



January 28, 2021

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

Attention: Ms. Kimberly D. Bose, Secretary

Re: Negotiated Agreement Update Filing;  
El Paso Natural Gas Company, L.L.C.;  
Docket No. RP21-

Commissioners:

El Paso Natural Gas Company, L.L.C. ("EPNG") hereby tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") the tariff record listed below for inclusion in its Third Revised Volume No. 1A FERC Gas Tariff ("Tariff"):

Part II: Section 5.19, Upstream Energy Services LLC #615017-FT1EPNG,  
Version 4.0.0

Proposed with an effective date of March 1, 2021, this tariff record updates EPNG's Third Revised Volume No. 1A of its FERC Gas Tariff ("Tariff") to reflect an amendment to an existing negotiated rate transportation service agreement ("TSA") executed with Upstream Energy Services LLC ("Upstream").

### **Reason for Filing**

In accordance Commission's regulations and the Commission's policy statement regarding negotiated rates,<sup>1</sup> EPNG is submitting a proposed tariff record summarizing the essential terms of this amended negotiated rate TSA.

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<sup>1</sup> Statement of Policy on Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Transportation Services of Natural Gas Pipelines, 74 FERC ¶ 61,076 (1996); Natural Gas Pipeline Negotiated Rate Policies and Practices, 104 FERC ¶ 61,134 (2003) ("Policy Statement").

## **Description of the Agreement**

EPNG and Upstream recently executed an amendment to Agreement No. 615017-FT1EPNG (“Upstream TSA”) which establishes a new negotiated rate applicable to certain points of receipt and delivery and updates an index name. No other substantive changes have been made to the Upstream TSA.<sup>2</sup>

### *Negotiated Rates*

Section 4.18 of the GT&C allows EPNG and a shipper to agree to a transportation rate that varies from the minimum-to-maximum range provided on the Tariff’s Statement of Rates. Pursuant to that provision, EPNG and Upstream recently amended the Upstream TSA to add a new negotiated rate of \$0.0994 per Dth per day that will be applicable to certain alternate transportation transactions.<sup>3</sup> Additionally, Note 1c/ was updated to change a referenced index name. No other substantive changes have been made to the TSA.

Commission policy requires pipelines, when implementing a negotiated rate TSA, to file either the negotiated rate agreement itself or tariff records identifying the essential elements of the negotiated rate agreement.<sup>4</sup> Accordingly, EPNG is submitting an updated tariff record for inclusion in the Statement of Rates to identify the applicable negotiated rates and certain contractual terms for the amended Upstream TSA.

## **Tariff Provisions**

EPNG is submitting the following tariff record pursuant to Subpart C of the Commission's regulations.<sup>5</sup>

Part II, Section 5.19 reflects the negotiated rates and certain terms of the amended Upstream TSA. Specifically, the proposed tariff record states the legal name of the shipper, the negotiated rate, the receipt and delivery points, the transportation contract demand, the applicable Rate Schedule for the service, and the contract term. Additionally, consistent with the Commission’s policy, EPNG has

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<sup>2</sup> The Upstream TSA was previously submitted for the Commission’s review in Docket No. RP21-113-000. See *El Paso Natural Gas Co.*, Docket No. RP21-113-000 (Nov. 17, 2020) (unpublished letter order).

<sup>3</sup> Footnote 1b/ describes a negotiated rate that applies to certain alternate receipt and delivery points located within the Permian Basin specifically identified in the Upstream TSA. Note that the addition of this note required the re-numbering of existing notes.

<sup>4</sup> See *Natural Gas Pipeline Negotiated Rate Policies and Practices; Modification of Negotiated Rate Policy*, 104 FERC ¶ 61,134, at PP 25-33 (2003), *order on reh'g and clarification*, 114 FERC ¶ 61,042 (2006), *reh'g dismissed and clarification denied*, 114 FERC ¶ 61,304 (2006).

<sup>5</sup> See 18 C.F.R. §§ 154.201 - 154.210 (2020) (Subpart C).

included a statement on the proposed tariff record to note that the underlying agreement conforms in all material respects with EPNG's Rate Schedule FT-1 pro forma service agreement.

**Procedural Matters**

In accordance with the applicable provisions of Part 154 of the Commission's regulations,<sup>6</sup> EPNG is submitting an eTariff XML filing package, which includes the following:

- a) a transmittal letter; and
- b) clean and marked versions of the tariff record in PDF format.

EPNG respectfully requests the Commission accept the tendered tariff record for filing and permit it to become effective on March 1, 2021, which is consistent with the effective date of the amended TSA. With respect to any tariff record the Commission allows to go into effect without change, EPNG hereby moves to place the tendered tariff record into effect at the end of a minimal suspension period.

Correspondence and communications concerning this filing should be directed to:

Mr. Francisco Tarin  
Director, Regulatory  
El Paso Natural Gas Company, L.L.C.  
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Colorado Springs, CO 80944  
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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 (18 C.F.R. § 385.203 (2020)).

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<sup>6</sup> See 18 C.F.R. §§ 154.101 – 154.603 (2020).

The undersigned hereby certifies that he 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 in the attachments are true to the best of his knowledge and belief; and (iii) that he possesses full power and authority to sign this filing.

Respectfully submitted,

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

By \_\_\_\_\_ /s/\_\_\_\_\_  
Francisco Tarin  
Director, Regulatory

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 pipeline system and interested state regulatory commissions, in accordance with the requirements of Sections 154.208 and 385.2010 of the Commission's Rules of Practice and Procedures.

Dated at Colorado Springs, Colorado as of this 28<sup>th</sup> day of January 2021.

/s/

Francisco Tarin

Post Office Box 1087  
Colorado Springs, CO 80944  
(719) 667-7517

Statement of Negotiated Rates  
 (Rates per Dth/day)

Rate Schedule FT-1 Shipper Identification	Term of Agreement	TCD (Dth/d)	Reservation Rate 1/	Usage Rate	Primary Receipt Point(s)	Primary Delivery Point(s)
Upstream Energy Services LLC #615017-FT1EPNG 3/ 4/	3-1-21 through 10-31-23	15,000	1a/	1/ 2/	50531 ISALTDRW	302407 WAHATRAN
			1a/	1/ 2/	Alternate Receipt Point(s)	Alternate Delivery Point(s)
					800907 ICELERO 49444 IPELSPRI 50531 ISALTDRW 801266 ITYHLAKE 49073 IBLAKEDR 50498 ISALTCRK	302075 IWESTARW 301701 IOASISWA 301621 ILONEWA 301945 IVALEROW 302407 WAHATRAN 49748 DPECSTRL
			1b/	1/2/	All other receipt points within the Permian Basin	All other delivery points within the Permian Basin
			1c/	1/ 2/	Any Receipt and Delivery Point combinations that do not include a Primary or Alternate Receipt Point listed immediately above with a Primary or Alternate Delivery Point listed immediately above in this Exhibit B.	

1/ Unless otherwise agreed by the Parties in writing, the rates for service shall be Transporter's maximum rates, as may be changed from time to time, for service under Rate Schedule FT-1 or other superseding Rate Schedules. The reservation rate shall be payable regardless of quantities transported.

1a/ As provided in Section 4.18 of the GT&C of Transporter's Tariff, the parties agree to the following negotiated rate(s) of \$1.8250 per Dekatherm per month and which shall be payable regardless of quantities transported.

1b/ As provided in Section 4.18 of the GT&C of Transporter's Tariff, the parties agree to the following negotiated rate(s) \$0.0994 per Dekatherm per day.

- 1c/ As provided in Section 4.18 of the GT&C of Transporter's Tariff, the parties agree to the following negotiated rate(s) of the greater of: 1) 90% of the absolute value of the remainder of the daily NGI SoCal Border - Ehrenberg Index minus the daily NGI El Paso - Permian Index as calculated on the Gas Day that charges are incurred; or 2) the otherwise applicable maximum daily recourse rate plus an incremental \$0.1000 per Dekatherm per Day.
- 2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.
- 3/ Surcharges, if applicable: Unless otherwise specified, all applicable surcharges shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time.

ACA:

The ACA Surcharge shall be assessed pursuant to Section 17 of the GT&C of the Tariff.

- 4/ This contract does not deviate in any material aspect from the form of service agreement.

Statement of Negotiated Rates  
 (Rates per Dth/day)

Rate Schedule FT-1 Shipper Identification	Term of Agreement	TCD (Dth/d)	Reservation Rate 1/	Usage Rate	Primary Receipt Point(s)	Primary Delivery Point(s)
Upstream Energy- Services LLC #615017-FT1EPNG 3/ 4/	<del>311</del> -1-210 through 10-31-23	15,000	1a/	1/ 2/	50531 ISALTDRW	302407 WAHATRAN
			1a/	1/ 2/	Alternate Receipt Point(s)	Alternate Delivery Point(s)
					800907 ICELERO	302075 IWESTARW
					49444 IPELSPRI	301701 IOASISWA
					50531 ISALTDRW	301621 ILONEWA
					801266 ITYHLAKE	301945 IVALEROW
					49073 IBLAKEDR	302407 WAHATRAN
					50498 ISALTCRK	49748 DPECSTR
			<u>1b/</u>	<u>1/2/</u>	<u>All other receipt points within the Permian Basin</u>	<u>All other delivery points within the Permian Basin</u>
			<u>1cb/</u>	1/ 2/	Any Receipt and Delivery Point combinations that do not include a Primary or Alternate Receipt Point listed immediately above with a Primary or Alternate Delivery Point listed immediately above in this Exhibit B.	

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1a/ As provided in Section 4.18 of the GT&C of Transporter's Tariff, the parties agree to the following negotiated rate(s) of \$1.8250 per Dekatherm per month and which shall be payable regardless of quantities transported.



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1**c**b/ As provided in Section 4.18 of the GT&C of Transporter's Tariff, the parties agree to the following negotiated rate(s) of the greater of: 1) 90% of the absolute value of the remainder of the daily NGI SoCal Border - Ehrenberg Index minus the daily NGI El Paso - ~~PermianWAHA Pool~~ Index as calculated on the Gas Day that charges are incurred; or 2) the otherwise applicable maximum daily recourse rate plus an incremental \$0.1000 per Dekatherm per Day.

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- 2/ Fuel and L&U shall be as stated on Transporter's Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.
  - 3/ Surcharges, if applicable: Unless otherwise specified, all applicable surcharges shall be the maximum surcharge rate as stated on the Statement of Rates, as they may be changed from time to time.

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The ACA Surcharge shall be assessed pursuant to Section 17 of the GT&C of the Tariff.

- 4/ This contract does not deviate in any material aspect from the form of service agreement.