

- **When will Kern River send my invoice?**
NAESB requires that measurement volumes be finalized by the 5th business day of the new month and invoices be sent on or before the 9th business day of the new month. We cannot finalize your invoice until measurement is closed. This means that we will send your invoice on a business day between the 5th business day and the 9th business day. We will choose a day that provides enough time for our customer service representatives to conduct a thorough review of all customer invoices.
- **How will Kern River send my invoice?**
All invoices are sent via email. Ideally, you will have no less than two individuals set up to receive your company's invoices. Contact your customer service representative to confirm/change who is set up to receive.
- **When is payment due to Kern River?**
The payment due date per our tariff is the earlier of (i) the 25th day of the month or (ii) 10 calendar days after your invoice is received. However, because NAESB requires that invoices be sent on or before the 9th business day, the due date will ALMOST always be 10 calendar days after you receive your invoice. If the due date falls on a weekend or bank holiday, the due date will be the business day prior to the weekend or bank holiday. We will try to ensure the due date does not fall on a weekend or holiday so you have 10 business days to review and pay your invoice.
- **How can I pay my invoice?**
Customers can pay by wire transfer, including ACH wire transfer, and by check. Payment instructions are listed at the top of the first page of your invoice. Kern River's account is a deposit-only account.
- **What happens if my payment is received after the due date?**
A late payment charge will be added to your next month's invoice if your payment is received after the due date. Pursuant to our tariff, late payment charges are calculated by multiplying the amount that was paid late by the number of days late, dividing by 365 and multiplying by the FERC annual interest rate. The FERC interest rate is published each quarter. For example, if \$100,000 is the amount due and it is received three days after the due date and the FERC interest rate is 4.75%, the late payment charge calculation would be: $100,000 \times 3 / 365 \times .0475 = \39.04 .
- **Will/Can Kern River waive my late payment charge?**
Pursuant to our tariff, a late payment charge will be waived if:
 - Failure to pay by the due date is the result of Kern River's error, or
 - Your invoice is for late payment charges only and the late charge is less than \$25.00Otherwise, we would be in violation of our tariff if late payment charges were waived for any other reason.
- **Will my reservation/demand rate change from non-leap year to leap year and vice versa?**
Yes, your reservation/demand rate will change from non-leap year to leap year and vice versa if your rate is stated on a rate sheet in the tariff. All rate changes must be approved by the FERC. The calculation to convert a non-leap year rate of \$0.1550 to leap year is: $\$0.1550 \times 365 / 366 = 0.154576503$ or \$0.1546 rounded to four places.
- **What is the ACA surcharge and when does it change?**
The ACA, or Annual Charge Adjustment, is a surcharge imposed by the FERC on all interstate natural gas pipelines to recover the FERC's costs associated with natural gas programs. The surcharge is

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effective each year from October 1 to September 30. If the surcharge changes, you will be notified when your October invoice is sent.

- **What is the Daggett electric surcharge and when does it change?**

The Daggett electric surcharge is a per dekatherm charge that is added to your invoice to reimburse Kern River for the electricity costs to operate the Daggett compressor. The cost to operate the compressor and the amount that is reimbursed to Kern River is part of a tracker that is used to determine the surcharge rate for each shipper group. The rates are effective each year from April 1 through March 31 and appear in our tariff as a footnote at the bottom of the applicable rate sheet for each type of service. The surcharge rate applicable to your service is multiplied by every dekatherm of receipts scheduled upstream of the Daggett compressor that are delivered to points located on the Common Facilities downstream of the Daggett compressor. All surcharge changes must be approved by the FERC.

- **Does Kern River have a list of definitions for the acronyms on my invoice?**

Yes, see below for a list and meaning of the acronyms on your invoice; in case you're wondering, NAESB defines the data elements and the acronyms that must be included on your invoice.

Invoice Charges Summary Page:

Svc Req K (Service Requestor Contract)

Svc Cd (Service Code):

- FT (Firm Transportation)
- IT (Interruptible Transportation)
- OT (Other Transportation)
- PK (Parking and Loaning)

Invoice Detail Pages:

Inv Stat (Invoice Status)

TT (Transaction Type):

- DQL (Daily Quantity Limit)
- MTR (Current Business – commodity charge on scheduled net receipts)
- AOV (Authorized Contract Overrun – commodity charge on scheduled net receipts)
- PBK (Imbalance Payback to Kern River commodity for scheduled net receipts)
- LSC (Lump Sum Charge)

Rec Loc/Del Loc (Receipt/Delivery Location)

Rec Loc/Del Loc Prop Name (Receipt/Delivery Location Proprietary Name)

Pkg ID (Package Identifier)

Charge Type (Chrg Type):

- FTR (Firm Transportation Charge)
- COT (Commodity Transportation Charge)
- RC1 (Released Capacity – Demand Credit)
- RC2 (Released Capacity – Reservation Credit)
- AOS (Authorized Overrun Service)
- ACA (Annual Charge Adjustment - FERC)
- CMP (Compression Charge)
- INT (Interest Charge)
- LPC (Late Payment Charge)
- RD1 (Reservation/Demand D1)
- RD2 (Reservation/Demand D2)

- **How does Capacity Release affect my invoice?**

Temporary Capacity Release – Releasing Shipper:

If your company temporarily releases its capacity on a firm transportation contract, you will receive a credit to the monthly demand charge on your invoice equal to the monthly demand charge that Kern River invoices the replacement shipper, which will be equal to the product of quantity released, release rate and # of days released in that month.

Permanent Capacity Release – Releasing Shipper:

If your company permanently releases its capacity on a firm transportation contract your company will no longer be invoiced for the capacity.

Temporary Capacity Release – Replacement Shipper:

If your company acquires capacity via temporary capacity release on another shipper's firm transportation contract, your invoice will have a monthly demand charge equal to the product of quantity released, release rate and # of days released in that month, and the volumetric/usage charges and applicable surcharges. The demand charge portion of your invoice will be credited to the releasing shipper.

Permanent Capacity Release – Replacement Shipper:

If your company acquires capacity via permanent capacity release on another shipper's firm transportation contract, your company will become the permanent shipper of record on that capacity and will be invoiced each month a demand charge equal to the product of quantity released, contract rate (release rate) and # of days in the month from the effective date of the release through the expiration date of the contract and the releasing shipper will no longer be credited for the release.

- **My contract has index-based rates - does Kern River have reports that support the daily/monthly rate calculations?**

Yes, there are three reports that support the rate calculations and charges on your index-based rate contracts. The reports can be accessed by selecting Negotiated Rate Details under Invoicing on the Rapids user panel (see highlighted reference in panel). The Daily Invoice Rates report shows a summary of your charges by contract; the Rate Calc Summary report shows a summary view of each rate calculation by contract; and the Rate Calc Detail report shows a detail view of each rate calculation by contract. Processes update the reports each day at approximately 6:10 a.m. and 11:10 a.m. Central time. All of the information on the reports and your invoice should comport to the rate terms and conditions as described on Exhibit B of your contract.

- **Why is the index-based volumetric rate on my invoice different than the index formula calculation in Exhibit B of my contract?**

There are several terms and conditions in Exhibit B that dictate how the rate should be determined. The most likely reason the rate is different is Kern River and your company negotiated a fixed rate exemption – this is one of the terms in your contract. These fixed rate exemptions are usually entered by Kern River staff before 11:00 a.m. Central – at 11:10 a.m. a job then runs and updates your preliminary invoice with the fixed rate exemption and any other new information. If the fixed rate exemptions are not entered before the 11:10 a.m. job, the rate will be captured the following morning when the job runs at 6:10 a.m. Central.

Another reason the rate can be different is your company did not utilize 100% of the contract quantity. The rate on a volumetric contract is based on the scheduled quantity, not on the contract quantity. However, Rapids will bill each day's Reservation charge on the contract MDQ so the invoice rate is calculated by using the invoice amount divided by the contract MDQ.

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Another reason, albeit unlikely, is if “alternate rate language” in Exhibit B was triggered. The first tab in the Negotiated Rate Details spreadsheet shows this invoice rate, which will tie to the invoice.

Lastly, there could be de minimus rounding differences.

