



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

November 15, 2022

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

Attention: Ms. Kimberly D. Bose, Secretary

Re: Article 11.2(a) Inflation Adjustment Filing;  
El Paso Natural Gas Company, L.L.C.  
Docket No. RP23-

Commissioners:

El Paso Natural Gas Company, L.L.C. ("EPNG") tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") Version 19.0.0 of Part IV: General Terms and Conditions, Section 37 "Article 11.2 Provisions" for its Third Revised Volume No. 1A Tariff ("Tariff").

Proposed with an effective date of January 1, 2023, this tariff record adjusts EPNG's Article 11.2(a) rates for inflation, in accordance with EPNG's Tariff and the rate case settlement in Docket No. RP95-363 ("1996 Settlement").<sup>1</sup>

### **Background**

Section 37.3 of the General Terms and Conditions ("GT&C") of EPNG's Tariff sets forth provisions requiring EPNG to adjust the Article 11.2(a) rates annually for inflation.<sup>2</sup> Pursuant to these provisions, EPNG increases, on an annual basis, the Operations and Maintenance ("O&M") and Other Taxes portion of the reservation rate and usage charges for the Article 11.2(a) Rate Schedule FT-1 service and a portion of the base rates for the Article 11.2(a) Rate Schedule FT-2 service that were in effect for the preceding year. The annual adjustment is limited to 93% of the increase in the Implicit Price Deflator to the Gross Domestic Product ("GDP-IPD") as published by the Department of Commerce's Bureau of Economic Analysis ("BEA"). The annual increase in rates may not be more than 4.5% or less than 1% of the prior year's total base rates.

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<sup>1</sup> See *El Paso Natural Gas Co.*, 79 FERC ¶ 61,028 (1997) (Order Approving Contested Settlement).

<sup>2</sup> These provisions were added as part of the implementation of the 1996 Settlement.

### **Description of Filing**

This filing is submitted pursuant to Subpart C of Part 154 of the Commission's regulations<sup>3</sup> and Section 37.3 of the GT&C of EPNG's Tariff. Section 37 of the GT&C is submitted to revise the Article 11.2(a) rates to reflect the inflation adjustment, as described below. Pursuant to EPNG's Tariff, for the annual inflation adjustment to be effective January 1, 2023, the GDP-IPD increase is determined by comparing the most recently published final GDP-IPD index to the one used in the previous year's filing or, if the BEA has modified the benchmark index for the GDP-IPD, the restated GDP-IPD for the previous year.<sup>4</sup>

To calculate the GDP-IPD increase in this filing, the final GDP-IPD index for the second quarter of 2022 and the GDP-IPD for the same period of 2021 are compared. The resulting annual change in the GDP-IPD is 7.6194%.<sup>5</sup> However, as stated earlier, the adjustment is limited to 93% of the annual change in GDP-IPD. Therefore, the adjusted annual change is 7.0861%. This change in GDP-IPD, as adjusted for the O&M and Other Taxes portion of the base rates according to the formula specified in the Tariff, produces an overall increase to the base rates that exceeds the maximum inflation adjustment of 4.5%.<sup>6</sup> Accordingly, EPNG is proposing to increase the Article 11.2(a) base reservation and usage rates by 4.50%. The revised rate calculations are presented in Appendix B.

Pursuant to Section 37.3(c) of the GT&C, EPNG has separately identified system-wide usage rates. The system-wide usage rates are applied to receipts that are not defined by receipt basin, such as imbalance paybacks. Accordingly, EPNG updates those system-wide usage rates in this filing and shows the calculations of those rates in Appendix C.

### **Section 154.204 Discussion**

Pursuant to 18 C.F.R. § 154.204 (2021), EPNG states the following:

- (a) EPNG does not anticipate any significant increase in revenues as a result of these tariff changes. These changes are required by existing tariff provisions.

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<sup>3</sup> 18 C.F.R. §§ 154.201 - 154.210 (2021) (Subpart C).

<sup>4</sup> At the time of preparation of this filing, the final third quarter 2022 index is not yet published; therefore, consistent with EPNG's tariff, the second quarter index was used.

<sup>5</sup> See Appendix D for the calculation of the change in the GDP-IPD.

<sup>6</sup> See Appendix B.

- (b) EPNG is unaware of any filings pending before the Commission that will significantly affect this filing.

### **Procedural Matters**

In accordance with the applicable provisions of Part 154 of the Commission's regulations,<sup>7</sup> EPNG is submitting an eTariff XML package that includes the following:

- a) a transmittal letter;
- b) clean and marked versions of the tariff record in PDF format;
- c) Appendix A – a summary of the revised Docket No. RP95-363 Article 11.2(a) rates, as adjusted for inflation;
- d) Appendix B – a schedule detailing calculation of the rates;
- e) Appendix C – computation of system-wide average usage rates; and
- f) Appendix D – derivation of the annual escalation factor as computed based on the annual change in the GDP-IPD, along with the pertinent page from the Bureau of Economic Affairs second quarter (final) news release.

EPNG respectfully requests the Commission accept the tendered tariff record for filing and permit it to become effective on January 1, 2023, which is not less than 30 days or more than 60 days following the date of the filing. With respect to any tariff provision the Commission allows to go into effect without change, EPNG hereby moves to place the tendered tariff provision into effect at the end of any minimal suspension period, if any, specified by the Commission.

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<sup>7</sup> 18 C.F.R. §§ 154.101 – 154.603 (2021) (Part 154).

Correspondence and communications concerning this filing should be directed to:

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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.

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

Respectfully submitted,

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

By,                     /s/                      
M. Catherine Rezendes  
Director, Rates

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

Dated at Colorado Springs, Colorado as of this 15<sup>th</sup> day of November 2022.

/s/  
M. Catherine Rezendes

Post Office Box 1087  
Colorado Springs, CO 80944  
(719) 520-4743

## **Clean Tariff Section**

### 37. ARTICLE 11.2 PROVISIONS

Pursuant to the Commission's Order issued on March 20, 2006 in Docket No. RP05-422-000, this Section 37 is applicable to firm Rate Schedule FT-1 and FT-2 transportation service provided under applicable TSAs ("Section 37 TSAs") to the contracted Shippers that are parties to the Stipulation and Agreement in Docket No. RP95-363-000, et al. ("1996 Settlement").

- 37.1 Article 11.2(a) Rates - Article 11.2(a) Rates shall be used for purposes of invoicing transportation charges and reservation charge crediting. The System Average Usage Rate shall be used for purposes of invoicing usage, such as imbalance payback, that cannot be identified by receipt basin and is identified by Transporter as a system receipt. These rates shall be adjusted annually pursuant to Section 37.3 for Section 37 TSAs.

#### Rate Schedule FT-1

RESERVATION	MONTHLY	DAILY
	-----	-----
Production Area	\$ 4.4981	\$ 0.1479
Texas	\$ 6.5844	\$ 0.2165
New Mexico	\$ 7.5956	\$ 0.2497
Arizona	\$ 10.3050	\$ 0.3388
Nevada	\$ 10.4411	\$ 0.3433
California	\$ 12.2436	\$ 0.4025

DAILY USAGE Maximum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0032	\$ 0.0032	\$ 0.0032	\$ 0.0181	\$ 0.0034
Texas	\$ 0.0034	\$ 0.0085	\$ 0.0094	\$ 0.0181	\$ 0.0075
New Mexico	\$ 0.0203	\$ 0.0208	\$ 0.0323	\$ 0.0181	\$ 0.0208
Arizona	\$ 0.0260	\$ 0.0304	\$ 0.0407	\$ 0.0181	\$ 0.0294
Nevada	\$ 0.0248	\$ 0.0487	\$ 0.0536	\$ 0.0181	\$ 0.0429
California	\$ 0.0227	\$ 0.0463	\$ 0.0521	\$ 0.0181	\$ 0.0407

DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0032	\$ 0.0032	\$ 0.0032	\$ 0.0181	\$ 0.0034
Texas	\$ 0.0034	\$ 0.0085	\$ 0.0094	\$ 0.0181	\$ 0.0075
New Mexico	\$ 0.0203	\$ 0.0208	\$ 0.0323	\$ 0.0181	\$ 0.0208
Arizona	\$ 0.0260	\$ 0.0304	\$ 0.0407	\$ 0.0181	\$ 0.0294
Nevada	\$ 0.0248	\$ 0.0487	\$ 0.0536	\$ 0.0181	\$ 0.0429
California	\$ 0.0227	\$ 0.0463	\$ 0.0521	\$ 0.0181	\$ 0.0407

37.1 Article 11.2(a) Rates (continued)

Rate Schedule FT-2

DAILY USAGE Maximum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Anadarko	\$ 0.3639	\$ 0.3727	\$ 0.3635	\$ 0.4182	\$ 0.3712
Permian	\$ 0.3639	\$ 0.3635	\$ 0.3746	\$ 0.4182	\$ 0.3646
San Juan	\$ 0.3635	\$ 0.3971	\$ 0.4203	\$ 0.4182	\$ 0.3901
Texas	\$ 0.3659	\$ 0.3727	\$ 0.3746	\$ 0.4182	\$ 0.3718
New Mexico	\$ 0.3984	\$ 0.3971	\$ 0.4203	\$ 0.4182	\$ 0.3980
Arizona	\$ 0.5856	\$ 0.5903	\$ 0.6104	\$ 0.4182	\$ 0.5870
DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Anadarko	\$ 0.0034	\$ 0.0085	\$ 0.0032	\$ 0.0181	\$ 0.0074
Permian	\$ 0.0034	\$ 0.0032	\$ 0.0094	\$ 0.0181	\$ 0.0036
San Juan	\$ 0.0032	\$ 0.0208	\$ 0.0323	\$ 0.0181	\$ 0.0169
Texas	\$ 0.0034	\$ 0.0085	\$ 0.0094	\$ 0.0181	\$ 0.0075
New Mexico	\$ 0.0203	\$ 0.0208	\$ 0.0323	\$ 0.0181	\$ 0.0208
Arizona	\$ 0.0260	\$ 0.0304	\$ 0.0407	\$ 0.0181	\$ 0.0294

37.2 Rights and Conditions

- (a) When Section 37 TSAs expire or are terminated by the shipper, the rights listed in this Section 37 shall no longer apply to such TSAs.
- (b) In the event a Section 37 TSA uses service or re-designates service to an alternate receipt or delivery point in the same zone as the primary receipt or delivery point(s) under that TSA, the service shall be invoiced at the Article 11.2(a) Rate. Should service be provided to or re-designated to an alternate receipt or delivery point other than the primary receipt or delivery point(s) under that TSA, the service shall be invoiced under the Out-of-Zone-Charge provisions contained in Sections 8.1(e), 8.1(f) and 8.1(g). However, the Article 11.2(a) reservation rates for the applicable zone shall be used in lieu of the maximum non-Article 11.2 tariff rates.
- (c) Capacity released from a Section 37 TSA may be released at a reservation rate no higher than the applicable Article 11.2(a) rate. Such released capacity will be billed at the applicable Article 11.2(a) usage rate.
- (d) If the Shippers applicable to this Section 37 acquire any permanent or temporary capacity releases, they will pay the reservation rate specified in the posted award of the capacity release for that capacity, rather than the Article 11.2(a) rate.



37.2 Rights and Conditions (continued)

- (e) For purposes of determining scheduling priority, pursuant to Section 6.2(a)(iii) of the GT&C, the Article 11.2(a) reservation rates will be considered equivalent to the maximum tariff rate.
- (f) Article 11.2(a) rates shall not apply to any other firm transportation service under any rate schedule.
- (g) Should a Section 37 TSA be subject to an Article 11.2(a) rate that exceeds the maximum non-Article 11.2 tariff rate for such service, this service shall be billed at the applicable maximum non-Article 11.2 tariff rate.

37.3 The applicable Article 11.2(a) rates shall be subject to inflation escalation and will be adjusted according to the following provisions.

- (a) Annual Inflation Adjustment - Effective January 1, 1998, and on each anniversary date thereafter, Transporter shall increase the Operations and Maintenance (O&M) and Other Taxes portion of the reservation and usage charges for Rate Schedule FT-1 and the rates for Rate Schedule FT-2 in effect for the preceding Year by 93% of the increase in the Implicit Price Deflator ("IPD") to the Gross Domestic Product ("GDP") as published by the Department of Commerce's Bureau of Economic Analysis ("BEA"), or a mutually agreed similar indicator should the GDP no longer be available on a continuing basis, or, failing such agreement, a similar indicator as approved by the Commission. Notwithstanding the above calculation, the annual increase in total rates will not be less than 1% or more than 4-1/2% of the prior Year's total rates. The resulting rates shall become the rates for purposes of applying the annual inflation adjustment for the succeeding Year.
- (b) For the annual inflation adjustment to be effective January 1, 1998, the most recently published final IPD prior to the inflation adjustment filing will be compared to the IPD reported by the BEA for the same period of the prior Year to determine the annual change. For each rate change subject to this provision, the most recently published final IPD prior to the inflation adjustment filing will be compared to the prior Year's IPD to determine the annual change. If the BEA modifies the benchmark index for the IPD, then Transporter will use the restated IPD reported by the BEA instead of the IPD used by Transporter in its last inflation adjustment filing.
- (c) The Article 11.2(a) System Average Usage Rate shall be applied to those receipts that are not defined by receipt basin, but rather as a system receipt. Such usage rates are weighted average rates, as shown in Section 37.1 of the GT&C, derived through the following process.

37.3 (c) (continued)

- (i) Transporter's actual system throughput data (by basin) for the 12-Month period ending September 30<sup>th</sup> of each Year is collected and the relative percentage contribution of each basin in comparison to the total system is determined.
- (ii) Pursuant to Section 37.3(c)(i), the basin percentages, or factors, are multiplied by the specific receipt basin rates within each delivery zone to derive an Article 11.2(a) weighted rate.
- (iii) The weighted Article 11.2(a) rates, as calculated by Section 37.3(c)(ii), shall be summed together to arrive at the Article 11.2(a) System Average Usage Rate for each delivery zone.

## **Marked Tariff Section**

### 37. ARTICLE 11.2 PROVISIONS

Pursuant to the Commission's Order issued on March 20, 2006 in Docket No. RP05-422-000, this Section 37 is applicable to firm Rate Schedule FT-1 and FT-2 transportation service provided under applicable TSAs ("Section 37 TSAs") to the contracted Shippers that are parties to the Stipulation and Agreement in Docket No. RP95-363-000, et al. ("1996 Settlement").

37.1 Article 11.2(a) Rates - Article 11.2(a) Rates shall be used for purposes of invoicing transportation charges and reservation charge crediting. The System Average Usage Rate shall be used for purposes of invoicing usage, such as imbalance payback, that cannot be identified by receipt basin and is identified by Transporter as a system receipt. These rates shall be adjusted annually pursuant to Section 37.3 for Section 37 TSAs.

#### Rate Schedule FT-1

RESERVATION	MONTHLY	DAILY
	-----	-----
Production Area	\$ 4. <del>3044</del> <u>4981</u>	\$ 0. <del>1415</del> <u>1479</u>
Texas	\$ 6. <del>3009</del> <u>5844</u>	\$ 0. <del>2072</del> <u>2165</u>
New Mexico	\$ 7. <del>2685</del> <u>5956</u>	\$ 0. <del>2390</del> <u>2497</u>
Arizona	\$ <del>9.8612</del> <u>10.3050</u>	\$ 0. <del>3242</del> <u>3388</u>
Nevada	\$ <del>9.9915</del> <u>10.4411</u>	\$ 0. <del>3285</del> <u>3433</u>
California	\$ <del>11.7164</del> <u>12.2436</u>	\$ 0. <del>3852</del> <u>4025</u>

DAILY USAGE Maximum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.003 <del>42</del>	\$ 0.003 <del>42</del>	\$ 0.003 <del>42</del>	\$ 0.01 <del>7381</del>	\$ 0.003 <del>24</del>
Texas	\$ 0.003 <del>34</del>	\$ 0.008 <del>15</del>	\$ 0.009 <del>04</del>	\$ 0.01 <del>7381</del>	\$ 0.007 <del>45</del>
New Mexico	\$ 0.0 <del>194</del> <u>203</u>	\$ 0.0 <del>199</del> <u>208</u>	\$ 0.03 <del>09</del> <u>23</u>	\$ 0.01 <del>7381</del>	\$ 0.020 <del>08</del>
Arizona	\$ 0.02 <del>4960</del>	\$ 0.02 <del>91</del> <u>304</u>	\$ 0.0 <del>389</del> <u>407</u>	\$ 0.01 <del>7381</del>	\$ 0.028 <del>294</del>
Nevada	\$ 0.02 <del>3748</del>	\$ 0.04 <del>6687</del>	\$ 0.05 <del>1336</del>	\$ 0.01 <del>7381</del>	\$ 0.04 <del>1129</del>
California	\$ 0.02 <del>1727</del>	\$ 0.04 <del>4363</del>	\$ 0.0 <del>499</del> <u>521</u>	\$ 0.01 <del>7381</del>	\$ 0.0 <del>389</del> <u>407</u>

DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.003 <del>42</del>	\$ 0.003 <del>42</del>	\$ 0.003 <del>42</del>	\$ 0.01 <del>7381</del>	\$ 0.003 <del>24</del>
Texas	\$ 0.003 <del>34</del>	\$ 0.008 <del>15</del>	\$ 0.009 <del>04</del>	\$ 0.01 <del>7381</del>	\$ 0.007 <del>45</del>
New Mexico	\$ 0.0 <del>194</del> <u>203</u>	\$ 0.0 <del>199</del> <u>208</u>	\$ 0.03 <del>09</del> <u>23</u>	\$ 0.01 <del>7381</del>	\$ 0.020 <del>08</del>
Arizona	\$ 0.02 <del>4960</del>	\$ 0.02 <del>91</del> <u>304</u>	\$ 0.0 <del>389</del> <u>407</u>	\$ 0.01 <del>7381</del>	\$ 0.028 <del>294</del>
Nevada	\$ 0.02 <del>3748</del>	\$ 0.04 <del>6687</del>	\$ 0.05 <del>1336</del>	\$ 0.01 <del>7381</del>	\$ 0.04 <del>1129</del>
California	\$ 0.02 <del>1727</del>	\$ 0.04 <del>4363</del>	\$ 0.0 <del>499</del> <u>521</u>	\$ 0.01 <del>7381</del>	\$ 0.0 <del>389</del> <u>407</u>

37.1 Article 11.2(a) Rates (continued)

Rate Schedule FT-2

DAILY USAGE Maximum	From San Juan	From Permian	From Anadarko	From California	System Average
Anadarko	\$ 0.3 <del>483639</del>	\$ 0.3 <del>566727</del>	\$ 0.3 <del>479635</del>	\$ 0.4 <del>002182</del>	\$ 0.3 <del>548712</del>
Permian	\$ 0.3 <del>483639</del>	\$ 0.3 <del>479635</del>	\$ 0.3 <del>585746</del>	\$ 0.4 <del>002182</del>	\$ 0.3 <del>486646</del>
San Juan	\$ 0.3 <del>479635</del>	\$ 0.3 <del>800971</del>	\$ 0.4 <del>022203</del>	\$ 0.4 <del>002182</del>	\$ 0.3 <del>731901</del>
Texas	\$ 0.3 <del>502659</del>	\$ 0.3 <del>566727</del>	\$ 0.3 <del>585746</del>	\$ 0.4 <del>002182</del>	\$ 0.3 <del>555718</del>
New Mexico	\$ 0.3 <del>812984</del>	\$ 0.3 <del>800971</del>	\$ 0.4 <del>022203</del>	\$ 0.4 <del>002182</del>	\$ 0.3 <del>808980</del>
Arizona	\$ 0.5 <del>604856</del>	\$ 0.5 <del>649903</del>	\$ 0.5 <del>8416104</del>	\$ 0.4 <del>002182</del>	\$ 0.5 <del>630870</del>
DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California	System Average
Anadarko	\$ 0.003 <del>34</del>	\$ 0.008 <del>15</del>	\$ 0.003 <del>12</del>	\$ 0.01 <del>7381</del>	\$ 0.007 <del>04</del>
Permian	\$ 0.003 <del>34</del>	\$ 0.003 <del>12</del>	\$ 0.009 <del>04</del>	\$ 0.01 <del>7381</del>	\$ 0.003 <del>46</del>
San Juan	\$ 0.003 <del>12</del>	\$ 0.0 <del>199208</del>	\$ 0.03 <del>0923</del>	\$ 0.01 <del>7381</del>	\$ 0.016 <del>29</del>
Texas	\$ 0.003 <del>34</del>	\$ 0.008 <del>15</del>	\$ 0.009 <del>04</del>	\$ 0.01 <del>7381</del>	\$ 0.007 <del>15</del>
New Mexico	\$ 0.0 <del>194203</del>	\$ 0.0 <del>199208</del>	\$ 0.03 <del>0923</del>	\$ 0.01 <del>7381</del>	\$ 0.020 <del>08</del>
Arizona	\$ 0.02 <del>4960</del>	\$ 0.0 <del>291304</del>	\$ 0.0 <del>389407</del>	\$ 0.01 <del>7381</del>	\$ 0.02 <del>8294</del>

37.2 Rights and Conditions

- (a) When Section 37 TSAs expire or are terminated by the shipper, the rights listed in this Section 37 shall no longer apply to such TSAs.
- (b) In the event a Section 37 TSA uses service or re-designates service to an alternate receipt or delivery point in the same zone as the primary receipt or delivery point(s) under that TSA, the service shall be invoiced at the Article 11.2(a) Rate. Should service be provided to or re-designated to an alternate receipt or delivery point other than the primary receipt or delivery point(s) under that TSA, the service shall be invoiced under the Out-of-Zone-Charge provisions contained in Sections 8.1(e), 8.1(f) and 8.1(g). However, the Article 11.2(a) reservation rates for the applicable zone shall be used in lieu of the maximum non-Article 11.2 tariff rates.
- (c) Capacity released from a Section 37 TSA may be released at a reservation rate no higher than the applicable Article 11.2(a) rate. Such released capacity will be billed at the applicable Article 11.2(a) usage rate.
- (d) If the Shippers applicable to this Section 37 acquire any permanent or temporary capacity releases, they will pay the reservation rate specified in the posted award of the capacity release for that capacity, rather than the Article 11.2(a) rate.

37.2 Rights and Conditions (continued)

- (e) For purposes of determining scheduling priority, pursuant to Section 6.2(a)(iii) of the GT&C, the Article 11.2(a) reservation rates will be considered equivalent to the maximum tariff rate.
- (f) Article 11.2(a) rates shall not apply to any other firm transportation service under any rate schedule.
- (g) Should a Section 37 TSA be subject to an Article 11.2(a) rate that exceeds the maximum non-Article 11.2 tariff rate for such service, this service shall be billed at the applicable maximum non-Article 11.2 tariff rate.

37.3 The applicable Article 11.2(a) rates shall be subject to inflation escalation and will be adjusted according to the following provisions.

- (a) Annual Inflation Adjustment - Effective January 1, 1998, and on each anniversary date thereafter, Transporter shall increase the Operations and Maintenance (O&M) and Other Taxes portion of the reservation and usage charges for Rate Schedule FT-1 and the rates for Rate Schedule FT-2 in effect for the preceding Year by 93% of the increase in the Implicit Price Deflator ("IPD") to the Gross Domestic Product ("GDP") as published by the Department of Commerce's Bureau of Economic Analysis ("BEA"), or a mutually agreed similar indicator should the GDP no longer be available on a continuing basis, or, failing such agreement, a similar indicator as approved by the Commission. Notwithstanding the above calculation, the annual increase in total rates will not be less than 1% or more than 4-1/2% of the prior Year's total rates. The resulting rates shall become the rates for purposes of applying the annual inflation adjustment for the succeeding Year.
- (b) For the annual inflation adjustment to be effective January 1, 1998, the most recently published final IPD prior to the inflation adjustment filing will be compared to the IPD reported by the BEA for the same period of the prior Year to determine the annual change. For each rate change subject to this provision, the most recently published final IPD prior to the inflation adjustment filing will be compared to the prior Year's IPD to determine the annual change. If the BEA modifies the benchmark index for the IPD, then Transporter will use the restated IPD reported by the BEA instead of the IPD used by Transporter in its last inflation adjustment filing.
- (c) The Article 11.2(a) System Average Usage Rate shall be applied to those receipts that are not defined by receipt basin, but rather as a system receipt. Such usage rates are weighted average rates, as shown in Section 37.1 of the GT&C, derived through the following process.

37.3 (c) (continued)

- (i) Transporter's actual system throughput data (by basin) for the 12-Month period ending September 30<sup>th</sup> of each Year is collected and the relative percentage contribution of each basin in comparison to the total system is determined.
- (ii) Pursuant to Section 37.3(c)(i), the basin percentages, or factors, are multiplied by the specific receipt basin rates within each delivery zone to derive an Article 11.2(a) weighted rate.
- (iii) The weighted Article 11.2(a) rates, as calculated by Section 37.3(c)(ii), shall be summed together to arrive at the Article 11.2(a) System Average Usage Rate for each delivery zone.

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

**Appendix Table of Contents**

Appendix A	Article 11.2(a) Rates Escalated
Appendix B	Escalation of Rates
Appendix C	System Average Usage Rates
Appendix D	Derivation of Escalator



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

**Docket No. RP23-\_\_\_\_**

**Appendix A**

**Article 11.2(a) Rates Escalated**

El Paso Natural Gas Company, L.L.C.  
 FT-1 Firm Transportation Rates  
 2023 Article 11.2(a) Rates Escalated Per Tariff  
 (Excludes Surcharges)

FT-1			
Line No.	Description	Maximum Rate	Minimum Rate
	(a)	(b)	(c)
<u>Mainline Transmission Base Reservation Rates</u>			
1	Production Area	\$ 4.4981	\$ 0.0000
2	Texas	\$ 6.5844	\$ 0.0000
3	New Mexico	\$ 7.5956	\$ 0.0000
4	Arizona	\$ 10.3050	\$ 0.0000
5	Nevada	\$ 10.4411	\$ 0.0000
6	California	\$ 12.2436	\$ 0.0000
<u>Mainline Transmission Usage Rates</u>			
From San Juan Basin to:			
7	Production Area	\$ 0.0032	\$ 0.0032
8	Texas	\$ 0.0034	\$ 0.0034
9	New Mexico	\$ 0.0203	\$ 0.0203
10	Arizona	\$ 0.0260	\$ 0.0260
11	Nevada	\$ 0.0248	\$ 0.0248
12	California	\$ 0.0227	\$ 0.0227
From Permian Basin to:			
13	Production Area	\$ 0.0032	\$ 0.0032
14	Texas	\$ 0.0085	\$ 0.0085
15	New Mexico	\$ 0.0208	\$ 0.0208
16	Arizona	\$ 0.0304	\$ 0.0304
17	Nevada	\$ 0.0487	\$ 0.0487
18	California	\$ 0.0463	\$ 0.0463
From Anadarko Basin to:			
19	Production Area	\$ 0.0032	\$ 0.0032
20	Texas	\$ 0.0094	\$ 0.0094
21	New Mexico	\$ 0.0323	\$ 0.0323
22	Arizona	\$ 0.0407	\$ 0.0407
23	Nevada	\$ 0.0536	\$ 0.0536
24	California	\$ 0.0521	\$ 0.0521
From California to:			
25	Production Area	\$ 0.0181	\$ 0.0181
26	Texas	\$ 0.0181	\$ 0.0181
27	New Mexico	\$ 0.0181	\$ 0.0181
28	Arizona	\$ 0.0181	\$ 0.0181
29	Nevada	\$ 0.0181	\$ 0.0181
30	California	\$ 0.0181	\$ 0.0181

El Paso Natural Gas Company, L.L.C.  
FT-2 Firm Transportation Rates  
2023 Article 11.2(a) Rates Escalated Per Tariff  
(Excludes Surcharges)

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FT-2			
Line No.	Description	Maximum Rate	Minimum Rate
	(a)	(b)	(c)
<u>Mainline Transmission Usage Rates:</u>			
From San Juan Basin to:			
1	Anadarko	\$ 0.3639	\$ 0.0034
2	Permian	\$ 0.3639	\$ 0.0034
3	San Juan	\$ 0.3635	\$ 0.0032
4	Texas	\$ 0.3659	\$ 0.0034
5	New Mexico	\$ 0.3984	\$ 0.0203
6	Arizona	\$ 0.5856	\$ 0.0260
From Permian Basin to:			
7	Anadarko	\$ 0.3727	\$ 0.0085
8	Permian	\$ 0.3635	\$ 0.0032
9	San Juan	\$ 0.3971	\$ 0.0208
10	Texas	\$ 0.3727	\$ 0.0085
11	New Mexico	\$ 0.3971	\$ 0.0208
12	Arizona	\$ 0.5903	\$ 0.0304
From Anadarko Basin to:			
13	Anadarko	\$ 0.3635	\$ 0.0032
14	Permian	\$ 0.3746	\$ 0.0094
15	San Juan	\$ 0.4203	\$ 0.0323
16	Texas	\$ 0.3746	\$ 0.0094
17	New Mexico	\$ 0.4203	\$ 0.0323
18	Arizona	\$ 0.6104	\$ 0.0407
From California to:			
19	Anadarko	\$ 0.4182	\$ 0.0181
20	Permian	\$ 0.4182	\$ 0.0181
21	San Juan	\$ 0.4182	\$ 0.0181
22	Texas	\$ 0.4182	\$ 0.0181
23	New Mexico	\$ 0.4182	\$ 0.0181
24	Arizona	\$ 0.4182	\$ 0.0181

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

**Docket No. RP23-\_\_\_\_**

**Appendix B**

**Escalation of Rates**

El Paso Natural Gas Company, L.L.C.  
Escalation of Rates Per Tariff  
2023 FT-1 Reservation Base Rates

Ln. No.	Description (a)		California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Ln. No.
<b><u>Reservation</u></b>									
<b>Minimum Escalation - Floor</b>									
1	Rate for 2022	1/	\$ 11.7164	\$ 9.9915	\$ 9.8612	\$ 7.2685	\$ 6.3009	\$ 4.3044	1
2	Minimum Inflation Percent		1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum		<b>\$ 0.1172</b>	<b>\$ 0.0999</b>	<b>\$ 0.0986</b>	<b>\$ 0.0727</b>	<b>\$ 0.0630</b>	<b>\$ 0.0430</b>	3
<b>Maximum Escalation - Ceiling</b>									
4	Rate for 2022		\$ 11.7164	\$ 9.9915	\$ 9.8612	\$ 7.2685	\$ 6.3009	\$ 4.3044	4
5	Maximum Inflation Percent		4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum		<b>\$ 0.5272</b>	<b>\$ 0.4496</b>	<b>\$ 0.4438</b>	<b>\$ 0.3271</b>	<b>\$ 0.2835</b>	<b>\$ 0.1937</b>	6
<b>GDP-IPD Calculation</b>									
7	O&M,OT - Year 2022 Portion of the Rate	2/	\$ 7.3504	\$ 6.2684	\$ 6.1865	\$ 4.5600	\$ 3.9529	\$ 2.7005	7
8	Year 2022 Escalation	2/	\$ 0.2758	\$ 0.2352	\$ 0.2322	\$ 0.1711	\$ 0.1483	\$ 0.1013	8
9	Year 2023 O&M, and Other Taxes		\$ 7.6262	\$ 6.5036	\$ 6.4187	\$ 4.7311	\$ 4.1012	\$ 2.8018	9
10	GDP-IPD Escalation Factor	3/	7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	10
11	Applicable Percent of GDP-IPD		93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment		7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)		<b>\$ 0.5404</b>	<b>\$ 0.4609</b>	<b>\$ 0.4548</b>	<b>\$ 0.3353</b>	<b>\$ 0.2906</b>	<b>\$ 0.1985</b>	13
<b>Selected Escalation Amount</b>									
14	Rate for 2022		\$ 11.7164	\$ 9.9915	\$ 9.8612	\$ 7.2685	\$ 6.3009	\$ 4.3044	14
15	<b>Selected Escalation</b>	4/	<b>\$ 0.5272</b>	<b>\$ 0.4496</b>	<b>\$ 0.4438</b>	<b>\$ 0.3271</b>	<b>\$ 0.2835</b>	<b>\$ 0.1937</b>	15
16	Total Rate Year 2023		\$ 12.2436	\$ 10.4411	\$ 10.3050	\$ 7.5956	\$ 6.5844	\$ 4.4981	16
17	100% Load Factor Rate (excluding usage)		\$ 0.4025	\$ 0.3433	\$ 0.3388	\$ 0.2497	\$ 0.2165	\$ 0.1479	17

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 1, Line 16, Docket No. RP22-350-000 (Nov. 29, 2021).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 1, Lines 9 and 15, Docket No. RP22-350-000 (Nov. 29, 2021).

3/ See Appendix D, Page 1 of 2.

4/ The GDP-IPD escalation calculation on Line 13 exceeds the Maximum Escalation shown on Line 6; therefore, the Maximum Escalation is selected for the escalated amount. The calculated escalation percent for the total rate is 4.50% and can be derived by dividing Line 15 by Line 14.

El Paso Natural Gas Company, L.L.C.  
Escalation of Rates Per Tariff  
2023 FT1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
<b><u>From San Juan:</u></b>								
<b>Minimum Escalation - Floor</b>								
1	Rate for 2022	1/ \$ 0.0217	\$ 0.0237	\$ 0.0249	\$ 0.0194	\$ 0.0033	\$ 0.0031	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	<b>\$ 0.0002</b>	<b>\$ 0.0002</b>	<b>\$ 0.0002</b>	<b>\$ 0.0002</b>	<b>\$ -</b>	<b>\$ -</b>	3
<b>Maximum Escalation - Ceiling</b>								
4	Rate for 2022	\$ 0.0217	\$ 0.0237	\$ 0.0249	\$ 0.0194	\$ 0.0033	\$ 0.0031	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	<b>\$ 0.0010</b>	<b>\$ 0.0011</b>	<b>\$ 0.0011</b>	<b>\$ 0.0009</b>	<b>\$ 0.0001</b>	<b>\$ 0.0001</b>	6
<b>GDP-IPD Calculation</b>								
7	O&M,OT - Year 2022 Portion of the Rate	2/ \$ 0.0137	\$ 0.0148	\$ 0.0155	\$ 0.0122	\$ 0.0018	\$ 0.0016	7
8	Year 2022 Escalation	2/ \$ 0.0005	\$ 0.0006	\$ 0.0006	\$ 0.0005	\$ 0.0001	\$ 0.0001	8
9	Year 2023 O&M, and Other Taxes	\$ 0.0142	\$ 0.0154	\$ 0.0161	\$ 0.0127	\$ 0.0019	\$ 0.0017	9
10	GDP-IPD Escalation Factor	3/ 7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	<b>\$ 0.0010</b>	<b>\$ 0.0011</b>	<b>\$ 0.0011</b>	<b>\$ 0.0009</b>	<b>\$ 0.0001</b>	<b>\$ 0.0001</b>	13
<b>Selected Escalation Amount</b>								
14	Rate for 2022	\$ 0.0217	\$ 0.0237	\$ 0.0249	\$ 0.0194	\$ 0.0033	\$ 0.0031	14
15	<b>Selected Escalation</b>	4/ <b>0.0010</b>	<b>0.0011</b>	<b>0.0011</b>	<b>0.0009</b>	<b>0.0001</b>	<b>0.0001</b>	15
16	Total Usage Rate Year 2023	\$ 0.0227	\$ 0.0248	\$ 0.0260	\$ 0.0203	\$ 0.0034	\$ 0.0032	16
<b>Total Rate</b>								
17	Reservation (Sheet 1, Line 16)	\$ 12.2436	\$ 10.4411	\$ 10.3050	\$ 7.5956	\$ 6.5844	\$ 4.4981	17
18	Total Usage Rate	\$ 0.0227	\$ 0.0248	\$ 0.0260	\$ 0.0203	\$ 0.0034	\$ 0.0032	18
19	100% Load Factor Rate	\$ 0.4252	\$ 0.3681	\$ 0.3648	\$ 0.2700	\$ 0.2199	\$ 0.1511	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 2, Line 16, Docket No. RP22-350-000 (Nov. 29, 2021).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 2, Lines 9 and 15, Docket No. RP22-350-000 (Nov. 29, 2021).

3/ See Appendix D, Page 1 of 2.

4/ If the GDP-IPD escalation calculation is not within the minimum (floor) and the maximum (ceiling) calculation then the applicable minimum or maximum calculated escalation is selected.

El Paso Natural Gas Company, L.L.C.  
Escalation of Rates Per Tariff  
2023 FT1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
<b><u>From Permian:</u></b>								
<b>Minimum Escalation - Floor</b>								
1	Rate for 2022	1/ \$ 0.0443	\$ 0.0466	\$ 0.0291	\$ 0.0199	\$ 0.0081	\$ 0.0031	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	<b>\$ 0.0004</b>	<b>\$ 0.0005</b>	<b>\$ 0.0003</b>	<b>\$ 0.0002</b>	<b>\$ 0.0001</b>	<b>\$ -</b>	3
<b>Maximum Escalation - Ceiling</b>								
4	Rate for 2022	\$ 0.0443	\$ 0.0466	\$ 0.0291	\$ 0.0199	\$ 0.0081	\$ 0.0031	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	<b>\$ 0.0020</b>	<b>\$ 0.0021</b>	<b>\$ 0.0013</b>	<b>\$ 0.0009</b>	<b>\$ 0.0004</b>	<b>\$ 0.0001</b>	6
<b>GDP-IPD Calculation</b>								
7	O&M,OT - Year 2022 Portion of the Rate	2/ \$ 0.0278	\$ 0.0293	\$ 0.0183	\$ 0.0126	\$ 0.0054	\$ 0.0016	7
8	Year 2022 Escalation	2/ \$ 0.0010	\$ 0.0011	\$ 0.0007	\$ 0.0005	\$ 0.0002	\$ 0.0001	8
9	Year 2023 O&M, and Other Taxes	\$ 0.0288	\$ 0.0304	\$ 0.0190	\$ 0.0131	\$ 0.0056	\$ 0.0017	9
10	GDP-IPD Escalation Factor	3/ 7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	<b>\$ 0.0020</b>	<b>\$ 0.0022</b>	<b>\$ 0.0013</b>	<b>\$ 0.0009</b>	<b>\$ 0.0004</b>	<b>\$ 0.0001</b>	13
<b>Selected Escalation Amount</b>								
14	Rate for 2022	\$ 0.0443	\$ 0.0466	\$ 0.0291	\$ 0.0199	\$ 0.0081	\$ 0.0031	14
15	<b>Selected Escalation</b>	4/ <b>0.0020</b>	<b>0.0021</b>	<b>0.0013</b>	<b>0.0009</b>	<b>0.0004</b>	<b>0.0001</b>	15
16	Total Usage Rate Year 2023	\$ 0.0463	\$ 0.0487	\$ 0.0304	\$ 0.0208	\$ 0.0085	\$ 0.0032	16
<b>Total Rate</b>								
17	Reservation (Sheet 1, Line 16)	\$ 12.2436	\$ 10.4411	\$ 10.3050	\$ 7.5956	\$ 6.5844	\$ 4.4981	17
18	Total Usage Rate	\$ 0.0463	\$ 0.0487	\$ 0.0304	\$ 0.0208	\$ 0.0085	\$ 0.0032	18
19	100% Load Factor Rate	\$ 0.4488	\$ 0.3920	\$ 0.3692	\$ 0.2705	\$ 0.2250	\$ 0.1511	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 3, Line 16, Docket No. RP22-350-000 (Nov. 29, 2021).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 3, Lines 9 and 15, Docket No. RP22-350-000 (Nov. 29, 2021).

3/ See Appendix D, Page 1 of 2.

4/ If the GDP-IPD escalation calculation is not within the minimum (floor) and the maximum (ceiling) calculation then the applicable minimum or maximum calculated escalation is selected.

El Paso Natural Gas Company, L.L.C.  
Escalation of Rates Per Tariff  
2023 FT1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
<b>From Anadarko:</b>								
<b>Minimum Escalation - Floor</b>								
1	Rate for 2022	1/ \$ 0.0499	\$ 0.0513	\$ 0.0389	\$ 0.0309	\$ 0.0090	\$ 0.0031	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	<b>\$ 0.0005</b>	<b>\$ 0.0005</b>	<b>\$ 0.0004</b>	<b>\$ 0.0003</b>	<b>\$ 0.0001</b>	<b>\$ -</b>	3
<b>Maximum Escalation - Ceiling</b>								
4	Rate for 2022	\$ 0.0499	\$ 0.0513	\$ 0.0389	\$ 0.0309	\$ 0.0090	\$ 0.0031	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	<b>\$ 0.0022</b>	<b>\$ 0.0023</b>	<b>\$ 0.0018</b>	<b>\$ 0.0014</b>	<b>\$ 0.0004</b>	<b>\$ 0.0001</b>	6
<b>GDP-IPD Calculation</b>								
7	O&M,OT - Year 2022 Portion of the Rate	2/ \$ 0.0313	\$ 0.0322	\$ 0.0244	\$ 0.0194	\$ 0.0058	\$ 0.0016	7
8	Year 2022 Escalation	2/ \$ 0.0012	\$ 0.0012	\$ 0.0009	\$ 0.0007	\$ 0.0002	\$ 0.0001	8
9	Year 2023 O&M, and Other Taxes	\$ 0.0325	\$ 0.0334	\$ 0.0253	\$ 0.0201	\$ 0.0060	\$ 0.0017	9
10	GDP-IPD Escalation Factor	3/ 7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	<b>\$ 0.0023</b>	<b>\$ 0.0024</b>	<b>\$ 0.0018</b>	<b>\$ 0.0014</b>	<b>\$ 0.0004</b>	<b>\$ 0.0001</b>	13
<b>Selected Escalation Amount</b>								
14	Rate for 2022	\$ 0.0499	\$ 0.0513	\$ 0.0389	\$ 0.0309	\$ 0.0090	\$ 0.0031	14
15	<b>Selected Escalation</b>	4/ <b>0.0022</b>	<b>0.0023</b>	<b>0.0018</b>	<b>0.0014</b>	<b>0.0004</b>	<b>0.0001</b>	15
16	Total Usage Rate Year 2023	\$ 0.0521	\$ 0.0536	\$ 0.0407	\$ 0.0323	\$ 0.0094	\$ 0.0032	16
<b>Total Rate</b>								
17	Reservation (Sheet 1, Line 16)	\$ 12.2436	\$ 10.4411	\$ 10.3050	\$ 7.5956	\$ 6.5844	\$ 4.4981	17
18	Total Usage Rate	\$ 0.0521	\$ 0.0536	\$ 0.0407	\$ 0.0323	\$ 0.0094	\$ 0.0032	18
19	100% Load Factor Rate	\$ 0.4546	\$ 0.3969	\$ 0.3795	\$ 0.2820	\$ 0.2259	\$ 0.1511	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 4, Line 16, Docket No. RP22-350-000 (Nov. 29, 2021).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 4, Lines 9 and 15, Docket No. RP22-350-000 (Nov. 29, 2021).

3/ See Appendix D, Page 1 of 2.

4/ If the GDP-IPD escalation calculation is not within the minimum (floor) and the maximum (ceiling) calculation then the applicable minimum or maximum calculated escalation is selected.



El Paso Natural Gas Company, L.L.C.  
Escalation of Rates Per Tariff  
2023 FT1 Usage Base Rates

Line No.	Description		California	Nevada	Arizona	New Mexico	Texas	Producing Area	Line No.
	(a)		(b)	(c)	(d)	(e)	(f)	(g)	
<b>From California:</b>									
<b>Minimum Escalation - Floor</b>									
1	Rate for 2022	1/	\$ 0.0173	\$ 0.0173	\$ 0.0173	\$ 0.0173	\$ 0.0173	\$ 0.0173	1
2	Minimum Inflation Percent		1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum		<b>\$ 0.0002</b>	<b>\$ 0.0002</b>	<b>\$ 0.0002</b>	<b>\$ 0.0002</b>	<b>\$ 0.0002</b>	<b>\$ 0.0002</b>	3
<b>Maximum Escalation - Ceiling</b>									
4	Rate for 2022		\$ 0.0173	\$ 0.0173	\$ 0.0173	\$ 0.0173	\$ 0.0173	\$ 0.0173	4
5	Maximum Inflation Percent		4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum		<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	6
<b>GDP-IPD Calculation</b>									
7	O&M,OT - Year 2022 Portion of the Rate	2/	\$ 0.0109	\$ 0.0109	\$ 0.0109	\$ 0.0109	\$ 0.0109	\$ 0.0109	7
8	Year 2022 Escalation	2/	\$ 0.0004	\$ 0.0004	\$ 0.0004	\$ 0.0004	\$ 0.0004	\$ 0.0004	8
9	Year 2023 O&M, and Other Taxes		\$ 0.0113	\$ 0.0113	\$ 0.0113	\$ 0.0113	\$ 0.0113	\$ 0.0113	9
10	GDP-IPD Escalation Factor	3/	7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	7.6194%	10
11	Applicable Percent of GDP-IPD		93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment		7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	7.0861%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)		<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	<b>\$ 0.0008</b>	13
<b>Selected Escalation Amount</b>									
14	Rate for 2022		\$ 0.0173	\$ 0.0173	\$ 0.0173	\$ 0.0173	\$ 0.0173	\$ 0.0173	14
15	<b>Selected Escalation</b>	4/	<b>0.0008</b>	<b>0.0008</b>	<b>0.0008</b>	<b>0.0008</b>	<b>0.0008</b>	<b>0.0008</b>	15
16	Total Usage Rate Year 2023		\$ 0.0181	\$ 0.0181	\$ 0.0181	\$ 0.0181	\$ 0.0181	\$ 0.0181	16
<b>Total Rate</b>									
17	Reservation (Sheet 1, Line 16)		\$ 12.2436	\$ 10.4411	\$ 10.3050	\$ 7.5956	\$ 6.5844	\$ 4.4981	17
18	Total Usage Rate		\$ 0.0181	\$ 0.0181	\$ 0.0181	\$ 0.0181	\$ 0.0181	\$ 0.0181	18
19	100% Load Factor Rate		\$ 0.4206	\$ 0.3614	\$ 0.3569	\$ 0.2678	\$ 0.2346	\$ 0.1660	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 5, Line 16, Docket No. RP22-350-000 (Nov. 29, 2021).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 5, Lines 9 and 15, Docket No. RP22-350-000 (Nov. 29, 2021).

3/ See Appendix D, Page 1 of 2.

4/ If the GDP-IPD escalation calculation is not within the minimum (floor) and the maximum (ceiling) calculation then the applicable minimum or maximum calculated escalation is selected.

El Paso Natural Gas Company, L.L.C.  
 FT-2 Firm Transportation Rates  
 2023 11.2 Rates Escalated Per Tariff  
 (Excludes Surcharges)

Line No.	Description (a)	2022 FT-2 RATES			2023 FT-2 RATES			Line No.
		Rate Less	FT-1	Total 1/ [ b + c ]	Inflation	FT-1	Total [ e + f ]	
		Usage	Usage		Adjustment 2/ (e) [ b * 1.045 ]	Usage		
		(b)	(c)		(d)	(f)		
<u>Mainline Transmission Usage Rates:</u>								
From San Juan Basin to:								
1	Anadarko	\$ 0.3450	\$ 0.0033	\$ 0.3483	\$ 0.3605	\$ 0.0034	\$ 0.3639	1
2	Permian	\$ 0.3450	\$ 0.0033	\$ 0.3483	\$ 0.3605	\$ 0.0034	\$ 0.3639	2
3	San Juan	\$ 0.3448	\$ 0.0031	\$ 0.3479	\$ 0.3603	\$ 0.0032	\$ 0.3635	3
4	Texas	\$ 0.3469	\$ 0.0033	\$ 0.3502	\$ 0.3625	\$ 0.0034	\$ 0.3659	4
5	New Mexico	\$ 0.3618	\$ 0.0194	\$ 0.3812	\$ 0.3781	\$ 0.0203	\$ 0.3984	5
6	Arizona	\$ 0.5355	\$ 0.0249	\$ 0.5604	\$ 0.5596	\$ 0.0260	\$ 0.5856	6
From Permian Basin to:								
7	Anadarko	\$ 0.3485	\$ 0.0081	\$ 0.3566	\$ 0.3642	\$ 0.0085	\$ 0.3727	7
8	Permian	\$ 0.3448	\$ 0.0031	\$ 0.3479	\$ 0.3603	\$ 0.0032	\$ 0.3635	8
9	San Juan	\$ 0.3601	\$ 0.0199	\$ 0.3800	\$ 0.3763	\$ 0.0208	\$ 0.3971	9
10	Texas	\$ 0.3485	\$ 0.0081	\$ 0.3566	\$ 0.3642	\$ 0.0085	\$ 0.3727	10
11	New Mexico	\$ 0.3601	\$ 0.0199	\$ 0.3800	\$ 0.3763	\$ 0.0208	\$ 0.3971	11
12	Arizona	\$ 0.5358	\$ 0.0291	\$ 0.5649	\$ 0.5599	\$ 0.0304	\$ 0.5903	12
From Anadarko Basin to:								
13	Anadarko	\$ 0.3448	\$ 0.0031	\$ 0.3479	\$ 0.3603	\$ 0.0032	\$ 0.3635	13
14	Permian	\$ 0.3495	\$ 0.0090	\$ 0.3585	\$ 0.3652	\$ 0.0094	\$ 0.3746	14
15	San Juan	\$ 0.3713	\$ 0.0309	\$ 0.4022	\$ 0.3880	\$ 0.0323	\$ 0.4203	15
16	Texas	\$ 0.3495	\$ 0.0090	\$ 0.3585	\$ 0.3652	\$ 0.0094	\$ 0.3746	16
17	New Mexico	\$ 0.3713	\$ 0.0309	\$ 0.4022	\$ 0.3880	\$ 0.0323	\$ 0.4203	17
18	Arizona	\$ 0.5452	\$ 0.0389	\$ 0.5841	\$ 0.5697	\$ 0.0407	\$ 0.6104	18
From California to:								
19	Anadarko	\$ 0.3829	\$ 0.0173	\$ 0.4002	\$ 0.4001	\$ 0.0181	\$ 0.4182	19
20	Permian	\$ 0.3829	\$ 0.0173	\$ 0.4002	\$ 0.4001	\$ 0.0181	\$ 0.4182	20
21	San Juan	\$ 0.3829	\$ 0.0173	\$ 0.4002	\$ 0.4001	\$ 0.0181	\$ 0.4182	21
22	Texas	\$ 0.3829	\$ 0.0173	\$ 0.4002	\$ 0.4001	\$ 0.0181	\$ 0.4182	22
23	New Mexico	\$ 0.3829	\$ 0.0173	\$ 0.4002	\$ 0.4001	\$ 0.0181	\$ 0.4182	23
24	Arizona	\$ 0.3829	\$ 0.0173	\$ 0.4002	\$ 0.4001	\$ 0.0181	\$ 0.4182	24

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 6, Column (g), Docket No. RP22-350-000 (Nov. 29, 2021).

2/ FT-2 rates were escalated using the selected escalation for the FT-1 rates as shown in Appendix B, Page 1, Line 15. Because all of the zonal FT-1 rates are escalated at 1.045 (the GDP-IPD inflation factor), the FT-2 rates were also escalated by using the same 1.045 inflation factor.

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

**Docket No. RP23-\_\_**

**Appendix C**

**System Average Usage Rates**

El Paso Natural Gas Company, L.L.C.  
Calculation of  
2023 System Average Usage Rates

Maximum Article 11.2(a) 2023 FT-1 Usage Rates			
	Rate	Factor	Total
SJ to PA	\$0.0032	22.778%	\$0.0007
P to PA	\$0.0032	74.271%	\$0.0024
A to PA	\$0.0032	1.489%	\$0.0000
CA to PA	\$0.0181	1.462%	\$0.0003
			<u>\$0.0034</u>
SJ to TX	\$0.0034	22.778%	\$0.0008
P to TX	\$0.0085	74.271%	\$0.0063
A to TX	\$0.0094	1.489%	\$0.0001
CA to TX	\$0.0181	1.462%	\$0.0003
			<u>\$0.0075</u>
SJ to NM	\$0.0203	22.778%	\$0.0046
P to NM	\$0.0208	74.271%	\$0.0154
A to NM	\$0.0323	1.489%	\$0.0005
CA to NM	\$0.0181	1.462%	\$0.0003
			<u>\$0.0208</u>
SJ to AZ	\$0.0260	22.778%	\$0.0059
P to AZ	\$0.0304	74.271%	\$0.0226
A to AZ	\$0.0407	1.489%	\$0.0006
CA to AZ	\$0.0181	1.462%	\$0.0003
			<u>\$0.0294</u>
SJ to NV	\$0.0248	22.778%	\$0.0056
P to NV	\$0.0487	74.271%	\$0.0362
A to NV	\$0.0536	1.489%	\$0.0008
CA to NV	\$0.0181	1.462%	\$0.0003
			<u>\$0.0429</u>
SJ to CA	\$0.0227	22.778%	\$0.0052
P to CA	\$0.0463	74.271%	\$0.0344
A to CA	\$0.0521	1.489%	\$0.0008
CA to CA	\$0.0181	1.462%	\$0.0003
			<u>\$0.0407</u>

Maximum Article 11.2(a) 2023 FT-2 Usage Rates			
	Rate	Factor	Total
SJ to A	\$0.3639	22.778%	\$0.0829
P to A	\$0.3727	74.271%	\$0.2768
A to A	\$0.3635	1.489%	\$0.0054
CA to A	\$0.4182	1.462%	\$0.0061
			<u>\$0.3712</u>
SJ to P	\$0.3639	22.778%	\$0.0829
P to P	\$0.3635	74.271%	\$0.2700
A to P	\$0.3746	1.489%	\$0.0056
CA to P	\$0.4182	1.462%	\$0.0061
			<u>\$0.3646</u>
SJ to SJ	\$0.3635	22.778%	\$0.0828
P to SJ	\$0.3971	74.271%	\$0.2949
A to SJ	\$0.4203	1.489%	\$0.0063
CA to SJ	\$0.4182	1.462%	\$0.0061
			<u>\$0.3901</u>
SJ to TX	\$0.3659	22.778%	\$0.0833
P to TX	\$0.3727	74.271%	\$0.2768
A to TX	\$0.3746	1.489%	\$0.0056
CA to TX	\$0.4182	1.462%	\$0.0061
			<u>\$0.3718</u>
SJ to NM	\$0.3984	22.778%	\$0.0907
P to NM	\$0.3971	74.271%	\$0.2949
A to NM	\$0.4203	1.489%	\$0.0063
CA to NM	\$0.4182	1.462%	\$0.0061
			<u>\$0.3980</u>
SJ to AZ	\$0.5856	22.778%	\$0.1334
P to AZ	\$0.5903	74.271%	\$0.4384
A to AZ	\$0.6104	1.489%	\$0.0091
CA to AZ	\$0.4182	1.462%	\$0.0061
			<u>\$0.5870</u>

Minimum Article 11.2(a) 2023 FT-2 Usage Rates			
	Rate	Factor	Total
SJ to A	\$0.0034	22.778%	\$0.0008
P to A	\$0.0085	74.271%	\$0.0063
A to A	\$0.0032	1.489%	\$0.0000
CA to A	\$0.0181	1.462%	\$0.0003
			<u>\$0.0074</u>
SJ to P	\$0.0034	22.778%	\$0.0008
P to P	\$0.0032	74.271%	\$0.0024
A to P	\$0.0094	1.489%	\$0.0001
CA to P	\$0.0181	1.462%	\$0.0003
			<u>\$0.0036</u>
SJ to SJ	\$0.0032	22.778%	\$0.0007
P to SJ	\$0.0208	74.271%	\$0.0154
A to SJ	\$0.0323	1.489%	\$0.0005
CA to SJ	\$0.0181	1.462%	\$0.0003
			<u>\$0.0169</u>
SJ to TX	\$0.0034	22.778%	\$0.0008
P to TX	\$0.0085	74.271%	\$0.0063
A to TX	\$0.0094	1.489%	\$0.0001
CA to TX	\$0.0181	1.462%	\$0.0003
			<u>\$0.0075</u>
SJ to NM	\$0.0203	22.778%	\$0.0046
P to NM	\$0.0208	74.271%	\$0.0154
A to NM	\$0.0323	1.489%	\$0.0005
CA to NM	\$0.0181	1.462%	\$0.0003
			<u>\$0.0208</u>
SJ to AZ	\$0.0260	22.778%	\$0.0059
P to AZ	\$0.0304	74.271%	\$0.0226
A to AZ	\$0.0407	1.489%	\$0.0006
CA to AZ	\$0.0181	1.462%	\$0.0003
			<u>\$0.0294</u>

El Paso Natural Gas Company, L.L.C.  
Calculation of Percentage Weighting for  
2023 System Average Usage Rates

<b>Percents from Each Receipt Area</b>			
Receipt Area	Oct-21 to	Sep-22	
Receipt Area		Volume (Mmbtu)	Percent
San Juan	S	432,099,268	22.778%
Permian	P	1,408,927,518	74.271%
Anadarko	A	28,249,680	1.489%
California	CA	27,736,846	1.462%
Total from Basins		1,897,013,312	100.00%

See Section 37.3(c) of the GT&C of EPNG's tariff for a description of the calculation requirements.

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

**Docket No. RP23-\_\_**

**Appendix D**

**Derivation of Escalator**

El Paso Natural Gas Company, L.L.C.  
Derivation of Escalator  
GDP-IPD

Line No.	Description (a)	2nd Qtr 2021 (b)	2nd Qtr 2022 (c)	Percentage Increase/(Decrease) (d) [( c - b ) / b ]
1	Implicit Price Deflator	117.922	126.907	7.6194%
2				
3				
4				
5				
6				
7	Minimum Inflation Percent			1.0%
8	Maximum Inflation Percent			4.5%
9				
10	2021-2022 GDP-IPD Escalation Factor			7.6194%
11	Applicable Percent of GDP-IPD			93.0%
12	Adjusted Inflation Percent			7.0861%

**Table 1.1.9. Implicit Price Deflators for Gross Domestic Product**

[Index numbers, 2012=100] Seasonally adjusted

Bureau of Economic Analysis

Last Revised on: October 27, 2022 - Next Release Date November 30, 2022

Line		2020				2021				2022		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	<b>Gross domestic product</b>	<b>113.418</b>	<b>112.993</b>	<b>113.971</b>	<b>114.692</b>	<b>116.12</b>	<b>117.922</b>	<b>119.712</b>	<b>121.708</b>	<b>124.174</b>	<b>126.907</b>	<b>128.177</b>
2	<b>Personal consumption expenditures</b>	<b>110.935</b>	<b>110.431</b>	<b>111.347</b>	<b>111.799</b>	<b>113.033</b>	<b>114.81</b>	<b>116.382</b>	<b>118.142</b>	<b>120.29</b>	<b>122.426</b>	<b>123.686</b>
3	Goods	94.717	93.403	94.331	94.448	95.794	97.877	99.684	101.921	104.985	107.668	108.402
4	Durable goods	85.823	85.228	86.226	86.685	86.993	90.051	92.25	94.092	95.991	96.572	97.399
5	Nondurable goods	99.455	97.73	98.612	98.511	100.563	101.941	103.467	105.943	109.752	113.834	114.494
6	Services	119.507	119.507	120.408	121.08	122.222	123.757	125.144	126.563	128.081	129.83	131.403
7	<b>Gross private domestic investment</b>	<b>109.609</b>	<b>109.611</b>	<b>110.286</b>	<b>111.075</b>	<b>111.837</b>	<b>112.77</b>	<b>114.65</b>	<b>117.112</b>	<b>120.001</b>	<b>123.031</b>	<b>125.24</b>
8	Fixed investment	110.348	110.822	111.389	112.114	113.098	114.258	116.284	118.765	121.633	124.641	126.949
9	Nonresidential	104.484	104.999	104.981	105.338	105.508	105.603	106.807	108.798	110.633	112.919	114.951
10	Structures	120.683	120.398	120.424	119.963	120.387	122.791	125.846	132.48	137.679	143.345	149.998
11	Equipment	97.71	97.758	97.17	96.79	97.646	96.56	97.575	99.121	100.959	103.206	104.659
12	Intellectual property products	103.44	104.882	105.434	106.938	106.206	106.543	107.143	107.706	108.224	109.268	110.246
13	Residential	136.141	136.445	139.512	141.811	146.097	151.539	156.969	161.523	168.658	174.737	178.241
14	Change in private inventories	---	---	---	---	---	---	---	---	---	---	---
15	<b>Net exports of goods and services</b>	---	---	---	---	---	---	---	---	---	---	---
16	Exports	97.785	93.137	96.057	97.528	102.228	106.736	109.172	110.844	115.359	120.736	117.548
17	Goods	90.115	84.66	87.859	89.401	94.819	100.219	102.939	104.719	110.265	116.976	112.452
18	Services	115.099	112.429	114.686	115.996	118.709	120.78	122.459	123.836	125.588	127.428	127.793
19	Imports	89.073	86.21	87.902	88.517	91.261	94.04	95.458	96.929	100.058	103.216	102.172
20	Goods	85.208	82.101	83.841	84.38	87.31	90.128	91.482	92.965	96.385	99.569	98.166
21	Services	109.294	108.036	109.351	110.495	111.817	114.179	115.961	117.308	118.479	121.333	122.481
22	<b>Government consumption expenditures and gross investment</b>	<b>114.614</b>	<b>114.61</b>	<b>115.518</b>	<b>116.585</b>	<b>118.555</b>	<b>120.513</b>	<b>122.277</b>	<b>124.432</b>	<b>127.052</b>	<b>130.575</b>	<b>131.598</b>
23	Federal	111.297	111.387	112.106	112.789	113.933	115.097	116.348	117.594	119.229	120.978	122.415
24	National defense	109.779	109.487	110.306	110.991	112.416	113.625	114.855	116.121	117.986	120.129	120.906
25	Nondefense	113.689	114.328	114.916	115.602	116.356	117.467	118.75	119.974	121.316	122.552	124.876
26	State and local	116.777	116.714	117.746	119.061	121.584	124.08	126.184	128.944	132.22	136.915	137.666
27	Addendum: Gross national product	113.399	112.976	113.953	114.673	116.099	117.899	119.688	121.684	124.147	126.878	---