



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.

¹ *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).

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.**

/s/

William D. Wible
Vice President, Regulatory

