



El Paso Natural Gas
Company, L.L.C.
a Kinder Morgan company

November 29, 2018

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

Attention: Ms. Kimberly D. Bose, Secretary

Re: Article 11.2(a) Inflation Adjustment Filing;
El Paso Natural Gas Company, L.L.C.
Docket No. RP19-

Commissioners:

El Paso Natural Gas Company, L.L.C. ("EPNG") tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") Version 15.0.0 of Part IV: General Terms and Conditions, Section 37 "Article 11.2 Provisions" for its Third Revised Volume No. 1A Tariff ("Tariff").

Proposed with an effective date of January 1, 2019, this tariff record adjusts EPNG's Article 11.2(a) rates for inflation, in accordance with EPNG's Tariff and the rate case settlement in Docket No. RP95-363 ("1996 Settlement").¹

Background

Section 37.3 of the General Terms and Conditions ("GT&C") of EPNG's Tariff sets forth provisions requiring EPNG to adjust the Article 11.2(a) rates annually for inflation.² Pursuant to these provisions, EPNG increases, on an annual basis, the Operations and Maintenance ("O&M") and Other Taxes portion of the reservation rate and usage charges for the Article 11.2(a) Rate Schedule FT-1 service and a portion of the base rates for the Article 11.2(a) Rate Schedule FT-2 service that were in effect for the preceding year. The annual adjustment is limited to 93% of the increase in the Implicit Price Deflator to the Gross Domestic Product ("GDP-IPD") as published by the Department of Commerce's Bureau of Economic Analysis ("BEA"). The annual increase in rates may not be more than 4.5% or less than 1% of the prior year's total base rates.

¹ See *El Paso Natural Gas Co.*, 79 FERC ¶ 61,028 (1997) (Order Approving Contested Settlement).

² These provisions were added as part of the implementation of the 1996 Settlement.

Description of Filing

This filing is submitted pursuant to Subpart C of Part 154 of the Commission's regulations and Section 37.3 of the GT&C of EPNG's Tariff. Section 37 of the GT&C is submitted to revise the Article 11.2(a) rates to reflect the inflation adjustment, as described below. Pursuant to EPNG's Tariff, for the annual inflation adjustment to be effective January 1, 2019, the GDP-IPD increase is determined by comparing the most recently published final GDP-IPD index to the one used in the previous year's filing or, if the BEA has modified the benchmark index for the GDP-IPD, the restated GDP-IPD for the previous year.³

For purposes of calculating the GDP-IPD increase, the final GDP-IPD index for the second quarter of 2018 and the GDP-IPD for the same period of 2017 are compared. The resulting annual change in the GDP-IPD is 2.4967%.⁴ However, as stated earlier, the adjustment is limited to 93% of the annual change in GDP-IPD. Therefore, the adjusted annual change is 2.3220%. This change in GDP-IPD, as adjusted for the O&M and Other Taxes portion of the base rates according to the formula specified in the Tariff, produces an overall increase to the base rates of less than the maximum inflation adjustment of 4.5%.⁵ Accordingly, EPNG is proposing to increase the Article 11.2(a) base reservation and usage rates by 1.46%. The revised rate calculations are presented in Appendix B.

Pursuant to Section 37.3(c) of the GT&C, EPNG has separately identified system-wide usage rates. The system-wide usage rates are applied to receipts that are not defined by receipt basin, such as imbalance paybacks. Accordingly, EPNG updates those system-wide usage rates in this filing and shows the calculations of those rates in Appendix C.

Section 154.204 Discussion

Pursuant to 18 C.F.R. § 154.204 (2018), EPNG states the following:

- (a) EPNG does not anticipate any significant increase in revenues as a result of these tariff changes. These changes are required by existing tariff provisions.

³ At the time of preparation of this filing, the final third quarter 2018 index is not yet published; therefore, consistent with EPNG's tariff, the second quarter index was used.

⁴ See Appendix D for the calculation of the change in the GDP-IPD.

⁵ See Appendix B.

- (b) EPNG is unaware of any filings pending before the Commission that will significantly affect this filing.⁶

Procedural Matters

Inasmuch as this filing is fully described in this transmittal letter, the statement of the nature, the reasons and the basis for the instant tariff filing required by 18 C.F.R. § 154.7(a)(6) (2018) of the Commission's regulations is omitted.

In accordance with the applicable provisions of Part 154 of the Commission's regulations⁷, EPNG is submitting an eTariff XML package that includes the following:

- a) a transmittal letter;
- b) clean and marked versions of the tariff record in PDF format;
- c) Appendix A – a summary of the revised Docket No. RP95-363 Article 11.2(a) rates, as adjusted for inflation;
- d) Appendix B – a schedule detailing calculation of the rates;
- e) Appendix C – computation of system-wide average usage rates; and
- f) Appendix D – derivation of the annual escalation factor as computed based on the annual change in the GDP-IPD, along with the pertinent page from the Bureau of Economic Affairs second quarter (final) news release.

EPNG respectfully requests the Commission accept the tendered tariff record for filing and permit it to become effective on January 1, 2019, which is not less than 30 days following the date of the filing. With respect to any tariff provision the Commission allows to go into effect without change, EPNG hereby moves to place the tendered tariff provision into effect at the end of the suspension period, if any, specified by the Commission.

⁶ See 133 FERC ¶ 61,259 where the Commission accepted the 2012 Article 11.2 Inflation Filing in Docket No. RP11-1562-000 subject to the outcome of the proceeding in Docket No. RP10-1398-000. However, no issues related to Docket No. RP11-1562-000 were listed in the litigated statement of issues or addressed by the Initial Decision (139 FERC ¶ 63,020 (2012)), Opinion No. 528 (145 FERC ¶ 61,040), Opinion No. 528-A (154 FERC ¶ 61,120), or Opinion 528-B (163 FERC ¶ 61,079) in Docket No. RP10-1398-000. Therefore, EPNG believes that while Docket No. RP11-1562-000 is still pending before the Commission, the final outcome in Docket No. RP11-1562-000 will not impact these rates.

⁷ 18 C.F.R. § § 154.101 – 154.603 (2018).

Additionally, pursuant to 18 C.F.R. § 154.7(a)(7) (2018) of the Commission's regulations, EPNG respectfully requests that the Commission grant all necessary waivers in order to effectuate this filing.

Correspondence and communications concerning this filing should be directed to:

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These persons have been designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure.

The undersigned hereby certifies that she has read this filing and knows (i) the contents of such filing and the attachments; (ii) that the contents as stated in the filing and attachments are true to the best of her knowledge and belief; and (iii) that she possesses full power and authority to sign this filing.

Respectfully submitted,

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

By, _____/s/
M. Catherine Rezendes
Director, Rates

Enclosures

Certificate of Service

I hereby certify that I have this day caused a copy of the foregoing document to be served upon all shippers on EPNG's system and interested state regulatory commissions, in accordance with the requirements of Sections 154.208 and 385.2010 of the Federal Energy Regulatory Commission's Rules of Practice and Procedures.

Dated at Colorado Springs, Colorado as of this 29th day of November 2018.

_____/s/_____
M. Catherine Rezendes

Post Office Box 1087
Colorado Springs, CO 80944
(719) 520-4743

Clean Tariff Section

37. ARTICLE 11.2 PROVISIONS

Pursuant to the Commission's Order issued on March 20, 2006 in Docket No. RP05-422-000, this Section 37 is applicable to firm Rate Schedule FT-1 and FT-2 transportation service provided under applicable TSAs ("Section 37 TSAs") to the contracted Shippers that are parties to the Stipulation and Agreement in Docket No. RP95-363-000, et al. ("1996 Settlement").

37.1 Article 11.2(a) Rates - Article 11.2(a) Rates shall be used for purposes of invoicing transportation charges and reservation charge crediting. The System Average Usage Rate shall be used for purposes of invoicing usage, such as imbalance payback, that cannot be identified by receipt basin and is identified by Transporter as a system receipt. These rates shall be adjusted annually pursuant to Section 37.3 for Section 37 TSAs.

Rate Schedule FT-1

RESERVATION	MONTHLY	DAILY
	-----	-----
Production Area	\$ 4.1194	\$ 0.1354
Texas	\$ 6.0301	\$ 0.1982
New Mexico	\$ 6.9560	\$ 0.2287
Arizona	\$ 9.4373	\$ 0.3103
Nevada	\$ 9.5620	\$ 0.3144
California	\$ 11.2128	\$ 0.3686

DAILY USAGE	From	From	From	From	System
Maximum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0030	\$ 0.0030	\$ 0.0030	\$ 0.0165	\$ 0.0030
Texas	\$ 0.0032	\$ 0.0077	\$ 0.0086	\$ 0.0165	\$ 0.0063
New Mexico	\$ 0.0185	\$ 0.0190	\$ 0.0296	\$ 0.0165	\$ 0.0191
Arizona	\$ 0.0239	\$ 0.0278	\$ 0.0372	\$ 0.0165	\$ 0.0269
Nevada	\$ 0.0227	\$ 0.0445	\$ 0.0491	\$ 0.0165	\$ 0.0380
California	\$ 0.0208	\$ 0.0425	\$ 0.0477	\$ 0.0165	\$ 0.0362

DAILY USAGE	From	From	From	From	System
Minimum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0030	\$ 0.0030	\$ 0.0030	\$ 0.0165	\$ 0.0030
Texas	\$ 0.0032	\$ 0.0077	\$ 0.0086	\$ 0.0165	\$ 0.0063
New Mexico	\$ 0.0185	\$ 0.0190	\$ 0.0296	\$ 0.0165	\$ 0.0191
Arizona	\$ 0.0239	\$ 0.0278	\$ 0.0372	\$ 0.0165	\$ 0.0269
Nevada	\$ 0.0227	\$ 0.0445	\$ 0.0491	\$ 0.0165	\$ 0.0380
California	\$ 0.0208	\$ 0.0425	\$ 0.0477	\$ 0.0165	\$ 0.0362

37.1 Article 11.2(a) Rates (continued)

Rate Schedule FT-2

DAILY USAGE	From	From	From	From	System
Maximum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Anadarko	\$ 0.3334	\$ 0.3412	\$ 0.3330	\$ 0.3830	\$ 0.3388
Permian	\$ 0.3334	\$ 0.3330	\$ 0.3431	\$ 0.3830	\$ 0.3334
San Juan	\$ 0.3330	\$ 0.3636	\$ 0.3850	\$ 0.3830	\$ 0.3550
Texas	\$ 0.3351	\$ 0.3412	\$ 0.3431	\$ 0.3830	\$ 0.3395
New Mexico	\$ 0.3648	\$ 0.3636	\$ 0.3850	\$ 0.3830	\$ 0.3645
Arizona	\$ 0.5364	\$ 0.5406	\$ 0.5590	\$ 0.3830	\$ 0.5396
DAILY USAGE	From	From	From	From	System
Minimum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Anadarko	\$ 0.0032	\$ 0.0077	\$ 0.0030	\$ 0.0165	\$ 0.0062
Permian	\$ 0.0032	\$ 0.0030	\$ 0.0086	\$ 0.0165	\$ 0.0031
San Juan	\$ 0.0030	\$ 0.0190	\$ 0.0296	\$ 0.0165	\$ 0.0145
Texas	\$ 0.0032	\$ 0.0077	\$ 0.0086	\$ 0.0165	\$ 0.0063
New Mexico	\$ 0.0185	\$ 0.0190	\$ 0.0296	\$ 0.0165	\$ 0.0191
Arizona	\$ 0.0239	\$ 0.0278	\$ 0.0372	\$ 0.0165	\$ 0.0269

37.2 Rights and Conditions

- (a) When Section 37 TSAs expire or are terminated by the shipper, the rights listed in this Section 37 shall no longer apply to such TSAs.
- (b) In the event a Section 37 TSA uses service or re-designates service to an alternate receipt or delivery point in the same zone as the primary receipt or delivery point(s) under that TSA, the service shall be invoiced at the Article 11.2(a) Rate. Should service be provided to or re-designated to an alternate receipt or delivery point other than the primary receipt or delivery point(s) under that TSA, the service shall be invoiced under the Out-of-Zone-Charge provisions contained in Sections 8.1(e), 8.1(f) and 8.1(g). However, the Article 11.2(a) reservation rates for the applicable zone shall be used in lieu of the maximum non-Article 11.2 tariff rates.
- (c) Capacity released from a Section 37 TSA may be released at a reservation rate no higher than the applicable Article 11.2(a) rate. Such released capacity will be billed at the applicable Article 11.2(a) usage rate.
- (d) If the Shippers applicable to this Section 37 acquire any permanent or temporary capacity releases, they will pay the reservation rate specified in the posted award of the capacity release for that capacity, rather than the Article 11.2(a) rate.

37.2 Rights and Conditions (continued)

- (e) For purposes of determining scheduling priority, pursuant to Section 6.2(a)(iii) of the GT&C, the Article 11.2(a) reservation rates will be considered equivalent to the maximum tariff rate.
- (f) Article 11.2(a) rates shall not apply to any other firm transportation service under any rate schedule.
- (g) Should a Section 37 TSA be subject to an Article 11.2(a) rate that exceeds the maximum non-Article 11.2 tariff rate for such service, this service shall be billed at the applicable maximum non-Article 11.2 tariff rate.

37.3 The applicable Article 11.2(a) rates shall be subject to inflation escalation and will be adjusted according to the following provisions.

- (a) Annual Inflation Adjustment - Effective January 1, 1998, and on each anniversary date thereafter, Transporter shall increase the Operations and Maintenance (O&M) and Other Taxes portion of the reservation and usage charges for Rate Schedule FT-1 and the rates for Rate Schedule FT-2 in effect for the preceding Year by 93% of the increase in the Implicit Price Deflator ("IPD") to the Gross Domestic Product ("GDP") as published by the Department of Commerce's Bureau of Economic Analysis ("BEA"), or a mutually agreed similar indicator should the GDP no longer be available on a continuing basis, or, failing such agreement, a similar indicator as approved by the Commission. Notwithstanding the above calculation, the annual increase in total rates will not be less than 1% or more than 4-1/2% of the prior Year's total rates. The resulting rates shall become the rates for purposes of applying the annual inflation adjustment for the succeeding Year.
- (b) For the annual inflation adjustment to be effective January 1, 1998, the most recently published final IPD prior to the inflation adjustment filing will be compared to the IPD reported by the BEA for the same period of the prior Year to determine the annual change. For each rate change subject to this provision, the most recently published final IPD prior to the inflation adjustment filing will be compared to the prior Year's IPD to determine the annual change. If the BEA modifies the benchmark index for the IPD, then Transporter will use the restated IPD reported by the BEA instead of the IPD used by Transporter in its last inflation adjustment filing.
- (c) The Article 11.2(a) System Average Usage Rate shall be applied to those receipts that are not defined by receipt basin, but rather as a system receipt. Such usage rates are weighted average rates, as shown in Section 37.1 of the GT&C, derived through the following process.

37.3 (c) (continued)

- (i) Transporter's actual system throughput data (by basin) for the 12-Month period ending September 30th of each Year is collected and the relative percentage contribution of each basin in comparison to the total system is determined.
- (ii) Pursuant to Section 37.3(c)(i), the basin percentages, or factors, are multiplied by the specific receipt basin rates within each delivery zone to derive an Article 11.2(a) weighted rate.
- (iii) The weighted Article 11.2(a) rates, as calculated by Section 37.3(c)(ii), shall be summed together to arrive at the Article 11.2(a) System Average Usage Rate for each delivery zone.

Marked Tariff Section

37. ARTICLE 11.2 PROVISIONS

Pursuant to the Commission's Order issued on March 20, 2006 in Docket No. RP05-422-000, this Section 37 is applicable to firm Rate Schedule FT-1 and FT-2 transportation service provided under applicable TSAs ("Section 37 TSAs") to the contracted Shippers that are parties to the Stipulation and Agreement in Docket No. RP95-363-000, et al. ("1996 Settlement").

37.1 Article 11.2(a) Rates - Article 11.2(a) Rates shall be used for purposes of invoicing transportation charges and reservation charge crediting. The System Average Usage Rate shall be used for purposes of invoicing usage, such as imbalance payback, that cannot be identified by receipt basin and is identified by Transporter as a system receipt. These rates shall be adjusted annually pursuant to Section 37.3 for Section 37 TSAs.

Rate Schedule FT-1

RESERVATION	MONTHLY	DAILY
	-----	-----
Production Area	\$ 4. 0600 <u>1194</u>	\$ 0. 1335 <u>1354</u>
Texas	\$ 5.94326 <u>.0301</u>	\$ 0. 1954 <u>1982</u>
New Mexico	\$ 6.85579560	\$ 0. 2254 <u>2287</u>
Arizona	\$ 9.30134373	\$ 0. 3058 <u>3103</u>
Nevada	\$ 9.42425620	\$ 0. 3098 <u>3144</u>
California	\$ 11.05122128	\$ 0. 3633 <u>3686</u>

DAILY USAGE	From	From	From	From	System
Maximum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0030	\$ 0.0030	\$ 0.0030	\$ 0.016 53	\$ 0.0030
Texas	\$ 0.0032	\$ 0.007 76	\$ 0.008 65	\$ 0.016 53	\$ 0.006 34
New Mexico	\$ 0.018 52	\$ 0.019 087	\$ 0.029 62	\$ 0.016 53	\$ 0.019 187
Arizona	\$ 0.023 96	\$ 0.027 84	\$ 0.037 267	\$ 0.016 53	\$ 0.026 92
Nevada	\$ 0.022 74	\$ 0.044 539	\$ 0.049 184	\$ 0.016 53	\$ 0.038 065
California	\$ 0.020 85	\$ 0.042 519	\$ 0.047 70	\$ 0.016 53	\$ 0.036 245

DAILY USAGE	From	From	From	From	System
Minimum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0030	\$ 0.0030	\$ 0.0030	\$ 0.016 53	\$ 0.0030
Texas	\$ 0.0032	\$ 0.007 76	\$ 0.008 65	\$ 0.016 53	\$ 0.006 34
New Mexico	\$ 0.018 52	\$ 0.019 087	\$ 0.029 62	\$ 0.016 53	\$ 0.019 187
Arizona	\$ 0.023 96	\$ 0.027 84	\$ 0.037 267	\$ 0.016 53	\$ 0.026 92
Nevada	\$ 0.022 74	\$ 0.044 539	\$ 0.049 184	\$ 0.016 53	\$ 0.038 065
California	\$ 0.020 85	\$ 0.042 519	\$ 0.047 70	\$ 0.016 53	\$ 0.036 245

37.1 Article 11.2(a) Rates (continued)

Rate Schedule FT-2

DAILY USAGE Maximum	From San Juan	From Permian	From Anadarko	From California	System Average
Anadarko 0.33353388	\$ 0.32863334	\$ 0.33633412	\$ 0.32823330	\$ 0.37753830	\$
Permian 0.32863334	\$ 0.32863334	\$ 0.32823330	\$ 0.33823431	\$ 0.37753830	\$
San Juan 0.34823550	\$ 0.32823330	\$ 0.35833636	\$ 0.37953850	\$ 0.37753830	\$
Texas 0.33433395	\$ 0.33033351	\$ 0.33633412	\$ 0.33823431	\$ 0.37753830	\$
New Mexico 0.35913645	\$ 0.35953648	\$ 0.35833636	\$ 0.37953850	\$ 0.37753830	\$
Arizona 0.53175396	\$ 0.52875364	\$ 0.53285406	\$ 0.55105590	\$ 0.37753830	\$

DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California	System Average
Anadarko	\$ 0.0032	\$ 0.00776	\$ 0.0030	\$ 0.01653	\$ 0.00620
Permian	\$ 0.0032	\$ 0.0030	\$ 0.00865	\$ 0.01653	\$ 0.00312
San Juan	\$ 0.0030	\$ 0.019087	\$ 0.02962	\$ 0.01653	\$ 0.014534
Texas	\$ 0.0032	\$ 0.00776	\$ 0.00865	\$ 0.01653	\$ 0.00634
New Mexico 0.01870191	\$ 0.01852	\$ 0.019087	\$ 0.02962	\$ 0.01653	\$
Arizona 0.02620269	\$ 0.02396	\$ 0.02784	\$ 0.03670372	\$ 0.01653	\$

37.2 Rights and Conditions

- (a) When Section 37 TSAs expire or are terminated by the shipper, the rights listed in this Section 37 shall no longer apply to such TSAs.
- (b) In the event a Section 37 TSA uses service or re-designates service to an alternate receipt or delivery point in the same zone as the primary receipt or delivery point(s) under that TSA, the service shall be invoiced at the Article 11.2(a) Rate. Should service be provided to or re-designated to an alternate receipt or delivery point other than the primary receipt or delivery point(s) under that TSA, the service shall be invoiced under the Out-of-Zone-Charge provisions contained in Sections 8.1(e), 8.1(f) and 8.1(g). However, the Article 11.2(a) reservation rates for the applicable zone shall be used in lieu of the maximum non-Article 11.2 tariff rates.

- (c) Capacity released from a Section 37 TSA may be released at a reservation rate no higher than the applicable Article 11.2(a) rate. Such released capacity will be billed at the applicable Article 11.2(a) usage rate.
 - (d) If the Shippers applicable to this Section 37 acquire any permanent or temporary capacity releases, they will pay the reservation rate specified in the posted award of the capacity release for that capacity, rather than the Article 11.2(a) rate.
- 37.2 Rights and Conditions (continued)
- (e) For purposes of determining scheduling priority, pursuant to Section 6.2(a)(iii) of the GT&C, the Article 11.2(a) reservation rates will be considered equivalent to the maximum tariff rate.
 - (f) Article 11.2(a) rates shall not apply to any other firm transportation service under any rate schedule.
 - (g) Should a Section 37 TSA be subject to an Article 11.2(a) rate that exceeds the maximum non-Article 11.2 tariff rate for such service, this service shall be billed at the applicable maximum non-Article 11.2 tariff rate.
- 37.3 The applicable Article 11.2(a) rates shall be subject to inflation escalation and will be adjusted according to the following provisions.
- (a) Annual Inflation Adjustment - Effective January 1, 1998, and on each anniversary date thereafter, Transporter shall increase the Operations and Maintenance (O&M) and Other Taxes portion of the reservation and usage charges for Rate Schedule FT-1 and the rates for Rate Schedule FT-2 in effect for the preceding Year by 93% of the increase in the Implicit Price Deflator ("IPD") to the Gross Domestic Product ("GDP") as published by the Department of Commerce's Bureau of Economic Analysis ("BEA"), or a mutually agreed similar indicator should the GDP no longer be available on a continuing basis, or, failing such agreement, a similar indicator as approved by the Commission. Notwithstanding the above calculation, the annual increase in total rates will not be less than 1% or more than 4-1/2% of the prior Year's total rates. The resulting rates shall become the rates for purposes of applying the annual inflation adjustment for the succeeding Year.
 - (b) For the annual inflation adjustment to be effective January 1, 1998, the most recently published final IPD prior to the inflation adjustment filing will be compared to the IPD reported by the BEA for the same period of the prior Year to determine the annual change. For each rate change subject to this provision, the most recently published final IPD prior to the inflation adjustment filing will be compared to the prior Year's IPD to determine the annual change. If the BEA modifies the benchmark index for the IPD, then Transporter will use the restated IPD reported by the BEA instead of the IPD used by Transporter in its last inflation adjustment filing.

- (c) The Article 11.2(a) System Average Usage Rate shall be applied to those receipts that are not defined by receipt basin, but rather as a system receipt. Such usage rates are weighted average rates, as shown in Section 37.1 of the GT&C, derived through the following process.

37.3 (c) (continued)

- (i) Transporter's actual system throughput data (by basin) for the 12-Month period ending September 30th of each Year is collected and the relative percentage contribution of each basin in comparison to the total system is determined.
- (ii) Pursuant to Section 37.3(c)(i), the basin percentages, or factors, are multiplied by the specific receipt basin rates within each delivery zone to derive an Article 11.2(a) weighted rate.
- (iii) The weighted Article 11.2(a) rates, as calculated by Section 37.3(c)(ii), shall be summed together to arrive at the Article 11.2(a) System Average Usage Rate for each delivery zone.

El Paso Natural Gas Company, L.L.C.

Appendix Table of Contents

Appendix A	Article 11.2(a) Rates Escalated
Appendix B	Escalation of Rates
Appendix C	System Average Usage Rates
Appendix D	Derivation of Escalator

El Paso Natural Gas Company, L.L.C.

Docket No. RP19-___

Appendix A

Article 11.2(a) Rates Escalated

El Paso Natural Gas Company, L.L.C.
FT-1 Firm Transportation Rates
2019 Article 11.2(a) Rates Escalated Per Tariff
(Excludes Surcharges)

Line No.	Description	FT-1	
		Maximum Rate	Minimum Rate
	(a)	(b)	(c)
<u>Mainline Transmission Base Reservation Rates</u>			
1	Production Area	\$ 4.1194	\$ 0.0000
2	Texas	\$ 6.0301	\$ 0.0000
3	New Mexico	\$ 6.9560	\$ 0.0000
4	Arizona	\$ 9.4373	\$ 0.0000
5	Nevada	\$ 9.5620	\$ 0.0000
6	California	\$ 11.2128	\$ 0.0000
<u>Mainline Transmission Usage Rates</u>			
From San Juan Basin to:			
7	Production Area	\$ 0.0030	\$ 0.0030
8	Texas	\$ 0.0032	\$ 0.0032
9	New Mexico	\$ 0.0185	\$ 0.0185
10	Arizona	\$ 0.0239	\$ 0.0239
11	Nevada	\$ 0.0227	\$ 0.0227
12	California	\$ 0.0208	\$ 0.0208
From Permian Basin to:			
13	Production Area	\$ 0.0030	\$ 0.0030
14	Texas	\$ 0.0077	\$ 0.0077
15	New Mexico	\$ 0.0190	\$ 0.0190
16	Arizona	\$ 0.0278	\$ 0.0278
17	Nevada	\$ 0.0445	\$ 0.0445
18	California	\$ 0.0425	\$ 0.0425
From Anadarko Basin to:			
19	Production Area	\$ 0.0030	\$ 0.0030
20	Texas	\$ 0.0086	\$ 0.0086
21	New Mexico	\$ 0.0296	\$ 0.0296
22	Arizona	\$ 0.0372	\$ 0.0372
23	Nevada	\$ 0.0491	\$ 0.0491
24	California	\$ 0.0477	\$ 0.0477
From California to:			
25	Production Area	\$ 0.0165	\$ 0.0165
26	Texas	\$ 0.0165	\$ 0.0165
27	New Mexico	\$ 0.0165	\$ 0.0165
28	Arizona	\$ 0.0165	\$ 0.0165
29	Nevada	\$ 0.0165	\$ 0.0165
30	California	\$ 0.0165	\$ 0.0165

El Paso Natural Gas Company, L.L.C.
FT-2 Firm Transportation Rates
2019 Article 11.2(a) Rates Escalated Per Tariff
(Excludes Surcharges)

Line No.	Description	FT-2	
		Maximum Rate	Minimum Rate
	(a)	(b)	(c)
<u>Mainline Transmission Usage Rates:</u>			
From San Juan Basin to:			
1	Anadarko	\$ 0.3334	\$ 0.0032
2	Permian	\$ 0.3334	\$ 0.0032
3	San Juan	\$ 0.3330	\$ 0.0030
4	Texas	\$ 0.3351	\$ 0.0032
5	New Mexico	\$ 0.3648	\$ 0.0185
6	Arizona	\$ 0.5364	\$ 0.0239
From Permian Basin to:			
7	Anadarko	\$ 0.3412	\$ 0.0077
8	Permian	\$ 0.3330	\$ 0.0030
9	San Juan	\$ 0.3636	\$ 0.0190
10	Texas	\$ 0.3412	\$ 0.0077
11	New Mexico	\$ 0.3636	\$ 0.0190
12	Arizona	\$ 0.5406	\$ 0.0278
From Anadarko Basin to:			
13	Anadarko	\$ 0.3330	\$ 0.0030
14	Permian	\$ 0.3431	\$ 0.0086
15	San Juan	\$ 0.3850	\$ 0.0296
16	Texas	\$ 0.3431	\$ 0.0086
17	New Mexico	\$ 0.3850	\$ 0.0296
18	Arizona	\$ 0.5590	\$ 0.0372
From California to:			
19	Anadarko	\$ 0.3830	\$ 0.0165
20	Permian	\$ 0.3830	\$ 0.0165
21	San Juan	\$ 0.3830	\$ 0.0165
22	Texas	\$ 0.3830	\$ 0.0165
23	New Mexico	\$ 0.3830	\$ 0.0165
24	Arizona	\$ 0.3830	\$ 0.0165

El Paso Natural Gas Company, L.L.C.

Docket No. RP19-___

Appendix B

Escalation of Rates

El Paso Natural Gas Company, L.L.C.
Escalation of Rates Per Tariff
2019 FT-1 Reservation Base Rates

Ln. No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Ln. No.
Reservation								
Minimum Escalation - Floor								
1	Rate for 2018	1/ \$ 11.0512	\$ 9.4242	\$ 9.3013	\$ 6.8557	\$ 5.9432	\$ 4.0600	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.1105	\$ 0.0942	\$ 0.0930	\$ 0.0686	\$ 0.0594	\$ 0.0406	3
Maximum Escalation - Ceiling								
4	Rate for 2018	\$ 11.0512	\$ 9.4242	\$ 9.3013	\$ 6.8557	\$ 5.9432	\$ 4.0600	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.4973	\$ 0.4241	\$ 0.4186	\$ 0.3085	\$ 0.2674	\$ 0.1827	6
GDP-IPD Calculation								
7	O&M,OT - Year 2018 Portion of the Rate	2/ \$ 6.8516	\$ 5.8430	\$ 5.7667	\$ 4.2504	\$ 3.6847	\$ 2.5172	7
8	Year 2018 Escalation	2/ \$ 0.1094	\$ 0.0933	\$ 0.0921	\$ 0.0679	\$ 0.0588	\$ 0.0402	8
9	Year 2019 O&M, and Other Taxes	\$ 6.9610	\$ 5.9363	\$ 5.8588	\$ 4.3183	\$ 3.7435	\$ 2.5574	9
10	GDP-IPD Escalation Factor	3/ 2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.1616	\$ 0.1378	\$ 0.1360	\$ 0.1003	\$ 0.0869	\$ 0.0594	13
Selected Escalation Amount								
14	Rate for 2018	\$ 11.0512	\$ 9.4242	\$ 9.3013	\$ 6.8557	\$ 5.9432	\$ 4.0600	14
15	Selected Escalation	4/ \$ 0.1616	\$ 0.1378	\$ 0.1360	\$ 0.1003	\$ 0.0869	\$ 0.0594	15
16	Total Rate Year 2019	\$ 11.2128	\$ 9.5620	\$ 9.4373	\$ 6.9560	\$ 6.0301	\$ 4.1194	16
17	100% Load Factor Rate (excluding usage)	\$ 0.3686	\$ 0.3144	\$ 0.3103	\$ 0.2287	\$ 0.1982	\$ 0.1354	17

1/ See 2018 Docket No. RP18-198, Appendix B, Page 1, Line 16.

2/ See 2018 Docket No. RP18-198, Appendix B, Page 1, Lines 9 and 15.

3/ See Appendix D, Page 1 of 2.

4/ If the GDP-IPD escalation calculation is not within the minimum (floor) and the maximum (ceiling) calculation then the applicable minimum or maximum calculated escalation is selected. In this case the escalation is 1.46% and can be derived by dividing Line 15 by Line 14.

El Paso Natural Gas Company, L.L.C.
Escalation of Rates Per Tariff
2019 FT1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
From San Juan:								
Minimum Escalation - Floor								
1	Rate for 2018	1/ \$ 0.0205	\$ 0.0224	\$ 0.0236	\$ 0.0182	\$ 0.0032	\$ 0.0030	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ -	\$ -	3
Maximum Escalation - Ceiling								
4	Rate for 2018	\$ 0.0205	\$ 0.0224	\$ 0.0236	\$ 0.0182	\$ 0.0032	\$ 0.0030	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.0009	\$ 0.0010	\$ 0.0011	\$ 0.0008	\$ 0.0001	\$ 0.0001	6
GDP-IPD Calculation								
7	O&M,OT - Year 2018 Portion of the Rate	2/ \$ 0.0128	\$ 0.0139	\$ 0.0146	\$ 0.0113	\$ 0.0018	\$ 0.0016	7
8	Year 2018 Escalation	2/ \$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ -	\$ -	8
9	Year 2019 O&M, and Other Taxes	\$ 0.0130	\$ 0.0141	\$ 0.0148	\$ 0.0115	\$ 0.0018	\$ 0.0016	9
10	GDP-IPD Escalation Factor	3/ 2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ -	\$ -	13
Selected Escalation Amount								
14	Rate for 2018	\$ 0.0205	\$ 0.0224	\$ 0.0236	\$ 0.0182	\$ 0.0032	\$ 0.0030	14
15	Selected Escalation	4/ 0.0003	0.0003	0.0003	0.0003	0.0000	0.0000	15
16	Total Usage Rate Year 2019	\$ 0.0208	\$ 0.0227	\$ 0.0239	\$ 0.0185	\$ 0.0032	\$ 0.0030	16
Total Rate								
17	Reservation (Sheet 1, Line 16)	\$ 11.2128	\$ 9.5620	\$ 9.4373	\$ 6.9560	\$ 6.0301	\$ 4.1194	17
18	Total Usage Rate	\$ 0.0208	\$ 0.0227	\$ 0.0239	\$ 0.0185	\$ 0.0032	\$ 0.0030	18
19	100% Load Factor Rate	\$ 0.3894	\$ 0.3371	\$ 0.3342	\$ 0.2472	\$ 0.2014	\$ 0.1384	19

1/ See 2018 Docket No. RP18-198, Appendix B, Page 2, Line 16.

2/ See 2018 Docket No. RP18-198, Appendix B, Page 2, Lines 9 and 15.

3/ See Appendix D, Page 1 of 2.

4/ If the GDP-IPD escalation calculation is not within the minimum (floor) and the maximum (ceiling) calculation then the applicable minimum or maximum calculated escalation is selected.

El Paso Natural Gas Company, L.L.C.
Escalation of Rates Per Tariff
2019 FT1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
From Permian:								
Minimum Escalation - Floor								
1	Rate for 2018	1/ \$ 0.0419	\$ 0.0439	\$ 0.0274	\$ 0.0187	\$ 0.0076	\$ 0.0030	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.0004	\$ 0.0004	\$ 0.0003	\$ 0.0002	\$ 0.0001	\$ -	3
Maximum Escalation - Ceiling								
4	Rate for 2018	\$ 0.0419	\$ 0.0439	\$ 0.0274	\$ 0.0187	\$ 0.0076	\$ 0.0030	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.0019	\$ 0.0020	\$ 0.0012	\$ 0.0008	\$ 0.0003	\$ 0.0001	6
GDP-IPD Calculation								
7	O&M,OT - Year 2018 Portion of the Rate	2/ \$ 0.0260	\$ 0.0273	\$ 0.0170	\$ 0.0117	\$ 0.0050	\$ 0.0016	7
8	Year 2018 Escalation	2/ \$ 0.0004	\$ 0.0004	\$ 0.0003	\$ 0.0002	\$ 0.0001	\$ -	8
9	Year 2019 O&M, and Other Taxes	\$ 0.0264	\$ 0.0277	\$ 0.0173	\$ 0.0119	\$ 0.0051	\$ 0.0016	9
10	GDP-IPD Escalation Factor	3/ 2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.0006	\$ 0.0006	\$ 0.0004	\$ 0.0003	\$ 0.0001	\$ -	13
Selected Escalation Amount								
14	Rate for 2018	\$ 0.0419	\$ 0.0439	\$ 0.0274	\$ 0.0187	\$ 0.0076	\$ 0.0030	14
15	Selected Escalation	4/ 0.0006	0.0006	0.0004	0.0003	0.0001	0.0000	15
16	Total Usage Rate Year 2019	\$ 0.0425	\$ 0.0445	\$ 0.0278	\$ 0.0190	\$ 0.0077	\$ 0.0030	16
Total Rate								
17	Reservation (Sheet 1, Line 16)	\$ 11.2128	\$ 9.5620	\$ 9.4373	\$ 6.9560	\$ 6.0301	\$ 4.1194	17
18	Total Usage Rate	\$ 0.0425	\$ 0.0445	\$ 0.0278	\$ 0.0190	\$ 0.0077	\$ 0.0030	18
19	100% Load Factor Rate	\$ 0.4111	\$ 0.3589	\$ 0.3381	\$ 0.2477	\$ 0.2059	\$ 0.1384	19

1/ See 2018 Docket No. RP18-198, Appendix B, Page 3, Line 16.

2/ See 2018 Docket No. RP18-198, Appendix B, Page 3, Lines 9 and 15.

3/ See Appendix D, Page 1 of 2.

4/ If the GDP-IPD escalation calculation is not within the minimum (floor) and the maximum (ceiling) calculation then the applicable minimum or maximum calculated escalation is selected.

El Paso Natural Gas Company, L.L.C.
Escalation of Rates Per Tariff
2019 FT1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
From Anadarko:								
Minimum Escalation - Floor								
1	Rate for 2018	1/ \$ 0.0470	\$ 0.0484	\$ 0.0367	\$ 0.0292	\$ 0.0085	\$ 0.0030	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.0005	\$ 0.0005	\$ 0.0004	\$ 0.0003	\$ 0.0001	\$ -	3
Maximum Escalation - Ceiling								
4	Rate for 2018	\$ 0.0470	\$ 0.0484	\$ 0.0367	\$ 0.0292	\$ 0.0085	\$ 0.0030	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.0021	\$ 0.0022	\$ 0.0017	\$ 0.0013	\$ 0.0004	\$ 0.0001	6
GDP-IPD Calculation								
7	O&M,OT - Year 2018 Portion of the Rate	2/ \$ 0.0291	\$ 0.0300	\$ 0.0227	\$ 0.0181	\$ 0.0054	\$ 0.0016	7
8	Year 2018 Escalation	2/ \$ 0.0005	\$ 0.0005	\$ 0.0004	\$ 0.0003	\$ 0.0001	\$ -	8
9	Year 2019 O&M, and Other Taxes	\$ 0.0296	\$ 0.0305	\$ 0.0231	\$ 0.0184	\$ 0.0055	\$ 0.0016	9
10	GDP-IPD Escalation Factor	3/ 2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.0007	\$ 0.0007	\$ 0.0005	\$ 0.0004	\$ 0.0001	\$ -	13
Selected Escalation Amount								
14	Rate for 2018	\$ 0.0470	\$ 0.0484	\$ 0.0367	\$ 0.0292	\$ 0.0085	\$ 0.0030	14
15	Selected Escalation	4/ 0.0007	0.0007	0.0005	0.0004	0.0001	0.0000	15
16	Total Usage Rate Year 2019	\$ 0.0477	\$ 0.0491	\$ 0.0372	\$ 0.0296	\$ 0.0086	\$ 0.0030	16
Total Rate								
17	Reservation (Sheet 1, Line 16)	\$ 11.2128	\$ 9.5620	\$ 9.4373	\$ 6.9560	\$ 6.0301	\$ 4.1194	17
18	Total Usage Rate	\$ 0.0477	\$ 0.0491	\$ 0.0372	\$ 0.0296	\$ 0.0086	\$ 0.0030	18
19	100% Load Factor Rate	\$ 0.4163	\$ 0.3635	\$ 0.3475	\$ 0.2583	\$ 0.2068	\$ 0.1384	19

1/ See 2018 Docket No. RP18-198, Appendix B, Page 4, Line 16.

2/ See 2018 Docket No. RP18-198, Appendix B, Page 4, Lines 9 and 15.

3/ See Appendix D, Page 1 of 2.

4/ If the GDP-IPD escalation calculation is not within the minimum (floor) and the maximum (ceiling) calculation then the applicable minimum or maximum calculated escalation is selected.

El Paso Natural Gas Company, L.L.C.
Escalation of Rates Per Tariff
2019 FT1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
From California:								
Minimum Escalation - Floor								
1	Rate for 2018	\$ 0.0163	\$ 0.0163	\$ 0.0163	\$ 0.0163	\$ 0.0163	\$ 0.0163	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	3
Maximum Escalation - Ceiling								
4	Rate for 2018	\$ 0.0163	\$ 0.0163	\$ 0.0163	\$ 0.0163	\$ 0.0163	\$ 0.0163	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.0007	\$ 0.0007	\$ 0.0007	\$ 0.0007	\$ 0.0007	\$ 0.0007	6
GDP-IPD Calculation								
7	O&M,OT - Year 2018 Portion of the Rate	\$ 0.0101	\$ 0.0101	\$ 0.0101	\$ 0.0101	\$ 0.0101	\$ 0.0101	7
8	Year 2018 Escalation	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	8
9	Year 2019 O&M, and Other Taxes	\$ 0.0103	\$ 0.0103	\$ 0.0103	\$ 0.0103	\$ 0.0103	\$ 0.0103	9
10	GDP-IPD Escalation Factor	2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	2.4967%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	2.3220%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	13
Selected Escalation Amount								
14	Rate for 2018	\$ 0.0163	\$ 0.0163	\$ 0.0163	\$ 0.0163	\$ 0.0163	\$ 0.0163	14
15	Selected Escalation	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	15
16	Total Usage Rate Year 2019	\$ 0.0165	\$ 0.0165	\$ 0.0165	\$ 0.0165	\$ 0.0165	\$ 0.0165	16
Total Rate								
17	Reservation (Sheet 1, Line 16)	\$ 11.2128	\$ 9.5620	\$ 9.4373	\$ 6.9560	\$ 6.0301	\$ 4.1194	17
18	Total Usage Rate	\$ 0.0165	\$ 0.0165	\$ 0.0165	\$ 0.0165	\$ 0.0165	\$ 0.0165	18
19	100% Load Factor Rate	\$ 0.3851	\$ 0.3309	\$ 0.3268	\$ 0.2452	\$ 0.2147	\$ 0.1519	19

1/ See 2018 Docket No. RP18-198, Appendix B, Page 5, Line 16.

2/ See 2018 Docket No. RP18-198, Appendix B, Page 5, Lines 9 and 15.

3/ See Appendix D, Page 1 of 2.

4/ If the GDP-IPD escalation calculation is not within the minimum (floor) and the maximum (ceiling) calculation then the applicable minimum or maximum calculated escalation is selected.

El Paso Natural Gas Company, L.L.C.
FT-2 Firm Transportation Rates
2019 11.2 Rates Escalated Per Tariff
(Excludes Surcharges)

Line No.	Description (a)	2018 FT-2 RATES			2019 FT-2 RATES			Line No.
		Rate Less Usage (b)	FT-1 Usage (c)	Total 1/ (d) [b + c]	Inflation Adjustment 2/ (e) [b * 1.0146]	FT-1 Usage (f)	Total (g) [e + f]	
<u>Mainline Transmission Usage Rates:</u>								
From San Juan Basin to:								
1	Anadarko	\$ 0.3254	\$ 0.0032	\$ 0.3286	\$ 0.3302	\$ 0.0032	\$ 0.3334	1
2	Permian	\$ 0.3254	\$ 0.0032	\$ 0.3286	\$ 0.3302	\$ 0.0032	\$ 0.3334	2
3	San Juan	\$ 0.3252	\$ 0.0030	\$ 0.3282	\$ 0.3300	\$ 0.0030	\$ 0.3330	3
4	Texas	\$ 0.3271	\$ 0.0032	\$ 0.3303	\$ 0.3319	\$ 0.0032	\$ 0.3351	4
5	New Mexico	\$ 0.3413	\$ 0.0182	\$ 0.3595	\$ 0.3463	\$ 0.0185	\$ 0.3648	5
6	Arizona	\$ 0.5051	\$ 0.0236	\$ 0.5287	\$ 0.5125	\$ 0.0239	\$ 0.5364	6
From Permian Basin to:								
7	Anadarko	\$ 0.3287	\$ 0.0076	\$ 0.3363	\$ 0.3335	\$ 0.0077	\$ 0.3412	7
8	Permian	\$ 0.3252	\$ 0.0030	\$ 0.3282	\$ 0.3300	\$ 0.0030	\$ 0.3330	8
9	San Juan	\$ 0.3396	\$ 0.0187	\$ 0.3583	\$ 0.3446	\$ 0.0190	\$ 0.3636	9
10	Texas	\$ 0.3287	\$ 0.0076	\$ 0.3363	\$ 0.3335	\$ 0.0077	\$ 0.3412	10
11	New Mexico	\$ 0.3396	\$ 0.0187	\$ 0.3583	\$ 0.3446	\$ 0.0190	\$ 0.3636	11
12	Arizona	\$ 0.5054	\$ 0.0274	\$ 0.5328	\$ 0.5128	\$ 0.0278	\$ 0.5406	12
From Anadarko Basin to:								
13	Anadarko	\$ 0.3252	\$ 0.0030	\$ 0.3282	\$ 0.3300	\$ 0.0030	\$ 0.3330	13
14	Permian	\$ 0.3297	\$ 0.0085	\$ 0.3382	\$ 0.3345	\$ 0.0086	\$ 0.3431	14
15	San Juan	\$ 0.3503	\$ 0.0292	\$ 0.3795	\$ 0.3554	\$ 0.0296	\$ 0.3850	15
16	Texas	\$ 0.3297	\$ 0.0085	\$ 0.3382	\$ 0.3345	\$ 0.0086	\$ 0.3431	16
17	New Mexico	\$ 0.3503	\$ 0.0292	\$ 0.3795	\$ 0.3554	\$ 0.0296	\$ 0.3850	17
18	Arizona	\$ 0.5143	\$ 0.0367	\$ 0.5510	\$ 0.5218	\$ 0.0372	\$ 0.5590	18
From California to:								
19	Anadarko	\$ 0.3612	\$ 0.0163	\$ 0.3775	\$ 0.3665	\$ 0.0165	\$ 0.3830	19
20	Permian	\$ 0.3612	\$ 0.0163	\$ 0.3775	\$ 0.3665	\$ 0.0165	\$ 0.3830	20
21	San Juan	\$ 0.3612	\$ 0.0163	\$ 0.3775	\$ 0.3665	\$ 0.0165	\$ 0.3830	21
22	Texas	\$ 0.3612	\$ 0.0163	\$ 0.3775	\$ 0.3665	\$ 0.0165	\$ 0.3830	22
23	New Mexico	\$ 0.3612	\$ 0.0163	\$ 0.3775	\$ 0.3665	\$ 0.0165	\$ 0.3830	23
24	Arizona	\$ 0.3612	\$ 0.0163	\$ 0.3775	\$ 0.3665	\$ 0.0165	\$ 0.3830	24

1/ See 2018 Docket No. RP18-198, Appendix B, Page 6, Column (g).

2/ FT-2 rates were escalated using the selected escalation for the FT-1 rates as shown in Appendix B, page 1 line 15. Because all of the zonal FT-1 rates are escalated at 1.46%, the FT-2 rates were also escalated by using the same 1.46% inflation factor.

El Paso Natural Gas Company, L.L.C.

Docket No. RP19-___

Appendix C

System Average Usage Rates

El Paso Natural Gas Company, L.L.C.
Calculation of
2019 System Average Usage Rates

Maximum Article 11.2(a) 2019 FT-1 Usage Rates			
	Rate	Factor	Total
SJ to PA	\$0.0030	29.651%	\$0.0009
P to PA	\$0.0030	67.954%	\$0.0020
A to PA	\$0.0030	2.307%	\$0.0001
CA to PA	\$0.0165	0.088%	\$0.0000
			<u>\$0.0030</u>
SJ to TX	\$0.0032	29.651%	\$0.0009
P to TX	\$0.0077	67.954%	\$0.0052
A to TX	\$0.0086	2.307%	\$0.0002
CA to TX	\$0.0165	0.088%	\$0.0000
			<u>\$0.0063</u>
SJ to NM	\$0.0185	29.651%	\$0.0055
P to NM	\$0.0190	67.954%	\$0.0129
A to NM	\$0.0296	2.307%	\$0.0007
CA to NM	\$0.0165	0.088%	\$0.0000
			<u>\$0.0191</u>
SJ to AZ	\$0.0239	29.651%	\$0.0071
P to AZ	\$0.0278	67.954%	\$0.0189
A to AZ	\$0.0372	2.307%	\$0.0009
CA to AZ	\$0.0165	0.088%	\$0.0000
			<u>\$0.0269</u>
SJ to NV	\$0.0227	29.651%	\$0.0067
P to NV	\$0.0445	67.954%	\$0.0302
A to NV	\$0.0491	2.307%	\$0.0011
CA to NV	\$0.0165	0.088%	\$0.0000
			<u>\$0.0380</u>
SJ to CA	\$0.0208	29.651%	\$0.0062
P to CA	\$0.0425	67.954%	\$0.0289
A to CA	\$0.0477	2.307%	\$0.0011
CA to CA	\$0.0165	0.088%	\$0.0000
			<u>\$0.0362</u>

Maximum Article 11.2(a) 2019 FT-2 Usage Rates			
	Rate	Factor	Total
SJ to A	\$0.3334	29.651%	\$0.0989
P to A	\$0.3412	67.954%	\$0.2319
A to A	\$0.3330	2.307%	\$0.0077
CA to A	\$0.3830	0.088%	\$0.0003
			<u>\$0.3388</u>
SJ to P	\$0.3334	29.651%	\$0.0989
P to P	\$0.3330	67.954%	\$0.2263
A to P	\$0.3431	2.307%	\$0.0079
CA to P	\$0.3830	0.088%	\$0.0003
			<u>\$0.3334</u>
SJ to SJ	\$0.3330	29.651%	\$0.0987
P to SJ	\$0.3636	67.954%	\$0.2471
A to SJ	\$0.3850	2.307%	\$0.0089
CA to SJ	\$0.3830	0.088%	\$0.0003
			<u>\$0.3550</u>
SJ to TX	\$0.3351	29.651%	\$0.0994
P to TX	\$0.3412	67.954%	\$0.2319
A to TX	\$0.3431	2.307%	\$0.0079
CA to TX	\$0.3830	0.088%	\$0.0003
			<u>\$0.3395</u>
SJ to NM	\$0.3648	29.651%	\$0.1082
P to NM	\$0.3636	67.954%	\$0.2471
A to NM	\$0.3850	2.307%	\$0.0089
CA to NM	\$0.3830	0.088%	\$0.0003
			<u>\$0.3645</u>
SJ to AZ	\$0.5364	29.651%	\$0.1590
P to AZ	\$0.5406	67.954%	\$0.3674
A to AZ	\$0.5590	2.307%	\$0.0129
CA to AZ	\$0.3830	0.088%	\$0.0003
			<u>\$0.5396</u>

Minimum Article 11.2(a) 2019 FT-2 Usage Rates			
	Rate	Factor	Total
SJ to A	\$0.0032	29.651%	\$0.0009
P to A	\$0.0077	67.954%	\$0.0052
A to A	\$0.0030	2.307%	\$0.0001
CA to A	\$0.0165	0.088%	\$0.0000
			<u>\$0.0062</u>
SJ to P	\$0.0032	29.651%	\$0.0009
P to P	\$0.0030	67.954%	\$0.0020
A to P	\$0.0086	2.307%	\$0.0002
CA to P	\$0.0165	0.088%	\$0.0000
			<u>\$0.0031</u>
SJ to SJ	\$0.0030	29.651%	\$0.0009
P to SJ	\$0.0190	67.954%	\$0.0129
A to SJ	\$0.0296	2.307%	\$0.0007
CA to SJ	\$0.0165	0.088%	\$0.0000
			<u>\$0.0145</u>
SJ to TX	\$0.0032	29.651%	\$0.0009
P to TX	\$0.0077	67.954%	\$0.0052
A to TX	\$0.0086	2.307%	\$0.0002
CA to TX	\$0.0165	0.088%	\$0.0000
			<u>\$0.0063</u>
SJ to NM	\$0.0185	29.651%	\$0.0055
P to NM	\$0.0190	67.954%	\$0.0129
A to NM	\$0.0296	2.307%	\$0.0007
CA to NM	\$0.0165	0.088%	\$0.0000
			<u>\$0.0191</u>
SJ to AZ	\$0.0239	29.651%	\$0.0071
P to AZ	\$0.0278	67.954%	\$0.0189
A to AZ	\$0.0372	2.307%	\$0.0009
CA to AZ	\$0.0165	0.088%	\$0.0000
			<u>\$0.0269</u>

El Paso Natural Gas Company, L.L.C.
Calculation of Percentage Weighting for
2019 System Average Usage Rates

Percents from Each Receipt Area			
Receipt Area	Oct-17	to	Sep-18
Receipt Area	Volume (Mmbtu)		Percent
San Juan	S	505,923,188	29.651%
Permian	P	1,159,478,242	67.954%
Anadarko	A	39,371,121	2.307%
California	CA	1,499,985	0.088%
Total from Basins		1,706,272,536	100.00%

See Section 37.3(c) of the GT&C of EPNG's tariff for a description of the calculation requirements.

El Paso Natural Gas Company, L.L.C.

Docket No. RP19-___

Appendix D

Derivation of Escalator

El Paso Natural Gas Company, L.L.C.
Derivation of Escalator
GDP-IPD

Line No.	Description (a)	2nd Qtr 2017 (b)	2nd Qtr 2018 (c)	Percentage Increase/(Decrease) (d) [(c - b) / b]
1	Implicit Price Deflator	107.580	110.266	2.4967%
2				
3				
4				
5				
6				
7	Minimum Inflation Percent			1.0%
8	Maximum Inflation Percent			4.5%
9				
10	2017-2018 GDP-IPD Escalation Factor			2.4967%
11	Applicable Percent of GDP-IPD			93.0%
12	Adjusted Inflation Percent			2.3220%

Table 1.1.9. Implicit Price Deflators for Gross Domestic Product

[Index numbers, 2012=100] Seasonally adjusted

Bureau of Economic Analysis

Last Revised on: October 26, 2018 - Next Release Date November 28, 2018

Line		2016				2017				2018	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Gross domestic product	105.055	105.778	106.172	106.72	107.275	107.58	108.097	108.824	109.371	110.266
2	Personal consumption expenditures	103.424	104.031	104.481	104.984	105.524	105.731	106.152	106.869	107.52	108.049
3	Goods	94.193	94.469	94.258	94.439	94.964	94.298	94.463	94.804	95.325	95.414
4	Durable goods	92.252	91.659	90.856	90.04	90.073	89.366	88.835	88.336	88.099	87.753
5	Nondurable goods	95.082	95.815	95.92	96.643	97.435	96.794	97.345	98.162	99.113	99.451
6	Services	108.166	108.947	109.745	110.419	110.967	111.64	112.198	113.117	113.836	114.602
7	Gross private domestic investment	103.261	103.854	104.137	104.396	104.794	105.228	105.375	106.02	106.707	107.923
8	Fixed investment	103.839	104.236	104.423	104.92	105.212	105.714	106.241	106.565	107.218	108.054
9	Nonresidential	101.216	101.341	101.156	101.412	101.556	101.814	102.143	102.32	102.496	103.001
10	Structures	109.569	110.425	110.254	110.915	111.654	112.672	113.753	114.412	115.305	116.742
11	Equipment	97.993	97.84	97.707	97.413	97.331	97.259	97.136	97.02	96.943	97.146
12	Intellectual property products	100.101	100.162	99.898	100.666	100.77	101.025	101.532	101.838	101.941	102.302
13	Residential	115.793	117.32	119.054	120.548	121.443	122.952	124.316	125.254	127.934	130.212
14	Change in private inventories	---	---	---	---	---	---	---	---	---	---
15	Net exports of goods and services	---	---	---	---	---	---	---	---	---	---
16	Exports	92.111	93.069	93.607	94.186	95.062	95.124	96.019	97.442	98.397	99.785
17	Goods	86.566	87.753	88.256	88.682	89.711	89.599	90.667	91.928	92.879	94.313
18	Services	104.504	104.966	105.592	106.514	107.042	107.491	107.995	109.779	110.743	112.018
19	Imports	85.901	86.211	86.877	87.112	88.09	88.08	88.297	89.538	91.124	91.312
20	Goods	83.052	83.358	84.176	84.461	85.575	85.388	85.387	86.659	88.32	88.38
21	Services	100.729	101.067	100.947	100.929	101.206	102.108	103.449	104.531	105.718	106.572
22	Government consumption expenditure	104.129	104.846	105.301	105.96	106.928	107.349	108.026	108.883	109.664	110.554
23	Federal	102.934	103.502	103.969	104.54	105.244	105.593	105.912	106.255	106.738	107.273
24	National defense	101.837	102.357	102.794	103.241	103.82	104.055	104.321	104.636	105.009	105.353
25	Nondefense	104.704	105.344	105.855	106.611	107.5	108.021	108.42	108.805	109.45	110.269
26	State and local	104.961	105.769	106.218	106.931	108.062	108.529	109.428	110.604	111.573	112.686
	Addendum:										
27	Gross national product	105.022	105.745	106.141	106.691	107.23	107.536	108.053	108.775	109.301	110.191