



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

November 14, 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 October 15, 2018, the Federal Energy Regulatory Commission ("Commission") published notice of El Paso's filing and established a comment date of October 23, 2018.

The interventions and comments filed in response to El Paso's Form 501-G varied but it is noteworthy that many parties filed straightforward procedural interventions (i.e., without protest) while other parties filed interventions even though they are not currently shippers on El Paso's system. Of particular interest in this proceeding is the Motion to Intervene and Comments of Southwest Gas Corporation ("Southwest Gas").² In its comments, Southwest Gas expressed that it (i) would have preferred that El Paso flow the benefits of the Tax Cuts and Jobs Act through to shippers as soon as possible, (ii) urges El Paso to initiate settlement negotiations immediately, and (iii) will actively participate in a settlement process if El Paso initiates one.

Over the last few weeks, El Paso has approached several of its customers to gauge their interest in entering into discussions to resolve 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. While there are numerous customers El Paso has yet to contact, preliminary feedback is

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).

² *Motion to Intervene and Comments of Southwest Gas Corporation* filed in Docket No. RP19-73-000 (October 23, 2018).

that several customers are interested and willing to enter into such discussions. Accordingly, El Paso is convening a meeting on Tuesday, December 4, 2018, in Denver, to initiate good faith settlement discussions. If such discussions are productive, El Paso is amenable to the filing of a prepackaged settlement with the Commission.

At this juncture, it would be premature and, perhaps, presumptive to formally change El Paso's election but El Paso is submitting this correspondence to apprise the Commission that a settlement is certainly within the realm of possibility.³ El Paso will provide further updates on a timely basis as such updates become available.

Respectfully submitted,

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

By /s/ William D. Wible
Vice President, Regulatory

³ El Paso is submitting this update without prejudice to any filings made by El Paso or any other Kinder Morgan entity in this proceeding, Docket No. RM18-11-000 and Docket No. RP18-415-000, including their Request for Rehearing, as well as any petitions for rehearing, stay, or judicial review of any orders that may be issued in the referenced proceedings or this proceeding.