,929
49	Other Deductions (426.5)		683	72,421	683	72,421
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	22,746	93,740	22,746	93,740
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	( 10,000)	( 27,000)	( 10,000)	( 27,000)
54	Income Taxes-Other (409.2)	262-263	( 2,000)	( 4,000)	( 2,000)	( 4,000)
55	Provision for Deferred Income Taxes (410.2)	234-235	62,000	56,000	62,000	56,000
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	29,000	81,000	29,000	81,000
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)		21,000	( 56,000)	21,000	( 56,000)
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		21,007	( 101,186)	21,007	( 101,186)
61	<b>INTEREST CHARGES</b>					
62	Interest on Long-Term Debt (427)		8,599,744	9,715,811	8,599,744	9,715,811
63	Amortization of Debt Disc. and Expense (428)	258-259	651,816	734,381	651,816	734,381
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	216,550	221,985	216,550	221,985
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		19,200	116,887	19,200	116,887
70	Net Interest Charges (Total of lines 62 thru 69)		9,448,910	10,555,290	9,448,910	10,555,290
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		24,955,836	28,071,519	24,955,836	28,071,519
72	<b>EXTRAORDINARY ITEMS</b>					
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)		24,955,836	28,071,519	24,955,836	28,071,519

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 2013/Q1
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**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.

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Quarter/Year				
6	Balance of Account 219 at Beginning of Current Year				
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				
10	Balance of Account 219 at End of Current Quarter/Year				

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 2013/Q1
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**Statement of Accumulated Comprehensive Income and Hedging Activities(continued)**

Line No.	Other Cash Flow Hedges Interest Rate Swaps  (f)	Other Cash Flow Hedges (Insert Category)  (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1		33,644	33,644		
2		( 57,344)	( 57,344)		
3		3,611	3,611		
4		( 53,733)	( 53,733)	28,071,519	28,017,786
5		( 20,089)	( 20,089)		
6		( 30,620)	( 30,620)		
7					
8		51,792	51,792		
9		51,792	51,792	24,955,836	25,007,628
10		21,172	21,172		

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 2013/Q1
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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		( 14,276,269)	( 26,223,740)
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)		24,955,836	28,071,519
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)	131,146	59,050,000	35,000,000
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		( 48,370,433)	( 33,152,221)
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		( 48,370,433)	( 33,152,221)
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

Name of Respondent 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>2013/Q1</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)	24,955,836	28,071,519
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	21,239,924	21,002,899
5	Amortization of (Specify) (footnote details)	11,152,919	9,412,452
6	Deferred Income Taxes (Net)	4,774,878	4,548,037
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	2,147,869	1,435,109
9	Net (Increase) Decrease in Inventory	( 342,275)	1,299
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	10,771,353	12,859,447
12	Net (Increase) Decrease in Other Regulatory Assets	( 9,108)	( 97,600)
13	Net Increase (Decrease) in Other Regulatory Liabilities	( 26,414)	( 17,845)
14	(Less) Allowance for Other Funds Used During Construction	47,945	( 65,506)
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other (footnote details):	398,754	302,181
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	75,015,791	77,583,004
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	( 26,394,792)	( 10,565,319)
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	( 47,945)	65,506
27	Other (footnote details):	16,341,620	4,534,506
28	Cash Outflows for Plant (Total of lines 22 thru 27)	( 10,005,227)	( 6,096,319)
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 2013/Q1
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**Statement of Cash Flows (continued)**

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other (footnote details):		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	( 10,005,227)	( 6,096,319)
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 (footnote details):		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)		
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	( 13,290,333)	( 20,271,499)
63	Preferred Stock		
64	Common Stock		
65	Other: Distributions to Partners	( 59,000,000)	( 35,000,000)
66	Net Decrease in Short-Term Debt (c)		
67			
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)	( 72,290,333)	( 55,271,499)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	( 7,279,769)	16,215,186
75			
76	Cash and Cash Equivalents at Beginning of Period	45,867,207	30,098,538
77			
78	Cash and Cash Equivalents at End of Period	38,587,438	46,313,724

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2013/Q1
<b>Notes to Financial Statements</b>			

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 items. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

## (1) General

Kern River Gas Transmission Company (the "Respondent") is an indirect wholly owned subsidiary of MidAmerican Energy Holdings Company ("MEHC"), a holding company that owns subsidiaries principally engaged in the energy business. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc. 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.

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 2013/Q1
<b>Notes to Financial Statements</b>			

Operation and maintenance of the common facilities are the responsibility of Mojave Pipeline Operating Company, an affiliate of Mojave. The Respondent reimburses Mojave for its share of the pipeline expenses. The common facilities and associated operating costs are included in the unaudited 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.

The unaudited Financial Statements have been prepared based upon the accounting regulations of the FERC pursuant to the Code of Federal Regulations, Title 18, Part 201, Uniform System of Accounts ("FERC accounting regulations"). Therefore, the unaudited Financial Statements contain certain differences from general purpose financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("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 unaudited 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 deferred debits on the unaudited Balance Sheets.

Certain disclosures normally included in annual financial statements have been condensed or omitted, although the Respondent believes the disclosures are adequate to prevent the information presented from being misleading. Management believes the unaudited Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Financial Statements as of March 31, 2013 and for the three-month periods ended March 31, 2013 and 2012. The results of operations for the three-month period ended March 31, 2013 are not necessarily indicative of the results to be expected for the full year. The Respondent has evaluated subsequent events through May 24, 2013, which is the date the unaudited Financial Statements were available to be issued.

The preparation of the unaudited 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 unaudited Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Financial Statements. Note 2 of Notes to Financial Statements included in the Respondent's Annual Report for the year ended December 31, 2012 describes the most significant accounting policies used in the preparation of the Financial Statements. There have been no significant changes in the Respondent's assumptions regarding significant accounting estimates and policies during the three-month period ended March 31, 2013.

## (2) New Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-04, which amends FASB Accounting Standards Codification ("ASC") Topic 405, "Liabilities". The amendments in this guidance require an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date as the amount the reporting entity agreed to pay plus any additional amounts the reporting entity expects to pay on behalf of its co-obligor. Additionally, the guidance requires the entity to disclose the nature and amount of the obligation as well as other information about those obligations. This guidance is effective for interim and annual reporting periods beginning after December 15, 2013. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements.

In February 2013, the FASB issued ASU No. 2013-02, which amends FASB ASC Topic 220, "Comprehensive Income". The amendments in this guidance require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income ("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. The Respondent adopted this guidance on

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 2013/Q1
<b>Notes to Financial Statements</b>			

January 1, 2013. The adoption of this guidance did not have a material impact on the Respondent's disclosures included within Notes to Financial Statements.

**(3) Regulatory Matters**

In December 2009, the FERC issued an order establishing revised rates for the period of the Respondent's initial long-term contracts ("Period One rates") and required that rates be established based on a levelized rate design for eligible customers that elect to take service following the expiration of their initial contracts ("Period Two rates"). The FERC set all other issues related to Period Two rates for hearing. In November 2010, the FERC issued an order that denied all requests for rehearing related to Period One rates from the FERC's December 2009 order and established that the Respondent is entitled to base its Period Two rates on a 100% equity capital structure.

In 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 rates. In March 2013, the Respondent requested clarification, or in the alternative a rehearing, on recovery of plant replacements.

**(4) Employee Benefit Plans**

The Respondent is a participant 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. The Respondent's contributions to the pension plan and other postretirement plan totaled \$0.3 million for each of the three-month periods ended March 31, 2013 and 2012. As of March 31, 2013, 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 \$1.6 million. 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. Amounts attributable to the Respondent were allocated from MEC to the Respondent in accordance with the intercompany administrative service agreement. Offsetting regulatory 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.

**(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 unaudited Balance Sheets. The fair value of the Respondent's money market mutual funds, which approximates cost, was \$46.1 million and \$67.3 million as of March 31, 2013 and December 31, 2012, 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.

**(6) Commitments and Contingencies**

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.

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Kern River Gas Transmission Company			2013/Q1
<b>Notes to Financial Statements</b>			

**(7) Other Related Party Transactions**

MEHC provides certain administrative and management services, including executive, financial, legal, and tax, to the Respondent. Expenses incurred by MEHC and billed to the Respondent are based on the individual services and expense items provided and were \$0.1 million and \$0.2 million for the three-month periods ended March 31, 2013 and 2012, respectively. Income tax transactions with MEHC resulted in net payments of \$5.6 million and \$2.4 million for the three-month periods ended March 31, 2013 and 2012, respectively.

MEC provides certain administrative and management services, including executive, financial, legal, human resources, payroll and tax, to the Respondent. Expenses incurred by MEC and billed to the Respondent are based on the individual services and expense items provided and were \$0.1 million and \$0.2 million for the three-month periods ended March 31, 2013 and 2012, respectively.

As of March 31, 2013 and December 31, 2012, the Respondent had net accounts payable to MEHC and certain subsidiaries for intercompany transactions totaling \$0.2 million and \$0.3 million, respectively, which is reflected in accounts payable to associated companies on the unaudited 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 \$0.3 million for each of the three-month periods ended March 31, 2013 and 2012 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. For each of the three-month periods ended March 31, 2013 and 2012, Northern entered into insignificant specific risk management transactions that settled on behalf of the Respondent.

The Respondent provided natural gas transportation and other services to PacifiCorp, an indirect subsidiary of MEHC, of \$0.8 million for each of the three-month periods ended March 31, 2013 and 2012. PacifiCorp provided electricity and other services to the Respondent of \$0.2 million for each of the three-month periods ended March 31, 2013 and 2012. 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 insignificant for each of the three-month periods ended March 31, 2013 and 2012. As of March 31, 2013 and December 31, 2012, 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 unaudited Balance Sheets.

**(8) Subsequent Event**

Subsequent to March 31, 2013, the Respondent distributed to its partners \$21.0 million in April 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)	2,663,855,527
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	136,970,814
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	2,800,826,341
9	Leased to Others	
10	Held for Future Use	
11	Construction Work in Progress	750,750
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	2,801,577,091
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	996,097,562
15	Net Utility Plant (Total of lines 13 and 14)	1,805,479,529
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	961,971,353
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	34,126,209
22	TOTAL In Service (Total of lines 18 thru 21)	996,097,562
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)	996,097,562

**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		2,663,855,527		
4				
5				
6		136,970,814		
7				
8		2,800,826,341		
9				
10				
11		750,750		
12				
13		2,801,577,091		
14		996,097,562		
15		1,805,479,529		
16				
17				
18		961,971,353		
19				
20				
21		34,126,209		
22		996,097,562		
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31				
32				
33		996,097,562		

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 2013/Q1
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**Gas Plant in Service and Accumulated Provision for Depreciation by Function**

1. Report below the original cost of plant in service by function. In addition to Account 101, include Account 102, and Account 106. Report in column (b) the original cost of plant in service and in column(c) the accumulated provision for depreciation and amortization by function.

Line No.	Item  (a)	Plant in Service Balance at End of Quarter  (b)	Accumulated Depreciation And Amortization Balance at End of Quarter  (c)
1	Intangible Plant	25,771,739	7,725,223
2	Productions-Manufactured Gas		
3	Production and Gathering-Natural Gas		
4	Products Extraction-Natural Gas		
5	Underground Gas Storage		
6	Other Storage Plant		
7	Base Load LNG Terminaling and Processing Plant		
8	Transmission	2,763,097,374	983,983,563
9	Distribution		
10	General	11,957,228	4,388,776
11	TOTAL (total of lines 1 thru 10)	2,800,826,341	996,097,562



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**Other Regulatory Assets (Account 182.3)**

- 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).
- For regulatory assets being amortized, show period of amortization in column (a).
- 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.
- Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
- Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Levelized depreciation	57,806,133	2,829,635	407.3	3,348,871		57,286,897
2							
3	Income taxes related to equity AFUDC	27,811,600	33,900	407.3	422,000		27,423,500
4							
5	Federal tax rate change	152,100		407.3	9,375		142,725
6							
7	Muddy Creek compressor station restage	402,300		407.3	24,225		378,075
8							
9	Fillmore compressor station restage	76,300		407.3	4,500		71,800
10							
11	Deferred regulatory commission expense	1,504,521		928	152,575		1,351,946
12							
13	Deferred FERC annual charge	1,173,585		928	391,195		782,390
14							
15	Gas loss	664,251					664,251
16							
17	State tax rate change - apportionment	2,398,000	43,000	410.1	34,000		2,407,000
18							
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40	<b>Total</b>	91,988,790	2,906,535		4,386,741	0	90,508,584

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>2013/Q1</u>
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**Other Regulatory Liabilities (Account 254)**

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

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Office lease accrual	1,003,619	931	24,414			979,205
2							
3	Employee benefits	1,482,986	128	71,723		153,451	1,564,716
4							
5	Levelized depreciation	105,483,518	407.4	10,799,076		19,814,024	114,498,466
6							
7	State tax rate change - apportionment	46,000	411.1	2,000			44,000
8							
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44							
45	<b>Total</b>	108,016,125		10,897,213	0	19,967,475	117,086,387

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 2013/Q1
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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	76,873,344		138,371	32,079,923	32,218,294
4	KRI - 1 Interruptible Mainline	1,954,756		3,519	119,209	122,728
5	KRF - L1 Firm High Desert	3,541,480		6,375	355,995	362,370
6	KRI - L1 Interruptible High Desert					
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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>2013/Q1</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.	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	68,234,179		122,821	29,064,776	29,187,597	66,978,935		120,562	30,792,121	30,912,683
4	1,341,461		2,415	85,432	87,847	1,285,682		2,314	77,168	79,482
5	3,203,312		5,766	317,079	322,845	3,611,658		6,501	355,995	362,496
6	70,136		126	2,995	3,121	81,543		147	3,482	3,629
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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>2013/Q1</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)
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>2013/Q1</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										

**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)	82,369,580		148,265	32,555,127	32,703,392
64	Storage (489.4)					
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69						
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76						
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78						
79						
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84						
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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)				75,324	75,324
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				75,324	75,324

**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										
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60										
61										
62										
63	72,849,088		131,128	29,470,282	29,601,410	71,957,818		129,524	31,228,766	31,358,290
64										
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98				68,068	68,068				68,653	68,653
99										
100				68,068	68,068				68,653	68,653



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>2013/Q1</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)	82,369,580		148,265	32,676,588	32,824,853

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>2013/Q1</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	72,849,088		131,128	29,584,487	29,715,615	71,957,818		129,524	31,343,556	31,473,080

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 2013/Q1
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**Natural Gas Company- Gas Revenues and Dekatherms**

1. Report below in columns (b), (d) and (f) natural gas operating revenues for each prescribed account year to date
2. In column (f) report the quantity of Dekatherms sold of natural gas year to date.

Line No.	Title of Account (a)	Total Operating Revenues Year to Date Current Qtr (b)	Dekatherms of Natural Gas Year to Date Current Qtr (c)
1	(480) Residential Sales		
2	(481) Commercial and Industrial Sales		
3	(482) Other Sales to Public Authorities		
4	(483) Sales for Resale		
5	(484) Interdepartmental Sales		
6	Total Sales (Lines 1 to 5)		
7	485 Intracompany Transfers		
8	487 Forfeited Discounts		
9	488 Miscellaneous Service Revenues	138,411	
10	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities		
11	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities	93,663,092	227,176,486
12	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities		
13	489.4 Revenues from Storing Gas of Others		
14	490 Sales of Prod. Ext. from Natural Gas		
15	491 Revenues from Natural Gas Proc. by Others		
16	492 Incidental Gasoline and Oil Sales		
17	493 Rent from Gas Property		
18	494 Interdepartmental Rents		
19	495 Other Gas Revenues	212,045	
20	Subtotal:	94,013,548	
21	496 (Less) Provision for Rate Refunds		
22	TOTAL	94,013,548	

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 2013/Q1
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**Gas Production and Other Gas Supply Expenses**

Report the amount of gas production and other gas supply expenses year to date

Line No.	Account (a)	Year to Date (b)	
1	Production Expenses		
2	Manufactured Gas Production		
3	Total Manufactured Gas Production (700-742)		
4	Natural Gas Production and Gathering		
5	(750-760) Operation		
6	(761-769) Maintenance		
7	Total Natural Gas Production and Gathering (lines 5 and 6)		
8	Production Extraction		
9	(770-783) Operation		
10	(784-791) Maintenance		
11	Total Production Extraction (lines 9 and 10)		
12	(795-798) Exploration and Development Expenses		
13	Other Gas Supply Expenses		
14	Operation		
15	(800) Natural Gas Well Head Purchases		
16	(800.1) Natural Gas Well Head Purchases, Intra company Transfers		
17	(801) Natural Gas Field Line Purchases		
18	(802) Natural Gasoline Plant Outlet Purchases		
19	(803) Natural Gas Transmission Line Purchases		
20	(804) Natural Gas City Gate Purchases		
21	(804.1) Liquefied Natural Gas Purchases		
22	(805) Other Gas Purchases	( 412,364)	
23	(805.1) (Less) Purchase Gas Cost Adjustments		
24	Total Purchased Gas (lines 15 through 23)	( 412,364)	
25	(806) Exchange Gas	412,364	
26	Purchased Gas Expenses		
27	(807.1) Well Expense - Purchased Gas		
28	(807.2) Operation of Purchased Gas Measuring Stations		
29	(807.3) Maintenance of Purchased Gas Measuring Stations		
30	(807.4) Purchased Gas Calculations Expenses		
31	(807.5) Other Purchased Gas Expenses		
32	Total Purchased Gas Expenses (lines 27 thru 31)		
33	(808.1) Gas Withdrawn from Storage-Debit		
34	(808.2) (Less) Gas Delivered to Storage - Credit		
35	(809.1) Withdrawals of Liquefield Natural Gas for Processing - Debit		
36	(809.2) (Less) Deliveries of Natural Gas Processing - Credit		
37	Gas Used in Utility Operation - Credit		
38	(810) Gas Used for Compressor Station Fuel - Credit	13,021,894	
39	(811) Gas Used for Products Extraction - Credit		
40	(812) Gas Used for Other Utility Operations - Credit		
41	Total Gas Used in Utility Operations - Credit (Lines 38 thru 40)	13,021,894	
42	(813) Other Gas Supply Expense		
43	Total Other Gas Supply Expenses (Lines 24, 25, 32, 33, thru 36, 42, less 41)	( 13,021,894)	
44	Total Production Expenses (Lines 3,7,11,12, and 43)	( 13,021,894)	

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**Natural Gas Storage, Terminaling, Processing Services**

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

Line No.	Account (a)	Year to Date Quarter (b)	
1	NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
2	UNDERGROUND STORAGE EXPENSES		
3	(814-826) Operations		
4	(830-837) Maintenance		
5	Total Underground Storage Expenses (Lines 3 and 4)		
6	OTHER STORAGE EXPENSES		
7	(840-842.3) Operations		
8	(843.1-843.9) Maintenance		
9	Total Other Storage Expenses (lines 7 and 8)		
10	LIQUEFIED NATURAL GAS TERMINALING AND PROCESSING		
11	(844.1-846.2) Operations		
12	(847.1-847.8) Maintenance		
13	Total Liquefied Natural Gas Terminaling and Processing (Lines 11 and 12)		
14	TRANSMISSION EXPENSES		
15	Transmission Operation Expenses		
16	(850) Operation Supervision and Engineering		1,866,772
17	(851) System Control and Load Dispatching		441,529
18	(852) Communication System Expenses		123,100
19	(853) Compressor Station Labor and Expenses		600,365
20	(854) Gas for Compressor Station Fuel		13,021,894
21	(855) Other Fuel and Power for Compressor Stations		142,857
22	(856) Mains Expenses		793,072
23	(857) Measuring and Regulating Station Expenses		235,878
24	(858) Transmission and Compression of Gas by Others		
25	(859) Other Expenses		
26	(860) Rents		
27	Total Transmission Operation Expenses (Lines 16 through 26)		17,225,467
28	Transmission Maintenance Expenses		
29	(861) Maintenance Supervision and Engineering		102,540
30	(862) Maintenance of Structures and Improvements		
31	(863) Maintenance of Mains		49,962
32	(864) Maintenance of Compressor Station Equipment		105,605
33	(865) Maintenance of Measuring and Regulating Equipment		25,835
34	(866) Maintenance of Communication Equipment		
35	(867) Maintenance of Other Equipment		8,092
36	Total Transmission Maintenance Expenses (Lines 29 through 35)		292,034
37	Total Transmission Expenses (lines 27 and 36)		17,517,501
38	DISTRIBUTION EXPENSES		
39	(870-881) Operation Expenses		
40	(885-894) Maintenance		
41	Total Distribution Expenses (Lines 39 and 40)		
42	Total (lines 5,9,13,37 and 41)		17,517,501

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>2013/Q1</u>
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**Gas Customer Accounts, Service, Sales, Administrative and General Expenses**

Report the amount of expenses for customer accounts, service, sales, and administrative and general expenses year to date.

Line No.	Account (a)	Year to Date Quarter (b)	
1	(901-905) Customer Accounts Expenses		
2	(907-910) Customer Service and Information Expenses		
3	(911-916) Sales Expenses		
4	8. ADMINISTRATIVE AND GENERAL EXPENSES		
5	Operations		
6	920 Administrative and General Salaries	1,147,173	
7	921 Office Supplies and Expenses	393,192	
8	(Less) 922 Administrative Expenses Transferred-Credit	33,701	
9	923 Outside Services Employed	727,498	
10	924 Property Insurance	51,747	
11	925 Injuries and Damages	56,156	
12	926 Employee Pensions and Benefits	621,712	
13	927 Franchise Requirements		
14	928 Regulatory Commission Expenses	558,133	
15	(Less) 929 Duplicate Charges-Credit		
16	930.1 General Advertising Expenses		
17	930.2 Miscellaneous General Expenses		
18	931 Rents	223,076	
19	TOTAL Operation (Total of lines 6 through 18)	3,744,986	
20	Maintenance		
21	932 Maintenance of General Plant		
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	3,744,986	

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>2013/Q1</u>
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**Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 403.1, 404.1, 404.2, 404.3, 405) (Except Amort of Acquisition Adjustments)**

1. Report the year to date amounts of depreciation expense, asset retirement cost depreciation, depletion and amortization, except amortization of acquisition adjustments for the accounts indicated and classified according to the plant functional groups described.

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Other Gas Plant (Accounts 404.1, 404.2 and 404.3) (d)
1	Intangible Plant	0	0	334,596
2	Production Plant, Manufacturing Plant	0	0	0
3	Production and Gathering Plant - Natural Gas	0	0	0
4	Products Extraction - Natural Gas	0	0	0
5	Underground Gas Storage Plant	0	0	0
6	Other Storage Plant	0	0	0
7	Base Load LNG Terminating and Processing Plant	0	0	0
8	Processing Plant	0	0	0
9	Transmission Plant	20,173,716	0	453,626
10	Distribution Plant	0	0	0
11	General Plant	277,986	0	0
12	Common Plant	0	0	0
13	TOTAL GAS (Lines 1 through 12)	20,451,702	0	788,222





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**Gas Account - Natural Gas**

- The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
- Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
- If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
- 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.
- Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
- 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.
- 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	216,652,220	216,652,179
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	( 132,358)	( 132,358)
10	Gas Received as Imbalances (Account 806)	328	16,137	16,137
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		4,343,903	4,343,903
14	Gas Received from Shippers as Lost and Unaccounted for		312,843	312,843
15	Other Receipts (Specify) (footnote details)		11,981	11,981
16	Total Receipts (Total of lines 3 thru 15)		221,204,726	221,204,685
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	216,652,179	216,652,179
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	( 302,318)	( 302,318)
25	Gas Delivered as Imbalances (Account 806)	328	30,517	30,517
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	3,953,944	3,953,944
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		220,334,322	220,334,322
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		870,363	870,363
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		221,204,685	221,204,685

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 2013/Q1
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**Gas Account - Natural Gas (continued)**

Line No.	Item  (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01 Name of System: Kern River High Desert Lateral				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)			
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	10,508,129	10,508,129
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	( 77,759)	( 77,759)
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		3,702	3,702
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		10,434,072	10,434,072
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	10,508,129	10,508,129
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	( 85,144)	( 85,144)
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)		10,422,985	10,422,985
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		11,087	11,087
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		10,434,072	10,434,072

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 2013/Q1
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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	<b>SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)</b>				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	386,511	2,289	1,306,633	1,695,433
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	386,511	2,289	1,306,633	1,695,433
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	346,602		1,151,463	1,498,065
12	Distribution				
13	Storage				
14	<b>Total gas used in compressors</b>	346,602		1,151,463	1,498,065
15	<b>LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)</b>				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	<b>Total Gas Used For Other Deliveries And Gas Used For Other Operations</b>				
23	<b>LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)</b>				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	22,658	3,101	87,863	113,622
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	22,658	3,101	87,863	113,622

**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
1										
2										
3										
4	1,283,217	7,599	4,338,022	5,628,838						
5										
6										
7	1,283,217	7,599	4,338,022	5,628,838						
8										
9										
10										
11	1,150,719		3,822,857	4,973,576					854	810
12										
13										
14	1,150,719		3,822,857	4,973,576						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	75,225	10,295	291,705	377,225						
27										
28										
29										
30	75,225	10,295	291,705	377,225						

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 2013/Q1
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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)
	<b>NET EXCESS OR (DEFICIENCY)</b>				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	17,251	( 812)	67,307	83,746
35	Distribution				
36	Storage				
37	<b>Total Net Excess Or (Deficiency)</b>	17,251	( 812)	67,307	83,746
	<b>DISPOSITION OF EXCESS GAS:</b>				
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	17,251		67,307	84,558
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	17,251		67,307	84,558
	<b>GAS ACQUIRED TO MEET DEFICIENCY:</b>				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Line pack		812		812
57					
58					
59					
60					
61					
62					
63					
64					
65	<b>Total Gas Acquired To Meet Deficiency</b>		812		812
<b>SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT</b>					
66	Forwardhaul Volume in Dths for the Quarter	216,235,098			
67	Backhaul Volume in Dths for the Quarter	10,953,328			
68	<b>TOTAL (Lines 66 and 67)</b>	227,188,426			

**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	57,273	( 2,696)	223,460	278,037						
35										
36										
37	57,273	( 2,696)	223,460	278,037						
38										
39										
40										
41										
42										
43										
44	57,273		223,460	280,733						
45										
46										
47										
48										
49										
50										
51	57,273		223,460	280,733						
52										
53										
54										
55										
56		2,696		2,696						
57										
58										
59										
60										
61										
62										
63										
64										
65		2,696		2,696						

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>2013/Q1</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	<b>SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)</b>				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	371,130	2,541	1,110,211	1,483,882
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	371,130	2,541	1,110,211	1,483,882
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	337,784		1,001,709	1,339,493
12	Distribution				
13	Storage				
14	<b>Total gas used in compressors</b>	337,784		1,001,709	1,339,493
15	<b>LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)</b>				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	<b>Total Gas Used For Other Deliveries And Gas Used For Other Operations</b>				
23	<b>LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)</b>				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	28,524	2,973	96,206	127,703
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	28,524	2,973	96,206	127,703

**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	1,221,018	8,360	3,652,594	4,881,972						
5										
6										
7	1,221,018	8,360	3,652,594	4,881,972						
8										
9										
10										
11	1,111,309		3,295,623	4,406,932					854	810
12										
13										
14	1,111,309		3,295,623	4,406,932						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	93,844	9,781	316,518	420,143						
27										
28										
29										
30	93,844	9,781	316,518	420,143						



**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)
	<b>NET EXCESS OR (DEFICIENCY)</b>				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	4,822	( 432)	12,296	16,686
35	Distribution				
36	Storage				
37	<b>Total Net Excess Or (Deficiency)</b>	4,822	( 432)	12,296	16,686
	<b>DISPOSITION OF EXCESS GAS:</b>				
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	4,822		12,296	17,118
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	4,822		12,296	17,118
	<b>GAS ACQUIRED TO MEET DEFICIENCY:</b>				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Line pack		432		432
57					
58					
59					
60					
61					
62					
63					
64					
65	<b>Total Gas Acquired To Meet Deficiency</b>		432		432

**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	15,865	( 1,421)	40,453	54,897						
35										
36										
37	15,865	( 1,421)	40,453	54,897						
38										
39										
40										
41										
42										
43										
44	15,865		40,453	56,318						
45										
46										
47										
48										
49										
50										
51	15,865		40,453	56,318						
52										
53										
54										
55										
56		1,421		1,421						
57										
58										
59										
60										
61										
62										
63										
64										
65		1,421		1,421						

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 2013/Q1
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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	<b>SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)</b>				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	269,880	53,049	1,158,204	1,481,133
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	269,880	53,049	1,158,204	1,481,133
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	208,671	37,988	869,727	1,116,386
12	Distribution				
13	Storage				
14	<b>Total gas used in compressors</b>	208,671	37,988	869,727	1,116,386
15	<b>LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)</b>				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	<b>Total Gas Used For Other Deliveries And Gas Used For Other Operations</b>				
23	<b>LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)</b>				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	17,359	5,729	86,736	109,824
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	17,359	5,729	86,736	109,824

**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	879,809	172,940	3,775,745	4,828,494						
5										
6										
7	879,809	172,940	3,775,745	4,828,494						
8										
9										
10										
11	680,267	123,841	2,835,310	3,639,418					854	810
12										
13										
14	680,267	123,841	2,835,310	3,639,418						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	56,590	18,677	282,759	358,026						
27										
28										
29										
30	56,590	18,677	282,759	358,026						

**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)
	<b>NET EXCESS OR (DEFICIENCY)</b>				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	43,850	9,332	201,741	254,923
35	Distribution				
36	Storage				
37	<b>Total Net Excess Or (Deficiency)</b>	43,850	9,332	201,741	254,923
	<b>DISPOSITION OF EXCESS GAS:</b>				
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	43,850	9,332	201,741	254,923
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	43,850	9,332	201,741	254,923
	<b>GAS ACQUIRED TO MEET DEFICIENCY:</b>				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	<b>Total Gas Acquired To Meet Deficiency</b>				

**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	142,952	30,422	657,676	831,050						
35										
36										
37	142,952	30,422	657,676	831,050						
38										
39										
40										
41										
42										
43										
44	142,952	30,422	657,676	831,050						
45										
46										
47										
48										
49										
50										
51	142,952	30,422	657,676	831,050						
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 2013/Q1
FOOTNOTE DATA			

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

<u>Description</u>	<u>As of March 31, 2013</u>	<u>As of December 31, 2012</u>
Other Special Deposits - Cash and Cash Equivalents- Funds Held for Retainage	\$ 4,913,045	\$ 4,798,807
Other Special Deposits - Restricted Cash - Customer Deposits	347,985	2,063,332
Other Special Deposits - Restricted Cash - Escrows	1,286,181	1,286,128
Total	\$ <u>6,547,211</u>	\$ <u>8,148,267</u>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2013/Q1
FOOTNOTE DATA			

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

**Distributions to Partners**

	<u>2013</u>		<u>2012</u>
January 31, 2013	\$ 43,000,000	January 31, 2012	\$ 21,000,000
February 28, 2013*	16,050,000	February 2, 2012	14,000,000
Total	\$ 59,050,000		\$ 35,000,000

\* \$50,000 of this amount was a non-cash distribution to satisfy an affiliate balance.



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 2013/Q1
FOOTNOTE DATA			

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

<u>Description</u>	<u>2013</u>	<u>2012</u>
Amortization of regulatory assets and liabilities	\$ 10,501,103	\$ 8,678,071
Amortization of debt discount and expense	651,816	734,381
Total	\$ <u>11,152,919</u>	\$ <u>9,412,452</u>

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

<u>Description</u>	<u>2013</u>	<u>2012</u>
VEBA contributions	\$ (114,211)	\$ (114,596)
Prepays and other assets	511,539	184,992
Customer security and other deposits, net	2,956	152
Accumulated provision for rate refunds	-	231,633
Price risk management activities	(1,530)	-
Total	\$ <u>398,754</u>	\$ <u>302,181</u>

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

<u>Description</u>	<u>2013</u>	<u>2012</u>
Net increase in payables and accrued expenses	\$ 2,934,905	\$ 2,272,040
Salvage Proceeds, net of removal costs	13,406,715	2,262,466
Total	\$ <u>16,341,620</u>	\$ <u>4,534,506</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 2013/Q1
FOOTNOTE DATA			

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

Line No.	Description	Regulatory Citation	Amortization Period
1	Levelized depreciation:		
	2002 Expansion certificate	CP01-31,CP01-106	(1)
	Original system certificate	CP89-2048	(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	Deferred FERC annual charge	18 CFR SEC 154.402	Over 12 months through 09/2013
15	Gas loss associated with May 2, 2012 force majeure	(2)	
17	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 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 2013/Q1
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		

(1) Based on levelized depreciation rates in effect

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2013/Q1
FOOTNOTE DATA			

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

Line 5 page 520	216,652,220
Line 10 page 520	16,137
Line 5 page 520a	10,508,129
Line 11, column C on page 309	227,176,486

The Respondent bills on net scheduled receipt quantities; therefore, it is necessary to include shipper imbalances with gross scheduled quantities to match the billable quantity booked to Account 489.2.

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

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

**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.

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

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

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

Other Receipts consists of the Mountain View Corridor linepack purchase - charged to Account 107 for the Mainline and Common Facility.

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

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

**Schedule Page: 520.1 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.

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

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

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

Gas losses and gas unaccounted for represents transmission system losses of 339,352 Dth and a decrease in linepack of 531,011 Dth for a total loss of 870,363 Dth.

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

Gas losses and gas unaccounted for represents transmission system losses of 11,797 Dth and an increase in linepack of 710 Dth for a total loss of 11,087 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 2013/Q1
Kern River Gas Transmission Company			
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 reflected in the footnotes to pages 520 and 520a.