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Via Electronic Submission  
Ms. Mary Nichols, Chairman  
Clerk of the Board,  
Air Resources Board

1001 I Street, Sacramento, California 95914

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

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**Re: Kern River Gas Transmission Company Comments on the CARB's  
Proposed Implementation of Mandatory Reporting Requirements**

Dear Chairman Nichols:

Kern River Gas Transmission Company ("Kern River") is a Texas general partnership based in Salt Lake City, Utah, an interstate natural gas company within the meaning of the Natural Gas Act and regulated by the Federal Energy Regulatory Commission (FERC). The Kern River pipeline transports natural gas in a system made up of nearly 1,680 miles of pipeline, from the production fields of southwestern Wyoming to delivery points in Utah and Nevada and on to Bakersfield, California. Kern River's pipeline currently has a design capacity of more than 1.9 billion cubic feet per day. As a federally-regulated open-access interstate natural gas transporter, Kern River utilizes its interstate natural gas transmission system to provide transportation services to customers throughout the Western United States. Kern River does not own the natural gas it transports.

Kern River has concerns regarding the proposed regulations for the mandatory reporting of greenhouse gas emissions (Division 3, Chapter 1, Subchapter 10, Article 2, sections 95100 to 95133, Title 17, California Code of Regulations) as it applies to interstate natural gas transmission pipelines. It is understood from conversations with California Air Resource Board (CARB) staff that the intent of the proposed changes are to require interstate pipelines to report quantities of gas provided to its customers in addition to customer information (the same information already provided under the AB 32 Cost of Implementation Fee Regulation [sections 95200-95207 of Title 17, California Code of Regulations]). Kern River has no issue with meeting these requirements.

However, it is not clear in the Implementation of Mandatory Reporting Requirements, sections 95100 to 95133 of Title 17, California Code of Regulations that customer information and quantity of gas provided are the only requirements applicable to interstate natural gas transmission pipeline operations. In section 95122 "Suppliers of Natural Gas, Natural Gas Liquids, and Liquefied Petroleum Gas" it states that suppliers of natural gas who are required to report under section 95101 must also comply with Subpart NN of Title 40 of the Code of Federal Regulations Part 98 (40 CFR 98). No exemption from Subpart NN is identified for interstate

pipeline operations. Although this may not have been the intent of the regulation, the wording of section 95122 is ambiguous and could be interpreted to mandate interstate pipelines comply with Subpart NN requirements. Subpart NN does not currently apply to interstate pipelines and it would be inappropriate and overly burdensome for CARB to request compliance with Subpart NN requirements. Please clarify that other than the reporting requirements discussed above, the revised mandatory reporting requirements and the cap and trade regulations provide no compliance obligation on interstate natural gas pipelines.

Kern River requests that language be added to the proposed Mandatory Greenhouse Gas Emissions Reporting regulation to clarify that Subpart NN requirements will not be imposed on interstate natural gas pipelines.

Sincerely,

/s Bret W. Reich

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