

December 7, 2018

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

Attention: Ms. Kimberly D. Bose, Secretary

Re: FERC Form No. 501-G;

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

Docket No. RP19-73-000

Commissioners:

On October 11, 2018, El Paso Natural Gas Company, L.L.C. ("El Paso") filed its FERC Form No. 501-G ("Form 501-G") in accordance with the requirements of recently promulgated 18 C.F.R. § 260.402. El Paso elected Option 3 for its submittal (as detailed in Order No. 849) and included an explanation as to why no rate change is needed.¹ On November 14, 2018, El Paso filed a letter in the instant proceeding apprising the Commission that, following productive discussions with several customers around tax relief, El Paso and its customers would participate in a settlement conference to initiate good faith settlement discussions.

On December 4, 2018, El Paso hosted a well-attended settlement conference to discuss resolving the regulatory uncertainty created by the FERC Form 501-G process including the impact of the Tax Cuts and Jobs Act on future recourse rates. At the meeting, El Paso explained its rationale for filing its Form 501-G under Option 3 and presented an offer to adjust its recourse rates to reflect tax relief. After presentation of the offer, the meeting attendees and El Paso engaged in a robust question and answer session that resulted in a commitment by El Paso to provide additional information in furtherance of continued discussions and resolution. The meeting attendees, in turn, committed to provide El Paso a formal counteroffer shortly after they receive the requested information.

Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate, Order No. 849, 83 Fed. Reg. 36,672 (July 30, 2018), FERC Stats. & Regs. ¶ 31,404 (2018) (cross-referenced at 164 FERC ¶ 61,031).

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Accordingly, the parties are executing a plan to exchange information so that the customers can further evaluate El Paso's offer and formulate a formal counteroffer. The parties have also agreed that it is appropriate to update the Commission again on these settlement discussions on or before Friday, January 18, 2019, which is forty-five days following Tuesday's settlement meeting.

Respectfully submitted,

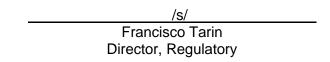
EL PASO NATURAL GAS COMPANY, L.L.C.

William D. Wible
Vice President, Regulatory

Certificate of Service

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of 18 C.F.R. § 385.2010 (2018) of the Commission's Rules of Practice and Procedures.

Dated at Colorado Springs, Colorado as of this 7th day of December 2018.



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