



January 7, 2021

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Attention: Ms. Kimberly D. Bose, Secretary

Re: El Paso Natural Gas Company, L.L.C.;
Docket No. CP18-332-000
South Mainline Expansion Project;
Statement of Cost of Facilities Constructed

Commissioners:

El Paso Natural Gas Company, L.L.C. ("EPNG") is hereby filing with the Federal Energy Regulatory Commission ("Commission") in Docket No. CP18-332-000, its Statement of Cost of Facilities Constructed for the South Mainline Expansion Project.

Description of Proceeding

On April 27, 2018, EPNG submitted its application, pursuant to Section 7(c) of the Natural Gas Act ("NGA") requesting a certificate of public convenience and necessity for authorization to construct, own, and operate: (i) an approximately 17-mile, thirty-inch diameter loop line of its existing Line Nos. 1100 and 1103 between Hueco and El Paso, Texas; (ii) the new Red Mountain Compressor Station in Luna County, New Mexico; and (iii) the new Dragoon Compressor Station located in Cochise County, Arizona. This project is referred to as the "South Mainline Expansion Project" or "Project." On November 21, 2019, the Commission issued an Order granting EPNG's requested certificate.¹

Description of Filing

Section 157.20(c)(3) requires a statement showing all costs incurred to date and estimated to be incurred for final completion of the project to be filed with the Commission within six months after the authorized facilities have been constructed and placed into service. The South Mainline Expansion Project was placed into service on July 8, 2020. Accordingly, EPNG is providing Attachment 1 with the Statement of Cost of Facilities Constructed.

¹ See *El Paso Natural Gas Company, L.L.C.*, 169 FERC ¶ 61,133 (2019).

Filing Information

EPNG is e-Filing this letter and attachment with the Commission's Secretary in accordance with the Commission's Order No. 703, *Filing Via the Internet*, guidelines issued on November 15, 2007 in Docket No. RM07-16-000.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY, L.L.C.

By: _____ /s/
Francisco Tarin
Director, Regulatory

Enclosure

cc: Mr. Douglas Cotton, OEP

VERIFICATION
18 C.F.R. § 157.205(b)(4)

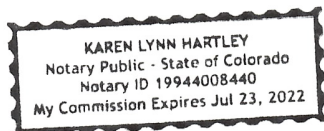
STATE OF COLORADO)
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COUNTY OF EL PASO)

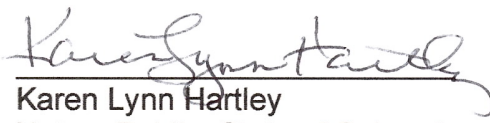
FRANCISCO TARIN, being first duly sworn on his oath, deposes and says that he is the Director, Regulatory for El Paso Natural Gas Company, L.L.C., that as such he is authorized to verify the foregoing filing; that he has read and is familiar with the contents thereof; and that the statements made therein are true and accurate to the best of his information, knowledge and belief; and that the activities proposed in the foregoing filing comply with the requirements of Subpart F of Part 157 of the Regulations of the Federal Energy Regulatory Commission.



Francisco Tarin

SUBSCRIBED AND SWORN TO before me, in the county of El Paso, State of Colorado this 7th day of January, 2021.





Karen Lynn Hartley
Notary Public, State of Colorado
My Commission Expires: July 23, 2022

EL PASO NATURAL GAS COMPANY, L.L.C.
South Mainline Expansion Project
Statement of Cost of Facilities Constructed

Line No.	Category (a)	Original Exhibit K Cost Estimate (b)	Final Exhibit K Cost (c)	Difference Over/(Under) (d)	Notes
1	Land	\$ 2,231,038	\$ 2,941,927	\$ 710,889	1
2	Permitting	\$ 343,504	\$ 580,297	\$ 236,792	2
3	Materials	\$ 44,947,900	\$ 44,841,407	\$ (106,493)	
4	Installation	\$ 39,965,826	\$ 51,907,884	\$ 11,942,058	3
5	Inspection	\$ 3,471,641	\$ 4,309,652	\$ 838,011	4
6	Engineering	\$ 2,006,501	\$ 1,444,588	\$ (561,913)	5
7	Environmental	\$ 1,632,700	\$ 779,251	\$ (853,449)	6
8	Legal and Other	\$ 122,655	\$ 65,340	\$ (57,315)	7
9	Contingency and Escalation	\$ 17,136,552	\$ 7,508	\$ (17,129,044)	8
10	Total Direct Cost	\$ 111,858,318	\$ 106,877,854	\$ (4,980,464)	
11	Overheads	\$ 9,390,107	\$ 9,359,633	\$ (30,474)	
12	AFUDC	\$ 6,659,571	\$ 5,884,767	\$ (774,804)	9
13	Total Cost of Facilities	\$ 127,907,996	\$ 122,122,255	\$ (5,785,741)	

Notes:

- 1 Higher than anticipated land acquisition costs incurred as a result of ROW negotiations with over 300 landowners on the 17-mile loop line.
- 2 Incurred higher permitting and survey costs associated with the 17-mile loop line ROW.
- 3 Incurred higher installation costs than originally estimated due to higher contractor costs associated with compressor station construction.
- 4 Higher inspection costs associated with deploying a higher number of construction inspectors than originally planned.
- 5 Lower costs attributed to contractor efficiencies related to compressor station engineering activities.
- 6 Lower than estimated construction monitoring costs incurred on the 17-mile loop line.
- 7 Lower legal and public relations costs were achieved by resolving land owner concerns and successfully negotiating ROW acquisitions.
- 8 On a net basis, Contingency and Escalation costs were less than originally estimated. As noted in Line Items 1, 2, 3, and 4, higher Land, Permitting, Installation and Inspection costs were covered by the project's estimated Contingency and Escalation amount. Conversely, line items that were under the original estimated amounts were credited back to Contingency and Escalation. Additionally, EPNG has included an estimated \$7,508 of remaining Contingency and Escalation to cover potential increases to remaining trailing costs.
- 9 Lower AFUDC was accumulated due to lower overall project spending and more favorable timing of project expenditures.

Certificate of Service

I hereby certify that I have this day caused a copy of the foregoing document to be served upon each person designated on the official service list compiled by the Commission's Secretary in this proceeding in accordance with the requirements of Section 385.2010 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure.

Dated at Colorado Springs, Colorado as of this 7th day of January, 2021.

/s/

Francisco Tarin

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