

BRACEWELL

December 12, 2022

VIA E-FILING

The Honorable Andrew Satten,
Acting Chief Administrative Law Judge
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: El Paso Natural Gas Company, L.L.C.
Unopposed Motion to Place Settlement Rates into Effect on an Interim Basis
Docket No. RP19-73-00_

Dear Judge Satten:

Pursuant to section 4 of the Natural Gas Act (“NGA”),¹ Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”),² sections 154.7(a)(9) and 375.307(a)(7)(v) of the Commission’s regulations,³ the Chief Administrative Law Judge’s June 15, 2022 Notice to the Public,⁴ and the Stipulation and Agreement (“Settlement”) filed by El Paso Natural Gas Company, L.L.C. (“El Paso”) in Docket No. RP19-73-006,⁵ El Paso Natural Gas Company, L.L.C. (“El Paso”) hereby submits for filing in the above-referenced proceeding an Unopposed Motion to Place Settlement Rates into Effect on an Interim Basis and to Waive Answer Period (“Motion”). Appendix A to the Motion provides the settlement rates to be placed into effect on an interim basis.

El Paso is serving copies of the instant filing upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Please direct any questions with respect to this filing to Kirk Morgan at (202) 828-5854.

Respectfully submitted,

/s/ D. Kirk Morgan II

D. Kirk Morgan II

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

Enclosures

¹ 15 U.S.C. § 717c.

² 18 C.F.R. § 385.212.

³ *Id.* § 154.7(a)(9) & 375.(a)(7)(v).

⁴ *Notice to the Public: Motions to Place Interim Settlement Rates into Effect*, Docket No. AD20-12 (June 15, 2022).

⁵ *See* Paragraph 2.4 of the Settlement.

Certificate of Service

I hereby certify that on this 12th day of December, 2022, I have electronically served the foregoing document upon each person designated on the official service list compiled by the Commission's Secretary in this proceeding.

/s/ Boris Shkuta _____

Boris Shkuta
Bracewell LLP

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

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

Docket No. RP19-73-00_

**MOTION TO PLACE SETTLEMENT RATES INTO EFFECT
ON AN INTERIM BASIS AND TO WAIVE ANSWER PERIOD**

**To: The Honorable Andrew Satten
Acting Chief Administrative Law Judge**

**The Honorable Patricia E. Hurt
Presiding Administrative Law Judge**

Pursuant to section 4 of the Natural Gas Act (“NGA”),¹ Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”),² sections 154.7(a)(9) and 375.307(a)(7)(v) of the Commission’s regulations,³ the Chief Administrative Law Judge’s June 15, 2022 Notice to the Public,⁴ and the Stipulation and Agreement (“Settlement”) filed by El Paso Natural Gas Company, L.L.C. (“El Paso”) in Docket No. RP19-73-006,⁵ El Paso hereby moves for an order authorizing it to implement the interim settlement rates set forth on the tariff records found in Appendix A attached hereto, effective January 1, 2023. The Settlement is supported or unopposed by El Paso and the parties to the above-captioned proceeding. Additionally, because this motion implements a term of the Settlement⁶ and El Paso anticipates that this Motion will be unopposed, El Paso respectfully requests that the Chief Administrative Law Judge waive the answer period for the Motion and act as soon as possible, but no later than December 29, 2022, to allow the lower interim settlement rates to take effect January 1, 2023.

¹ 15 U.S.C. § 717c.

² 18 C.F.R. § 385.212.

³ *Id.* § 154.7(a)(9) & 375.(a)(7)(v).

⁴ *Notice to the Public: Motions to Place Interim Settlement Rates into Effect*, Docket No. AD20-12 (June 15, 2022).

⁵ See Paragraph 2.4 of the Settlement.

⁶ *Id.*

I. BACKGROUND

On April 21, 2022, the Commission issued an order pursuant to section 5 of the NGA instituting an investigation into El Paso's existing rates and setting the matter for hearing ("Investigation Order").⁷ The Investigation Order directed El Paso to file a cost and revenue study within seventy-five (75) days of the date of the order.⁸ Accordingly, El Paso submitted its cost and revenue study on July 5, 2022 in Docket No. RP19-73-003. Commission Trial Staff and the parties to this proceeding engaged in extensive discovery with respect to El Paso's cost and revenue study.

Simultaneously with the discovery process, El Paso, Commission Trial Staff, and the parties to the proceeding conducted extensive settlement discussions and reached an agreement in principle on October 5, 2022 that would resolve all issues in this proceeding. On November 18, 2022, El Paso filed its Settlement, which provides long-term rate stability for shippers and a cumulative 16% reduction (on average across mainline rate zones) in El Paso's maximum reservation rates, including for Rate Schedule FT-2 service, to be phased in over three years beginning on January 1, 2023.

II. REASON FOR MOTION

The purpose of this Motion is to implement, on an interim basis, the first of three rate reductions, pending Commission approval of the Settlement. Accordingly, effective on January 1, 2023, the maximum recourse reservation rates in effect on October 1, 2022, will be reduced on average across mainline rate zones by 6%. As stated above, the Settlement was recently filed, and thus a Commission order approving the Settlement may not issue for a few months. As

⁷ *El Paso Natural Gas Co., L.L.C.*, 179 FERC ¶ 61,051 (2022).

⁸ *Id.* P 1.

such, El Paso agreed, pursuant to Section 2.4 of the Settlement, that if the Settlement is unopposed based on the filing of initial comments, El Paso will, within three (3) business days of the date for filing initial comments, submit a motion to modify its tariff to place the settlement rates into effect on an interim basis, effective January 1, 2023, in lieu of the currently effective rates as of October 1, 2022. As stated above, because the motion implements a term of the Settlement, El Paso does not anticipate any opposition to this Motion.

Good cause exists to grant this Motion, as it is in the public interest to allow shippers to benefit without delay from lower rates agreed to under the Settlement. El Paso respectfully requests the issuance of an order as soon as possible, but no later than December 29, 2022, for an effective date of January 1, 2023.

III. MOTION TO PLACE INTERIM SETTLEMENT RATES INTO EFFECT

The Chief Administrative Law Judge may approve “uncontested motions that would result in lower interim settlement rates, pending Commission action on settlement agreements.”⁹ No participant in El Paso’s Settlement proceeding has indicated that it opposes the Motion.

El Paso hereby moves to place the interim settlement rates reflected in the attached tariff sections into effect on January 1, 2023, to provide El Paso’s customers with immediate rate relief.¹⁰ El Paso further requests that the Chief Judge grant any and all waivers necessary to allow the interim settlement rates to become effective January 1, 2023.

El Paso has attached clean tariff records providing the interim settlement rates, as well as redlined tariff records, comparing the interim settlement rates to El Paso’s currently effective rates. As shown on each page of the attached redlined tariff records, no rate components are an increase from the currently effective rates. Moreover, the rates shown on the tariff records submitted

⁹ 18 C.F.R. § 375.307(a)(7)(v).

¹⁰ There are no previous tariff filings with later effective dates that may potentially supersede the interim rate tariff records.

herewith are identical to those proposed for the same time period with the Settlement.

This Motion is expressly conditioned upon El Paso's right to reinstate its currently effective rates and its right to collect appropriate surcharges in the event that the Settlement does not become effective as proposed. Specifically, in the event that the Commission rejects the Settlement or approves the Settlement with any condition, clarification, or modification not acceptable to El Paso, El Paso reserves the right to restore the *status quo ante* and reinstate El Paso's maximum recourse reservation rates in effect on October 1, 2022, for all rate schedules.¹¹ In such case, El Paso shall, notwithstanding any other provision of law, be entitled to collect a surcharge to recover the difference between the interim settlement rates and the currently effective rates, plus interest at the applicable Commission interest rate calculated pursuant to 18 C.F.R. § 154.501(d), such that the status quo as it existed prior to the Settlement and the effectiveness of the interim settlement rates shall be restored.¹²

IV. MOTION TO WAIVE ANSWER PERIOD

Given that the motion implements a term of the Settlement that results in expedient rate relief, El Paso respectfully requests that the filing deadline for any answers to this Motion be waived. Waiving the answer period will ensure that the lower interim rates may become effective. Accordingly, good cause exists to grant this Motion.

¹¹ See *Southern Star Central Gas Pipeline, Inc.*, 125 FERC ¶ 61,269, at P 6 (2008); *Southern Star Central Gas Pipeline, Inc.*, 110 FERC ¶ 61,026 (2005); *Texas Gas Transmission Corp.*, 83 FERC ¶ 61,310 (1998); *Williams Natural Gas Co.*, FERC ¶ 61,349 (1994).

¹² *Natural Gas Clearinghouse v. FERC*, 965 F.2d 1066, 1076-1077 (D.C.Cir.1992).

V. CONCLUSION

WHEREFORE, El Paso respectfully requests that the Chief Administrative Law Judge:
(i) waive the answer period to this Motion; and (ii) expeditiously grant this Motion to place the interim settlement rates into effect on January 1, 2023.

Respectfully submitted,

/s/D. Kirk Morgan II

D. Kirk Morgan II

December 12, 2022

Appendix A

Tariff Records

List of Tariff Records

EL PASO NATURAL GAS COMPANY, L.L.C.
Motion for Authorization to Implement Settlement Rates
on an Interim Basis

Third Revised Volume No. 1A

Part II: Statement of Rates

Section 1.1	Production Area Rates	Version 12.0.1
Section 1.2	Texas Rates	Version 12.0.1
Section 1.3	New Mexico Rates	Version 12.0.1
Section 1.4	Arizona Rates	Version 12.0.1
Section 1.5	Nevada Rates	Version 12.0.1
Section 1.6	California Rates	Version 12.0.1
Section 1.7	Lateral, System-wide Balancing & Storage Rates	Version 14.0.1
Section 1.8	Firm Small Shipper Service Rates	Version 12.0.1
Section 1.9	Interruptible and PAL Rates	Version 13.0.1

Clean Tariff Records

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

PRODUCTION AREA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$2.7649	\$3.0417	\$3.2272	\$3.4553	\$5.5298	\$3.6804	\$3.9572	\$4.1428	\$4.3709
Daily Reservation 1/									
Maximum	\$0.0909	\$0.1000	\$0.1061	\$0.1136	\$0.1818	\$0.1210	\$0.1301	\$0.1362	\$0.1437
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$2.6706	\$2.9413	\$3.1177	\$3.3428	\$5.3473				
Daily Reservation 1/									
Maximum	\$0.0878	\$0.0967	\$0.1025	\$0.1099	\$0.1758				
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0029	\$0.0034	\$0.0037	\$0.0041	\$0.0077	\$0.0029	\$0.0034	\$0.0037	\$0.0041
Minimum	\$0.0029	\$0.0034	\$0.0037	\$0.0041	\$0.0077	\$0.0029	\$0.0034	\$0.0037	\$0.0041
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

.STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

TEXAS RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$7.4065	\$8.1486	\$8.6414	\$9.2588	\$14.8129	\$8.3220	\$9.0642	\$9.5569	\$10.1744
Daily Reservation 1/									
Maximum	\$0.2435	\$0.2679	\$0.2841	\$0.3044	\$0.4870	\$0.2736	\$0.2980	\$0.3142	\$0.3345
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$7.1631	\$7.8779	\$8.3585	\$8.9547	\$14.3263				
Daily Reservation 1/									
Maximum	\$0.2355	\$0.2590	\$0.2748	\$0.2944	\$0.4710				
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0077	\$0.0084	\$0.0089	\$0.0096	\$0.0153	\$0.0077	\$0.0084	\$0.0089	\$0.0096
Minimum	\$0.0077	\$0.0084	\$0.0089	\$0.0096	\$0.0153	\$0.0077	\$0.0084	\$0.0089	\$0.0096
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

VI STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

NEW MEXICO RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$7.6863	\$8.4558	\$8.9668	\$9.6086	\$15.3726	\$8.6018	\$9.3714	\$9.8824	\$10.5242
Daily Reservation 1/									
Maximum	\$0.2527	\$0.2780	\$0.2948	\$0.3159	\$0.5054	\$0.2828	\$0.3081	\$0.3249	\$0.3460
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$7.4338	\$8.1790	\$8.6748	\$9.2953	\$14.8738				
Daily Reservation 1/									
Maximum	\$0.2444	\$0.2689	\$0.2852	\$0.3056	\$0.4890				
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0079	\$0.0087	\$0.0093	\$0.0099	\$0.0158	\$0.0079	\$0.0087	\$0.0093	\$0.0099
Minimum	\$0.0079	\$0.0087	\$0.0093	\$0.0099	\$0.0158	\$0.0079	\$0.0087	\$0.0093	\$0.0099
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

ARIZONA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$9.7242	\$10.6975	\$11.3454	\$12.1545	\$19.4484	\$10.6398	\$11.6131	\$12.2610	\$13.0700
Daily Reservation 1/									
Maximum	\$0.3197	\$0.3517	\$0.3730	\$0.3996	\$0.6394	\$0.3498	\$0.3818	\$0.4031	\$0.4297
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$9.4048	\$10.3447	\$10.9713	\$11.7560	\$18.8097				
Daily Reservation 1/									
Maximum	\$0.3092	\$0.3401	\$0.3607	\$0.3865	\$0.6184				
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0093	\$0.0102	\$0.0108	\$0.0116	\$0.0185	\$0.0093	\$0.0102	\$0.0108	\$0.0116
Minimum	\$0.0093	\$0.0102	\$0.0108	\$0.0116	\$0.0185	\$0.0093	\$0.0102	\$0.0108	\$0.0116
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

NEVADA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$10.0953	\$11.1051	\$11.7773	\$12.6199	\$20.1906	\$11.0108	\$12.0207	\$12.6929	\$13.5354
Daily Reservation 1/									
Maximum	\$0.3319	\$0.3651	\$0.3872	\$0.4149	\$0.6638	\$0.3620	\$0.3952	\$0.4173	\$0.4450
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$9.7638	\$10.7432	\$11.3941	\$12.2062	\$19.5336				
Daily Reservation 1/									
Maximum	\$0.3210	\$0.3532	\$0.3746	\$0.4013	\$0.6422				
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0094	\$0.0104	\$0.0110	\$0.0118	\$0.0188	\$0.0094	\$0.0104	\$0.0110	\$0.0118
Minimum	\$0.0094	\$0.0104	\$0.0110	\$0.0118	\$0.0188	\$0.0094	\$0.0104	\$0.0110	\$0.0118
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

CALIFORNIA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$10.4664	N/A	N/A	N/A	N/A	\$11.3819	N/A	N/A	N/A
Daily Reservation 1/									
Maximum	\$0.3441	N/A	N/A	N/A	N/A	\$0.3742	N/A	N/A	N/A
Minimum	\$0.0000	N/A	N/A	N/A	N/A	\$0.0000	N/A	N/A	N/A
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$10.1257	N/A	N/A	N/A	N/A				
Daily Reservation 1/									
Maximum	\$0.3329	N/A	N/A	N/A	N/A				
Minimum	\$0.0000	N/A	N/A	N/A	N/A				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0096	N/A	N/A	N/A	N/A	\$0.0096	N/A	N/A	N/A
Minimum	\$0.0096	N/A	N/A	N/A	N/A	\$0.0096	N/A	N/A	N/A
Daily Authorized Overrun 7/ 9/	FT-1	N/A	N/A	N/A	N/A	NNTD	N/A	N/A	N/A

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

LATERAL LINE FACILITIES CHARGES 4/

	Monthly Reservation 5/ \$2.9196	Daily Maximum Reservation \$0.0960	Daily Minimum Reservation \$0.0000	Daily Maximum Usage \$0.0000	Daily Minimum Usage \$0.0000	Daily Authorized Overrun FT-1 7/ 9/
FT-1 Willcox 2/						
IT-1 1/ Willcox	N/A	N/A	N/A	\$0.3290	\$0.0000	
IHSW Willcox	N/A	N/A	N/A	\$0.3996	\$0.0000	
PAL Willcox	N/A	N/A	N/A	\$0.3290	\$0.0000	Max PAL Usage

SYSTEM-WIDE BALANCING & STORAGE RATES 4/

	Monthly Reservation 5/ \$9.1585	Daily Maximum Reservation 1/ \$0.3011	Daily Minimum Reservation 1/ \$0.0000	Daily Maximum Usage 1/ \$0.0000	Daily Minimum Usage 1/ \$0.0000
FDBS					

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

	Storage Inventory		Quantity Injection		Quantity Withdrawal	
	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
ISS	\$0.0431	\$0.0000	\$0.0267	\$0.0267	\$0.0444	\$0.0444

Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

FIRM SMALL SHIPPER SERVICES 4/
 Contract Quantity Equal to or Less than 10,000 dth/d

	Texas	New Mexico	Arizona
FT-2 1/ Tier 1 Daily Usage 8/ Maximum	\$0.4130	\$0.4286	\$0.5415
Minimum	\$0.0077	\$0.0079	\$0.0093
Tier 2 Daily Usage Maximum	\$0.4957	\$0.5143	\$0.6498
Minimum	\$0.0077	\$0.0079	\$0.0093
FT-2 – Article 11.2(b) 1/ Tier 1 Daily Usage Maximum	\$0.3998	\$0.4148	\$0.5241
Minimum	\$0.0077	\$0.0079	\$0.0093
Tier 2 Daily Usage Maximum	\$0.4798	\$0.4978	\$0.6289
Minimum	\$0.0077	\$0.0079	\$0.0093

	Monthly Reservation 5/	Daily Maximum Reservation 1/	Daily Minimum Reservation 1/	Daily Maximum Usage 1/	Daily Minimum Usage 1/	Daily Authorized Overrun 7/ 9/ FTHV FTHV – Article 11.2(b)
FTH-V	\$3.0417	\$0.1000	\$0.0000	\$0.0034	\$0.0034	
FTH-V – Article 11.2(b)	\$2.9413	\$0.0967	\$0.0000	\$0.0034	\$0.0034	

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

ZONAL RATES - Daily Usage

	IT-1 1/	IHSW	PAL Parking	PAL Lending
Production Area				
Maximum	\$0.0938	\$0.1177	\$0.2865	\$0.2865
Minimum	\$0.0029	\$0.0041	\$0.0000	\$0.0000
Texas				
Maximum	\$0.2512	\$0.3140	\$0.2865	\$0.2865
Minimum	\$0.0077	\$0.0096	\$0.0000	\$0.0000
New Mexico				
Maximum	\$0.2606	\$0.3258	\$0.2865	\$0.2865
Minimum	\$0.0079	\$0.0099	\$0.0000	\$0.0000
Arizona				
Maximum	\$0.3290	\$0.4112	\$0.2865	\$0.2865
Minimum	\$0.0093	\$0.0116	\$0.0000	\$0.0000
Nevada				
Maximum	\$0.3413	\$0.4267	\$0.2865	\$0.2865
Minimum	\$0.0094	\$0.0118	\$0.0000	\$0.0000
California				
Maximum	\$0.3537	N/A	\$0.2865	\$0.2865
Minimum	\$0.0096	N/A	\$0.0000	\$0.0000
Daily Authorized Overrun	N/A	N/A	Max PAL Usage	Max PAL Usage

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

Redlined Tariff Records

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

PRODUCTION AREA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16	
<u>RESERVATION RATES</u>										
Monthly Reservation 5/	\$3.023027649	\$3.32520417		\$3.52682272	\$3.77874553	\$6.045955298	\$3.99746804	\$4.299639572	\$4.50121428	\$4.753137
Daily Reservation 1/										
Maximum	\$0.09940909	\$0.10931000	\$0.11591061	\$0.12421136	\$0.19881818	\$0.13141210	\$0.14141301	\$0.14801362	\$0.15631437	
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>										
Monthly Reservation 5/	\$2.92436706	\$3.216729413		\$3.41171177	\$3.65543428	\$5.84863473				
Daily Reservation 1/										
Maximum	\$0.09610878	\$0.10580967	\$0.11221025	\$0.12021099	\$0.19231758					
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000					
<u>USAGE RATES - DAILY 1/</u>										
Maximum	\$0.0029	\$0.0034	\$0.0037	\$0.0041	\$0.0077	\$0.0029	\$0.0034	\$0.0037	\$0.0041	
Minimum	\$0.0029	\$0.0034	\$0.0037	\$0.0041	\$0.0077	\$0.0029	\$0.0034	\$0.0037	\$0.0041	
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16	

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

.STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

TEXAS RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$7.80464065	\$8.58511486	\$9.10548.6414	\$9.75572588	\$15.609214.8129	\$8.77903220	\$9.55950642	\$10.07989.5569	\$10.73011744
Daily Reservation 1/									
Maximum	\$0.25662435	\$0.28222679	\$0.29942841	\$0.32073044	\$0.51324870	\$0.28862736	\$0.31432980	\$0.33143142	\$0.35283345
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$7.54991631	\$8.3049–7.8779		\$8.80823585	\$9.43748.9547	\$15.099814.3263			
Daily Reservation 1/									
Maximum	\$0.24822355	\$0.27302590	\$0.28962748	\$0.31032944	\$0.49644710				
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0077	\$0.0084	\$0.0089	\$0.0096	\$0.0153	\$0.0077	\$0.0084	\$0.0089	\$0.0096
Minimum	\$0.0077	\$0.0084	\$0.0089	\$0.0096	\$0.0153	\$0.0077	\$0.0084	\$0.0089	\$0.0096
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

VI STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

NEW MEXICO RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$8.20447.6863 <u>\$11.229910.5242</u>	\$9.02498.4558	\$9.57188.9668	\$10.25559.6086	\$16.408915.3726		\$9.17888.6018	\$9.99933714	\$10.54629.8824
Daily Reservation 1/									
Maximum	\$0.26972527	\$0.29672780	\$0.31472948	\$0.33723159	\$0.53955054	\$0.30182828	\$0.32873081	\$0.34673249	\$0.36923460
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$7.93674338	\$8.7304-1790		\$9.25958.6748	\$9.92092953		\$15.873414.8738		
Daily Reservation 1/									
Maximum	\$0.26092444	\$0.28702689	\$0.30442852	\$0.32623056	\$0.52194890				
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0079	\$0.0087	\$0.0093	\$0.0099	\$0.0158	\$0.0079	\$0.0087	\$0.0093	\$0.0099
Minimum	\$0.0079	\$0.0087	\$0.0093	\$0.0099	\$0.0158	\$0.0079	\$0.0087	\$0.0093	\$0.0099
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

ARIZONA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
RESERVATION RATES									
Monthly Reservation 5/	\$10.31969.7242 \$13.014012.2610	\$11.351610.6975 \$13.87390700		\$12.039611.3454	\$12.89951545		\$20.639319.4484	\$11.294010.6398	\$12.326011.6131
Daily Reservation 1/									
Maximum	\$0.33933197	\$0.37323517	\$0.39583730	\$0.42413996	\$0.67866394	\$0.37133498	\$0.40523818	\$0.42794031	\$0.45614297
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
RESERVATION RATES – ARTICLE 11.2(B)									
Monthly Reservation 5/	\$9.98294048	\$10.98123447	\$11.646710.9713	\$12.478611.7560		\$19.965818.8097			
Daily Reservation 1/									
Maximum	\$0.32823092	\$0.36103401	\$0.38293607	\$0.41033865	\$0.65646184				
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000				
USAGE RATES - DAILY 1/									
Maximum	\$0.0093	\$0.0102	\$0.0108	\$0.0116	\$0.0185	\$0.0093	\$0.0102	\$0.0108	\$0.0116
Minimum	\$0.0093	\$0.0102	\$0.0108	\$0.0116	\$0.0185	\$0.0093	\$0.0102	\$0.0108	\$0.0116
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

NEVADA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$10.66370953 \$14.304013.5354	\$11.73041051	\$12.444011.7773	\$13.329612.6199	\$21.327420.1906		\$11.63840108	\$12.70450207	\$13.415412.6929
Daily Reservation 1/									
Maximum	\$0.35063319	\$0.38563651	\$0.40903872	\$0.43824149	\$0.70126638	\$0.38263620	\$0.41773952	\$0.4414173	\$0.47034450
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$10.31579.7638	\$11.347310.7432		\$12.035011.3941	\$12.89462062		\$20.631419.5336		
Daily Reservation 1/									
Maximum	\$0.33943210	\$0.37343532	\$0.39573746	\$0.42394013	\$0.67836422				
Minimum	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0094	\$0.0104	\$0.0110	\$0.0118	\$0.0188	\$0.0094	\$0.0104	\$0.0110	\$0.0118
Minimum	\$0.0094	\$0.0104	\$0.0110	\$0.0118	\$0.0188	\$0.0094	\$0.0104	\$0.0110	\$0.0118
Daily Authorized Overrun 7/ 9/	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.) Fuel and L&U	See the Fuel and L&U Statement of Rates.								

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

CALIFORNIA RATES 4/

	FT-1	FTH-3	FTH-12	FTH-16	FTH-8	NNTD	NNTH-3	NNTH-12	NNTH-16
<u>RESERVATION RATES</u>									
Monthly Reservation 5/	\$11.0077 10.4664	N/A	N/A	N/A	N/A	\$11.9821 3819	N/A	N/A	N/A
Daily Reservation 1/									
Maximum	\$0.3619 3441	N/A	N/A	N/A	N/A	\$0.3939 3742	N/A	N/A	N/A
Minimum	\$0.0000	N/A	N/A	N/A	N/A	\$0.0000	N/A	N/A	N/A
<u>RESERVATION RATES – ARTICLE 11.2(B)</u>									
Monthly Reservation 5/	\$10.6485 1257		N/A	N/A	N/A	N/A			
Daily Reservation 1/									
Maximum	\$0.3501 3329	N/A	N/A	N/A	N/A				
Minimum	\$0.0000	N/A	N/A	N/A	N/A				
<u>USAGE RATES - DAILY 1/</u>									
Maximum	\$0.0096	N/A	N/A	N/A	N/A	\$0.0096	N/A	N/A	N/A
Minimum	\$0.0096	N/A	N/A	N/A	N/A	\$0.0096	N/A	N/A	N/A
Daily Authorized Overrun 7/ 9/	FT-1	N/A	N/A	N/A	N/A	NNTD	N/A	N/A	N/A

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

LATERAL LINE FACILITIES CHARGES 4/

	Monthly Reservation 5/ \$2.9196	Daily Maximum Reservation \$0.0960	Daily Minimum Reservation \$0.0000	Daily Maximum Usage \$0.0000	Daily Minimum Usage \$0.0000	Daily Authorized Overrun FT-1 7/ 9/
FT-1 Willcox 2/						
IT-1 1/ Willcox	N/A	N/A	N/A	\$0.34863290	\$0.0000	
IHSW Willcox	N/A	N/A	N/A	\$0.42413996	\$0.0000	
PAL Willcox	N/A	N/A	N/A	\$0.34863290	\$0.0000	Max PAL Usage

SYSTEM-WIDE BALANCING & STORAGE RATES 4/

	Monthly Reservation 5/ \$9.74371585	Daily Maximum Reservation 1/ \$0.32033011	Daily Minimum Reservation 1/ \$0.0000	Daily Maximum Usage 1/ \$0.0000	Daily Minimum Usage 1/ \$0.0000
FDBS					

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)

	Storage Inventory		Quantity Injection		Quantity Withdrawal	
	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
ISS	\$0.04590431	\$0.0000	\$0.0267	\$0.0267	\$0.0444	\$0.0444

Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

FIRM SMALL SHIPPER SERVICES 4/
 Contract Quantity Equal to or Less than 10,000 dth/d

	Texas	New Mexico	Arizona
FT-2 1/ Tier 1 Daily Usage 8/ Maximum	\$0.43534130	\$0.45754286	\$0.57485415
Minimum	\$0.0077	\$0.0079	\$0.0093
Tier 2 Daily Usage Maximum	\$0.52244957	\$0.54895143	\$0.68976498
Minimum	\$0.0077	\$0.0079	\$0.0093
FT-2 – Article 11.2(b) 1/ Tier 1 Daily Usage Maximum	\$0.42143998	\$0.44284148	\$0.55635241
Minimum	\$0.0077	\$0.0079	\$0.0093
Tier 2 Daily Usage Maximum	\$0.50574798	\$0.53134978	\$0.66766289
Minimum	\$0.0077	\$0.0079	\$0.0093

	Monthly Reservation 5/	Daily Maximum Reservation 1/	Daily Minimum Reservation 1/	Daily Maximum Usage 1/	Daily Minimum Usage 1/	Daily Authorized Overrun 7/ 9/ FTHV FTHV – Article 11.2(b)
FTH-V	\$3.32520417	\$0.100093	\$0.0000	\$0.0034	\$0.0034	
FTH-V – Article 11.2(b)	\$3.21672.9413	\$0.40580967	\$0.0000	\$0.0034	\$0.0034	

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS
 (Rates per dth)

ZONAL RATES - Daily Usage

	IT-1 1/	IHSW	PAL Parking	PAL Lending
Production Area				
Maximum	\$0. 4023 0938	\$0. 1283 1177	\$0. 3052 2865	\$0. 2865 3052
Minimum	\$0.0029	\$0.0041	\$0.0000	\$0.0000
Texas				
Maximum	\$0. 2643 2512	\$0. 3303 3140	\$0. 2865 3052	\$0. 2865 3052
Minimum	\$0.0077	\$0.0096	\$0.0000	\$0.0000
New Mexico				
Maximum	\$0. 2776 2606	\$0. 3471 3258	\$0. 2865 3052	\$0. 2865 3052
Minimum	\$0.0079	\$0.0099	\$0.0000	\$0.0000
Arizona				
Maximum	\$0. 3486 3290	\$0. 4357 4112	\$0. 2865 3052	\$0. 2865 3052
Minimum	\$0.0093	\$0.0116	\$0.0000	\$0.0000
Nevada				
Maximum	\$0. 3600 3413	\$0. 4500 4267	\$0. 2865 3052	\$0. 2865 3052
Minimum	\$0.0094	\$0.0118	\$0.0000	\$0.0000
California				
Maximum	\$0. 3715 3537	N/A	\$0. 2865 3052	\$0. 2865 3052
Minimum	\$0.0096	N/A	\$0.0000	\$0.0000
Daily Authorized Overrun	N/A	N/A	Max PAL Usage	Max PAL Usage

Mainline Backhaul 3/ (Forward haul rate identified above applicable to the delivery zone for which service is provided.)
 Fuel and L&U See the Fuel and L&U Statement of Rates.

 See the Statement of Rates Footnotes.
 Surcharges are shown in Footnote 1.