

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 2016/Q3

# 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>2016/Q3</u>	
03 Previous Name and Date of Change (If name changed during year)			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 2755 East Cottonwood Parkway Suite 300, 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)	

## QUARTERLY CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

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

11 Name Joseph Lillo	12 Title Vice President
13 Signature /s/ Joseph Lillo	14 Date Signed 11/22/2016

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.

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."			

FERC FORM NO. 2 (REV 12-07) Page 2

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			2016/Q3
Important Changes During the Quarter/Year			

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

- 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 5 in the Notes to the Financial Statements on page 122.
- None
- None
- None

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			2016/Q3
Important Changes During the Quarter/Year			

13. Not applicable

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
Comparative Balance Sheet (Assets and Other Debits)				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	2,866,732,019	2,839,553,921
3	Construction Work in Progress (107)	200-201	4,309,567	11,077,425
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	2,871,041,586	2,850,631,346
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,269,409,405	1,215,787,484
6	Net Utility Plant (Total of line 4 less 5)		1,601,632,181	1,634,843,862
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)		1,601,632,181	1,634,843,862
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)		24,936,150	30,591,673
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)		24,936,150	30,591,673
31	<b>CURRENT AND ACCRUED ASSETS</b>			
32	Cash (131)		0	0
33	Special Deposits (132-134)		1,738,131	1,705,066
34	Working Funds (135)		0	0
35	Temporary Cash Investments (136)	222-223	18,569,757	22,687,278
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		22,960,180	25,244,715
38	Other Accounts Receivable (143)		484,122	3,648,897
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)		6,150,183	8,095,070
42	Fuel Stock (151)		0	0
43	Fuel Stock Expenses Undistributed (152)		0	0



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<b>Comparative Balance Sheet (Liabilities and Other Credits)</b>					
Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)	
1	<b>PROPRIETARY CAPITAL</b>				
2	Common Stock Issued (201)	250-251	0	0	
3	Preferred Stock Issued (204)	250-251	0	0	
4	Capital Stock Subscribed (202, 205)	252	0	0	
5	Stock Liability for Conversion (203, 206)	252	0	0	
6	Premium on Capital Stock (207)	252	0	0	
7	Other Paid-In Capital (208-211)	253	855,583,149	932,094,285	
8	Installments Received on Capital Stock (212)	252	0	0	
9	(Less) Discount on Capital Stock (213)	254	0	0	
10	(Less) Capital Stock Expense (214)	254	0	0	
11	Retained Earnings (215, 215.1, 216)	118-119	0	0	
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0	
13	(Less) Reacquired Capital Stock (217)	250-251	0	0	
14	Accumulated Other Comprehensive Income (219)	117	61,887	( 413,059)	
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		855,645,036	931,681,226	
16	<b>LONG TERM DEBT</b>				
17	Bonds (221)	256-257	0	0	
18	(Less) Reacquired Bonds (222)	256-257	0	0	
19	Advances from Associated Companies (223)	256-257	0	0	
20	Other Long-Term Debt (224)	256-257	204,611,007	245,366,004	
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0	
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	0	0	
23	(Less) Current Portion of Long-Term Debt		59,982,996	54,339,996	
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		144,628,011	191,026,008	
25	<b>OTHER NONCURRENT LIABILITIES</b>				
26	Obligations Under Capital Leases-Noncurrent (227)		0	0	
27	Accumulated Provision for Property Insurance (228.1)		0	0	
28	Accumulated Provision for Injuries and Damages (228.2)		20,901	21,152	
29	Accumulated Provision for Pensions and Benefits (228.3)		1,582,747	909,625	
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0	
31	Accumulated Provision for Rate Refunds (229)		0	0	



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Comparative Balance Sheet (Liabilities and Other Credits)(continued)					
Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)	
32	Long-Term Portion of Derivative Instrument Liabilities		0	0	
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
34	Asset Retirement Obligations (230)		0	0	
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		1,603,648	930,777	
36	CURRENT AND ACCRUED LIABILITIES				
37	Current Portion of Long-Term Debt		59,982,996	54,339,996	
38	Notes Payable (231)		0	0	
39	Accounts Payable (232)		3,855,703	6,754,001	
40	Notes Payable to Associated Companies (233)		0	0	
41	Accounts Payable to Associated Companies (234)		314,005	480,974	
42	Customer Deposits (235)		20,920,680	27,203,351	
43	Taxes Accrued (236)	262-263	15,750,138	3,580,807	
44	Interest Accrued (237)		21,133	112,885	
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)		37,774	233,177	
49	Miscellaneous Current and Accrued Liabilities (242)	268	5,023,534	3,474,363	
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)		51,706	681,592	
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		105,957,669	96,861,146	
56	DEFERRED CREDITS				
57	Customer Advances for Construction (252)		3,127,530	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	26,227	0	
61	Other Regulatory Liabilities (254)	278	257,513,579	203,344,071	
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)		508,205,231	494,787,977	
65	Accumulated Deferred Income Taxes - Other (283)		30,386,833	28,691,451	
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		799,259,400	726,823,499	
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		1,907,093,764	1,947,322,656	

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <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>2016/Q3</u>
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### Statement of Income

#### Quarterly

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

#### Annual or Quarterly, if applicable

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

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	262,383,699	269,322,760	89,139,278	90,888,893
3	Operating Expenses					
4	Operation Expenses (401)	317-325	28,597,577	31,304,363	10,604,440	9,373,705
5	Maintenance Expenses (402)	317-325	512,891	1,087,070	142,533	153,320
6	Depreciation Expense (403)	336-338	62,681,209	62,178,508	20,901,109	20,743,643
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	2,441,276	2,515,331	821,044	847,245
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)		47,287,495	42,569,771	15,658,966	14,174,911
13	(Less) Regulatory Credits (407.4)		9,965,672	11,757,437	3,174,854	3,862,000
14	Taxes Other than Income Taxes (408.1)	262-263	10,887,086	11,544,512	3,706,948	3,946,247
15	Income Taxes-Federal (409.1)	262-263	28,639,362	33,706,627	9,856,089	11,509,158
16	Income Taxes-Other (409.1)	262-263	5,357,501	5,990,260	1,774,305	2,047,007
17	Provision of Deferred Income Taxes (410.1)	234-235	59,874,300	66,613,261	19,822,050	17,178,603
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	52,826,711	63,947,718	17,187,386	15,642,806
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)		183,486,314	181,804,548	62,925,244	60,469,033
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		78,897,385	87,518,212	26,214,034	30,419,860

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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**Statement of Income**

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	0	0	262,383,699	269,322,760	0	0
3						
4	0	0	28,597,577	31,304,363	0	0
5	0	0	512,891	1,087,070	0	0
6	0	0	62,681,209	62,178,508	0	0
7	0	0	0	0	0	0
8	0	0	2,441,276	2,515,331	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	47,287,495	42,569,771	0	0
13	0	0	9,965,672	11,757,437	0	0
14	0	0	10,887,086	11,544,512	0	0
15	0	0	28,639,362	33,706,627	0	0
16	0	0	5,357,501	5,990,260	0	0
17	0	0	59,874,300	66,613,261	0	0
18	0	0	52,826,711	63,947,718	0	0
19	0	0	0	0	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	0	0	183,486,314	181,804,548	0	0
26	0	0	78,897,385	87,518,212	0	0

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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)		78,897,385	87,518,212	26,214,034	30,419,860
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)		288,622	45,266	42,257	17,863
38	Allowance for Other Funds Used During Construction (419.1)		468,338	128,383	117,966	49,968
39	Miscellaneous Nonoperating Income (421)		4,277,400	( 26,198)	1,588,035	( 38,565)
40	Gain on Disposition of Property (421.1)		0	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		5,034,360	147,451	1,748,258	29,266
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	29,719	29,841	12,630	7,630
46	Life Insurance (426.2)		0	0	0	0
47	Penalties (426.3)		2,500	0	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		7,858	16,065	1,187	5,913
49	Other Deductions (426.5)		51,387	6,205	1,499	1,377
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	91,464	52,111	15,316	14,920
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	0	0	0	0
53	Income Taxes-Federal (409.2)	262-263	5,975,339	4,227	42,402	387
54	Income Taxes-Other (409.2)	262-263	943,258	673	2,657	62
55	Provision for Deferred Income Taxes (410.2)	234-235	1,778,849	81,584	663,999	35,475
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	6,868,660	47,957	43,477	31,108
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)		1,828,786	38,527	665,581	4,816
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		3,114,110	56,813	1,067,361	9,530
61	<b>INTEREST CHARGES</b>					
62	Interest on Long-Term Debt (427)		8,339,608	18,178,053	2,613,691	5,763,825
63	Amortization of Debt Disc. and Expense (428)	258-259	176,489	1,368,292	55,313	433,628
64	Amortization of Loss on Reacquired Debt (428.1)		4,635,674	0	674,676	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	427,220	352,494	63,926	140,502
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		56,360	41,232	14,113	16,049
70	Net Interest Charges (Total of lines 62 thru 69)		13,522,631	19,857,607	3,393,493	6,321,906
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		68,488,864	67,717,418	23,887,902	24,107,484
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)		68,488,864	67,717,418	23,887,902	24,107,484

Year/Period of Report  
End of 2016/Q3

### 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.

[illegible]



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**Statement of Retained Earnings**

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

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

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**Statement of Cash Flows**

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

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

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

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

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	68,488,864	67,717,418
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	65,122,485	64,693,839
5	Amortization of (Specify) (footnote details)	43,376,944	33,526,712
6	Deferred Income Taxes (Net)	1,957,778	2,699,170
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	5,967,169	2,445,208
9	Net (Increase) Decrease in Inventory	( 61,270)	( 130,277)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	13,955,292	7,236,396
12	Net (Increase) Decrease in Other Regulatory Assets	( 290,500)	623,131
13	Net Increase (Decrease) in Other Regulatory Liabilities	14,049,375	( 114,154)
14	(Less) Allowance for Other Funds Used During Construction	468,338	128,383
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other (footnote details):	( 14,058)	335,469
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	212,083,741	178,904,529
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	( 52,739,874)	( 13,273,997)
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	( 468,338)	( 128,383)
27	Other Net increase (decrease) in payables and accrued expenses	22,360,414	( 594,791)
28	Cash Outflows for Plant (Total of lines 22 thru 27)	( 29,911,122)	( 13,740,405)
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)	( 1,204,377)	( 921,554)
39	Proceeds from Sales of Investment Securities (a)	755,811	457,276



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<b>Statement of Cash Flows (continued)</b>				
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)	( 30,359,688)	( 14,204,683)	
50				
51	Cash Flows from Financing Activities:			
52	Proceeds from Issuance of:			
53	Long-Term Debt (b)			
54	Preferred Stock			
55	Common Stock			
56	Other Capital Contributions			
57	Net Increase in Short-term Debt (c)			
58	Other (footnote details):			
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)			
60				
61	Payments for Retirement of:			
62	Long-Term Debt (b)	( 40,754,997)	( 64,004,994)	
63	Preferred Stock			
64	Common Stock			
65	Other (footnote details):			
66	Net Decrease in Short-Term Debt (c)			
67	Distributions to Partners	( 145,000,000)	( 109,000,000)	
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)	( 185,754,997)	( 173,004,994)	
72				
73	Net Increase (Decrease) in Cash and Cash Equivalents			
74	(Total of line 18, 49 and 71)	( 4,030,944)	( 8,305,148)	
75				
76	Cash and Cash Equivalents at Beginning of Period	22,828,362	26,237,874	
77				
78	Cash and Cash Equivalents at End of Period	18,797,418	17,932,726	

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

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

## (1) General

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

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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 unaudited Financial Statements on a prorated basis. Except for quantities of natural gas owned for operational purposes, the Respondent does not own the natural gas that is transported through its system. The Respondent's transportation operations are subject to a regulated tariff that is on file with the Federal Energy Regulatory Commission ("FERC"). The tariff rates are designed to provide the Respondent with an opportunity to recover its costs of providing services and earn a reasonable return on its investments. The Respondent also owns Kern River Funding Corporation ("Funding"), which is an entity organized to issue and make payments on debt securities for the Respondent.

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

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

Certain disclosures normally included in annual financial statements have been condensed or omitted, although the Respondent believes the disclosures are adequate to prevent the information presented from being misleading. Management believes the unaudited Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Financial Statements as of September 30, 2016 and for the three- and nine-month periods ended September 30, 2016 and 2015. The results of operations for the three- and nine-month periods ended September 30, 2016 are not necessarily indicative of the results to be expected for the full year. The Respondent has evaluated subsequent events through November 22, 2016, which is the date the unaudited Financial Statements were available to be issued.

The preparation of the unaudited Financial Statements in conformity with FERC accounting regulations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Financial Statements. Note 2 of Notes to Financial Statements included in the Respondent's Annual Report for the year ended December 31, 2015 describes the most significant accounting policies used in the preparation of the Financial Statements. There have been no significant changes in the Respondent's assumptions regarding significant accounting estimates and policies during the nine-month period ended September 30, 2016.

## (2) New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-15, which amends FASB Accounting Standards Codification ("ASC") Topic 230, "Statement of Cash Flows." The amendments in this guidance address the classification of eight specific cash flow issues within the statement of cash flows with the objective of reducing the existing diversity in practice. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017, with early adoption permitted, and is required to be adopted retrospectively. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, which creates FASB 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

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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. During 2016, the FASB issued several ASUs that clarify the implementation guidance for ASU No. 2014-09 but do not change the core principle of the guidance. 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.

### (3) 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. The Respondent's contributions to the pension plan and other postretirement plan totaled \$0.2 million for each of the three-month periods ended September 30, 2016 and 2015 and \$0.6 million for each of the nine-month periods ended September 30, 2016 and 2015. As of September 30, 2016 and December 31, 2015, the Respondent recorded in other special funds its portion of the over funded status of the pension and other postretirement plans of \$3.9 million and \$3.6 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.

### (4) 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's investments in money market mutual funds 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 \$39.5 million and \$50.0 million as of September 30, 2016 and December 31, 2015, respectively. The Respondent's investments in investment funds are accounted for as trading securities, are stated at fair value and are included in other special funds on the Balance Sheets. The fair value of the Respondent's investment funds was \$0.9 million and \$0.5 million as of September 30, 2016 and December 31, 2015, respectively. 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.

### (5) Commitments and Contingencies

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

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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. In March 2016, the bankruptcy court approved the retention of an escrow account held by the Respondent as credit support in the amount of \$17.6 million, which was swept into the Respondent's account and is being amortized to non-operating income through June 2019.

#### (6) 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 \$0.1 million and \$0.2 million for the three-month periods ended September 30, 2016 and 2015, respectively, and \$0.5 million and \$0.4 million for the nine-month periods ended September 30, 2016 and 2015, respectively. Income tax transactions with BHE resulted in net payments of \$11.0 million and \$12.7 million for the three-month periods ended September 30, 2016 and 2015, respectively, and \$31.9 million and \$37.5 million for the nine-month periods ended September 30, 2016 and 2015, respectively.

MEC provides certain administrative and management services, including executive, financial, legal, human resources, payroll and tax, to the Respondent. Expenses incurred by MEC and billed to the Respondent are based on the individual services and expense items provided and were \$0.3 million for each of the three-month periods ended September 30, 2016 and 2015, and \$0.8 million for each of the nine-month periods ended September 30, 2016 and 2015.

Northern Natural Gas Company ("Northern"), an indirect wholly-owned subsidiary of BHE, provides certain administrative and management services, including executive, financial, regulatory, legal, information technology, human resources and procurement, to the Respondent. The Respondent was billed \$0.3 million for each of the three-month periods ended September 30, 2016 and 2015, and \$1.1 million and \$0.9 million for the nine-month periods ended September 30, 2016 and 2015, respectively, for these services.

As of September 30, 2016 and December 31, 2015, the Respondent had accounts payable to affiliates of \$0.3 million and \$0.5 million, respectively, which are reflected in accounts payable to associated companies on the Balance Sheets. The Respondent also had insignificant accounts receivable from affiliates as of September 30, 2016 and \$2.4 million as of December 31, 2015, 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 \$0.8 million for each of the three-month periods ended September 30, 2016 and 2015, and \$2.3 million for each of the nine-month periods ended September 30, 2016 and 2015. PacifiCorp provided electricity and other services to the Respondent of \$0.3 million and \$0.2 million for the three-month periods ended September 30, 2016 and 2015, respectively, and \$0.6 million for each of the nine-month periods ended September 30, 2016 and 2015. PacifiCorp provides certain administrative and management services, including information technology, legislative and financial, to the Respondent. Expenses incurred by PacifiCorp and billed to the Respondent are based on the individual services and expense items provided and were insignificant for each of the three-month periods ended September 30, 2016 and 2015, and \$0.1 million for each of the nine-month periods ended September 30, 2016 and 2015. As of September 30, 2016 and December 31, 2015, 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 \$18.0 million and \$18.1 million for the three-month periods ended September 30, 2016 and 2015, respectively, and \$51.6 million and \$51.5 million for the nine-month periods ended September 30, 2016 and 2015, respectively. Nevada Power provided electricity and other services to the Respondent, of \$0.1 million and \$- million for the three-month periods ended September 30, 2016 and 2015, respectively, and \$0.1 million for each of the nine-month periods ended September 30, 2016 and 2015. As of September 30, 2016 and December 31, 2015, the

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			2016/Q3
Notes to Financial Statements			

Respondent had net accounts receivable from Nevada Power for intercompany transactions totaling \$5.9 million and \$5.4 million, respectively, which is reflected in accounts receivable from associated companies on the Balance Sheets.

**(7) Subsequent Event**

Subsequent to September 30, 2016, the Respondent distributed to its partners \$10.0 million.

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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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)	2,790,792,022
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	55,886,411
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	2,846,678,433
9	Leased to Others	
10	Held for Future Use	20,053,586
11	Construction Work in Progress	4,309,567
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	2,871,041,586
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,269,409,405
15	Net Utility Plant (Total of lines 13 and 14)	1,601,632,181
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,224,369,153
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	42,723,279
22	TOTAL In Service (Total of lines 18 thru 21)	1,267,092,432
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	2,316,973
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	2,316,973
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)	1,269,409,405

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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**Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)**

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3		2,790,792,022		
4				
5				
6		55,886,411		
7				
8		2,846,678,433		
9				
10		20,053,586		
11		4,309,567		
12				
13		2,871,041,586		
14		1,269,409,405		
15		1,601,632,181		
16				
17				
18		1,224,369,153		
19				
20				
21		42,723,279		
22		1,267,092,432		
23				
24				
25				
26				
27				
28		2,316,973		
29				
30		2,316,973		
31				
32				
33		1,269,409,405		



Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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**Gas Plant in Service and Accumulated Provision for Depreciation by Function**

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

Line No.	Item	Plant in Service Balance at End of Quarter	Accumulated Depreciation And Amortization Balance at End of Quarter
	(a)	(b)	(c)
1	Intangible Plant	26,937,343	9,968,065
2	Productions-Manufactured Gas		
3	Production and Gathering-Natural Gas		
4	Products Extraction-Natural Gas		
5	Underground Gas Storage		
6	Other Storage Plant		
7	Base Load LNG Terminating and Processing Plant		
8	Transmission	2,804,691,991	1,250,188,502
9	Distribution		
10	General	15,049,099	6,935,865
11	TOTAL (total of lines 1 thru 10)	2,846,678,433	1,267,092,432



Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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**Other Regulatory Liabilities (Account 254)**

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

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Office lease accrual	538,907	931	45,127			493,780
2							
3	Employee benefits	3,809,477	128	119,232		204,007	3,894,252
4							
5	Levelized depreciation	225,639,459				13,259,719	238,899,178
6							
7	Bankruptcy proceeds	15,454,944	421	1,288,254			14,166,690
8							
9	Daggett electrical surcharge	57,841				1,838	59,679
10							
11							
12							
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44							
45	Total	245,500,628		1,452,613	0	13,465,564	257,513,579

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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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	74,980,796		104,973	29,531,067	29,636,040
4	KRI - 1 Interruptible Mainline	843,367		1,181	127,759	128,940
5	KRF - L1 Firm High Desert	2,625,152		3,675	355,121	358,796
6	KRI - L1 Interruptible High Desert	997		2	42	44
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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 2016/Q3
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Monthly Quantity & Revenue Data by Rate Schedule

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

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1				46,137	46,137				46,137	46,137
2										
3	75,685,402		105,960	29,519,679	29,625,639	71,737,923		100,433	28,027,368	28,127,801
4	509,915		714	89,407	90,121	635,986		890	40,336	41,226
5	3,190,030		4,466	355,121	359,587	2,979,593		4,172	342,177	346,349
6	988		1	42	43	5,190		7	221	228
7										
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Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q3</u>
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**Monthly Quantity & Revenue Data by Rate Schedule (continued)**

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
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62						
63	Total Transportation (Other than Gathering)	78,450,312		109,831	30,013,989	30,123,820
64	Storage (489.4)					
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90	Total Storage					
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible					
94	Total Gathering (489.1)					
95	Additional Revenues					
96	Products Sales and Extraction (490-492)					
97	Rents (493-494)					
98	Other Gas Revenues (495)				96,914	96,914
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				96,914	96,914
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	78,450,312		109,831	30,157,040	30,266,871

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <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>2016/Q3</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)										
Line No.	Month 2 Quantity  (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA)  (i)	Month 2 Revenue (Other)  (j)	Month 2 Revenue (Total)  (k)	Month 3 Quantity  (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA)  (n)	Month 3 Revenue (Other)  (o)	Month 3 Revenue (Total)  (p)
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62										
63	79,386,335		111,141	29,964,249	30,075,390	75,358,692		105,502	28,410,102	28,515,604
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98				95,142	95,142				93,997	93,997
99										
100				95,142	95,142				93,997	93,997
101	79,386,335		111,141	30,105,528	30,216,669	75,358,692		105,502	28,550,236	28,655,738

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <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>2016/Q3</u>
<b>Natural Gas Company- Gas Revenues and Dekatherms</b>				
1. Report below in columns (b), (d) and (f) natural gas operating revenues for each prescribed account year to date				
2. In column (f) report the quantity of Dekatherms sold of natural gas year to date.				
Line No.	Title of Account (a)	Total Operating Revenues Year to Date Current Qtr (b)	Dekatherms of Natural Gas Year to Date Current Qtr (c)	
1	(480) Residential Sales			
2	(481) Commercial and Industrial Sales			
3	(482) Other Sales to Public Authorities			
4	(483) Sales for Resale	277,204	180,144	
5	(484) Interdepartmental Sales			
6	Total Sales (Lines 1 to 5)	277,204	180,144	
7	485 Intracompany Transfers			
8	487 Forfeited Discounts			
9	488 Miscellaneous Service Revenues	415,233		
10	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities			
11	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities	261,074,906	662,677,734	
12	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities			
13	489.4 Revenues from Storing Gas of Others			
14	490 Sales of Prod. Ext. from Natural Gas			
15	491 Revenues from Natural Gas Proc. by Others			
16	492 Incidental Gasoline and Oil Sales			
17	493 Rent from Gas Property			
18	494 Interdepartmental Rents			
19	495 Other Gas Revenues	616,356		
20	Subtotal:	262,383,699		
21	496 (Less) Provision for Rate Refunds			
22	TOTAL	262,383,699		



Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
<b>Gas Production and Other Gas Supply Expenses</b>				
Report the amount of gas production and other gas supply expenses year to date				
Line No.	Account (a)	Year to Date (b)		
1	Production Expenses			
2	Manufactured Gas Production			
3	Total Manufactured Gas Production (700-742)			
4	Natural Gas Production and Gathering			
5	(750-760) Operation			
6	(761-769) Maintenance			
7	Total Natural Gas Production and Gathering (lines 5 and 6)			
8	Production Extraction			
9	(770-783) Operation			
10	(784-791) Maintenance			
11	Total Production Extraction (lines 9 and 10)			
12	(795-798) Exploration and Development Expenses			
13	Other Gas Supply Expenses			
14	Operation			
15	(800) Natural Gas Well Head Purchases			
16	(800.1) Natural Gas Well Head Purchases, Intra company Transfers			
17	(801) Natural Gas Field Line Purchases			
18	(802) Natural Gasoline Plant Outlet Purchases			
19	(803) Natural Gas Transmission Line Purchases	264,347		
20	(804) Natural Gas City Gate Purchases			
21	(804.1) Liquefied Natural Gas Purchases			
22	(805) Other Gas Purchases	( 81,084)		
23	(805.1) (Less) Purchase Gas Cost Adjustments			
24	Total Purchased Gas (lines 15 through 23)	183,263		
25	(806) Exchange Gas	81,084		
26	Purchased Gas Expenses			
27	(807.1) Well Expense - Purchased Gas			
28	(807.2) Operation of Purchased Gas Measuring Stations			
29	(807.3) Maintenance of Purchased Gas Measuring Stations			
30	(807.4) Purchased Gas Calculations Expenses			
31	(807.5) Other Purchased Gas Expenses			
32	Total Purchased Gas Expenses (lines 27 thru 31)			
33	(808.1) Gas Withdrawn from Storage-Debit			
34	(808.2) (Less) Gas Delivered to Storage - Credit			
35	(809.1) Withdrawals of Liquefield Natural Gas for Processing - Debit			
36	(809.2) (Less) Deliveries of Natural Gas Processing - Credit			
37	Gas Used in Utility Operation - Credit			
38	(810) Gas Used for Compressor Station Fuel - Credit	26,490,867		
39	(811) Gas Used for Products Extraction - Credit			
40	(812) Gas Used for Other Utility Operations - Credit			
41	Total Gas Used in Utility Operations - Credit (Lines 38 thru 40)	26,490,867		
42	(813) Other Gas Supply Expense			
43	Total Other Gas Supply Expenses (Lines 24, 25, 32, 33, thru 36, 42, less 41)	( 26,226,520)		
44	Total Production Expenses (Lines 3,7,11,12, and 43)	( 26,226,520)		

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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**Natural Gas Storage, Terminaling, Processing Services**

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

Line No.	Account (a)	Year to Date Quarter (b)	
1	NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
2	UNDERGROUND STORAGE EXPENSES		
3	(814-826) Operations		
4	(830-837) Maintenance		
5	Total Underground Storage Expenses (Lines 3 and 4)		
6	OTHER STORAGE EXPENSES		
7	(840-842.3) Operations		
8	(843.1-843.9) Maintenance		
9	Total Other Storage Expenses (lines 7 and 8)		
10	LIQUEFIED NATURAL GAS TERMINALING AND PROCESSING		
11	(844.1-846.2) Operations		
12	(847.1-847.8) Maintenance		
13	Total Liquefied Natural Gas Terminaling and Processing (Lines 11 and 12)		
14	TRANSMISSION EXPENSES		
15	Transmission Operation Expenses		
16	(850) Operation Supervision and Engineering	8,076,685	
17	(851) System Control and Load Dispatching	974,088	
18	(852) Communication System Expenses	709,680	
19	(853) Compressor Station Labor and Expenses	2,107,095	
20	(854) Gas for Compressor Station Fuel	26,490,867	
21	(855) Other Fuel and Power for Compressor Stations	547,052	
22	(856) Mains Expenses	3,156,747	
23	(857) Measuring and Regulating Station Expenses	687,889	
24	(858) Transmission and Compression of Gas by Others		
25	(859) Other Expenses		
26	(860) Rents		
27	Total Transmission Operation Expenses (Lines 16 through 26)	42,750,103	
28	Transmission Maintenance Expenses		
29	(861) Maintenance Supervision and Engineering	275,687	
30	(862) Maintenance of Structures and Improvements		
31	(863) Maintenance of Mains	18,492	
32	(864) Maintenance of Compressor Station Equipment	194,725	
33	(865) Maintenance of Measuring and Regulating Equipment	23,987	
34	(866) Maintenance of Communication Equipment		
35	(867) Maintenance of Other Equipment		
36	Total Transmission Maintenance Expenses (Lines 29 through 35)	512,891	
37	Total Transmission Expenses (lines 27 and 36)	43,262,994	
38	DISTRIBUTION EXPENSES		
39	(870-881) Operation Expenses		
40	(885-894) Maintenance		
41	Total Distribution Expenses (Lines 39 and 40)		
42	Total (lines 5,9,13,37 and 41)	43,262,994	

[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 2016/Q3
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**Gas Account - Natural Gas**

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

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
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**01 Name of System: Kern River Gas Transmission Mainline and Common Facilities**

2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)			
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	644,307,043	224,376,706
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	3,498	( 21,490)
10	Gas Received as Imbalances (Account 806)	328	16,302	16,683
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		12,205,923	4,675,283
14	Gas Received from Shippers as Lost and Unaccounted for		1,112,874	384,404
15	Other Receipts (Specify) (footnote details)		180,144	
16	Total Receipts (Total of lines 3 thru 15)		657,825,784	229,431,586
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	644,307,043	224,376,706
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	( 192,712)	256,342
25	Gas Delivered as Imbalances (Account 806)	328	( 71,030)	12,023
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	12,293,201	4,554,798
29	Other Deliveries and Gas Used for Other Operations		86,902	( 60,479)
30	Total Deliveries (Total of lines 18 thru 29)		656,423,404	229,139,390
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		1,402,380	292,196
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		657,825,784	229,431,586

Name of Respondent Kern River Gas Transmission Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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	18,354,389	8,801,950	
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	759,114	903	
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		43,035	34,035	
15	Other Receipts (Specify) (footnote details)				
16	Total Receipts (Total of lines 3 thru 15)		19,156,538	8,836,888	
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	18,354,389	8,801,950	
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	761,589	12,967	
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		( 1,369)	( 1,153)	
30	Total Deliveries (Total of lines 18 thru 29)		19,114,609	8,813,764	
31	GAS LOSSES AND GAS UNACCOUNTED FOR				
32	Gas Losses and Gas Unaccounted For		41,929	23,124	
33	TOTALS				
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		19,156,538	8,836,888	

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <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>2016/Q3</u>
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**Shipper Supplied Gas for the Current Quarter**

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

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	488,486	46,721	1,185,876	1,721,083
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	488,486	46,721	1,185,876	1,721,083
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	444,709	38,192	1,061,452	1,544,353
12	Distribution				
13	Storage				
14	Total gas used in compressors	444,709	38,192	1,061,452	1,544,353
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				0
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations				
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	22,963	4,702	64,015	91,680
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	22,963	4,702	64,015	91,680



Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <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>2016/Q3</u>
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
1										
2										
3										
4	1,260,294	120,540	3,059,560	4,440,394						
5										
6										
7	1,260,294	120,540	3,059,560	4,440,394						
8										
9										
10										
11	1,147,349	98,535	2,738,546	3,984,430					854	810
12										
13										
14	1,147,349	98,535	2,738,546	3,984,430						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	59,245	12,131	165,159	236,535						
27										
28										
29										
30	59,245	12,131	165,159	236,535						

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <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>2016/Q3</u>
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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	20,814	3,827	60,409	85,050
35	Distribution				
36	Storage				
37	<b>Total Net Excess Or (Deficiency)</b>	20,814	3,827	60,409	85,050
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	20,814	3,827	60,409	85,050
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	20,814	3,827	60,409	85,050
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	223,251,291
67	Backhaul Volume in Dths for the Quarter	9,944,048
68	<b>TOTAL (Lines 66 and 67)</b>	233,195,339

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
31										
32										
33										
34	53,700	9,874	155,855	219,429						
35										
36										
37	53,700	9,874	155,855	219,429						
38										
39										
40										
41										
42										
43										
44	53,700	9,874	155,855	219,429						
45										
46										
47										
48										
49										
50										
51	53,700	9,874	155,855	219,429						
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 2016/Q3
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**Shipper Supplied Gas for the Current Quarter**

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

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	492,841	47,628	1,214,900	1,755,369
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	492,841	47,628	1,214,900	1,755,369
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	439,372	38,757	1,065,250	1,543,379
12	Distribution				
13	Storage				
14	Total gas used in compressors	439,372	38,757	1,065,250	1,543,379
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations				
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	30,897	5,854	85,206	121,957
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	30,897	5,854	85,206	121,957

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
1										
2										
3										
4	1,251,816	120,975	3,085,846	4,458,637						
5										
6										
7	1,251,816	120,975	3,085,846	4,458,637						
8										
9										
10										
11	1,116,005	98,443	2,705,735	3,920,183					854	810
12										
13										
14	1,116,005	98,443	2,705,735	3,920,183						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	78,478	14,869	216,423	309,770						
27										
28										
29										
30	78,478	14,869	216,423	309,770						

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <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>2016/Q3</u>
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
	<b>NET EXCESS OR (DEFICIENCY)</b>				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	22,572	3,017	64,444	90,033
35	Distribution				
36	Storage				
37	<b>Total Net Excess Or (Deficiency)</b>	22,572	3,017	64,444	90,033
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	22,572	3,017	64,444	90,033
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	22,572	3,017	64,444	90,033
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 2016/Q3
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**Shipper Supplied Gas for the Current Quarter (continued)**

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
31										
32										
33										
34	57,333	7,663	163,688	228,684						
35										
36										
37	57,333	7,663	163,688	228,684						
38										
39										
40										
41										
42										
43										
44	57,333	7,663	163,688	228,684						
45										
46										
47										
48										
49										
50										
51	57,333	7,663	163,688	228,684						
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 2016/Q3
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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	402,553	66,699	1,148,018	1,617,270
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	402,553	66,699	1,148,018	1,617,270
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	367,871	60,571	1,038,624	1,467,066
12	Distribution				
13	Storage				
14	<b>Total gas used in compressors</b>	367,871	60,571	1,038,624	1,467,066
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	24,466	4,606	72,611	101,683
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	24,466	4,606	72,611	101,683



Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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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	1,070,791	177,419	3,053,728	4,301,938						
5										
6										
7	1,070,791	177,419	3,053,728	4,301,938						
8										
9										
10										
11	978,537	161,119	2,762,740	3,902,396					854	810
12										
13										
14	978,537	161,119	2,762,740	3,902,396						
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26	65,080	12,252	193,145	270,477						
27										
28										
29										
30	65,080	12,252	193,145	270,477						

Name of Respondent Kern River Gas Transmission Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q3
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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	10,216	1,522	36,783	48,521
35	Distribution				
36	Storage				
37	<b>Total Net Excess Or (Deficiency)</b>	10,216	1,522	36,783	48,521
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	10,216	1,522	36,783	48,521
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	10,216	1,522	36,783	48,521
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 2016/Q3
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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	27,174	4,048	97,843	129,065						
35										
36										
37	27,174	4,048	97,843	129,065						
38										
39										
40										
41										
42										
43										
44	27,174	4,048	97,843	129,065						
45										
46										
47										
48										
49										
50										
51	27,174	4,048	97,843	129,065						
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62										
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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 2016/Q3
FOOTNOTE DATA			

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

<u>Description</u>	<u>As of September 30, 2016</u>	<u>As of December 31, 2015</u>
Other Special Deposits - Cash and Cash Equivalents-		
Funds Held for Retainage	\$ 227,661	\$ 141,084
Other Special Deposits - Restricted Cash - Customer Deposits	654,546	709,254
Other Special Deposits - Escrows	855,924	854,728
Total	\$ 1,738,131	\$ 1,705,066

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			2016/Q3
FOOTNOTE DATA			

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

The \$554,936 pertains to natural gas commodity swaps.

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

The \$61,887 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 2016/Q3
FOOTNOTE DATA			

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

<u>Description</u>	<u>2016</u>	<u>2015</u>
Amortization of Regulatory Assets and Liabilities	\$ 38,564,781	\$ 32,158,420
Amortization of Debt Discount and Expense	176,489	1,368,292
Amortization of Loss on Reacquired Debt	4,635,674	-
Total	\$ 43,376,944	\$ 33,526,712

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

<u>Description</u>	<u>2016</u>	<u>2015</u>
VEBA contributions	\$ (343,787)	\$ (343,787)
Other	329,729	679,256
Total	\$ (14,058)	\$ 335,469

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

<u>Description</u>	<u>2016</u>	<u>2015</u>
Net Increase (Decrease) in Payables and Accrued Expenses	\$ 2,010,482	\$ (794,719)
Salvage Proceeds, net of removal costs	20,349,932	199,928
Total	\$ 22,360,414	\$ (594,791)

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			2016/Q3
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

(1) Based on levelized depreciation rates in effect

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kern River Gas Transmission Company			2016/Q3
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	Bankruptcy proceeds	N/A	Monthly through 05-2019
9	Daggett electrical surcharge	CP01-31	N/A

(1) Based on levelized depreciation rates in effect



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q3
Kern River Gas Transmission Company			
FOOTNOTE DATA			

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

Line 5 page 520	644,307,043
Line 10 page 520	16,302
Line 5 page 520a	18,354,389
Line 11, column C on page 309	662,677,734

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

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

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

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

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

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

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

**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.

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

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

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

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

**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	This Report 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			2016/Q3
FOOTNOTE DATA			

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

The Respondent accounts for gas used in compressors by debiting Account 854 and crediting Account 810. The amount is calculated by multiplying the Dth quantity by the Kern River Wyoming index rate published in Platts Gas Daily 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	292,196
Line 32, column D, page 520a	23,124
Third quarter Gas Losses and Gas Unaccounted For, page 520	315,320
July: line 26, column E	91,680
August: line 26, column S	121,957
September: line 26, column GG	101,683
Third quarter Gas Lost and Unaccounted For, page 521	315,320