

THIS FILING IS

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. \_\_\_\_\_

Form 2 Approved  
OMB No.1902-0028  
(Expires 09/30/2017)

Form 3-Q Approved  
OMB No.1902-0205  
(Expires 11/30/2016)



# 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 2015/Q4

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Kern River Gas Transmission Company (the "Company"), which comprise the balance sheet — regulatory basis as of December 31, 2015, and the related statements of income – regulatory basis, retained earnings – regulatory basis and cash flows – regulatory basis for the year then ended, included on pages 110 through 122 of the accompanying Federal Energy Regulatory Commission Form 2, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

## **Opinion**

In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the assets, liabilities and proprietary capital of Kern River Gas Transmission Company as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

## **Basis of Accounting**

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

## **Restricted Use**

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

*Deloitte & Touche LLP*

April 18, 2016

**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>2015/Q4</u>	
03 Previous Name and Date of Change (If name changed during year)			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 2755 East Cottonwood Parkway Suite 300, Salt Lake City, UT 84121			
05 Name of Contact Person Joseph M. Lillo		06 Title of Contact Person Vice President	
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 402-398-7333		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	
10 Date of Report (Mo, Da, Yr)			

**ANNUAL CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

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

11 Name Joseph Lillo	12 Title Vice President
13 Signature /s/ Joseph Lillo 	14 Date Signed 04/18/2016

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 2015/Q4
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**List of Schedules (Natural Gas Company)**

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
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8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
9	Statement of Retained Earnings for the Year	118-119		NA
10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		NA
15	Gas Property and Capacity Leased to Others	213		NA
16	Gas Plant Held for Future Use	214		NA
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		NA
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		NA
26	Unrecovered Plant and Regulatory Study Costs	230		NA
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		NA
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		NA
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		NA
34	Capital Stock Expense	254		NA
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
<b>List of Schedules (Natural Gas Company) (continued)</b>					
Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)	
38	Unamortized Loss and Gain on Reacquired Debt	260			
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40	Taxes Accrued, Prepaid, and Charged During Year	262-263			
41	Miscellaneous Current and Accrued Liabilities	268			
42	Other Deferred Credits	269		NA	
43	Accumulated Deferred Income Taxes-Other Property	274-275			
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45	Other Regulatory Liabilities	278			
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48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		NA	
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305			
50	Revenues from Storage Gas of Others	306-307		NA	
51	Other Gas Revenues	308			
52	Discounted Rate Services and Negotiated Rate Services	313			
53	Gas Operation and Maintenance Expenses	317-325			
54	Exchange and Imbalance Transactions	328			
55	Gas Used in Utility Operations	331			
56	Transmission and Compression of Gas by Others	332		NA	
57	Other Gas Supply Expenses	334		NA	
58	Miscellaneous General Expenses-Gas	335			
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338			
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340			
	COMMON SECTION				
61	Regulatory Commission Expenses	350-351			
62	Employee Pensions and Benefits (Account 926)	352			
63	Distribution of Salaries and Wages	354-355			
64	Charges for Outside Professional and Other Consultative Services	357			
65	Transactions with Associated (Affiliated) Companies	358			
	GAS PLANT STATISTICAL DATA				
66	Compressor Stations	508-509			
67	Gas Storage Projects	512-513		NA	
68	Transmission Lines	514			
69	Transmission System Peak Deliveries	518			
70	Auxiliary Peaking Facilities	519		NA	
71	Gas Account-Natural Gas	520			
72	Shipper Supplied Gas for the Current Quarter	521			
73	System Map	522			
74	Footnote Reference	551			
75	Footnote Text	552			
76	Stockholder's Reports (check appropriate box)				
	<input type="checkbox"/> Four copies will be submitted <input checked="" type="checkbox"/> No annual report to stockholders is prepared				

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q4</u>
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**General Information**

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Joseph Lillo, Vice President

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

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2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Not incorporated  
 Texas general partnership  
 05-29-85

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3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

N/A

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

During 2015, the respondent was engaged in the transportation of natural gas for major producers, municipalities, local distribution companies, cogeneration and natural gas marketers through a natural gas transmission system which extends from the overthrust area of southwest Wyoming, through the states of Utah and Nevada, to points of termination in Kern County near Bakersfield, California.

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5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) ☐ Yes... Enter the date when such independent accountant was initially engaged:  
 (2) ☒ No

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2015/Q4</u>

### Control Over Respondent

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

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Berkshire Hathaway Inc	M	DE	89.94
2	Berkshire Hathaway Energy Company	I	IA	100.00
3	KR Holding, LLC	I	DE	100.00
4	KR Acquisition 1, LLC	J	DE	50.00
5	KR Acquisition 2, LLC	J	DE	50.00
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Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Corporations Controlled by Respondent**

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

**DEFINITIONS**

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

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Kern River Funding Corporation	D	Financial Intermediary	100	Not used
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2015/Q4</u>

## Security Holders and Voting Powers

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

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

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

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

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

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

Total:

By Proxy:

3. Give the date and place of such meeting:

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	100			100
6	TOTAL number of security holders	2			2
7	TOTAL votes of security holders listed below	100			100
8	KR Acquisition 1, LLC 666 Grand Ave., Des Moines, IA, 50309-2580	50			50
9	KR Acquisition 2, LLC 666 Grand Ave., Des Moines, IA, 50309-2580	50			50
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Kern River Gas Transmission Company			2015/Q4
Important Changes During the Quarter/Year			

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

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

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

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

- None
- None
- None
- None
- None
- None
- None
- None
- Refer to Note 10 in the Notes to the Financial Statements on page 122.
- None
- None
- 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 2015/Q4
Important Changes During the Quarter/Year			

13. Not applicable

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

Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	2,839,553,921	2,820,261,484
3	Construction Work in Progress (107)	200-201	11,077,425	3,910,408
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	2,850,631,346	2,824,171,892
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,215,787,484	1,132,272,576
6	Net Utility Plant (Total of line 4 less 5)		1,634,843,862	1,691,899,316
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)		1,634,843,862	1,691,899,316
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)		30,591,673	35,744,238
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)		30,591,673	35,744,238
31	<b>CURRENT AND ACCRUED ASSETS</b>			
32	Cash (131)		0	0
33	Special Deposits (132-134)		1,705,066	1,603,985
34	Working Funds (135)		0	0
35	Temporary Cash Investments (136)	222-223	22,687,278	26,081,436
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		25,244,715	25,756,269
38	Other Accounts Receivable (143)		3,648,897	232,608
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)		8,095,070	6,976,862
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)		10,522,048	10,396,000	
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	1,499,806	1,302,799	
55	Advances for Gas (166 thru 167)		0	0	
56	Interest and Dividends Receivable (171)		68,679	23,775	
57	Rents Receivable (172)		0	0	
58	Accrued Utility Revenues (173)		0	0	
59	Miscellaneous Current and Accrued Assets (174)		1,702,493	1,694,359	
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)		0	612,082	
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0	
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		75,174,052	74,680,175	
65	DEFERRED DEBITS				
66	Unamortized Debt Expense (181)		437,703	2,904,872	
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	75,216,968	76,020,598	
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0	
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		343,665	335,577	
72	Clearing Accounts (184)		0	0	
73	Temporary Facilities (185)		0	0	
74	Miscellaneous Deferred Debits (186)	233	2,141,823	2,115,986	
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)		4,635,674	0	
78	Accumulated Deferred Income Taxes (190)	234-235	123,937,236	119,998,084	
79	Unrecovered Purchased Gas Costs (191)		0	0	
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		206,713,069	201,375,117	
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		1,947,322,656	2,003,698,846	

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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 2015/Q4
Comparative Balance Sheet (Liabilities and Other Credits)(continued)					
Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)	
32	Long-Term Portion of Derivative Instrument Liabilities		0	0	
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
34	Asset Retirement Obligations (230)		0	0	
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		930,777	471,141	
36	CURRENT AND ACCRUED LIABILITIES				
37	Current Portion of Long-Term Debt		54,339,996	85,339,992	
38	Notes Payable (231)		0	0	
39	Accounts Payable (232)		6,754,001	6,536,526	
40	Notes Payable to Associated Companies (233)		0	0	
41	Accounts Payable to Associated Companies (234)		480,974	844,606	
42	Customer Deposits (235)		27,203,351	33,202,581	
43	Taxes Accrued (236)	262-263	3,580,807	3,801,429	
44	Interest Accrued (237)		112,885	91,365	
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)		233,177	223,019	
49	Miscellaneous Current and Accrued Liabilities (242)	268	3,474,363	3,583,388	
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)		681,592	0	
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		96,861,146	133,622,906	
56	DEFERRED CREDITS				
57	Customer Advances for Construction (252)		0	0	
58	Accumulated Deferred Investment Tax Credits (255)		0	0	
59	Deferred Gains from Disposition of Utility Plant (256)		0	0	
60	Other Deferred Credits (253)	269	0	0	
61	Other Regulatory Liabilities (254)	278	203,344,071	159,699,530	
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)		494,787,977	485,998,797	
65	Accumulated Deferred Income Taxes - Other (283)		28,691,451	24,661,475	
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		726,823,499	670,359,802	
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		1,947,322,656	2,003,698,846	



Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Statement of Income**

**Quarterly**

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

**Annual or Quarterly, if applicable**

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

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	359,997,752	354,256,145	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	41,618,295	46,903,768	0	0
5	Maintenance Expenses (402)	317-325	1,268,270	1,451,976	0	0
6	Depreciation Expense (403)	336-338	82,967,108	82,598,602	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	3,347,891	3,258,517	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	0	0	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		57,813,058	52,458,250	0	0
13	(Less) Regulatory Credits (407.4)		15,049,012	18,393,253	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	15,245,464	16,240,434	0	0
15	Income Taxes-Federal (409.1)	262-263	39,653,953	34,130,817	0	0
16	Income Taxes-Other (409.1)	262-263	7,438,266	5,665,165	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	90,801,339	88,824,471	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	81,367,481	74,883,226	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		0	0	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		0	0	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		243,737,151	238,255,521	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		116,260,601	116,000,624	0	0

[illegible]

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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 2015/Q4
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**Statement of Income(continued)**

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		116,260,601	116,000,624	0	0
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)		63,173	892,689	0	0
38	Allowance for Other Funds Used During Construction (419.1)		276,041	79,483	0	0
39	Miscellaneous Nonoperating Income (421)		1,431,444	264,029	0	0
40	Gain on Disposition of Property (421.1)		0	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		1,770,658	1,236,201	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	0	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	48,040	50,628	0	0
46	Life Insurance (426.2)		0	0	0	0
47	Penalties (426.3)		0	0	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		22,033	25,612	0	0
49	Other Deductions (426.5)		11,614	3,175	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	81,687	79,415	0	0
51	Taxes Applicable 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	571,129	102,534	0	0
54	Income Taxes-Other (409.2)	262-263	90,902	16,320	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	177,453	51,627	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	169,719	47,513	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		669,765	122,968	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,019,206	1,033,818	0	0
61	<b>INTEREST CHARGES</b>					
62	Interest on Long-Term Debt (427)		23,132,361	28,261,048	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	1,702,906	2,132,051	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		457,038	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	483,935	1,074,107	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		88,582	29,368	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		25,687,658	31,437,838	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		91,592,149	85,596,604	0	0
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)		91,592,149	85,596,604	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of 2015/Q4

## Statement of Accumulated Comprehensive Income and Hedging Activities

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

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 2015/Q4
<b>Statement of Cash Flows</b>				
<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>				
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)	91,592,149	85,596,604	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	86,314,999	85,857,119	
5	Amortization of (Specify) (footnote details)	46,728,923	37,931,922	
6	Deferred Income Taxes (Net)	9,441,592	13,945,359	
7	Investment Tax Credit Adjustments (Net)			
8	Net (Increase) Decrease in Receivables	( 884,425)	( 2,181,336)	
9	Net (Increase) Decrease in Inventory	( 126,048)	( 337,515)	
10	Net (Increase) Decrease in Allowances Inventory			
11	Net Increase (Decrease) in Payables and Accrued Expenses	( 3,245,331)	( 5,375,527)	
12	Net (Increase) Decrease in Other Regulatory Assets	611,901	( 805,654)	
13	Net Increase (Decrease) in Other Regulatory Liabilities	( 110,591)	( 124,596)	
14	(Less) Allowance for Other Funds Used During Construction	276,041	79,483	
15	(Less) Undistributed Earnings from Subsidiary Companies			
16	Other (footnote details):	( 4,982,404)	( 401,917)	
17	Net Cash Provided by (Used in) Operating Activities			
18	(Total of Lines 2 thru 16)	225,064,724	214,024,976	
19				
20	Cash Flows from Investment Activities:			
21	Construction and Acquisition of Plant (including land):			
22	Gross Additions to Utility Plant (less nuclear fuel)	( 32,711,424)	( 24,575,987)	
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	( 276,041)	( 79,483)	
27	Other: (footnote)	2,768,161	6,223,065	
28	Cash Outflows for Plant (Total of lines 22 thru 27)	( 29,667,222)	( 18,273,439)	
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)	( 924,300)		
39	Proceeds from Sales of Investment Securities (a)	457,276		

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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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)	( 30,134,246)	( 18,273,439)
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): Contributions from Partners	136,000,000	
57	Net Increase in Short-term Debt (c)		
58	Other		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	136,000,000	
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	( 221,339,990)	( 81,414,000)
63	Preferred Stock		
64	Common Stock		
65	Other:		
66	Net Decrease in Short-Term Debt (c)		
67	Distributions to Partners	( 113,000,000)	( 98,000,000)
68	Dividends on Preferred Stock		
69	Dividends on Common Stock		
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	( 198,339,990)	( 179,414,000)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	( 3,409,512)	16,337,537
75			
76	Cash and Cash Equivalents at Beginning of Period	26,237,874	9,900,337
77			
78	Cash and Cash Equivalents at End of Period	22,828,362	26,237,874

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
<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 item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

## (1) Organization and Operations

Kern River Gas Transmission Company (the "Respondent") is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company ("BHE"), a holding company that owns subsidiaries principally engaged in the energy business. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway"). The Respondent owns an interstate natural gas pipeline system that extends from supply areas in the Rocky Mountains to consuming markets in Utah, Nevada and California. The Respondent's pipeline system consists of 1,700 miles of natural gas pipelines, including 1,400 miles of mainline section and 300 miles of common facilities, with a design capacity of 2,166,575 decatherms ("Dth") per day. The Respondent owns the entire mainline section, which extends from the system's point of origination near Opal, Wyoming, through the Central Rocky Mountains area into Daggett, California. The mainline section consists of 1,300 miles of 36-inch diameter pipeline and 100 miles of various laterals that connect to the mainline. The common facilities are jointly owned by the Respondent and Mojave Pipeline Company ("Mojave") as tenants-in-common, and ownership may increase or decrease pursuant to the capital contributions made by each respective joint owner.



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The Respondent has exclusive rights to 1,613,392 Dth per day of the common facilities' capacity, and Mojave has exclusive rights to 414,001 Dth per day of capacity. Operation and maintenance of the common facilities are the responsibility of Mojave Pipeline Operating Company, an affiliate of Mojave. The Respondent reimburses Mojave for its share of the pipeline expenses. The common facilities and associated operating costs are included in the Financial Statements on a prorated basis. Except for quantities of natural gas owned for operational purposes, the Respondent does not own the natural gas that is transported through its system. The Respondent's transportation operations are subject to a regulated tariff that is on file with the Federal Energy Regulatory Commission ("FERC"). The tariff rates are designed to provide the Respondent with an opportunity to recover its costs of providing services and earn a reasonable return on its investments. The Respondent also owns Kern River Funding Corporation ("Funding"), which is an entity organized to issue and make payments on debt securities for the Respondent.

## (2) Summary of Significant Accounting Policies

### *Basis of Presentation*

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

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

The Respondent has evaluated subsequent events through April 18, 2016, which is the date the Financial Statements were available to be issued.

### *Use of Estimates in Preparation of Financial Statements*

The preparation of the Financial Statements in conformity with FERC accounting regulations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the period. These estimates include, but are not limited to, the effects of regulation; income taxes; the recovery of long-lived assets; and accounting for contingencies. Actual results may differ from the estimates used in preparing the Financial Statements.

### *Accounting for the Effects of Certain Types of Regulation*

The Respondent prepares its Financial Statements in accordance with authoritative guidance for regulated operations, which recognizes the economic effects of regulation. Accordingly, the Respondent is required to defer the recognition of certain costs or income if it is probable that, through the ratemaking process, there will be a corresponding increase or decrease in future regulated rates. Regulatory assets and liabilities are established to reflect the impacts of these deferrals and are recognized in earnings as they are recovered in regulated rates.

The Respondent's rates for transportation service are primarily derived on the basis of a levelized cost-of-service. In the FERC orders certifying the Respondent's original system and subsequent expansions, the FERC approved depreciation expense schedules designed to maintain a constant total cost-of-service over the initial contract terms ("Period One") or the period eligible customers elect to take service upon the expiration of the Period One contracts ("Period Two"). Rather

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than recovering plant costs through the depreciation allowance in rates on a straight-line basis, the Respondent's annual depreciation recovery in rates increases as the return on equity, interest expense and income taxes decrease, to obtain a constant or level cost-of-service. Because application of a straight-line depreciation rate to the Respondent's plant investment would result in substantial depreciation expense in the Respondent's early years of service, the effect of levelization has been to transfer some portion of the Respondent's cost recovery from the early years to the later years of the customers' initial contract terms. The cumulative difference between the composite or straight-line method described above and the plant cost recovered through levelized depreciation is recorded as a regulatory asset or liability to be recovered or returned in future years. Refer to Note 4 of Notes to Financial Statements for additional information regarding regulatory matters and the Respondent's levelized rates.

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

#### *Cash Equivalents and Restricted Cash*

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

#### *Allowance for Doubtful Accounts*

Receivables are stated at the outstanding principal amount, net of an estimated allowance for doubtful accounts. The allowance for doubtful accounts is based on the Respondent's assessment of the collectability of amounts owed to the Respondent by its customers. This assessment requires judgment regarding the ability of customers to pay or the outcome of any pending disputes. As of December 31, 2015 and 2014, there was no significant allowance for doubtful accounts.

#### *Transportation Imbalances*

Shippers schedule their volumes into the Respondent's system with subsequent deliveries to various markets. Imbalance receivables and payables are created when shipper's receipts to the system vary from shipper's deliveries off the system, excluding quantities retained by the pipeline for compressor fuel and lost and unaccounted for gas. Receipts and deliveries from third parties in connection with operational balancing contracts also result in imbalances. At the end of each month, imbalances are valued at current market prices and recorded as miscellaneous current and accrued assets and liabilities on the Balance Sheets with offsetting entries to operation and maintenance on the Statements of Income. Settlement of imbalances occurs in accordance with the Respondent's FERC tariff, the terms of the contracts and the timing of natural gas deliveries based on the Respondent's operational conditions.

#### *Plant Materials and Supplies*

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

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### *Utility Plant, Net*

#### *General*

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

Depreciation and amortization are generally computed by applying the composite or straight-line method based on either estimated useful lives or mandated recovery periods as prescribed by the FERC. Under the composite method when utility plant is retired, the original cost of the property retired is charged to accumulated depreciation and amortization, net of salvage and removal costs. For general plant, the original cost of the property retired is charged to accumulated depreciation and amortization at the end of the depreciable lives of the asset vintages. Retirement gains or losses are not included in income except in the case of sales of operating units.

The Respondent capitalizes AFUDC, which represents the cost of debt and equity funds necessary to finance the construction of regulated facilities, as a component of utility plant, with offsetting credits to the Statements of Income. AFUDC is computed based on guidelines set forth by the FERC.

#### *Line Pack Gas*

Line pack gas is accounted for utilizing the fixed asset accounting method as prescribed by the FERC. Under this approach, line pack gas volumes are classified as utility plant, net and valued at cost. In addition, line pack is classified as either recoverable or non-recoverable. Non-recoverable line pack is depreciated while recoverable line pack is not depreciated.

#### *Asset Retirement Obligations*

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

#### *Negative Salvage*

Negative salvage is the amount recovered in transportation rates for the estimated removal cost after salvage proceeds at the time the asset is removed from service. The Respondent recognizes a negative salvage reserve for final abandonment and removal of its gas transmission system in accumulated depreciation and amortization and, as of December 31, 2015 and 2014, the balance of this reserve was \$31.7 million and \$28.6 million, respectively. The annual negative salvage allowance, which is 0.12% of transmission plant and is reflected in depreciation expense on the Statements of Income, was \$3.1 million for each of the years ended December 31, 2015 and 2014.

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### *Impairment*

The Respondent evaluates long-lived assets for impairment, including utility plant, when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable, or the assets are being held for sale. Upon the occurrence of a triggering event, the asset is reviewed to assess whether the estimated undiscounted cash flows expected from the use of the asset plus the residual value from the ultimate disposal exceeds the carrying value of the asset. If the carrying value exceeds the estimated recoverable amounts, the asset is written down to the estimated fair value and any resulting impairment loss is reflected on the Statements of Income. The impacts of regulation are considered when evaluating rate base assets. There were no impairments for the years ended December 31, 2015 and 2014.

### *Revenue Recognition*

Revenue from customers is recognized as natural gas is delivered or transportation services are provided. Approximately 94% of the Respondent's transportation revenue is from fixed reservation charges based on contractual quantities and rates regulated by the FERC. The remaining revenue is from market-oriented transportation charges, commodity charges, or facility charges. Market-oriented transportation is sold at market-indexed, discounted or negotiated rates. The rates are applied to scheduled quantities for commodity and market-oriented transportation. Differences between scheduled quantities and actual measured quantities are reflected on transportation or balancing agreements during the month in which transportation service is provided and are not material.

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

### *Unamortized Debt Issuance Costs*

Debt issuance costs incurred for the issuance of long-term debt are included as a component of approved rates and are amortized over the term of the related financing based on the percentage of debt principal retired each year, as prescribed by the FERC. The unamortized balance of debt issuance costs as of December 31, 2015 and 2014 was \$0.4 million and \$2.9 million, respectively, and is included in unamortized debt expense on the Balance Sheets.

### *Income Taxes*

Berkshire Hathaway includes BHE and its subsidiaries in its United States federal income tax return. Consistent with established regulatory practice, the Respondent's provision for income taxes has been computed for each of the shipper groups comprising the Respondent as if each were a distinct entity not included as a member of a consolidated tax return. Substantially all of the Respondent's respective currently payable or receivable income taxes are remitted to or received from BHE.

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

In determining the Respondent's income taxes, management is required to interpret complex income tax laws and regulations. The Respondent's income tax returns are subject to continuous examinations by federal, state and local income tax authorities that may give rise to different interpretations of these complex laws and regulations. Due to the

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

#### *New Accounting Pronouncements*

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, which creates FASB Accounting Standards Codification ("ASC") Topic 842, "Leases" and supersedes Topic 840 "Leases." This guidance increases transparency and comparability among entities by recording lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous guidance. This guidance is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted, and is required to be adopted using a modified retrospective approach. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, which creates FASB ASC Topic 606, "Revenue from Contracts with Customers" and supersedes ASC Topic 605, "Revenue Recognition." The guidance replaces industry-specific guidance and establishes a single five-step model to identify and recognize revenue. The core principle of the guidance is that an entity should recognize revenue upon transfer of control of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Additionally, the guidance requires the entity to disclose further quantitative and qualitative information regarding the nature and amount of revenues arising from contracts with customers, as well as other information about the significant judgments and estimates used in recognizing revenues from contracts with customers. In August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09 one year to interim and annual reporting periods beginning after December 15, 2017. This guidance may be adopted retrospectively or under a modified retrospective method where the cumulative effect is recognized at the date of initial application. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements.

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### (3) Utility Plant, Net

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

	Depreciation Rates	2015	2014
Transmission plant - Original and 2002 Expansion ("Rolled-in") system (1)	1.95%	\$ 1,115,369	\$ 1,101,629
Transmission plant - 2003 and 2010 Expansion ("Incremental") system (1)	3.00%	1,205,516	1,204,367
Transmission plant - Apex Expansion system (1)	3.00%	304,777	304,328
Transmission plant - other	4.76% to 6.67%	53,376	53,262
Compressor engines	9.92%	117,698	116,517
Intangible plant (2)	1.95% to 20.00%	27,792	26,224
General plant	4.00% to 33.33%	15,025	13,935
Total operating assets		2,839,553	2,820,262
Accumulated depreciation and amortization		(1,215,787)	(1,132,273)
Net operating assets		1,623,766	1,687,989
Construction work-in-progress		11,078	3,910
Utility plant, net		\$ 1,634,844	\$ 1,691,899

(1) Includes recoverable line pack gas of \$3.6 million, \$7.3 million and \$0.4 million for the Rolled-in, Incremental and Apex Expansion systems, respectively, as of December 31, 2015 and 2014. Recoverable line pack gas is not depreciated.

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

The Respondent had gross costs for capitalized right of use or right of way of \$72.1 million as of December 31, 2015 and 2014, and accumulated amortization of \$32.2 million and \$30.3 million as of December 31, 2015 and 2014, respectively, which is reflected in utility plant, net on the Balance Sheets. Capitalized right of use or right of way costs are amortized at rates ranging from 1.95% to 6.67%.

For the years ended December 31, 2015 and 2014, depreciation expense of \$83.0 million and \$82.6 million, respectively, and amortization expense of \$3.3 million were included in depreciation expense and amortization and depletion of utility plant, respectively, on the Statements of Income. The Respondent expects amortization expense to be \$3.2 million for 2016, \$3.1 million for 2017, \$3.0 million for 2018, \$2.7 million for 2019 and \$2.5 million for 2020.

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#### (4) Regulatory Matters

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

	Weighted Average Remaining Life	2015	2014
Levelized depreciation on utility plant (1)	24 years	\$ 48,889	\$ 46,524
Deferred income taxes associated with equity AFUDC	24 years	22,805	24,533
Other	Various	3,523	4,964
Total		\$ 75,217	\$ 76,021

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

The Respondent had regulatory assets not earning a return on investment of \$26.2 million and \$29.2 million as of December 31, 2015 and 2014, respectively.

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

	Weighted Average Remaining Life	2015	2014
Levelized depreciation on utility plant (1)	24 years	\$ 199,033	\$ 155,784
Other	Various	4,311	3,916
Total		\$ 203,344	\$ 159,700

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

#### (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 special deposits, temporary cash investments and other special funds on the Balance Sheets. The fair value of the Respondent's money market mutual funds, which approximates cost, was \$50.0 million and \$59.5 million as of December 31, 2015 and 2014, respectively. The

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Respondent also has investments in investment funds that are accounted for as trading securities, are stated at fair value and are included in other property and investments on the Balance Sheets. The fair value of the Respondent's investment funds was \$0.5 million as of December 31, 2015. The Respondent had no investment funds as of December 31, 2014. The Respondent considers these money market mutual funds and investment funds to be valued using Level 1 inputs, which are determined by using, when available, a readily observable quoted market price or net asset value of an identical security in an active market.

The Respondent's long-term notes payable to subsidiary is carried at cost on the Balance Sheets. The fair value of the Respondent's long-term notes payable to subsidiary is a Level 2 fair value measurement and has been estimated based upon quoted market prices. The following table presents the carrying value and estimated fair value of the Respondent's long-term notes payable to subsidiary as of December 31 (in thousands):

	2015		2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term notes payable to subsidiary	\$ 245,366	\$ 255,475	\$ 466,706	\$ 497,173

#### (6) Long-Term Notes Payable to Subsidiary

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

	2015	2014
6.676% Senior Notes, due 2016	\$ —	\$ 167,000
4.893% Senior Notes, due 2018	245,366	299,706
Total long-term notes payable to subsidiary	245,366	466,706
Less - current portion	(54,340)	(85,340)
Long-term portion	\$ 191,026	\$ 381,366

In December 2015, the Respondent redeemed the remaining amount of its 6.676% Senior Notes due 2016 at a redemption price determined in accordance with the terms of the indenture. The costs associated with the early redemption totaled \$5.1 million and were recorded as deferred debits in the Financial Statements. These costs will be amortized over the life of the original debt through July 2016.

The Respondent provides a debt service reserve letter of credit to cover the next six months of principal and interest payments due on the loans, which were equal to \$32.9 million and \$55.1 million as of December 31, 2015 and 2014, respectively.



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The annual repayments of the Respondent's long-term notes payable to subsidiary for the years beginning January 1, 2016 and thereafter are as follows (in thousands):

2016	\$	54,340
2017		61,864
2018		129,162
Total	\$	245,366

The 4.893% Senior Notes are secured by a collateral assignment of the long-term gas transportation agreements of the Respondent.

The terms of Funding's debt indenture to which the Respondent is guarantor preclude the issuance of mortgage bonds by Funding and the Respondent. The indenture contains provisions for the acceleration of repayment under certain conditions. The indenture also contains restrictions which, under certain circumstances, limit Funding and the Respondent's ability to issue additional debt, pay cash distributions, and dispose of a major portion of the Respondent's natural gas pipeline system. As of December 31, 2015 and 2014, Funding is in compliance with all debt covenants.

## (7) Income Taxes

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

	2015	2014
<b>Current:</b>		
Federal	\$ 40,225	\$ 34,234
State	7,529	5,681
	47,754	39,915
<b>Deferred:</b>		
Federal	9,045	12,207
State	397	1,738
	9,442	13,945
Total	\$ 57,196	\$ 53,860

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

	2015	2014
Federal statutory income tax rate	35.0%	35.0%
State income tax, net of federal income tax benefit	3.5	3.5
Other, net	(0.1)	0.1
Effective income tax rate	38.4%	38.6%

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

	2015	2014
<b>Deferred income tax assets:</b>		
Federal and state carryforwards	\$ 42,650	\$ 54,383
Regulatory liabilities	78,088	61,402
Unamortized deferred debt costs	1,597	2,367
Contribution in aid of construction	967	1,384
Other	635	462
Total deferred income tax assets	123,937	119,998
<b>Deferred income tax liabilities:</b>		
Utility plant, net	(494,788)	(485,999)
Regulatory assets	(25,464)	(22,764)
Other	(3,227)	(1,897)
Total deferred income tax liabilities	(523,479)	(510,660)
Net deferred income tax liability	\$ (399,542)	\$ (390,662)

The following table provides the Respondent's net operating loss carryforwards and expiration dates as of December 31, 2015 (in thousands):

	Federal	State
Net operating loss carryforwards	\$ 116,074	\$ 62,268
Deferred income taxes on net operating loss carryforwards	40,626	2,024
Expiration dates	2031	2026

The Respondent does not consider a valuation allowance on these amounts necessary, as they are expected to be utilized prior to their expiration.

The United States Internal Revenue Service has effectively settled examinations of BHE's income tax returns through December 31, 2009, including components related to the Respondent. In addition, state jurisdictions have closed examination of BHE's income tax returns through at least February 9, 2006.

## (8) Employee Benefit Plans

The Respondent is a participant in benefit plans sponsored by MidAmerican Energy Company ("MEC"), an indirect wholly owned subsidiary of BHE. 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. Benefit obligations under the pension plan are based on a cash balance arrangement for salaried employees and certain union employees and final average pay formulas for other union employees. Under the other postretirement plan, a majority of all employees may become eligible for these benefits if they reach retirement age. New employees are not eligible for benefits under the other postretirement plan.

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### Net Periodic Benefit Cost

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

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

	Pension		Other Postretirement	
	2015	2014	2015	2014
Service cost	\$ 12	\$ 14	\$ 7	\$ 6
Interest cost	32	35	9	10
Expected return on plan assets	(46)	(45)	(15)	(15)
Net amortization	2	1	(3)	(3)
Net periodic benefit cost (credit)	\$ —	\$ 5	\$ (2)	\$ (2)

The Respondent's share of pension cost totaled \$0.3 million for each of the years ended December 31, 2015 and 2014. The Respondent's share of other postretirement cost totaled \$- million for each of the years ended December 31, 2015 and 2014.

### Funded Status

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

	Pension		Other Postretirement	
	2015	2014	2015	2014
Plan assets at fair value, beginning of year	\$ 730	\$ 722	\$ 259	\$ 256
Employer contributions	7	7	1	1
Participant contributions	—	—	1	1
Actual return on assets	4	52	—	13
Benefits paid	(63)	(51)	(12)	(12)
Plan assets at fair value, end of year	\$ 678	\$ 730	\$ 249	\$ 259

The Respondent's contributions to the pension plan and other postretirement plan totaled \$0.8 million and \$0.9 million for the years ended December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, the fair value of plan assets attributable to the Respondent in the pension plan was \$13.7 million and \$14.7 million, respectively, and the other postretirement plan was \$8.6 million and \$8.3 million, respectively. Amounts attributable to the Respondent were allocated from MEC to the Respondent in accordance with the intercompany administrative services agreement.

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

	Pension		Other Postretirement	
	2015	2014	2015	2014
<b>Benefit obligation, beginning of year</b>	\$ 840	\$ 768	\$ 249	\$ 235
Service cost	12	14	7	6
Interest cost	32	35	9	10
Participant contributions	—	—	1	1
Actuarial (gain) loss	(36)	74	(20)	9
Benefits paid	(63)	(51)	(12)	(12)
<b>Benefit obligation, end of year</b>	<u>\$ 785</u>	<u>\$ 840</u>	<u>\$ 234</u>	<u>\$ 249</u>
<b>Accumulated benefit obligation, end of year</b>	<u>\$ 773</u>	<u>\$ 825</u>		

MEC paid benefits from the plans to the Respondent's participants totaling \$1.5 million and \$1.0 million for the years ended December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, the benefit obligation attributable to the Respondent for the pension plan was \$12.8 million and \$13.6 million, respectively, and for the other postretirement plan was \$5.9 million and \$6.2 million, respectively.

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

	Pension		Other Postretirement	
	2015	2014	2015	2014
Plan assets at fair value, end of year	\$ 678	\$ 730	\$ 249	\$ 259
Less - benefit obligation, end of year	<u>785</u>	<u>840</u>	<u>234</u>	<u>249</u>
Funded Status	<u>\$ (107)</u>	<u>\$ (110)</u>	<u>\$ 15</u>	<u>\$ 10</u>

As of December 31, 2015 and 2014, the Respondent recorded an affiliate company receivable included in other special funds relating to the pension and other postretirement plans of \$3.6 million and \$3.1 million, respectively. Amounts attributable to the Respondent were allocated from MEC to the Respondent in accordance with the intercompany administrative services 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.

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*Unrecognized Amounts*

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

	Pension		Other Postretirement	
	2015	2014	2015	2014
Net loss (gain)	\$ 26	\$ 21	\$ 42	\$ 49
Prior service cost (credit)	2	3	(36)	(42)
Total	\$ 28	\$ 24	\$ 6	\$ 7

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A reconciliation of the amounts not yet recognized as components of net periodic benefit cost for MEC and its participating affiliates for the years ended December 31, 2015 and 2014 is as follows (in millions):

	Regulatory Asset	Regulatory Liability	Receivables (Payables) with Affiliates	Total
<u>Pension</u>				
<b>Balance, December 31, 2013</b>	\$ 16	\$ (55)	\$ (2)	\$ (41)
Net loss arising during the year	6	51	9	66
Net amortization	—	(1)	—	(1)
Total	6	50	9	65
<b>Balance, December 31, 2014</b>	22	(5)	7	24
Net loss (gain) arising during the year	2	5	(1)	6
Net amortization	(2)	—	—	(2)
Total	—	5	(1)	4
<b>Balance, December 31, 2015</b>	\$ 22	\$ —	\$ 6	\$ 28

	Regulatory Asset	Regulatory Liability	Receivables (Payables) with Affiliates	Total
<u>Other postretirement</u>				
<b>Balance, December 31, 2013</b>	\$ 10	\$ —	\$ (16)	\$ (6)
Net loss arising during the year	8	—	2	10
Net amortization	2	—	1	3
Total	10	—	3	13
<b>Balance, December 31, 2014</b>	20	—	(13)	7
Net gain arising during the year	(5)	—	—	(5)
Net amortization	2	—	2	4
Total	(3)	—	2	(1)
<b>Balance, December 31, 2015</b>	\$ 17	\$ —	\$ (11)	\$ 6

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The net loss and prior service cost (credit) for MEC and its participating affiliates that will be amortized in 2016 into net periodic benefit cost are estimated to be as follows (in millions):

	Net Loss	Prior Service Cost (Credit)	Total
Pension	\$ 1	\$ 1	\$ 2
Other postretirement	2	(6)	(4)
Total	\$ 3	\$ (5)	\$ (2)

The net loss and prior service cost amounts expected to be recognized by the Respondent for the year ended December 31, 2016 for the pension plan and other postretirement plan are insignificant.

#### Plan Assumptions

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

	Pension		Other Postretirement	
	2015	2014	2015	2014
Benefit obligations as of December 31,				
Discount rate	4.50%	4.00%	4.25%	3.75%
Rate of compensation increase	2.75%	2.75%	N/A	N/A
Net periodic benefit cost for the years ended December 31:				
Discount rate	4.00%	4.75%	3.75%	4.50%
Expected return on plan assets (1)	7.25%	7.50%	7.00%	7.25%
Rate of compensation increase	2.75%	3.00%	N/A	N/A

- (1) Amounts reflected are pre-tax values. Assumed after-tax returns for a taxable, non-union other postretirement plan were 5.18% for 2015 and 5.37% for 2014.

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

	2015	2014
Assumed healthcare cost trend rates as of December 31:		
Healthcare cost trend rate assumed for next year	7.70%	8.00%
Rate that the cost trend rate gradually declines to	5.00%	5.00%
Year that the rate reaches the rate it is assumed to remain at	2025	2025

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

	One Percentage-Point	
	Increase	Decrease
Increase (decrease) in:		
Total service and interest cost for the year ended December 31, 2015	\$ 1	\$ —
Other postretirement benefit obligation as of December 31, 2015	3	(3)

#### Contributions and Benefit Payments

MEC's contributions to its pension and other postretirement benefit plans are expected to be \$8 million and \$1 million, respectively, during 2016. Funding to MEC's pension benefit plan trust is based upon the actuarially determined costs of the plan and the requirements of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006, as amended. MEC considers contributing additional amounts from time to time in order to achieve certain funding levels specified under the Pension Protection Act of 2006, as amended. MEC's funding policy for its other postretirement benefit plan is to generally contribute amounts consistent with rate regulatory arrangements. The Respondent's contributions to the pension plan and the other postretirement plan are expected to be \$0.3 million and \$0.5 million, respectively, during 2016.

Net periodic benefit costs assigned to MEC affiliates are reimbursed currently in accordance with the intercompany administrative services agreement. The expected benefit payments to participants in MEC's pension and other postretirement benefit plans for 2016 through 2020 and for the five years thereafter are summarized below (in millions):

	Projected Benefit Payments	
	Pension	Other Postretirement
2016	\$ 59	\$ 17
2017	60	19
2018	60	20
2019	60	21
2020	61	21
2021-2025	291	102



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## Plan Assets

### Investment Policy and Asset Allocations

MEC's investment policy for its pension and other postretirement benefit plans is to balance risk and return through a diversified portfolio of debt securities, equity securities, and other alternative investments. Maturities for debt securities are managed to targets consistent with prudent risk tolerances. The plans retain outside investment advisors to manage plan investments within the parameters outlined by the MidAmerican Energy Pension and Employee Benefits Plans Administrative Committee. The investment portfolio is managed in line with the investment policy with sufficient liquidity to meet near-term benefit payments. The return on assets assumption for each plan is based on a weighted-average of the expected historical performance for the types of assets in which the plans invest.

The target allocations (percentage of plan assets) for MEC's pension and other postretirement benefit plan assets are as follows as of December 31, 2015:

	Pension	Other Postretirement
	%	%
Debt securities (1)	20-40	25-45
Equity securities (1)	60-80	50-80
Real estate funds	2-8	—
Other	0-5	0-5

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

### Fair Value Measurements

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

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

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

	Input Levels for Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
<b><u>As of December 31, 2015</u></b>				
Cash equivalents	\$ —	\$ 16	\$ —	\$ 16
Debt securities:				
United States government obligations	5	—	—	5
Corporate obligations	—	57	—	57
Municipal obligations	—	6	—	6
Agency, asset and mortgage-backed obligations	—	27	—	27
Equity securities:				
United States companies	130	—	—	130
International equity securities	40	—	—	40
Investment funds (1)	61	289	—	350
Real estate funds	—	—	47	47
Total	<u>\$ 236</u>	<u>\$ 395</u>	<u>\$ 47</u>	<u>\$ 678</u>
<b><u>As of December 31, 2014</u></b>				
Cash equivalents	\$ —	\$ 24	\$ —	\$ 24
Debt securities:				
United States government obligations	8	—	—	8
Corporate obligations	—	29	—	29
Municipal obligations	—	4	—	4
Agency, asset and mortgage-backed obligations	—	33	—	33
Equity securities:				
United States companies	149	—	—	149
International equity securities	40	—	—	40
Investment funds (1)	84	319	—	403
Real estate funds	—	—	40	40
Total	<u>\$ 281</u>	<u>\$ 409</u>	<u>\$ 40</u>	<u>\$ 730</u>

- (1) Investment funds are comprised of mutual funds and collective trust funds. These funds consist of equity and debt securities of approximately 72% and 28%, respectively, for 2015 and 68% and 32%, respectively, for 2014. Additionally, these funds are invested in United States and international securities of approximately 73% and 27%, respectively, for 2015 and 74% and 26%, respectively, for 2014.

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

	Input Levels for Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
<b><u>As of December 31, 2015</u></b>				
Cash equivalents	\$ 5	\$ —	\$ —	\$ 5
Debt securities:				
United States government obligations	5	—	—	5
Corporate obligations	—	12	—	12
Municipal obligations	—	39	—	39
Agency, asset and mortgage-backed obligations	—	12	—	12
Equity securities:				
United States companies	120	—	—	120
Investment funds (1)	56	—	—	56
Total	\$ 186	\$ 63	\$ —	\$ 249
<b><u>As of December 31, 2014</u></b>				
Cash equivalents	\$ 4	\$ —	\$ —	\$ 4
Debt securities:				
United States government obligations	5	—	—	5
Corporate obligations	—	11	—	11
Municipal obligations	—	40	—	40
Agency, asset and mortgage-backed obligations	—	15	—	15
Equity securities:				
United States companies	128	—	—	128
Investment funds (1)	56	—	—	56
Total	\$ 193	\$ 66	\$ —	\$ 259

- (1) Investment funds are comprised of mutual funds and collective trust funds. These funds consist of equity and debt securities of approximately 68% and 32%, respectively, for 2015 and 69% and 31%, respectively, for 2014. Additionally, these funds are invested in United States and international securities of approximately 32% and 68%, respectively, for 2015 and 31% and 69%, respectively, for 2014.

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

	Real Estate Funds	
	2015	2014
<b>Beginning balance</b>	\$ 40	\$ 31
Actual return on plan assets still held at period end	7	4
Purchases and sales	—	5
<b>Ending Balance</b>	\$ 47	\$ 40

The Respondent participates in the MEC sponsored defined contribution plan and contributed \$0.5 million for each of the years ended December 31, 2015 and 2014.

#### (9) Credit Risk

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

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

	Revenue		Accounts Receivable	
	2015	2014	2015	2014
Nevada Power Company	19%	19%	17%	17%
Southwest Gas Corporation	8%	7%	16%	15%

As a general policy, collateral is not required for receivables from creditworthy customers. Customers' financial condition and creditworthiness are regularly evaluated, and historical losses have been minimal. In order to provide protection against credit risk, and as permitted by the terms of the Respondent's tariff, the Respondent has, among other alternatives, required customers that lack creditworthiness, as defined by the tariff, to provide letters of credit, cash security deposits or to establish separate legally restricted escrow funds to be held until these customers' creditworthiness can be demonstrated. As of December 31, 2015 and 2014, the Respondent has reflected escrow funds of \$0.7 million and \$0.6 million, respectively, in special deposits and \$26.5 million and \$32.6 million, respectively, in other special funds. The Respondent also had offsetting cash security deposit and escrow fund obligations of \$27.2 million and \$33.2 million as of December 31, 2015 and 2014, respectively, in customer deposits on the Balance Sheets. Letters of credit, not reflected on the Balance Sheets, were \$97.4 million and \$96.7 million as of December 31, 2015 and 2014, respectively.

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## (10) Commitments and Contingencies

### *Legal Matters*

The Respondent is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. The Respondent does not believe that such normal and routine litigation will have a material effect on its financial results. The Respondent is also involved in other kinds of legal actions, some of which assert or may assert claims or seek to impose fines, penalties and other costs in substantial amounts and are described below.

In June 2015, a customer with a natural gas transportation contract with annual revenues of \$5.1 million, filed for Chapter 11 bankruptcy protection. In September 2015, the bankruptcy court approved the rejection of the transportation contract. As of December 31, 2015, the Respondent held \$18.8 million of cash in an escrow account as credit support for the transportation contract and construction. In March 2016, the bankruptcy court approved the retention of the escrow amount held by the Respondent. The amount was swept into the Respondent's account and will be amortized to other income deductions through June 2019.

### *Operating Leases*

The Respondent has non-cancelable operating leases primarily for computer equipment, office space and land. These leases generally require the Respondent to pay for insurance, taxes and maintenance applicable to the leased property. Certain leases contain renewal options for varying periods and escalation clauses for adjusting rent to reflect changes in price indices. The minimum payments under these leases as of December 31, 2015 were \$1.8 million for the year 2016, \$1.9 million for each of the years 2017 and 2018, \$0.7 million for the year 2019, \$0.6 million for the year 2020 and \$1.1 million for the years thereafter. These amounts are not reflected on the Balance Sheets. Rent expense on non-cancelable operating leases totaled \$1.6 million and \$1.3 million for the years ended December 31, 2015 and 2014, respectively, and was included in operation and maintenance on the Statements of Income.

## (11) Other Related Party Transactions

BHE provides certain administrative and management services, including executive, financial, legal, and tax, to the Respondent. Expenses incurred by BHE and billed to the Respondent are based on the individual services and expense items provided and were \$0.6 million and \$0.7 million for the years ended December 31, 2015 and 2014, respectively. Income tax transactions with BHE resulted in net payments of \$49.5 million and \$46.9 million for the years ended December 31, 2015 and 2014, respectively.

MEC provides certain administrative and management services, including executive, financial, legal, human resources, payroll and tax, to the Respondent. Expenses incurred by MEC and billed to the Respondent are based on the individual services and expense items provided and were \$1.1 million and \$1.3 million for the years ended December 31, 2015 and 2014, respectively.

Northern Natural Gas Company ("Northern"), an indirect wholly owned subsidiary of BHE, provides certain administrative and management services, including executive, financial, regulatory, legal, commercial, and tax to the Respondent. The Respondent was billed \$1.4 million and \$1.3 million for the years ended December 31, 2015 and 2014, respectively, for these services.

As of December 31, 2015 and 2014, the Respondent had accounts payable to affiliates of \$0.5 million and \$0.8 million, respectively, which are reflected in accounts payable to associated companies on the Balance Sheets. The Respondent also had accounts receivable from affiliates of \$2.4 million and \$1.4 million as of December 31, 2015 and 2014, respectively, which are included in accounts receivable from associated companies on the Balance Sheets.

The Respondent provided natural gas transportation and other services to PacifiCorp, an indirect subsidiary of BHE, of

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\$3.1 million and \$3.2 million for the years ended December 31, 2015 and 2014, respectively. PacifiCorp provided electricity and other services to the Respondent of \$0.8 million for each of the years ended December 31, 2015 and 2014. PacifiCorp provides certain administrative and management services, including information technology, legislative and financial, to the Respondent. Expenses incurred by PacifiCorp and billed to the Respondent are based on the individual services and expense items provided and were \$0.2 million and \$0.6 million for the years ended December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, the Respondent had net accounts receivable from PacifiCorp for intercompany transactions totaling \$0.3 million, which is reflected in accounts receivable from associated companies on the Balance Sheets.

The Respondent provided natural gas transportation and other services to Nevada Power Company ("Nevada Power"), an indirect wholly-owned subsidiary of BHE, of \$68.1 million and \$67.8 million for the years ended December 31, 2015 and 2014, respectively. Nevada Power provided electricity and other services to the Respondent of \$0.2 million for each of the years ended December 31, 2015 and 2014. As of December 31, 2015 and 2014, the Respondent had net accounts receivable from Nevada Power for intercompany transactions totaling \$5.4 million and \$5.3 million, respectively, which is reflected in accounts receivable from associated companies on the Balance Sheets.

For the years ended December 31, 2015 and 2014, the Respondent distributed to its partners \$113.0 million and \$98.0 million, respectively, and received contributions from its partners of \$136 million and \$- million, respectively.

#### (12) Subsequent Event

Subsequent to December 31, 2015, the Respondent distributed to its partners \$61.0 million.

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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)	2,802,066,262		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	37,487,659		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	2,839,553,921		
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	11,077,425		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	2,850,631,346		
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,215,787,484		
15	Net Utility Plant (Total of lines 13 and 14)	1,634,843,862		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	1,174,048,311		
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	41,739,173		
22	TOTAL In Service (Total of lines 18 thru 21)	1,215,787,484		
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)	1,215,787,484		

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

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3		2,802,066,262		
4				
5				
6		37,487,659		
7				
8		2,839,553,921		
9				
10				
11		11,077,425		
12				
13		2,850,631,346		
14		1,215,787,484		
15		1,634,843,862		
16				
17				
18		1,174,048,311		
19				
20				
21		41,739,173		
22		1,215,787,484		
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33		1,215,787,484		



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

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	26,223,956	1,568,516
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	26,223,956	1,568,516
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)				
including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.				
6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.				
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.				
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.				
Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
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4				27,792,472
5				27,792,472
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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 2015/Q4
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**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

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

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)				
Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
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Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,		
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights	3,159,837	
84	365.2 Rights-of-Way	72,056,013	
85	366 Structures and Improvements	60,215,320	157,433
86	367 Mains	2,039,750,553	10,334,590
87	368 Compressor Station Equipment	544,137,871	8,540,179
88	369 Measuring and Regulating Station Equipment	53,905,326	1,261,162
89	370 Communication Equipment	6,794,460	1,418,602
90	371 Other Equipment	83,263	
91	372 Asset Retirement Costs for Transmission Plant		
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)	2,780,102,643	21,711,966
93	DISTRIBUTION PLAN		
94	374 Land and Land Rights		
95	375 Structures and Improvements		
96	376 Mains		
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General		
99	379 Measuring and Regulating Station Equipment-City Gate		
100	380 Services		
101	381 Meters		
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment		
106	386 Other Property on Customers' Premises		
107	387 Other Equipment		
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)		
110	GENERAL PLANT		
111	389 Land and Land Rights		
112	390 Structures and Improvements		
113	391 Office Furniture and Equipment	3,545,386	629,428
114	392 Transportation Equipment	1,798,734	793,695
115	393 Stores Equipment		
116	394 Tools, Shop, and Garage Equipment	5,721,545	483,028
117	395 Laboratory Equipment	501,050	
118	396 Power Operated Equipment	898,359	81,733
119	397 Communication Equipment	1,398,906	
120	398 Miscellaneous Equipment	70,905	
121	Subtotal (Enter Total of lines 111 thru 120)	13,934,885	1,987,884
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	13,934,885	1,987,884
125	TOTAL (Accounts 101 and 106)	2,820,261,484	25,268,366
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	2,820,261,484	25,268,366

Name of Respondent Kern River Gas Transmission Company	This Report 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>2015/Q4</u>
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**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81				
82				
83				3,159,837
84				72,056,013
85	16,825			60,355,928
86			( 8,266)	2,050,076,877
87	4,725,194		8,266	547,961,122
88	336,079		47,024	54,877,433
89				8,213,062
90			( 47,024)	36,239
91				
92	5,078,098			2,796,736,511
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113	348,901			3,825,913
114	540,665			2,051,764
115				
116				6,204,573
117				501,050
118				980,092
119	8,265			1,390,641
120				70,905
121	897,831			15,024,938
122				
123				
124	897,831			15,024,938
125	5,975,929			2,839,553,921
126				
127				
128				
129	5,975,929			2,839,553,921

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Construction Work in Progress-Gas (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Summerlin Pipeline Replacement	3,069,841	7,098,089
2	Goodsprings Unit 1 Compressor Turbine Replacement	2,808,529	2,127,161
3	SCADA Software Upgrade	674,722	1,047,302
4	Muddy Creek Underground Sump Water Tanks	1,122,314	48,961
5	Various Projects under \$1,000,000	3,402,019	792,061
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45	Total	11,077,425	11,113,574

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Non-Traditional Rate Treatment Afforded New Projects**

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.
2. In column b, list the CP Docket Number where the Commission authorized the facility.
3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)
4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.
5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.

Line No.	Name of Facility  (a)	CP Docket No.  (b)	Type of Rate Treatment  (c)	Gas Plant in Service  (d)
1	2003 and 2010 Expansions	CP01-422	Incremental	1,282,201,538
2	High Desert	CP01-405	Incremental	30,315,344
3	Apex Expansion	CP10-14	Incremental	328,979,049
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	<b>Total</b>			<b>1,641,495,931</b>



Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Non-Traditional Rate Treatment Afforded New Projects (continued)**

6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility.
7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense).
8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility.
9. In column i, report the amount of depreciation expense accrued on the facility during the year.
10. In column j, list any other expenses(including taxes) allocated to the facility.
11. In column k, report the incremental revenues associated with the facility.
12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project.
13. Provide the total amounts for each column.

Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1	435,954,328	180,806,630	20,001,651	546,447	42,913,426	7,906,518	189,539,023
2	16,709,025	5,974,992	277,560		1,320,655	135,082	4,793,031
3	49,001,815	68,625,369	4,676,384	315,108	11,586,096	2,563,275	43,083,096
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	501,665,168	255,406,991	24,955,595	861,555	55,820,177	10,604,875	237,415,150

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
<b>General Description of Construction Overhead Procedure</b>			

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

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

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

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

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

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

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

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

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

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**General Description of Construction Overhead Procedure (continued)**

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.
3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

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

Line No.	Title (a)	Amount (b)	Capitalization Ratio (percent) (c)	Cost Rate Percentage (d)
(1)	Average Short-Term Debt	S		
(2)	Short-Term Interest			s
(3)	Long-Term Debt	D 245,366,004	20.85	d 5.32
(4)	Preferred Stock	P		p
(5)	Common Equity	C 931,681,226	79.15	c 11.55
(6)	Total Capitalization	1,177,047,230	100.00	
(7)	Average Construction Work In Progress Balance	W 6,685,227		

2. Gross Rate for Borrowed Funds  $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$  1.11

3. Rate for Other Funds  $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$  9.14

4. Weighted Average Rate Actually Used for the Year:

- a. Rate for Borrowed Funds - 2.36
- b. Rate for Other Funds - 7.35

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2015/Q4</u>

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

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

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	1,093,881,294	1,093,881,294		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	82,967,108	82,967,108		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	82,967,108	82,967,108		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	( 5,975,929)	( 5,975,929)		
13	Cost of Removal	( 14,850)	( 14,850)		
14	Salvage (Credit)	( 3,190,688)	( 3,190,688)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	( 2,800,091)	( 2,800,091)		
16	Other Debit or Credit Items (Describe) (footnote details):				
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	1,174,048,311	1,174,048,311		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas				
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage				
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission	1,167,969,313	1,167,969,313		
28	Distribution				
29	General	6,078,998	6,078,998		
30	TOTAL (Total of lines 21 thru 29)	1,174,048,311	1,174,048,311		

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Investments (Account 123, 124, and 136)**

- Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
- Provide a subheading for each account and list thereunder the information called for:
  - Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
  - Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment  (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Account 136.0 short-term money market investments		26,081,436	220,265,842
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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 2015/Q4
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**Investments (Account 123, 124, and 136) (continued)**

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

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

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

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

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

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1	223,660,000		22,687,278	3,842	
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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 2015/Q4
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**Investments in Subsidiary Companies (Account 123.1)**

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
  2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
- (a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
- (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

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

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Investments in Subsidiary Companies (Account 123.1) (continued)**

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

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
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Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

### PREPAYMENTS (ACCOUNT 165)

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

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	519,945
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	979,861
6	TOTAL	1,499,806

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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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	46,523,889	2,365,425	407.3/4			48,889,314
2							
3	Income taxes related to equity AFUDC	24,532,900	172,700	407.3	1,900,200		22,805,400
4							
5	Federal tax rate change	77,100		407.3	37,500		39,600
6							
7	Muddy Creek compressor station restage	208,500		407.3	96,900		111,600
8							
9	Fillmore compressor station restage	40,300		407.3	18,000		22,300
10							
11	Deferred regulatory commission expense	446,792		928	383,792		63,000
12							
13	Deferred FERC annual charge	949,386	1,196,229	928	1,248,443		897,172
14							
15	State tax rate change - apportionment	2,457,130	147,281	410.1	215,829		2,388,582
16							
17	Daggett electrical surcharge	784,601			784,601		
18							
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40	<b>Total</b>	76,020,598	3,881,635		4,685,265	0	75,216,968

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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>2015/Q4</u>
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**Accumulated Deferred Income Taxes (Account 190)**

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

Line No.	Account Subdivisions  (a)	Balance at Beginning of Year  (b)	Changes During Year  Amounts Debited to Account 410.1 (c)	Changes During Year  Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	119,998,084	26,895,747	30,834,899
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	119,998,084	26,895,747	30,834,899
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	119,998,084	26,895,747	30,834,899
8	Classification of TOTAL			
9	Federal Income Tax	106,780,775	24,239,683	26,916,935
10	State Income Tax	13,217,309	2,656,064	3,917,964
11	Local Income Tax			

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Accumulated Deferred Income Taxes (Account 190) (continued)**

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits	Debits	Credits	Credits	
	(e)	(f)	Account No. (g)	Amount (h)	Account No. (i)	Amount (j)	
1							
2							
3							123,937,236
4							
5							123,937,236
6							
7							123,937,236
8							
9							109,458,027
10							14,479,209
11							

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Other Paid-In Capital (Accounts 208-211)**

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

- (a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.  
(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.  
(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.  
(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Balance, December 31, 2014 reported as Other Paid-In Capital	817,502,136
2		
3	2015 Net Income	91,592,149
4		
5	Distributions to partners	( 113,000,000)
6		
7	Contribution from parent	136,000,000
8		
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40	Total	932,094,285

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

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

During 2015, the Respondent made all the monthly scheduled principal and interest payments on its 4.893% Senior Notes, due 2018 as required by its indenture agreement. For 2015, principal payments were \$54,339,996 and interest payments were \$13,445,976.

In December 2015, the Respondent redeemed the remaining amount of its 6.676% Senior Notes due 2016 at a redemption price determined in accordance with the terms of the indenture. For 2015, principal payments were \$166,999,994 and interest payments were \$9,686,385.

#### Securities Retired:

6.676% Senior Notes due 7/31/2016

#### Entry:

224 Other Long-Term Debt	\$	138,583,331	
427 Interest on Long-Term Debt	\$	256,995	
189 Unamortized Loss on Recquired Debt	\$	5,092,712	
181 Unamortized Debt Expense			\$ 764,263
131 Cash			\$ 143,168,775

Name of Respondent Kern River Gas Transmission Company		This Report 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 2015/Q4
Long-Term Debt (Accounts 221, 222, 223, and 224)					
<p>1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.</p> <p>2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p>					
Line No.	Class and Series of Obligation and Name of Stock Exchange  (a)	Nominal Date of Issue  (b)	Date of Maturity  (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)	
1	224 ACCOUNT DETAIL				
2	6.676% Senior Notes Due 2016	08/13/2001	07/31/2016		
3	4.893% Senior Notes Due 2018	05/01/2003	04/30/2018	245,366,004	
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40	TOTAL			245,366,004	



Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Long-Term Debt (Accounts 221, 222, 223, and 224)**

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

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

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

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

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

Line No.	Interest for Year  Rate (in %) (e)	Interest for Year  Amount  (f)	Held by Respondent  Reacquired Bonds (Acct 222) (g)	Held by Respondent  Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year  (i)
1					
2	6.676	9,686,385			
3	4.893	13,445,976			
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40		23,132,361			

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)**

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt  (a)	Principal Amount of Debt Issued  (b)	Total Expense Premium or Discount  (c)	Amortization Period  Date From (d)	Amortization Period  Date To (e)
1	181 ACCOUNT DETAIL				
2	6.676% Senior Notes Due 2016	510,000,000	48,082,708	08/13/2001	07/31/2016
3	4.893% Senior Notes Due 2018	836,000,000	7,845,495	05/01/2003	04/30/2018
4					
5	Total	1,346,000,000	55,928,203		
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Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q4</u>
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**Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)**

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

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

7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2	2,182,617		2,182,617	
3	722,255		284,552	437,703
4				
5	2,904,872		2,467,169	437,703
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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>2015/Q4</u>
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**Unamortized Loss and Gain on Recquired Debt (Accounts 189, 257)**

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Recquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Recquired Debt, or credited to Account 429.1, Amortization of Gain on Recquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	6.676% Senior Notes Due 2016	12/10/2015	138,583,331	( 5,092,712)		( 4,635,674)
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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 2015/Q4
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**Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes**

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

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

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	91,592,149
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Capitalized Interest - tax	321,006
6	Tax Gain on Disposition of Assets	163,024
7		
8	TOTAL	484,030
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal Income Taxes (Current & Deferred)	49,270,039
11	Deferred State Income Taxes	396,635
12	Other (see footnote)	131,868,356
13	TOTAL	181,535,030
14	Income Recorded on Books Not Included in Return	
15	Equity AFUDC	276,041
16	Debt AFUDC	88,582
17		
18	TOTAL	364,623
19	Deductions on Return Not Charged Against Book Income	
20	Tax Depreciation & Repairs	109,515,367
21	Tax Amortization - Regulatory Assets (Sec 197)	7,228,386
22	Tax Amortization - Debt Costs	3,777,131
23	NOL Carryforward Utilized in 2015 (Apex Expansion)	31,865,034
24	Debt Redemption Costs	4,328,449
25		
26	TOTAL	156,714,367
27	Federal Tax Net Income	116,532,219
28	Show Computation of Tax:	
29	NOL Carryforward generated in 2015	
30	Federal Taxable Income (after NOL adjustment)	116,532,219
31	Federal Tax Rate 35%	
32	Current Year Federal Income Tax Provision	40,786,277
33	Other Changes including Book to Tax Return Adjustments, FIN 48 and Audits	( 561,195)
34	Total Current Federal Income Tax Povision (Account 409.1 & 409.2)	40,225,082
35		

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
<b>Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)</b>				
<p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>				
Line No.	Kind of Tax (See Instruction 5)  (a)	Balance at Beg. of Year  Taxes Accrued (b)	Balance at Beg. of Year  Prepaid Taxes (c)	
1	FEDERAL TAX			
2	Federal Income	655,435		
3	FICA	41,302		
4	Unemployment	240		
5	Subtotal	696,977		
6				
7	STATE INCOME TAX			
8	California			
9	Utah			
10	FIN 48 Adjustments			
11	Subtotal			
12				
13	USE TAX			
14	California			
15	Nevada	281		
16	Utah	155,521		
17	Wyoming	694		
18	Subtotal	156,496		
19				
20	AD VALOREM / PROPERTY TAX			
21	California	1,558,704		
22	Nevada	713,002		
23	Nevada (Moapa Indian Reservation)			
24	Utah			
25	Wyoming	673,691		
26	Subtotal	2,945,397		
27				
28	STATE UNEMPLOYMENT TAX			
29	California	47		
30	Nevada	625		
31	Utah	1,269		
32	Wyoming	618		
33	Subtotal	2,559		
34				
35	STATE COMMERCE TAX			
36	Nevada			
37				
38				
39				
<b>TOTAL</b>		3,801,429		

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4	
<b>Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)</b> <b>(continued)</b>					
<p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> <p>11. Report in column (q) the applicable effective state income tax rate.</p>					
Line No.	Taxes Charged During Year  (d)	Taxes Paid During Year  (e)	Adjustments  (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2	40,250,919	41,911,680	1,686,598	681,272	
3	1,094,062	1,100,089		35,275	
4	7,121	7,161		200	
5	41,352,102	43,018,930	1,686,598	716,747	
6					
7					
8	4,149,572	4,088,617	( 60,955)		
9	3,379,596	3,495,950	116,354		
10					
11	7,529,168	7,584,567	55,399		
12					
13					
14	979	1,082		( 103)	
15	185,130	182,546		2,865	
16	477,869	515,628		117,762	
17	5,170	5,349		515	
18	669,148	704,605		121,039	
19					
20					
21	3,053,192	3,085,300		1,526,596	
22	2,889,038	2,883,419		718,621	
23	129,941	129,941			
24	7,040,800	7,040,800			
25	938,096	1,142,739		469,048	
26	14,051,067	14,282,199		2,714,265	
27					
28					
29	432	434		45	
30	13,760	13,835		550	
31	17,273	17,368		1,174	
32	12,297	12,365		550	
33	43,762	44,002		2,319	
34					
35					
36	26,437			26,437	
37					
38					
39					
<b>TOTAL</b>	63,671,684	65,634,303	1,741,997	3,580,807	

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)**

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

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

Line No.	Electric (Account 408.1, 409.1)  (i)	Gas (Account 408.1, 409.1)  (j)	Other Utility Dept. (Account 408.1, 409.1)  (k)	Other Income and Deductions (Account 408.2, 409.2)  (l)
1				
2		39,679,790		571,129
3		957,727		
4		6,234		
5		40,643,751		571,129
6				
7				
8		4,105,769		43,803
9		3,332,497		47,099
10				
11		7,438,266		90,902
12				
13				
14				
15				
16		270,137		
17				
18		270,137		
19				
20				
21		3,053,192		
22		2,889,038		
23		129,941		
24		7,040,800		
25		938,096		
26		14,051,067		
27				
28				
29		378		
30		12,045		
31		15,121		
32		10,765		
33		38,309		
34				
35				
36		26,437		
37				
38				
39				
<b>TOTAL</b>		62,467,967		662,031



Name of Respondent Kern River Gas Transmission Company		This Report 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>2015/Q4</u>	
<b>Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)</b> <b>(continued)</b>					
<p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> <p>11. Report in column (q) the applicable effective state income tax rate.</p>					
<b>DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)</b>					
Line No.	Extraordinary Items (Account 409.3)  (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other  (p)	State/Local Income Tax Rate  (q)
1					
2					
3				136,335	
4				887	
5				137,222	
6					
7					
8					8.84
9					5.00
10					
11					
12					
13					
14				979	
15				185,130	
16				207,732	
17				5,170	
18				399,011	
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29				54	
30				1,715	
31				2,152	
32				1,532	
33				5,453	
34					
35					
36					
37					
38					
39					
<b>TOTAL</b>				541,686	

Name of Respondent Kern River Gas Transmission Company		This Report 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>2015/Q4</u>
Miscellaneous Current and Accrued Liabilities (Account 242)				
1. Describe and report the amount of other current and accrued liabilities at the end of year. 2. Minor items (less than \$250,000) may be grouped under appropriate title.				
Line No.	Item (a)	Balance at End of Year (b)		
1	Transportation and exchange gas payable	1,702,493		
2	Accrued vacation and other employee benefits	1,368,551		
3	Miscellaneous items	403,319		
4				
5				
6				
7				
8				
9				
10				
11				
12				
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44				
45	Total	3,474,363		

Name of Respondent Kern River Gas Transmission Company	This Report 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>2015/Q4</u>
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**Accumulated Deferred Income Taxes-Other Property (Account 282)**

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas	484,528,687	45,849,679	37,095,313
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	484,528,687	45,849,679	37,095,313
6	Other (Specify) (footnote details)	1,470,110	18,051	
7	TOTAL Account 282 (Enter Total of lines 5 thr	485,998,797	45,867,730	37,095,313
8	Classification of TOTAL			
9	Federal Income Tax	433,476,504	40,248,090	32,501,443
10	State Income Tax	52,522,293	5,619,640	4,593,870
11	Local Income Tax			

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)**

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

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year  (k)
1							
2							
3	158,412	141,649					493,299,816
4							
5	158,412	141,649					493,299,816
6							1,488,161
7	158,412	141,649					494,787,977
8							
9	138,467	124,006					441,237,612
10	19,945	17,643					53,550,365
11							

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Accumulated Deferred Income Taxes-Other (Account 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.  
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas	24,661,475	18,037,862	13,437,269
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	24,661,475	18,037,862	13,437,269
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru	24,661,475	18,037,862	13,437,269
8	Classification of TOTAL			
9	Federal Income Tax	21,275,240	15,747,662	11,778,772
10	State Income Tax	3,386,235	2,290,200	1,658,497
11	Local Income Tax			

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q4</u>
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**Accumulated Deferred Income Taxes-Other (Account 283) (continued)**

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

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3	19,041	28,070			182.3, 219	561,588	28,691,451
4							
5	19,041	28,070				561,588	28,691,451
6							
7	19,041	28,070				561,588	28,691,451
8							
9	16,710	24,499				484,475	24,751,866
10	2,331	3,571				77,113	3,939,585
11							

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2015/Q4	
<b>Other Regulatory Liabilities (Account 254)</b>							
<p>1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory liabilities being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).</p>							
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Office lease accrual	781,365	931	152,206			629,159
2							
3	Employee benefits	3,134,365	128	3,134,365		3,639,928	3,639,928
4							
5	Levelized depreciation	155,783,800				43,249,569	199,033,369
6							
7	Daggett electrical surcharge					41,615	41,615
8							
9							
10							
11							
12							
13							
14							
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44							
45	<b>Total</b>	159,699,530		3,286,571	0	46,931,112	203,344,071

Name of Respondent Kern River Gas Transmission Company	This Report 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>2015/Q4</u>
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**Monthly Quantity & Revenue Data by Rate Schedule**

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

Line No.	Item  (a)	Month 1 Quantity  (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA)  (d)	Month 1 Revenue (Other)  (e)	Month 1 Revenue (Total)  (f)
1	Total Sales (480-488)				46,137	46,137
2	Transportation of Gas for Others (489.2 and 489..3)					
3	KRF - 1 Firm Mainline	75,201,208		105,281	30,109,879	30,215,160
4	KRI - 1 Interruptible Mainline	955,527		1,338	134,094	135,432
5	KRF - L1 Firm High Desert	3,980,754		5,573	355,995	361,568
6	KRI - L1 Interruptible High Desert	49,963		70	2,133	2,203
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Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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Monthly Quantity & Revenue Data by Rate Schedule

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

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1				46,137	46,137				46,137	46,137
2										
3	68,986,156		96,580	28,487,932	28,584,512	76,226,091		106,716	29,994,315	30,101,031
4	1,484,768		2,079	104,805	106,884	1,146,400		1,605	123,567	125,172
5	1,826,849		2,557	343,023	345,580	2,716,592		3,803	355,995	359,798
6	2,500		3	107	110					
7										
8										
9										
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Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Monthly Quantity & Revenue Data by Rate Schedule (continued)**

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	80,187,452		112,262	30,602,101	30,714,363
64	Storage (489.4)					
65						
66						
67						
68						
69						
70						
71						
72						
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74						
75						
76						
77						
78						
79						
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83						
84						
85						
86						
87						
88						
89						
90	Total Storage					
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible					
94	Total Gathering (489.1)					
95	Additional Revenues					
96	Products Sales and Extraction (490-492)					
97	Rents (493-494)					
98	Other Gas Revenues (495)				51,289	51,289
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				51,289	51,289
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	80,187,452		112,262	30,699,527	30,811,789

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Monthly Quantity & Revenue Data by Rate Schedule (continued)**

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63	72,300,273		101,219	28,935,867	29,037,086	80,089,083		112,124	30,473,877	30,586,001
64										
65										
66										
67										
68										
69										
70										
71										
72										
73										
74										
75										
76										
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84										
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86										
87										
88										
89										
90										
91										
92										
93										
94										
95										
96										
97										
98				51,289	51,289				96,553	96,553
99										
100				51,289	51,289				96,553	96,553
101	72,300,273		101,219	29,033,293	29,134,512	80,089,083		112,124	30,616,567	30,728,691

Name of Respondent Kern River Gas Transmission Company	This Report 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>2015/Q4</u>
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**Gas Operating Revenues**

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account  (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities			1,278,525	1,090,521
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:			1,278,525	1,090,521
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:			1,278,525	1,090,521

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 End of 2015/Q4
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**Gas Operating Revenues**

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

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1						
2						
3						
4						
5						
6						
7						
8	553,644	553,644	553,644	553,644		
9						
10	357,500,115	351,899,337	358,778,640	352,989,858	913,232,667	871,727,629
11						
12						
13						
14						
15						
16						
17						
18	665,468	712,643	665,468	712,643		
19	358,719,227	353,165,624	359,997,752	354,256,145		
20						
21	358,719,227	353,165,624	359,997,752	354,256,145		

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)
-----------------------------------------------------------------------------------------------

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.</p> <p>2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.</p> <p>3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Line No.	Zone of Delivery, Rate Schedule  (a)	Revenues for Transition Costs and Take-or-Pay  Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay  Amount for Previous Year (c)	Revenues for GRI and ACA  Amount for Current Year (d)	Revenues for GRI and ACA  Amount for Previous Year (e)
1	KRF - 1 Firm Mainline			1,213,931	1,026,427
2	KRI - 1 Interruptible Mainline			20,166	18,680
3	KRF - L1 Firm High Desert			44,071	44,772
4	KRI - L1 Interruptible High Desert			357	642
5					
6	TOTAL			1,278,525	1,090,521
7					
8					
9					
10					
11					
12					
13					
14					
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16					
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24					
25					

Name of Respondent Kern River Gas Transmission Company			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q4</u>
Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)						
4. Delivered Dth of gas must not be adjusted for discounting. 5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported. 6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.						
Line No.	Other Revenues  Amount for Current Year (f)	Other Revenues  Amount for Previous Year (g)	Total Operating Revenues  Amount for Current Year (h)	Total Operating Revenues  Amount for Previous Year (i)	Dekatherm of Natural Gas  Amount for Current Year (j)	Dekatherm of Natural Gas  Amount for Previous Year (k)
1	351,969,669	345,854,263	353,183,600	346,880,690	867,093,927	820,311,895
2	1,338,413	1,843,133	1,358,579	1,861,813	14,403,502	14,975,206
3	4,181,136	4,181,136	4,225,207	4,225,908	31,480,038	35,953,281
4	10,897	20,805	11,254	21,447	255,200	487,247
5						
6	357,500,115	351,899,337	358,778,640	352,989,858	913,232,667	871,727,629
7						
8						
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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 2015/Q4
Other Gas Revenues (Account 495)				
Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.				
Line No.	Description of Transaction (a)	Amount (in dollars) (b)		
1	Commissions on Sale or Distribution of Gas of Others			
2	Compensation for Minor or Incidental Services Provided for Others			
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale			
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments			
5	Miscellaneous Royalties			
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495			
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures			
8	Gains on Settlements of Imbalance Receivables and Payables			
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements			
10	Revenues from Shipper Supplied Gas			
11	Other revenues (Specify):			
12	Facility charge on Big Horn lateral	615,468		
13	Waste heat recovery	50,000		
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
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27				
28				
29				
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32				
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34				
35				
36				
37				
38				
39				
	Total	665,468		



Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Discounted Rate Services and Negotiated Rate Services**

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

Line No.	Account  (a)	Discounted Rate Services  Revenue (b)	Discounted Rate Services  Volumes (c)	Negotiated Rate Services  Revenue (d)	Negotiated Rate Services  Volumes (e)
1	Account 489.1, Revenues from transportation of gas of others through gathering facilities.				
2	Account 489.2, Revenues from transportation of gas of others through transmission facilities.	72,725,806	240,167,183	19,909,827	30,810,419
3	Account 489.4, Revenues from storing gas of others.				
4	Account 495, Other gas revenues.				
5					
6					
7					
8					
9					
10					
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28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
	<b>Total</b>	<b>72,725,806</b>	<b>240,167,183</b>	<b>19,909,827</b>	<b>30,810,419</b>

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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>2015/Q4</u>
<b>Gas Operation and Maintenance Expenses(continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
86	808.1 Gas Withdrawn from Storage-Debit	0	0	
87	(Less) 808.2 Gas Delivered to Storage-Credit	0	0	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0	
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0	
90	Gas used in Utility Operation-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit	43,754,581	66,392,164	
92	811 Gas Used for Products Extraction-Credit	0	0	
93	812 Gas Used for Other Utility Operations-Credit	0	0	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	43,754,581	66,392,164	
95	813 Other Gas Supply Expenses	0	0	
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	( 43,754,581)	( 66,392,164)	
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	( 43,754,581)	( 66,392,164)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering	0	0	
102	815 Maps and Records	0	0	
103	816 Wells Expenses	0	0	
104	817 Lines Expense	0	0	
105	818 Compressor Station Expenses	0	0	
106	819 Compressor Station Fuel and Power	0	0	
107	820 Measuring and Regulating Station Expenses	0	0	
108	821 Purification Expenses	0	0	
109	822 Exploration and Development	0	0	
110	823 Gas Losses	0	0	
111	824 Other Expenses	0	0	
112	825 Storage Well Royalties	0	0	
113	826 Rents	0	0	
114	TOTAL Operation (Total of lines of 101 thru 113)	0	0	

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q4</u>
<b>Gas Operation and Maintenance Expenses(continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	0	0	
117	831 Maintenance of Structures and Improvements	0	0	
118	832 Maintenance of Reservoirs and Wells	0	0	
119	833 Maintenance of Lines	0	0	
120	834 Maintenance of Compressor Station Equipment	0	0	
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0	
122	836 Maintenance of Purification Equipment	0	0	
123	837 Maintenance of Other Equipment	0	0	
124	TOTAL Maintenance (Total of lines 116 thru 123)	0	0	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0	0	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering	0	0	
129	841 Operation Labor and Expenses	0	0	
130	842 Rents	0	0	
131	842.1 Fuel	0	0	
132	842.2 Power	0	0	
133	842.3 Gas Losses	0	0	
134	TOTAL Operation (Total of lines 128 thru 133)	0	0	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering	0	0	
137	843.2 Maintenance of Structures	0	0	
138	843.3 Maintenance of Gas Holders	0	0	
139	843.4 Maintenance of Purification Equipment	0	0	
140	843.5 Maintenance of Liquefaction Equipment	0	0	
141	843.6 Maintenance of Vaporizing Equipment	0	0	
142	843.7 Maintenance of Compressor Equipment	0	0	
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0	
144	843.9 Maintenance of Other Equipment	0	0	
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0	

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering	0	0	
150	844.2 LNG Processing Terminal Labor and Expenses	0	0	
151	844.3 Liquefaction Processing Labor and Expenses	0	0	
152	844.4 Liquefaction Transportation Labor and Expenses	0	0	
153	844.5 Measuring and Regulating Labor and Expenses	0	0	
154	844.6 Compressor Station Labor and Expenses	0	0	
155	844.7 Communication System Expenses	0	0	
156	844.8 System Control and Load Dispatching	0	0	
157	845.1 Fuel	0	0	
158	845.2 Power	0	0	
159	845.3 Rents	0	0	
160	845.4 Demurrage Charges	0	0	
161	(less) 845.5 Wharfage Receipts-Credit	0	0	
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0	
163	846.1 Gas Losses	0	0	
164	846.2 Other Expenses	0	0	
165	TOTAL Operation (Total of lines 149 thru 164)	0	0	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering	0	0	
168	847.2 Maintenance of Structures and Improvements	0	0	
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0	
170	847.4 Maintenance of LNG Transportation Equipment	0	0	
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0	
172	847.6 Maintenance of Compressor Station Equipment	0	0	
173	847.7 Maintenance of Communication Equipment	0	0	
174	847.8 Maintenance of Other Equipment	0	0	
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0	
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	0	
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	0	0	

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q4</u>
<b>Gas Operation and Maintenance Expenses(continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	11,542,046	15,377,942	
181	851 System Control and Load Dispatching	1,278,129	1,212,864	
182	852 Communication System Expenses	1,042,519	946,165	
183	853 Compressor Station Labor and Expenses	3,509,704	3,416,606	
184	854 Gas for Compressor Station Fuel	43,754,581	66,392,164	
185	855 Other Fuel and Power for Compressor Stations	744,644	713,189	
186	856 Mains Expenses	5,362,997	5,817,231	
187	857 Measuring and Regulating Station Expenses	912,614	1,033,038	
188	858 Transmission and Compression of Gas by Others	0	0	
189	859 Other Expenses	0	0	
190	860 Rents	0	0	
191	TOTAL Operation (Total of lines 180 thru 190)	68,147,234	94,909,199	
192	Maintenance			
193	861 Maintenance Supervision and Engineering	520,823	531,239	
194	862 Maintenance of Structures and Improvements	0	0	
195	863 Maintenance of Mains	127,682	279,057	
196	864 Maintenance of Compressor Station Equipment	558,839	487,386	
197	865 Maintenance of Measuring and Regulating Station Equipment	60,926	101,156	
198	866 Maintenance of Communication Equipment	0	0	
199	867 Maintenance of Other Equipment	0	53,138	
200	TOTAL Maintenance (Total of lines 193 thru 199)	1,268,270	1,451,976	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	69,415,504	96,361,175	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	0	0	
205	871 Distribution Load Dispatching	0	0	
206	872 Compressor Station Labor and Expenses	0	0	
207	873 Compressor Station Fuel and Power	0	0	



Name of Respondent Kern River Gas Transmission Company		This Report 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>2015/Q4</u>
<b>Gas Operation and Maintenance Expenses(continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
208	874 Mains and Services Expenses	0	0	
209	875 Measuring and Regulating Station Expenses-General	0	0	
210	876 Measuring and Regulating Station Expenses-Industrial	0	0	
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0	
212	878 Meter and House Regulator Expenses	0	0	
213	879 Customer Installations Expenses	0	0	
214	880 Other Expenses	0	0	
215	881 Rents	0	0	
216	TOTAL Operation (Total of lines 204 thru 215)	0	0	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	0	0	
219	886 Maintenance of Structures and Improvements	0	0	
220	887 Maintenance of Mains	0	0	
221	888 Maintenance of Compressor Station Equipment	0	0	
222	889 Maintenance of Measuring and Regulating Station Equipment-General	0	0	
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	0	0	
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0	
225	892 Maintenance of Services	0	0	
226	893 Maintenance of Meters and House Regulators	0	0	
227	894 Maintenance of Other Equipment	0	0	
228	TOTAL Maintenance (Total of lines 218 thru 227)	0	0	
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	0	0	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	0	0	
233	902 Meter Reading Expenses	0	0	
234	903 Customer Records and Collection Expenses	0	0	

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	0	0	
236	905 Miscellaneous Customer Accounts Expenses	0	0	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	0	0	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0	0	
241	908 Customer Assistance Expenses	0	0	
242	909 Informational and Instructional Expenses	0	0	
243	910 Miscellaneous Customer Service and Informational Expenses	0	0	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	0	0	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	0	0	
248	912 Demonstrating and Selling Expenses	0	0	
249	913 Advertising Expenses	0	0	
250	916 Miscellaneous Sales Expenses	0	0	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	0	0	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	5,471,852	5,807,256	
255	921 Office Supplies and Expenses	2,128,322	2,535,245	
256	(Less) 922 Administrative Expenses Transferred-Credit	161,267	109,156	
257	923 Outside Services Employed	3,673,631	3,651,057	
258	924 Property Insurance	541,897	519,796	
259	925 Injuries and Damages	219,655	136,007	
260	926 Employee Pensions and Benefits	2,700,858	3,136,520	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	1,767,656	1,810,579	
263	(Less) 929 Duplicate Charges-Credit	0	0	
264	930.1General Advertising Expenses	0	0	
265	930.2Miscellaneous General Expenses	11,069	10,000	
266	931 Rents	871,969	889,429	
267	TOTAL Operation (Total of lines 254 thru 266)	17,225,642	18,386,733	
268	Maintenance			
269	932 Maintenance of General Plant	0	0	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	17,225,642	18,386,733	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	42,886,565	48,355,744	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kern River Gas Transmission Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2015/Q4</u>

### Exchange and Imbalance Transactions

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

[illegible]

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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Gas Used in Utility Operations
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1. Report below details of credits during the year to Accounts 810, 811, and 812.

2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used  (a)	Account Charged  (b)	Natural Gas  Gas Used Dth (c)	Natural Gas  Amount of Credit (in dollars) (d)	Natural Gas  Amount of Credit (in dollars) (d)	Natural Gas  Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit	854	17,326,988	43,754,581		
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6	Unaccounted for		1,351,549			
7	Line pack activity		( 266)			
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24						
25	Total		18,678,271	43,754,581		

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Miscellaneous General Expenses (Account 930.2)**

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

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	11,069
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Other expenses	
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24		
25	Total	11,069

Name of Respondent Kern River Gas Transmission Company		This Report 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>2015/Q4</u>
<b>Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)</b>					
1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown. 2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are					
<b>Section A. Summary of Depreciation, Depletion, and Amortization Charges</b>					
Line No.	Functional Classification  (a)	Depreciation Expense (Account 403)  (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant				
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant	81,624,248			
9	Distribution plant				
10	General plant	1,342,860			
11	Common plant-gas				
12	TOTAL	82,967,108			

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)**

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

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

**Section A. Summary of Depreciation, Depletion, and Amortization Charges**

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3)  (f)	Amortization of Other Gas Plant (Account 405)  (g)	Total (b to g)  (h)	Functional Classification  (a)
1	1,531,865		1,531,865	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5				Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8	1,816,026		83,440,274	Transmission plant
9				Distribution plant
10			1,342,860	General plant
11				Common plant-gas
12	3,347,891		86,314,999	TOTAL

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)**

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

**Section B. Factors Used in Estimating Depreciation Charges**

Line No.	Functional Classification  (a)	Plant Bases (in thousands)  (b)	Applied Depreciation or Amortization Rates (percent)  (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)	2,782,291	0.00
8	General Plant (footnote details)	15,025	0.00
9	Intangible Plant (footnote details)	27,792	0.00
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12			
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14			
15			



Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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**Particulars Concerning Certain Income Deductions and Interest Charges Accounts**

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

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

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

Line No.	Item (a)	Amount (b)
1	426.1 - Charitable contributions less than \$250,000	48,040
2		
3	426.4 - Expenditures for Certain Civic, Political and Related Activities	
4	Activities less than \$250,000	22,033
5		
6	426.5 - Other deductions	
7	Activities less than \$250,000	11,614
8		
9	431.0 - Other interest expense	
10	Letters-of-credit fees (rates less than 0.05% based upon face value)	483,848
11	Other	87
12	Account subtotal	483,935
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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 2015/Q4
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**Regulatory Commission Expenses (Account 928)**

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

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.)  (a)	Assessed by Regulatory Commission  (b)	Expenses of Utility  (c)	Total Expenses to Date  (d)	Deferred in Account 182.3 at Beginning of Year  (e)
1	FERC RP04-274 General Rate Case (amortized over a five year period)		135,421	8,431,000	446,792
2					
3	FERC Order No. 472 2014 Annual Charge (Oct-14 through Sep-15)	1,265,848		1,265,848	949,386
4					
5	FERC Order No. 472 2015 Annual Charge (Oct-15 through Sep-16)	1,196,229		1,196,229	
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24					
<b>25</b>	<b>Total</b>	2,462,077	135,421	10,893,077	1,396,178

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Regulatory Commission Expenses (Account 928)**

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

Line No.	Expenses Incurred During Year Charged Currently To  Department (f)	Expenses Incurred During Year Charged Currently To  Account No. (g)	Expenses Incurred During Year Charged Currently To  Amount (h)	Expenses Incurred During Year  Deferred to Account 182.3 (i)	Amortized During Year  Contra Account (j)	Amortized During Year  Amount (k)	Deferred in Account 182.3 End of Year  (l)
1	Gas	928	135,421		182.3	383,792	63,000
2							
3					182.3	949,386	
4							
5				1,196,229	182.3	299,057	897,172
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24							
25			135,421	1,196,229		1,632,235	960,172

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="checked" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q4</u>
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### Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense (a)	Amount (b)
1	Pensions – defined benefit plans	285,957
2	Pensions – other	516,534
3	Post-retirement benefits other than pensions (PBOP)	404,532
4	Post-employment benefit plans	
5	Other (Specify)	
6	Healthcare and other benefits	1,493,835
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	<b>Total</b>	<b>2,700,858</b>

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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### Distribution of Salaries and Wages

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

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (line 6)				
22	Customer Service and Informational (line 7)				
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply				
31	Storage, LNG Terminating and Processing				
32	Transmission	9,046,301	625		9,046,926
33	Distribution				
34	Customer Accounts				
35	Customer Service and Informational				
36	Sales				
37	Administrative and General	5,123,297	1,400,274		6,523,571
38	TOTAL Operation (Total of lines 28 thru 37)	14,169,598	1,400,899		15,570,497
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminating and Processing				
44	Transmission	210,534			210,534
45	Distribution				

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
<b>Distribution of Salaries and Wages (continued)</b>					
Line No.	Classification  (a)	Direct Payroll Distribution  (b)	Payroll Billed by Affiliated Companies  (c)	Allocation of Payroll Charged for Clearing Accounts  (d)	Total  (e)
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)	210,534			210,534
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(Il. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)				
53	Storage, LNG Terminaling and Processing (Total of Il. 31 and 43)				
54	Transmission (Total of lines 32 and 44)	9,256,835	625		9,257,460
55	Distribution (Total of lines 33 and 45)				
56	Customer Accounts (Total of line 34)				
57	Customer Service and Informational (Total of line 35)				
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	5,123,297	1,400,274		6,523,571
60	Total Operation and Maintenance (Total of lines 50 thru 59)	14,380,132	1,400,899		15,781,031
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	14,380,132	1,400,899		15,781,031
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant	1,053,793	32,704	800,611	1,887,108
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	1,053,793	32,704	800,611	1,887,108
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant	3,891			3,891
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	3,891			3,891
75	Other Accounts (Specify) (footnote details)	53,204			53,204
76	TOTAL Other Accounts	53,204			53,204
77	TOTAL SALARIES AND WAGES	15,491,020	1,433,603	800,611	17,725,234

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Charges for Outside Professional and Other Consultative Services**

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

(a) Name of person or organization rendering services.

(b) Total charges for the year.

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

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

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

Line No.	Description (a)	Amount (in dollars) (b)
1	TRC Construction Inc	3,037,306
2	Flare Construction Inc	2,669,798
3	Security 101	2,300,447
4	Baker Hughes Pipeline Management Group Inc	2,021,800
5	Quality Integrated Services Inc	1,300,022
6	Brahma Group Inc	1,151,010
7	Accurate Corrosion Control Inc	767,812
8	El Paso Natural Gas Company	681,154
9	Solar Turbines Incorporated	532,759
10	TDW Services Inc	502,033
11	Sunland Construction Inc	498,728
12	Telvent USA LLC	425,670
13	Cedar Excavation	425,106
14	URS Corporation	419,172
15	Coast to Coast Inspection Services	333,550
16	NPL Construction Company	314,861
17	Hatch Mott MacDonald LLC	312,382
18	EN Engineering LLC	290,007
19	Southern Nevada Environmental Inc	277,909
20	G E L Inc	273,783
21	RTD Quality Services USA LP	261,659
22	Ecology and Environment Inc	255,604
23	Southwest Contractors	251,754
24		
25	Other (\$250,000 or less)	4,992,634
26		
27	Total	24,296,960
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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 2015/Q4
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**Transactions with Associated (Affiliated) Companies**

- Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
- Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
- Total under a description "Total", the total of all of the aforementioned goods and services.
- Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Finance and accounting services	Northern Natural Gas ("NNG")	107, 923	655,739
3	Legal services	NNG	923, 928	366,733
4	Other - goods and services under \$250,000	NNG	107, 426.1, 920, 923	397,893
5	IT shared services	MidAmerican Energy Company ("MEC")	923	341,730
6	Other - goods and services under \$250,000	MEC	Various	748,935
7	Other - goods and services under \$250,000	Berkshire Hathaway Energy Company ("BHE")	Various	707,232
8	Other - goods and services under \$250,000	PacifiCorp	Various	163,705
9	Other - goods and services under \$250,000	International Business Machines	852, 921	52,164
10				
11	Total			3,434,131
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19				
20	Goods or Services Provided for Affiliated Company			
21	Gas transportation services	Nevada Power Company ("NVE")	489.2	68,138,885
22	Other - goods and services under \$250,000	NVE	Various	98,275
23	Gas transportation services	PacifiCorp	489.2	3,085,186
24	Other - goods and services under \$250,000	PacifiCorp	Various	64,299
25	Other - goods and services under \$250,000	MEC	Various	61,551
26				
27	Total			71,551,001
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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 2015/Q4
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### Compressor Stations

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

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

Line No.	Name of Station and Location  (a)	Number of Units at Station  (b)	Certificated Horsepower for Each Station  (c)	Plant Cost  (d)
1	Transmission: Transmission Compressor Stations			
2	Transmission: Muddy Creek, Lincoln County, Wyoming	6	95,500	125,560,584
3	Transmission: Painter, Uinta County, Wyoming	2	11,000	17,773,393
4	Transmission: Anschutz, Uinta County, Wyoming	2	720	4,883,006
5	Transmission: Coyote Creek, Uinta County, Wyoming	2	31,000	54,802,660
6	Transmission: Salt Lake City, Salt Lake County, Utah	2	30,000	39,938,994
7	Transmission: Elberta, Utah County, Utah	2	31,000	53,055,508
8	Transmission: Fillmore, Millard County, Utah	2	30,000	46,020,120
9	Transmission: Milford, Beaver County, Utah	1	30,000	61,192,062
10	Transmission: Veyo, Washington County, Utah	3	45,000	61,380,694
11	Transmission: Dry Lake, Clark County, Nevada	2	31,000	50,800,280
12	Transmission: Goodsprings, Clark County, Nevada	3	45,000	62,729,722
13	Transmission: Daggett, San Bernadino County, California	1	4,000	24,114,949
14				
15	Total Transmission	28	384,220	602,251,972
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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 2015/Q4
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### Compressor Stations

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

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

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1								
2	11,776,929		796,282	4,654,469	4,129,080	46,887	6	06/09/2015
3	478,484		252,451	189,784	276,570	8,687	1	12/30/2015
4	203		24,276	74	58,880			
5	2,384,599		506,528	956,546	601,600	10,334	2	12/30/2015
6	3,937,599		297,370	1,543,503	562,800	15,631	2	12/29/2015
7	3,781,145		33,415	1,501,655	742,000	15,797	2	06/25/2015
8	4,231,184		301,828	1,674,954	464,520	17,056	2	06/25/2015
9	2,250,376		306,207	884,717	1,420,320	5,604	1	06/25/2015
10	5,842,797		285,138	2,340,960	1,272,240	24,491	3	06/25/2015
11	3,646,264		336,084	1,434,354	1,086,424	14,158	2	11/18/2015
12	5,425,001		34,048	2,133,873	685,600	22,859	3	04/01/2015
13		273,556	8,174		331,440			
14								
15	43,754,581	273,556	3,181,801	17,314,889	11,631,474	181,504	24	
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q4</u>
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**Transmission Lines**

- Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
- Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
- Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
- Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1	Op by resp - Wyoming		154.00
2			
3	Op by resp - Utah		740.70
4			
5	Op by resp - Nevada		275.50
6			
7	Op by resp - California		246.90
8			
9	Total Op by resp		1,417.10
10			
11	Op by others - California operated by Mojave Pipeline Operating Company	*	300.70
12			
13	Grand Total		1,717.80
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
<b>Transmission System Peak Deliveries</b>					
<p>1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.</p>					
Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)	
	SECTION A: SINGLE DAY PEAK DELIVERIES				
1	Date: January 26, 2016				
2	Volumes of Gas Transported				
3	No-Notice Transportation				
4	Other Firm Transportation		2,810,972		2,810,972
5	Interruptible Transportation		9,605		9,605
6	Other (Describe) (footnote details)				
7	TOTAL		2,820,577		2,820,577
8	Volumes of gas Withdrawn form Storage under Storage Contract				
9	No-Notice Storage				
10	Other Firm Storage				
11	Interruptible Storage				
12	Other (Describe) (footnote details)				
13	TOTAL				
14	Other Operational Activities				
15	Gas Withdrawn from Storage for System Operations				
16	Reduction in Line Pack		88,778		88,778
17	Other (Describe) (footnote details)				
18	TOTAL		88,778		88,778
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES				
20	Dates: June 23-25, 2015				
21	Volumes of Gas Transported				
22	No-Notice Transportation				
23	Other Firm Transportation	25,000	8,011,916		8,036,916
24	Interruptible Transportation		125,340		125,340
25	Other (Describe) (footnote details)				
26	TOTAL	25,000	8,137,256		8,162,256
27	Volumes of Gas Withdrawn from Storage under Storage Contract				
28	No-Notice Storage				
29	Other Firm Storage				
30	Interruptible Storage				
31	Other (Describe) (footnote details)				
32	TOTAL				
33	Other Operational Activities				
34	Gas Withdrawn from Storage for System Operations				
35	Reduction in Line Pack		139,646		139,646
36	Other (Describe) (footnote details)				
37	TOTAL		139,646		139,646

Name of Respondent Kern River Gas Transmission Company	This Report 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>2015/Q4</u>
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**Gas Account - Natural Gas**

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
<b>01 Name of System: Kern River Gas Transmission Mainline and Common Facilities</b>				
2	<b>GAS RECEIVED</b>			
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	881,526,497	224,000,658
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	( 202,169)	( 157,338)
10	Gas Received as Imbalances (Account 806)	328	( 29,068)	( 508)
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		17,583,287	4,671,712
14	Gas Received from Shippers as Lost and Unaccounted for		1,832,573	343,311
15	Other Receipts (Specify) (footnote details)		( 266)	
16	Total Receipts (Total of lines 3 thru 15)		900,710,854	228,857,835
17	<b>GAS DELIVERED</b>			
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	881,526,497	224,000,658
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	335,930	325,774
25	Gas Delivered as Imbalances (Account 806)	328	44,842	55,190
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	17,314,889	4,408,113
29	Other Deliveries and Gas Used for Other Operations		163,227	( 79,030)
30	Total Deliveries (Total of lines 18 thru 29)		899,385,385	228,710,705
31	<b>GAS LOSSES AND GAS UNACCOUNTED FOR</b>			
32	Gas Losses and Gas Unaccounted For		1,325,469	147,130
33	<b>TOTALS</b>			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		900,710,854	228,857,835

Name of Respondent Kern River Gas Transmission Company		This Report 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 2015/Q4
Gas Account - Natural Gas (continued)					
Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only	
01 Name of System: Kern River High Desert Lateral					
2	GAS RECEIVED				
3	Gas Purchases (Accounts 800-805)				
4	Gas of Others Received for Gathering (Account 489.1)	303			
5	Gas of Others Received for Transmission (Account 489.2)	305	31,735,238	8,576,658	
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	86,326	( 579,214)	
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		( 3,929)		
15	Other Receipts (Specify) (footnote details)				
16	Total Receipts (Total of lines 3 thru 15)		31,817,635	7,997,444	
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	31,735,238	8,576,658	
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	57,144	( 599,404)	
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		( 827)	2,474	
30	Total Deliveries (Total of lines 18 thru 29)		31,791,555	7,979,728	
31	GAS LOSSES AND GAS UNACCOUNTED FOR				
32	Gas Losses and Gas Unaccounted For		26,080	17,716	
33	TOTALS				
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		31,817,635	7,997,444	

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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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	520,447	33,444	1,156,610	1,710,501
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	520,447	33,444	1,156,610	1,710,501
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	496,080	30,124	1,098,632	1,624,836
12	Distribution				
13	Storage				
14	<b>Total gas used in compressors</b>	496,080	30,124	1,098,632	1,624,836
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				0
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	13,340	1,543	33,572	48,455
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	13,340	1,543	33,572	48,455

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
1										
2										
3										
4	1,280,300	82,272	2,845,261	4,207,833						
5										
6										
7	1,280,300	82,272	2,845,261	4,207,833						
8										
9										
10										
11	1,220,357	74,105	2,702,635	3,997,097					854	810
12										
13										
14	1,220,357	74,105	2,702,635	3,997,097						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	32,816	3,796	82,587	119,199						
27										
28										
29										
30	32,816	3,796	82,587	119,199						



Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
	<b>NET EXCESS OR (DEFICIENCY)</b>				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	11,027	1,777	24,406	37,210
35	Distribution				
36	Storage				
37	<b>Total Net Excess Or (Deficiency)</b>	11,027	1,777	24,406	37,210
38	<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	11,027	1,777	24,406	37,210
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	11,027	1,777	24,406	37,210
52	<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>				

**SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT**

66	Forwardhaul Volume in Dths for the Quarter	225,430,027
67	Backhaul Volume in Dths for the Quarter	7,146,781
68	<b>TOTAL (Lines 66 and 67)</b>	232,576,808

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
31										
32										
33										
34	27,127	4,371	60,039	91,537						
35										
36										
37	27,127	4,371	60,039	91,537						
38										
39										
40										
41										
42										
43										
44	27,127	4,371	60,039	91,537						
45										
46										
47										
48										
49										
50										
51	27,127	4,371	60,039	91,537						
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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>2015/Q4</u>
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**Shipper Supplied Gas for the Current Quarter**

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

Line No.	Item (a)	Month 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	471,911	33,364	1,119,480	1,624,755
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	471,911	33,364	1,119,480	1,624,755
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	381,812	25,849	899,516	1,307,177
12	Distribution				
13	Storage				
14	<b>Total gas used in compressors</b>	381,812	25,849	899,516	1,307,177
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	11,059	1,292	29,987	42,338
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	11,059	1,292	29,987	42,338

Name of Respondent Kern River Gas Transmission Company	This Report 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>2015/Q4</u>
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 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	972,137	68,730	2,306,129	3,346,996						
5										
6										
7	972,137	68,730	2,306,129	3,346,996						
8										
9										
10										
11	786,533	53,249	1,853,003	2,692,785					854	810
12										
13										
14	786,533	53,249	1,853,003	2,692,785						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	22,782	2,662	61,773	87,217						
27										
28										
29										
30	22,782	2,662	61,773	87,217						

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
	<b>NET EXCESS OR (DEFICIENCY)</b>				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	79,040	6,223	189,977	275,240
35	Distribution				
36	Storage				
37	<b>Total Net Excess Or (Deficiency)</b>	79,040	6,223	189,977	275,240
38	<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	79,040	6,223	189,977	275,240
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	79,040	6,223	189,977	275,240
52	<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>				

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
-----------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------	---------------------------------------	-----------------------------------------

**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	162,822	12,819	391,353	566,994						
35										
36										
37	162,822	12,819	391,353	566,994						
38										
39										
40										
41										
42										
43										
44	162,822	12,819	391,353	566,994						
45										
46										
47										
48										
49										
50										
51	162,822	12,819	391,353	566,994						
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63										
64										
65										

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q4
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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	474,618	1,332	1,203,817	1,679,767
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	474,618	1,332	1,203,817	1,679,767
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	418,540		1,057,560	1,476,100
12	Distribution				
13	Storage				
14	<b>Total gas used in compressors</b>	418,540		1,057,560	1,476,100
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	19,300	811	53,942	74,053
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	19,300	811	53,942	74,053

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
1										
2										
3										
4	1,077,383	3,024	2,732,665	3,813,072						
5										
6										
7	1,077,383	3,024	2,732,665	3,813,072						
8										
9										
10										
11	950,086		2,400,661	3,350,747					854	810
12										
13										
14	950,086		2,400,661	3,350,747						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	43,811	1,841	122,448	168,100						
27										
28										
29										
30	43,811	1,841	122,448	168,100						



Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
	<b>NET EXCESS OR (DEFICIENCY)</b>				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	36,778	521	92,315	129,614
35	Distribution				
36	Storage				
37	<b>Total Net Excess Or (Deficiency)</b>	36,778	521	92,315	129,614
38	<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	36,778	521	92,315	129,614
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	36,778	521	92,315	129,614
52	<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>				

Name of Respondent Kern River Gas Transmission Company	This Report 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 2015/Q4
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**Shipper Supplied Gas for the Current Quarter (continued)**

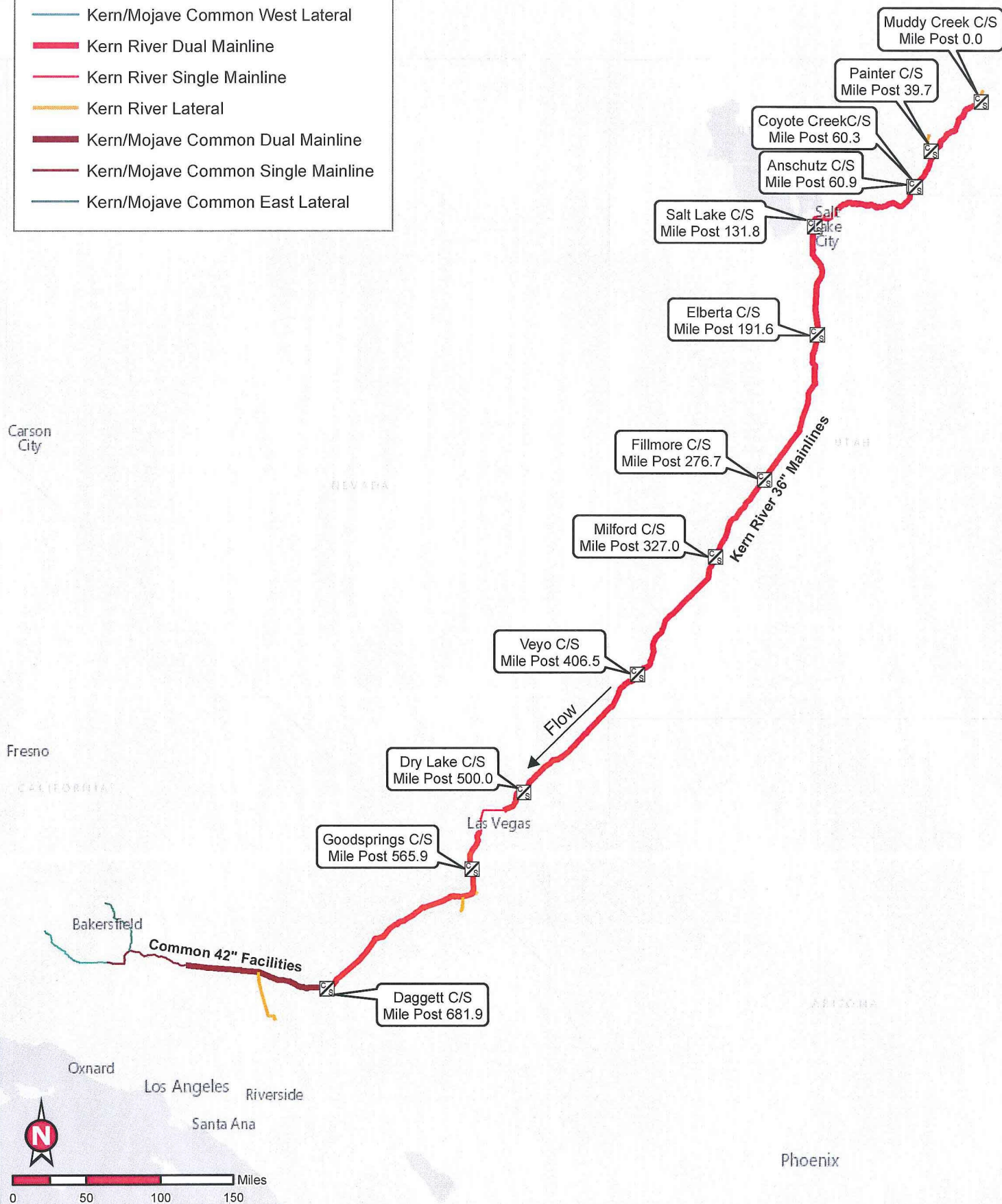
Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
31										
32										
33										
34	83,486	1,183	209,556	294,225						
35										
36										
37	83,486	1,183	209,556	294,225						
38										
39										
40										
41										
42										
43										
44	83,486	1,183	209,556	294,225						
45										
46										
47										
48										
49										
50										
51	83,486	1,183	209,556	294,225						
52										
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
<b>System Maps</b>			

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps:
  - (a) Transmission lines.
  - (b) Incremental facilities.
  - (c) Location of gathering areas.
  - (d) Location of zones and rate areas.
  - (e) Location of storage fields.
  - (f) Location of natural gas fields.
  - (g) Location of compressor stations.
  - (h) Normal direction of gas flow (indicated by arrows).
  - (i) Size of pipe.
  - (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
  - (k) Principal communities receiving service through the respondent's pipeline.
3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

## Legend

-  Existing Compressor Station
-  Kern/Mojave Common West Lateral
-  Kern River Dual Mainline
-  Kern River Single Mainline
-  Kern River Lateral
-  Kern/Mojave Common Dual Mainline
-  Kern/Mojave Common Single Mainline
-  Kern/Mojave Common East Lateral



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

**Schedule Page: 107 Line No.: 7 Column: e**

KR Acquisition 1, LLC and KR Acquisition 2, LLC each own a fifty percent (50%) general partnership interest in Kern River Gas Transmission Company.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

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

Description	As of December 31, 2015	As of December 31, 2014
Other Special Deposits - Cash and Cash Equivalents-		
Funds Held for Retainage	\$ 141,084	\$ 156,438
Other Special Deposits - Restricted Cash - Customer Deposits	709,254	592,874
Other Special Deposits - Escrows	854,728	854,673
Total	\$ 1,705,066	\$ 1,603,985

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

**Schedule Page: 117 Line No.: 5 Column: g**  
The \$376,859 pertains to natural gas commodity swaps.

**Schedule Page: 117 Line No.: 10 Column: g**  
The (\$413,059) pertains to natural gas commodity swaps.

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

<u>Description</u>	<u>2015</u>	<u>2014</u>
Amortization of Regulatory Assets and Liabilities	\$ 44,568,979	\$ 35,799,871
Amortization of Debt Discount and Expense	1,702,906	2,132,051
Amortization of loss on reacquired debt	457,038	-
Total	\$ 46,728,923	\$ 37,931,922

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

<u>Description</u>	<u>2015</u>	<u>2014</u>
Loss on reacquired debt	\$ (4,328,449)	\$ -
VEBA contributions	(458,383)	(458,383)
Other	(195,572)	56,466
Total	\$ (4,982,404)	\$ (401,917)

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

<u>Description</u>	<u>2015</u>	<u>2014</u>
Net Increase (Decrease) in Payables and Accrued Expenses	\$ (407,678)	\$ 610,249
Salvage Proceeds, net of removal costs	3,175,839	5,612,816
Total	\$ 2,768,161	\$ 6,223,065



Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

Below is the supplemental statement showing the account distributions of tentative classifications for Account 106 Completed Construction Not Classified for Column ( c ), as required by instruction 5 for pages 204-209. (Only affected groups are reported.)

Pages 204 - 209	Account 106, Completed Construction Not Classified - Gas				
Line Number	Account	Beginning Balance	Additions	Classified	Ending Balance
	(A)	(B)	(C )	(D)	( E )
	Form 2 Column for Pages 204 - 209	(b)	( c )	( c )	(g)
1	INTANGIBLE PLANT				
4	303 Miscellaneous Intangible Plant	1,022,281	1,568,516	(886,223)	1,704,573
5	Total Intangible Plant	1,022,281	1,568,516	(886,223)	1,704,573
82	TRANSMISSION PLANT				
83	365.1 Land and Land Rights	3,186	-	-	3,186
85	366 Structures and improvements	1,687,991	157,433	(58,349)	1,787,075
86	367 Mains	7,050,772	10,334,590	(377,155)	17,008,207
87	368 Compressor station equipment	7,737,793	8,540,179	(5,610,942)	10,667,029
88	369 Measure/reg station equip	4,326,417	1,261,162	(1,500,967)	4,086,612
89	370 Communication equipment	107,292	1,418,602	(0)	1,525,893
90	371 Other Equipment	47,024	-	(47,024)	-
		20,960,474	21,711,966	(7,594,437)	35,078,003
110	GENERAL PLANT				
113	391 Office Furniture and Equipment	300,275	629,428	(613,447)	316,256
114	392 Transportation equipment	-	793,695	(793,695)	(0)
116	394 Tools, shop and garage equip	52,548	483,028	(146,750)	388,826
118	396 Power operated equipment	-	81,733	(81,732)	1
124	Total General Plant	352,823	1,987,884	(1,635,625)	705,083
129	Total Gas Plant In Service	22,335,578	25,268,366	(10,116,285)	37,487,659

**Schedule Page: 204 Line No.: 125 Column: d**

Instruction 5 requires that a supplemental statement of Account Distributions be provided for tentative classifications of retirements recorded in column (d). Respondent strives to reflect actual retirement activities on its books in the year the retirement was made. Therefore, there are no tentative retirements to report in column (d).

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 2015/Q4
Kern River Gas Transmission Company			
FOOTNOTE DATA			

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

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

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

Plant in service for Respondent's 2003 and 2010 Expansions includes tangible plant in the amount of \$1,246,420,875 and intangible plant in the amount of \$35,780,663 for total reported plant in service of \$1,282,201,538.

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

Accumulated depreciation reported of \$435,954,328 reflects depreciation accrued on tangible plant in service of \$1,246,420,875 for the Respondent's 2003 and 2010 Expansions. In addition to accumulated depreciation, the Respondent has recorded accumulated amortization in the amount of \$10,776,668 on intangible plant in service of \$35,780,663. Total accumulated depreciation and amortization is \$446,730,996 for Respondent's 2003 and 2010 Expansions.

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

Depreciation expense reported of \$42,913,426 reflects depreciation accrued on tangible plant in service of \$1,246,420,875 for Respondent's 2003 and 2010 Expansions. In addition to depreciation expense, the Respondent has recorded amortization expense in the amount of \$1,073,420 on intangible plant in service of \$35,780,663. Total depreciation and amortization expense for Respondent's 2003 and 2010 Expansions is \$43,986,846.

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

Plant in service for Respondent's High Desert Lateral includes tangible plant in the amount of \$27,830,830 and intangible plant in the amount of \$2,484,514 for total reported plant in service of \$30,315,344.

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

Accumulated depreciation reported of \$16,709,025 reflects depreciation accrued on tangible plant in service of \$27,830,830 for the Respondent's High Desert Lateral. In addition to accumulated depreciation, the Respondent has recorded accumulated amortization in the amount of \$1,563,823 on intangible plant in service of \$2,484,514. Total accumulated depreciation and amortization is \$18,272,848 for Respondent's High Desert Lateral.

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

Depreciation expense reported of \$1,320,655 reflects depreciation accrued on tangible plant in service of \$27,830,830 for Respondent's High Desert Lateral. In addition to depreciation expense, the Respondent has recorded amortization expense in the amount of \$118,263 on intangible plant in service of \$2,484,514. Total depreciation and amortization expense for Respondent's High Desert Lateral is \$1,438,918.

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

Plant in service for Respondent's Apex Expansion includes tangible plant in the amount of \$318,912,067 and intangible plant in the amount of \$10,066,982 for total reported plant in service of \$328,979,049.

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

Accumulated depreciation reported of \$49,001,815 reflects depreciation accrued on tangible plant in service of \$318,912,067 for the Respondent's Apex Expansion. In addition to accumulated depreciation, the Respondent has recorded accumulated amortization in the amount of \$941,348 on intangible plant in service of \$10,066,982. Total accumulated depreciation and amortization is \$49,943,163 for Respondent's Apex Expansion.

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

Depreciation expense reported of \$11,586,096 reflects depreciation accrued on tangible plant in service of \$318,912,067 for the Respondent's Apex Expansion. In addition to depreciation expense, the Respondent has recorded amortization expense in the amount of \$302,010 on intangible plant in service of \$10,066,982. Total depreciation and amortization expense for Respondent's Apex Expansion is \$11,888,106.

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 218 Line No.: 5 Column: d**  
The 11.55% rate of return was established by the Commission on January 15, 2009 when it issued Opinion No. 486-B in regard to Respondent's RP04-274 rate case proceedings.

**Schedule Page: 218 Line No.: 6 Column: c**  
The capital structure of the Respondent was used in the computation of allowance for funds used during construction. For Period Two rates the equity component is 100%, pursuant to the FERC order in Docket No. RP04-274.

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 224 Line No.: 40 Column: g**

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

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

Miscellaneous prepayments include:

Right of way lease	\$	523,160
Software licenses & maintenance contracts		325,081
Platts subscription		82,243
Rating agency fees		49,377
Total	\$	979,861

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

### Regulatory Authorization

Line No.	Description	Regulatory Citation	Amortization Period
1	Levelized depreciation:		
	Original system certificate	CP89-2048	(1)
	2002 Expansion certificate	CP01-31, CP01-106	(1)
	Apex Expansion certificate	CP10-14	(1)
	High Desert Expansion certificate	CP01-405	(1)
	Big Horn Expansion certificate	CP03-159	(1)
3	Income taxes related to equity AFUDC	RP04-274	(1)
5	Federal tax rate change	RP92-226	Over 276 months through 12/2016
7	Muddy Creek compressor station restage	CP01-106	Over 180 months through 02/2017
9	Fillmore compressor station restage	CP01-106	Over 180 months through 02/2017
11	Deferred regulatory commission expense	RP04-274	Over 60 months
13	Deferred FERC annual charge	18 CFR SEC 154.402	Over 12 months ending September
15	State tax rate change - apportionment	18 CFR SEC 154.305	N/A
17	Daggett electrical surcharge	CP01-31	N/A

(1) Based on levelized depreciation rates in effect

**Schedule Page: 232 Line No.: 17 Column: d**

This item is a tracker and is not amortized. All amounts are resolved through customer billings.

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

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

Deferred income taxes related to:	<u>12/31/15</u>	<u>12/31/14</u>
Long term debt costs	\$ 1,596,630	\$ 2,367,394
Regulatory liabilities	77,760,509	61,401,859
Contribution in aid of construction	966,987	1,384,066
Net operating losses	42,649,567	54,382,864
Total	<u>\$ 122,973,693</u>	<u>\$ 119,536,183</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 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 253    Line No.: 5    Column: b**

**Distributions to Partners**

		<b><u>2015</u></b>
February 2, 2015	\$	32,000,000
March 2, 2015		16,000,000
April 30, 2015		15,000,000
June 1, 2015		3,000,000
June 30, 2015		16,000,000
July 31, 2015		10,000,000
August 31, 2015		4,000,000
September 30, 2015		13,000,000
November 2, 2015		4,000,000
Total	\$	<u>113,000,000</u>



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Kern River Gas Transmission Company			
FOOTNOTE DATA			

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

Other Deductions Recorded on Books Not Deducted for Return:

Book Depreciation & Amortization	\$ 86,314,999
Levelized Depreciation Adjustment	40,884,145
Book Regulatory Asset/Liability, net of amortization	2,669,262
Book Debt Cost Amortization	2,159,944
Change in Prepaid Expenses	(802,934)
Other	642,940
Total	\$ 131,868,356

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

**BHE Sub-Group:**

ABA Holding, LLC	CE Red Island Energy LLC	HomeServices of Illinois Holdings, LLC
ABA Management, L.L.C.	CE Salton Sea Inc	HomeServices of Iowa, Inc
Alaska Gas Transmission Company, LLC	CE Texas Energy, LLC	HomeServices of Kentucky, Inc
Allie Beth Allman Real Estate, Ltd	CE Texas Fuel LLC	HomeServices of MOKAN, LLC
Arizona HomeServices, LLC	CE Texas Pipeline LLC	HomeServices of Nebraska, Inc
Berkshire Hathaway Energy Company	CE Texas Power LLC	HomeServices of Oregon, LLC
BG Energy Holding Company LLC	CE Texas Resources LLC	HomeServices of Texas, LLC
BHE AC Holding, LLC	CE Turbo LLC	HomeServices of the Carolinas, Inc
BHE America Transco, LLC	Champion Realty, Inc	HomeServices of Washington, LLC
BHE California Utility Holdco, LLC	Chancellor Title Services, Inc	HomeServices of Wisconsin, LLC
BHE Canada LLC	Cimmred Leasing Company	HomeServices Referral Network, LLC
BHE Geothermal, LLC	Columbia Title of Florida, Inc	HomeServices Relocation, LLC
BHE Hydro, LLC	Commonsite, Inc.	HomeSvc of IL LLC d/b/a Koenig & Strey GMAC RE
BHE Midcontinent Transmission Holdings LLC	Conejo Energy Company	HS Franchise Holding, LLC
BHE Renewables, LLC	Connecticut Referral Group, L.L.C.	HSGA Real Estate Group, L.L.C.
BHE Solar, LLC	Cordova Energy Company, LLC	HSR Equity Funding, Inc
BHE Southwest Transmission Holdings LLC	Cordova Funding Corporation	HSW Affiliates Holding, LLC
BHE Texas Transco, LLC	CTHM, L.L.C.	Huff Commercial Group, LLC
BHE U.K. Electric, Inc	CTRE, L.L.C.	Huff-Drees Realty, Inc
BHE U.K. Inc	Dakota Dunes Development Company	IES Holding II LLC
BHE U.K. Power, Inc	DCCO, Inc	IES Holding LLC
BHE U.S. Transmission, LLC	Desert Valley Company	IMO Company, Inc
BHE Wind, LLC	DG-SB Project Holdings, LLC	Imperial Magma LLC
BHH Affiliates, LLC	Edina Financial Services, Inc	InsuranceSouth, LLC
BHH KC Real Estate, LLC	Edina Realty Referral Network, Inc	Intelligent Energy Solutions LLC
Big Spring Pipeline Company	Edina Realty Relocation, Inc	Intero Franchise Services, Inc.
Bishop Hill Energy II, LLC	Edina Realty Title, Inc	Intero Real Estate Holdings, Inc.
Bishop Hill II Holdings, LLC	Edina Realty, Inc	Intero Real Estate Services, Inc.
BRER Affiliates, LLC	Elmore Company	Intero Referral Services, Inc.
BRER Real Estate Services, LLC	Energy West Mining Company	Interwest Mining Company
BRER Realty Holding Company, LLC	eRealty, LLC	Iowa Realty Company, Inc
BRER Referral Services, LLC	Esslinger-Wooten-Maxwell, Inc	Iowa Realty Insurance Agency, Inc
CalEnergy Company, Inc	E-W-M Referral Services, Inc.	Iowa Title Company
CalEnergy Generation Operating Company	F&R/T LLC	J.S. White Associates, Inc

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Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

CalEnergy Holdings, Inc	Falcon Power Operating Company	JBRC, Inc
CalEnergy International Services, Inc	FFR, Inc	Jim Huff Realty, Inc.
CalEnergy International, Inc	First Realty Group, Inc.	JRHBW Realty, Inc d/b/a/ RealtySouth
CalEnergy Minerals Development, LLC	First Realty, Ltd	Jumbo Road Holdings, LLC
CalEnergy Minerals LLC	First Reserve Insurance, Inc	Kansas City Title, Inc
CalEnergy Operating Corporation	First Weber Illinois, LLC	Kentucky Residential Referral, LLC
CalEnergy Pacific Holdings Corp	First Weber, Inc.	Kern River Funding Corporation
California Energy Development Corporation	For Rent, Inc	KR Acquisition 1, LLC
California Energy Management Company	FRTC, LLC	KR Acquisition 2, LLC
California Energy Yuma Corporation	FSRI Holdings, Inc	KR Holding, LLC
Capitol Title Company	Geronimo Community Solar Gardens, LLC	Lands of Sierra, Inc.
CBSHome Commerical, LLC	Glenrock Coal Company	Larabee School of Real Estate & Insurance, Inc
CBSHome Real Estate Company	GPSF-B	M & M Ranch Acquisition Company LLC
CBSHome Real Estate of Iowa, Inc	Grande Prairie Wind, LLC	M & M Ranch Holding Company LLC
CBSHome Relocation Services, Inc	Guarantee Appraisal Corporation	Magma Land Company I
CE Administrative Services, Inc	Guarantee Real Estate	Magma Power Company
CE Black Rock Holdings LLC	HMSV Financial Services, Inc	Marshall Wind Energy, LLC
CE Butte Energy Holdings LLC	HN Real Estate Group N.C., Inc	MEC Construction Services Company
CE Butte Energy LLC	HN Real Estate Group, LLC	MEHC Insurance Services Ltd.
CE Electric (NY), Inc	HN Referral Corporation	MEHC Investment, Inc
CE Gen Oil Company	HomeServices Financial Holdings, Inc	MEHC Merger Sub Inc
CE Gen Pipeline Corporation	HomeServices Insurance, Inc	MHC Investment Company
CE Gen Power Corporation	HomeServices Lending, LLC	MHC, Inc
CE Generation LLC	HomeServices Northeast, LLC	Mid-America Referral Network, Inc.
CE Geothermal, Inc.	HomeServices of Alabama, Inc.	MidAmerican Central California Transco LLC
CE International Investments, Inc	HomeServices of America, Inc	MidAmerican Energy Company
CE Leathers Company	HomeServices of California, Inc	MidAmerican Energy Machining Services LLC
CE Obsidian Energy LLC	HomeServices of Connecticut, LLC	MidAmerican Funding, LLC
CE Obsidian Holding LLC	HomeServices of Florida, Inc	MidAmerican Nuclear Energy Company LLC
CE Red Island Energy Holdings LLC	HomeServices of Georgia, LLC	MidAmerican Wind Tax Equity Holdings, LLC
Midland Escrow Services, Inc	Pinyon Pines II Holding Company, LLC	San Diego PCRE, Inc
Midwest Capital Group, Inc	Pinyon Pines Wind I, LLC	San Felipe Energy Company
Midwest Power Transmission Arkansas LLC (f/k/a Midwest Power Transmission I	Pinyon Pines Wind II, LLC	Saranac Energy Company, Inc
Midwest Power Transmission Iowa LLC	PNW Referral, LLC	SECI Holdings, Inc
Midwest Realty Ventures, LLC	PPW Holdings LLC	Semonin Realtors, Inc
MTL Canyon Holdings LLC	PPW Staffers, LLC	Shorebreak Holdings II, LLC
MWR Capital, Inc	Preferred Carolinas Realty, Inc	Sierra Gas Holding Company
Nebraska Land Title & Abstract Company	Preferred Carolinas Title Agency, LLC	Sierra Pacific Power Company dba NV Energy
Nebraska Referral, Inc.	Priority Title Corporation	Solar Star 3, LLC
Nevada Electric Investment Company	Professional Referral Organization, Inc	Solar Star California XIX, LLC
Nevada Power Company dba NV Energy	PW Fox Holding LLC	Solar Star California XX, LLC

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FOOTNOTE DATA			

Niguel Energy Company NMA, LLC NNGC Acquisition LLC	PW Fox, LLC Quad Cities Energy Company Real Estate Knowledge Services, L.L.C.	Solar Star Funding, LLC Solar Star Projects Holdings, LLC Southwest Relocation, LLC
Norcon Holdings, Inc Northern Aurora Inc Northern Consolidated Power, Inc Northern Natural Gas Company NRS Referral Services, LLC NV Energy, Inc. fka Sierra Pacific Resources NVE Holdings, LLC NVE Insurance Co, Inc.	Real Estate Links, LLC Real Estate Referral Network, Inc Real Living Real Estate, LLC Reece & Nichols Alliance, Inc Reece & Nichols Realtors, Inc Reece Commercial, Inc.	SSC XIX, LLC SSC XX, LLC The Escrow Firm The Referral Company TIAC LLC TitleSouth, LLC
NW Referral Services, LLC Pacific Minerals, Inc PacifiCorp PCRE, L.L.C. PFR Staffers, LLC Pickford Escrow Company, Inc Pickford Holdings, LLC	Referral Associates of Georgia, LLC Referral Company of North Carolina, Inc Referral Network of IL LLC Relocation Advantage Partners, LLC RHL Referral Company, LLC Roberts Brothers, Inc Roy H. Long Realty Company, Inc Rubloff Insurance Agency LLC S.W. Hydro, Inc.	TLTC LLC Topaz Solar Farms, LLC
Pickford Real Estate, Inc Pickford Services Company, Inc Pilot Butte, LLC	Salton Sea Funding Corporation Salton Sea Minerals Corporation Salton Sea Power Company	TPZ Holding, LLC TRMC LLC Two Rivers, Inc TX Jumbo Road Wind, LLC VPC Geothermal LLC Vulcan Power Company Vulcan/BN Geothermal Power Company Wailuku Holding Company LLC Wailuku Investment LLC Wailuku River Hydroelectric Power Co, Inc.
Pinon Pine Corporation	Salton Sea Power Generation Company	Walnut Ridge Wind, LLC
Pinon Pine Investment Company Pinyon Pines I Holding Company, LLC	Salton Sea Power LLC Salton Sea Royalty Company	Wm Broughton, LLC

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

#### All Other Affiliates:

Acme Brick Company Acme Brick DFW, Inc. Acme Brick Sales Company Acme Ochs Brick and Stone, Inc. Innovative Building Products, Inc Alpha Cargo Motor Express, Inc Acme Brick Tile & Stone, Inc. (fka Brick Acquisition Company) Acme Building Brands, Inc Acme Investment Company Acme Management Company	TOHVT Development, Inc. TXVT Development, Inc. Van Enterprises, Inc. VNDR Development, Inc. VT Insurance Acquisition Sub Inc. The Ben Bridge Corporation Ben Bridge Jeweler, Inc.	Cavalier Homes, Inc. Fontana Wood Products, Inc. CMH Homes, Inc. CMH of KY, Inc. CMH Parks, Inc. Chatwell, Inc. Freedom Warehouse Corp.
Acme Services Company, L.P.	Berkshire Hathaway Credit Corporation BH Columbia Inc. Berkshire Hathaway Finance Corporation Berkshire Hathaway Inc.	Vanderbilt ABS Corp. Vanderbilt Mortgage and Finance, Inc. Vanderbilt SPC, Inc.
Denver Brick Company Justin Industries, Inc. AEG Processing Center No. 35, Inc. AEG Processing Center No. 58, Inc.	BH Credit LLC Railsplitter Holdings Corporation Benjamin Moore & Co. Complementary Coatings Corporation	Vanderbilt Property&Casualty Insurance Co., Ltd. Homefirst Agency, Inc. 21st Communities, Inc. 21st Mortgage Corporation Henley Holdings, LLC

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Kern River Gas Transmission Company		/ /	2015/Q4
FOOTNOTE DATA			

Applied Processing Center No. 60, Inc.	Eco Color Company	21 SPC, Inc.
American Employers Group, Inc.	The Indecor Group, Inc.	Clayton Homes, Inc.
Applied Group Insurance Holdings, Inc.	Burlington Northern Santa Fe, LLC	CMH Capital, Inc.
Applied Investigations Inc.	FreightWise, Inc.	CMH Services, Inc.
Applied Logistics, Inc.	Transportation Technology Services, Inc.	Clayton Education Corp.
Applied Premium Finance, Inc.	Burlington Northern Santa Fe Insurance Company, Ltd.	Cort Business Services Corporation
Applied Risk Services of New York, Inc.	BNSF Logistics International, Inc.	Central States of Omaha Companies, Inc.
Applied Risk Services, Inc.	Royal Cargo Line, Inc.	Central States Indemnity Co. of Omaha
AU Holding Company, Inc.	Albacor Shipping (USA) Inc.	CSI Life Insurance Company
Applied Underwriters, Inc.	BNSF Railway Company	Roxell USA, Inc.
AU Captive Risk Assurance Co. BH, LLC	Bayport Systems, Inc.	CTB Credit Corp
	Burlington Northern Santa Fe Manitoba, Inc.	CTB Inc.
Berkshire Indemnity Group Inc.	Los Angeles Junction Railway Company	CTB International Corp
Combined Claims Services, Inc.	Star Lake Railroad Company	Ironwood Plastics Inc
Coverage Dynamics Group, Inc.	The BN and SF Railway de Mexico, S.A. de C.V.	CTB IW INC
Commercial General Indemnity, Inc.	The Zia Company	CTB Midwest Inc
California Insurance Company	Santa Fe Pacific Pipeline Holdings, Inc.	CTB MN Investments
Continental Indemnity Company	Burlington Northern Santa Fe British Columbia, Ltd.	Meyn LLC
Applied Underwriters Captive Risk Assurance Company, Inc.	Pine Canyon Land Company	International Dairy Queen, Inc.
Illinois Insurance Company	Santa Fe Pacific Insurance Company	American Dairy Queen Corporation
North American Casualty Co.	Santa Fe Pacific Railroad Company	DQF, Inc.
Promesa Health, Inc.	Western Fruit Express Company	DQGC, Inc.
Pennsylvania Insurance Company	Burlington Northern Railroad Holdings, Inc.	Unified Supply Chain, Inc.
Strategic Staff Management, Inc.	BNSF Railway International Services, Inc.	DQ Funding Corporation
Texas Insurance Company	BN Leasing Corporation	Dairy Queen Of Georgia, Inc.
121 Development, Inc.	Midwest Northwest Properties, Inc.	Karmelkorn Shoppes, Inc.
2150 Cobb Development, Inc.	Santa Fe Pacific Pipelines, Inc.	Orange Julius Of America
2701 Camelback Development, Inc.	BNSF Communications, Inc.	Dairy Queen Corporate Stores, Inc.
6991 Development, Inc.	BNSF Spectrum, Inc.	DQ Managed Stores, Inc.
Berkshire Hathaway Automotive Inc.	Borsheim Jewelry Company, Inc	DQ Wholly-Owned Stores, Inc.
BCC Development, Inc.	Brooks Sports, Inc.	DQ Joint Venture Stores, Inc.
BHA Real Estate Holdings, LLC	Total Quality Apparel Resources	PJR Management, Inc.
BWVT Motors, Inc.	The Buffalo News, Inc.	The Fechheimer Brothers Co.
Courtesy Dealership Property, Inc.	Business Wire, Inc.	Nationwide Uniforms
DAA Development, Inc.	Charter Brokerage Holdings Corp.	Fruit of the Loom, Inc.
Dynamic Development, Inc.	DL Trading Holdings I, Inc.	Union Underwear Co., Inc
FFBH Development, Inc.	Clayton Commercial Buildings, Inc.	Cumberland Asset Management, Inc.
HFVBH Development, Inc.	CMH Hodgenville, Inc.	Fruit of the Loom Direct, Inc.
MPP Administrators, Inc.	CMH Manufacturing, Inc.	Vanity Fair, Inc.
MPP Co., Inc.	CMH Set and Finish, Inc.	VFI-Mexico, Inc.
MVVT Development, Inc.	CMH Manufacturing West, Inc.	The BVD Licensing Corporation
Old United Casualty Company	AL/TEX Homes, Inc.	Russell Athletic Corporation
	BR Agency, Inc.	Martin Mills, Inc.

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Kern River Gas Transmission Company			
FOOTNOTE DATA			

PFVT Development, Inc.	Giles Industries, Inc.	Camp Manufacturing Company
SFVT Development, Inc.	Southern Energy Homes, Inc.	Leesburg Yarn Mills, Inc.
SN Management, Inc.	CMH Transport, Inc.	Rabun Apparel, Inc.
FTL Regional Sales Co., Inc.	BH Shoe Holdings, Inc.	Marmon Crane Services, Inc.
Union Sales, Inc.	Vision Retailing, Inc.	Marmon Tubing, Fittings & Wire Products, Inc.
Fruit of the Loom Trading Company	American All Risk Insurance Services Inc.	Marmon Engineered Components Company
Fruit of the Loom, Inc. (Sub)	American Commercial Claims Administrators Inc	Marmon Retail Technologies Company
Forest River Financial Services, Inc.	Brookwood Insurance Company	Marmon Wire & Cable, Inc.
Forest River Holdings, Inc.	Berkshire Hathaway Homestate Insurance Company	Lockwood Street Urban Renewal Corporation
Forest River, Inc.	Continental Divide Insurance Company	Ecodyne Corporation
Forest River Manufacturing LLC	Cypress Insurance Company	J.L. Mining Company
Mapletree Transportation, Inc.	Oak River Insurance Company	Fontaine Truck Equipment Company LLC
Priority One Financial Services, Inc.	Redwood Fire and Casualty Insurance Company	Marmon Retail Products, Inc.
Veritas Insurance Group, Inc.	D.I. Properties Inc.	Morgantown-National Supply, Inc.
FlightSafety Capital Corp.	ITTI Group USA Holdings, Inc.	Procrane Holdings, Inc.
FlightSafety Development Corp.	Ingersoll Cutting Tool Company	RCP Investment, Inc.
FlightSafety International Inc.	ITTI Investment Holdings, Inc.	Tucker Safety Products, Inc.
FlightSafety New York, Inc.	Iscar Metals Inc.	Marmon Retail Store Equipment LLC
FlightSafety Properties, Inc.	Taegutec Inc.	Artform International Inc.
FlightSafety Services Corporation	Tool-Flo Manufacturing, Inc.	DCI Marketing Inc.
Garan Central America Corp.	Boot Royalty Company	Cannon Equipment LLC
Garan Incorporated	Chippewa Shoe Company	Marmon Merchandising Holdings, Inc.
Garan Manufacturing Corp.	Footwear Investment Company	Marmon Beverage Technologies, Inc.
Garan Services Corp	H.J. Justin & Sons, Inc.	Cornelius Renew, Inc.
Boat Owners Association of the United States	Justin Belt Company, Inc.	3Wire Group Inc.
Criterion Insurance Agency	Justin Brands, Inc.	Cornelius Inc.
GEICO Corporation	Justin Boot Company	HG-Power Plant. Inc.
Government Employees Financial Corp.	J.S Justin, Inc.	Marmon Energy Services Company
GEICO Insurance Agency	Nocona Boot Company	UTLX Company
GEICO Products, Inc.	Tony Lama Company	Marmon Foodservice Technologies LLC
International Insurance Underwriters, Inc.	Johns Manville Corporation	Campbell Hausfeld Holdings. Inc.
Maryland Ventures, Inc..	Johns Manville, Inc.	Western Builders Supply, Inc.
Boat America Corporation	Seventeenth Street Realty, Inc.	Penn Coal Land, Inc.
Boat/U.S, Inc.	Johns Manville China, Ltd.	TRH Holding Corp.
Plaza Financial Services Co.	Jordan's Furniture, Inc.	CCC Lonestar LLC
Plaza Resources Co.	Albecca, Inc.	Marmon Holdings, Inc.
Top Five Club, Inc.	Active Organics, Inc.	Webb Wheel Products, Inc.
GEICO Marine Insurance Company	Lubrizol Inter-Americas Corporation	Perfection Hy-Test Company
GEICO Advantage Insurance Company	Lubrizol Advanced Materials China, Inc.	Marathon Suspension Systems, Inc.
GEICO Casualty Co.	The Lubrizol Corporation	Fontaine Trailer Company LLC
GEICO Choice Insurance Company	Chemtool Incorporated	Fontaine Modification Company
GEICO General Insurance Co.	Lubrizol Specialty Products, Inc.	Fontaine Fifth Wheel Company
Government Employees Insurance Co.	Lubrizol Advanced Materials Holding Corporation	Fontaine Commercial Trailer, Inc.

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GEICO Indemnity Co.	Lubrizol Advanced Materials International, Inc.	Fontaine Engineered Products, Inc.
GEICO Secure Insurance Company	Lipotec Group Corp.	Marmon-Herrington Company
General Re Corporation	Lubrizol Enterprises, Inc.	Triangle Suspension Systems, Inc.
Elm Street Corporation	Lubrizol International Management Corporation	Fontaine Spray Suppression Company
GRD Holdings Corporation	Lubrizol Overseas Trading Corporation	TSE Brakes, Inc.
Gen Re Intermediaries Corporation	LSP Holding, Inc.	Union Tank Car Company
General Re New England Asset Management	MPP Pipeline Corporation	Uni-Form Components Co.
Genesis Management and Insurance Services Corporation	Noveon Hilton Davis, Inc.	Marmon Distribution Services, Inc.
General Star Management Company	Lubrizol Advanced Materials, Inc.	Railserve, Inc.
United States Aviation Underwriters, Incorporated	Lubrizol Oilfield Solutions, Inc.	Worldwide Containers, Inc.
General Re Financial Products Corporation	P Chem, Inc.	Exsif Worldwide, Inc.
General Reinsurance Corporation	Lubrizol Advanced Materials Gibraltar, Inc.	McLane Southern, Inc.
Faraday Capital Limited	Particle Sciences, Inc.	McLane Western, Inc.
Genesis Insurance Company	Syrgis Holdings, Inc.	McLane Beverage Distribution, Inc.
General Star Indemnity Company	Vesta Funding, Inc.	McLane Beverage Holding, Inc.
General Star National Insurance Company	Vesta Intermediate Funding, Inc.	McLane Minnesota, Inc.
General Re Life Corporation	ExtruMed, Inc.	McLane Ohio, Inc.
IdeaLife Insurance Company	SSP-SiMatrix Inc.	McLane Express, Inc.
Helzberg's Diamond Shops, Inc.	Lubricant Investments, Inc.	JDS Properties, Inc.
HDS Redevelopment Corporation	Warwick Chemicals USA, Inc.	Intrepid JSB, Inc.
H. H. Brown Shoe Company, Inc.	Marmon Water, Inc.	International Traders, Inc.
First American Carriers, Inc.	Floors, Inc.	QS Partners LLC
Meadowbrook Meat Company, Inc.	NFM of Kansas, Inc.	Brainy Toys, Inc.
McLane New Jersey, Inc.	LMG Ventures, LLC	OTC Brands, Inc.
Kahn Ventures, Inc.	Nebraska Furniture Mart, Inc.	OTC Direct, Inc.
Empire Distributors, Inc.	NFM SERVICES, LLC	Mindware Corporation
Empire Distributors of North Carolina, Inc.	Homemakers Plaza, Inc.	MW Wholesale, Inc.
Baroness Small Estates, Inc.	TXFM, Inc.	Oriental Trading Company, Inc.
Horizon Wine & Spirits - Nashville, Inc.	WMC Corp.	OTC Worldwide Holdings, Inc.
Horizon Wine & Spirits - Chattanooga, Inc.	First Berkshire Hathaway Life Insurance Company	Smilemakers, Inc.
Delta Wholesale Liquors, Inc.	Berkshire Hathaway Life Insurance Company of Nebraska	Smilemakers Canada Inc.
Salado Sales, Inc.	BHG Life Insurance Company	BH Media Group, Inc.
McLane Foodservice, Inc.	Ringwalt & Liesche Co.	BH Media Group Holdings, Inc.
McCarty-Hull Cigar Company, Inc.	Brilliant National Services, Inc.	Omaha World-Herald Company
Professional Datasolutions, Inc.	Soco West, Inc.	World Investments, Inc.
Claims Services, Inc.	Whittaker, Clark & Daniels, Inc.	WPLG, Inc.
M & C Products, Inc.	L.A. Terminals, Inc.	TPC European Holdings, LTD.
Transco, Inc.	BHG Structured Settlements, Inc.	TPC North America, Ltd.
McLane Company, Inc.	Resolute Management Inc.	The Pampered Chef, Ltd.
McLane Eastern, Inc.	International American Group Inc.	Precision Steel Warehouse - Charlotte
McLane Midwest, Inc.	Northern States Agency, Inc.	Precision Steel Warehouse, Inc.
McLane Suneast, Inc.	Finial Holdings, Inc.	Precision Brand Products, Inc.
McLane Mid-Atlantic, Inc.	GUARDco, Inc.	R.C. Willey Home Furnishings
C & R Insurance Services, Inc.	Affiliated Agency Operations Co.	Richline Group, Inc

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Kern River Gas Transmission Company			
FOOTNOTE DATA			

Medical Protective Finance Corporation	Hawthorn Life International, Ltd.	Hallmark Sweet, Inc.
The Medical Protective Company	Consolidated Health Plans Inc.	Stern/Leach Company
Medical Protective Insurance Services, Inc.	Affordable Housing Partners, Inc.	Rio Grande, Inc.
Princeton Advertising & Marketing Group, Inc.	Berkshire Hathaway Global Insurance Services, LLC	See's Candies, Inc
PLICO Financial, Inc	Berkshire Hathaway Specialty Concierge, LLC	Sees Candy Shops, Incorporated
PLICO	CoverYourBusiness.com Inc.	BHSF, Inc.
PLICO Sponsored Captive Insurance - Cell 1	Berkshire Hathaway Direct Insurance Company	ScottCare Corporation
PLICO Sponsored Captive Insurance Co.	WestGUARD Insurance Company	The Scott Fetzer Company
Alexander Road Insurance Agency, Inc.	Berkshire Hathaway Assurance Corporation	Campbell Hausfeld/Scott Fetzer Company
Princeton Insurance Company	EastGUARD Insurance Company	Adalet/Scott Fetzer Company
MedPro Group, Inc	National Liability & Fire Insurance Company	Western/Scott Fetzer Company
Princeton Risk Protection, Inc.	National Indemnity Company of Mid-America	Halex/Scott Fetzer Company
Red River Providers Association RPG	National Fire & Marine Insurance Company	Stahl/Scott Fetzer Company
Ridgeline Captive Management, Inc.	National Indemnity Company	SFEG Corp.
MedPro Risk Retention Services, Inc.	Atlanta International Insurance Company	Wayne/Scott Fetzer Company
Somerset Services, Inc	Berkshire Hathaway Specialty Insurance Company	Carefree/Scott Fetzer Company
Accurate Installations, Inc.	Columbia Insurance Company	Scott Fetzer Financial Group, Inc.
Benson, Ltd.	NorGUARD Insurance Company	UCFS Europe Company
Benson Industries, Inc.	Commercial Casualty Insurance Company	BH Finance, Inc.
BuilderMT, Inc.	Unione Italiana Reinsurance Company of America, Inc.	United Consumer Financial Services Company
Cubic Designs, Inc.	Finial Reinsurance Company	United Direct Finance, Inc.
Ellis & Watts Global Industries, Inc.	National Indemnity Company of the South	World Book, Inc.
Hohmann & Barnard, Inc.	AmGUARD Insurance Company	World Book Encyclopedia, Inc.
MiTek Holdings, Inc.	BNJ NetJets, Inc.	World Book/Scott Fetzer Company
HeatPipe Technology, Inc.	Executive Jet Management, Inc.	SHX Flooring, Inc.
Kova Solutions, Inc.	NetJets Aviation, Inc.	Shaw International Services, Inc.
MiTek Industries, Inc.	NetJets Europe Holdings, LLC	Pro Installations, Inc.
M&M Tradition Holdings Corp.	NetJets Inc.	Shaw Contract Flooring Services, Inc.
Miller-Sage, Inc.	NetJets International, Inc.	Spectra Contract Flooring Puerto Rico, Inc.
Rush Air Inc	NetJets Large Aircraft, Inc.	Shaw Industries Group, Inc.
SidePlate Systems, Inc.	NetJets Sales, Inc.	Shaw Industries, Inc.
SSS Acquisition Sub, Corp	NetJets Services, Inc.	Shaw Diversified Services, Inc.
SSS Acquisition Inc.	NetJets U.S., Inc.	Shaw Transport, Inc.
TBS USA, Inc.	NJE Holdings, LLC	Shaw Floors, Inc.
TMI Climate Solutions, Inc.	NJI Sales, Inc.	Shaw Retail Properties, Inc.
MiTek USA, Inc.	Marquis Jet Partners, Inc.	Shaw Funding Company
The Wilkins Corporation	Marquis Jet Holdings, Inc.	Star Furniture Company
121 Acquisition Co., LLC	DragonFly Aeronautics LLC	CJE II
Mouser Electronics, Inc.		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

Norvell Electronics, Inc  
 Sager Electrical Supply Co. Inc  
 Astrex Holding Company  
 Astrex Electronics, Inc  
 TTI, Inc.  
 Gateway Underwriters Agency, Inc.  
 U.S. Investment Corporation  
 United States Liability Insurance Company  
 Mount Vernon Fire Insurance Company  
 Mount Vernon Specialty Insurance Company  
 Radnor Specialty Insurance Company  
 U.S. Underwriters Insurance Co.  
 Blue Chip Stamps, Inc.  
 Montana Retail Properties, Inc.  
 MS Property Company  
 AJF Warehouse Distributors, Inc.  
 XTRA Finance Corporation  
 XTRA Intermodal, Inc.  
 RENTCO Trailer Corporation  
 X-L-Co., Inc.  
 XTRA Corporation  
 XTRA Companies, Inc.



Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

Ending Federal accrued income taxes transferred to Account 146 - Accounts Receivable from Associated Companies.

**Schedule Page: 262 Line No.: 8 Column: f**

Ending California accrued income taxes transferred to Account 146 - Accounts Receivable from Associated Companies.

**Schedule Page: 262 Line No.: 9 Column: f**

Ending Utah accrued income taxes transferred to Account 146 - Accounts Receivable from Associated Companies.

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

Total charges distributed to Gas (408.1, 409.1)	\$	62,467,967
FIN 48 Correction (account 186)		(25,837)
Taxes charged to others		(104,447)
Total taxes reported on page 114, lines 14-16	\$	62,337,683

**Schedule Page: 262 Line No.: 40 Column: p**

These amounts are payroll taxes which follow the taxable item and are charged to multiple accounts.

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

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

**Schedule Page: 274 Line No.: 7 Column: k**  
The Respondent estimates that the entire amount of deferred income taxes in account 282 could be included in the development of jurisdictional recourse rates for the periods ending December 31, 2015 and 2014.

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

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

Deferred income taxes related to:	<u>12/31/15</u>	<u>12/31/14</u>
Regulatory assets	\$ 22,339,510	\$ 19,545,696
Prepaid expenses, etc.	<u>2,071,536</u>	<u>439,468</u>
Total	\$ 24,411,046	\$ 19,985,164

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

### Regulatory Authorization

Line No.	Description	Regulatory Citation	Amortization Period
1	Office lease accrual	RP04-274	Over 180 months through 12/2018
3	Employee benefits	A107-1-000, RP99-274	
5	Levelized depreciation:		
	2003 Expansion certificate	CP01-422	(1)
	2010 Expansion certificate	CP08-429	(1)
7	Daggett electrical surcharge	CP01-31	N/A

(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 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 304    Line No.: 6    Column: a**  
The revenue line item totals are by rate structure only. Delivery zones are not incorporated into Kern River's rate structure.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

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

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

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

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

	2015	2014
Service cost	\$ 714,205	\$ 758,069
Interest cost	525,470	560,777
Expected return on assets	(934,521)	(885,127)
Prior service cost amortization	17,261	17,261
Net loss/(gain) amortization	-	-
Respondent's actual benefit cost incurred*	322,415	450,980
Less: cost included for the pension plan in RP04-274	1,305,325	1,305,325
Expense more (less) than RP04-274	\$ (982,910)	\$ (854,345)

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

The overfunded status of the qualified pension plan was \$902k and \$1,111k as of December 31, 2015 and 2014, respectively.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

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

Total Gas Used for Compressor Station Fuel - Credit (810)	\$	17,326,988
Adjustments for actual gas vs. estimated gas		(12,099)
Total Gas Used for Compressor Station Fuel reported on page 520, line 28, column C	\$	17,314,889



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

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

Depreciation basis for transmission plant as of December 31, 2015 in thousands.

Transmission Plant Onshore	Plant as of 12/31/15	Life	Rate
Transmission - Vintage & 2002 Expansion	\$ 1,111,000	51.3	1.95%
Transmission - 2003, 2010, & Apex Expansions	1,520,314	33.3	3.00%
Transmission - High Desert	29,614	21.0	4.76%
Transmission - Big Horn	3,665	15.0	6.67%
Transmission - Compressor Engines	117,698	10.1	9.92%
<b>Transmission Total</b>	<b>\$ 2,782,291</b>		

Depreciation rates are based on RP04-274.

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

Depreciation basis for general plant as of December 31, 2015 in thousands.

General Plant	Plant as of 12/31/15	Life	Rate
General Plant - Structures	\$ 0		
General Plant - Office Furniture & Equipment	1,691	15.0	6.67%
General Plant - Computers (PCs & Laptops)	854	3.0	33.33%
General Plant - Other Computer Equipment	1,280	5.0	20.00%
General Plant - Vehicles	2,052	5.6	18.00%
General Plant - Communications	1,391	10.0	10.00%
General Plant - Other	7,757	25.0	4.00%
<b>General Plant Total</b>	<b>\$ 15,025</b>		

Depreciation rates are based on RP04-274.

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

Amortization basis for intangible plant as of December 31, 2015 in thousands.

Intangible Plant	Plant as of 12/31/15	Life	Rate
Contributions in Aid of Construction			
Vintage	\$ 8,426	51.3	1.95%
2003 & 2010 Expansions	12,709	33.3	3.00%
High Desert	630	21.0	4.76%
Total Contributions in Aid of Construction	\$ 21,765		
Other Intangible Plant			
Leasehold Improvements	\$ 5,024	15.0	6.67%
Computer Software	1,003	5.0	20.00%
Total Other Intangible Plant	\$ 6,027		
<b>Intangible Plant Total</b>	<b>\$ 27,792</b>		

Depreciation rates are based on RP04-274.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2015/Q4
FOOTNOTE DATA			

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

The \$53,204 pertains to the following:

Customer requested feasibility study and preliminary engineering review (Account 182.3)	25,973
North Salt Lake landslide (Account 186)	27,231
	<hr/>
	\$ 53,204

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

Accounts charged or credited for MEC: 408.1, 426.1, 426.4, 426.5, 920 and 923.

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

Accounts charged or credited for BHE: 165, 408.1, 421, 426.1, 426.4, 426.5, 920, 923, 924 and 925.

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

Accounts charged or credited for PacifiCorp: 107, 426.5, 850 and 923.

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

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

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

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

Accounts charged or credited for NVE: 408.1, 495, 853, 920, 921 and 926.

**Schedule Page: 358 Line No.: 24 Column: c**

Accounts charged or credited for PacifiCorp: 408.1, 850, 852, 856, 920, 921 and 926.

**Schedule Page: 358 Line No.: 25 Column: c**

Accounts charged or credited for MEC: 408.1, 850, 920, 921 and 926.

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

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

No operation of the Anschutz compressor station was required in 2015 to meet system demand. Respondent retains the compressor station in ready for service status in anticipation that operating conditions may change that would require placing the station on line to meet the certificated capacity of the pipeline system. All compressor fuel consumed in 2015 was to maintain the ready for service status.

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

Operation of the Daggett compressor station was not required during 2015 to meet demand. The Respondent retains the compressor station in ready for service status in anticipation that operating conditions may change that would require placing the station on line to meet the certified capacity of the pipeline system.

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FOOTNOTE DATA			

**Schedule Page: 514   Line No.: 11   Column: a**  
The Respondent's ownership percentages is 75% of these California facilities with the remaining 25% owned by Mojave Pipeline Company.

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FOOTNOTE DATA			

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

Line 5 page 520	881,526,497
Line 10 page 520	(29,068)
Line 5 page 520a	31,735,238
Line 6, column J on page 305	<u>913,232,667</u>

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: 520.1 Line No.: 5 Column: c**

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

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

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

Page 520 is completed after measurement and scheduling quantities are reconciled and finalized, whereas page 328 is completed before measurement and scheduling quantities are finalized, which resulted in a difference of 70,717 Dth between page 520 and page 328.

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

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

Page 520 is completed after measurement and scheduling quantities are reconciled and finalized, whereas page 328 is completed before measurement and scheduling quantities are finalized, which resulted in a difference of 70,717 Dth between page 520 and page 328.

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

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

Page 520 is completed after measurement and scheduling quantities are reconciled and finalized, whereas page 328 is completed before measurement and scheduling quantities are finalized, which resulted in a difference of 70,717 Dth between page 520 and page 328.

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

Line pack activity

**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. This quantity is comprised of the delivery operational balancing agreement imbalance of 271,681 Dth and the Mojave Pipeline Operating Company (MPOC) imbalance of 64,249 Dth for a total of 335,930 Dth. The MPOC imbalance is excluded from page 328.

Page 520 is completed after measurement and scheduling quantities are reconciled and finalized, whereas page 328 is completed before measurement and scheduling quantities are finalized, which resulted in a difference of 70,717 Dth between page 520 and page 328.

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

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

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

Page 520 is completed after measurement and scheduling quantities are reconciled and finalized, whereas page 328 is completed before measurement and scheduling quantities are finalized, which resulted in a difference of 70,717 Dth between page 520 and page 328.

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

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

Page 520 is completed after measurement and scheduling quantities are reconciled and finalized, whereas page 328 is completed before measurement and scheduling quantities are finalized, which resulted in a difference of 70,717 Dth between page 520 and page 328.

**Schedule Page: 520 Line No.: 29 Column: c**

Line pack activity

**Schedule Page: 520.1 Line No.: 29 Column: c**

Line pack activity

Name of Respondent Kern River Gas Transmission Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q4
<b>FOOTNOTE DATA</b>			

**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 Price Guide at the first of every month. The Respondent does not account for shipper supplied gas, gas lost and unaccounted for, disposition of excess gas and gas acquired to meet deficiency on its general ledger. The Respondent tracks its fuel and lost and unaccounted for gas outside of its general ledger and adjusts its fuel and loss rates monthly. The Respondent files an annual report with FERC as required by its Gas Tariff that supports the fuel and lost and unaccounted for gas factors used in the previous calendar year.

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

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

**Schedule Page: 521 Line No.: 11 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.: 18 Column: e**

Line pack activity is not shipper supplied gas and therefore is excluded from page 521.

**Schedule Page: 521 Line No.: 26 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.

Line 32, column D, page 520	147,130
Line 32, column D, page 520a	17,716
Fourth quarter Gas Lost and Unaccounted For, page 521	164,846
October: line 26, column E	48,455
November: line 26, column S	42,338
December: line 26, column GG	74,053
Fourth quarter Gas Lost and Unaccounted For, page 521	164,846