



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

November 20, 2024

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

Attention: Ms. Debbie-Anne Reese, Secretary

Re: Article 11.2(a) Inflation Adjustment Filing;
El Paso Natural Gas Company, L.L.C.
Docket No. RP25-

Commissioners:

El Paso Natural Gas Company, L.L.C. ("EPNG") tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") Version 23.0.0 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, 2025, 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").¹

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.² 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.

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

² 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 regulations³ 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, 2025, 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.⁴

To calculate the GDP-IPD increase in this filing, the final GDP-IPD index for the second quarter of 2024 and the GDP-IPD for the same period of 2023 are compared. The resulting annual change in the GDP-IPD is 2.5771%.⁵ However, as stated earlier, the adjustment is limited to 93% of the annual change in GDP-IPD. Therefore, the adjusted annual change is 2.3967%. 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 of less than the maximum inflation adjustment of 4.5%. Accordingly, EPNG is proposing to increase the Article 11.2(a) base reservation and usage rates by 1.6126%. 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 (2024), 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.

³ 18 C.F.R. §§ 154.201 - 154.210 (2024) (Subpart C).

⁴ At the time of preparation of this filing, the final third quarter 2024 index is not yet published; therefore, consistent with EPNG's tariff, the second quarter index was used.

⁵ See Appendix D for the calculation of the change in the GDP-IPD.

- (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,⁶ 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, 2025, 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.

⁶ 18 C.F.R. §§ 154.1 – 154.603 (2024) (Part 154).

Correspondence and communications concerning this filing should be directed to:

Ms. Shelly L. Busby
Director, Regulatory
El Paso Natural Gas Company, L.L.C.
Post Office Box 1087
Colorado Springs, CO 80944
Telephone: (719) 520-4657
EPNGRegulatoryAffairs@kindermorgan.com

Mr. David R. Cain
Assistant General Counsel
El Paso Natural Gas Company, L.L.C.
Post Office Box 1087
Colorado Springs, CO 80944
Telephone: (719) 520-4534
David_Cain@kindermorgan.com

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/
Shelly L. Busby
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 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 20th day of November 2024.

_____/s/_____
Shelly L. Busby

Post Office Box 1087
Colorado Springs, CO 80944
(719) 520-4657

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

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

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Appendix A

Article 11.2(a) Rates Escalated

El Paso Natural Gas Company, L.L.C.
 FT-1 Firm Transportation Rates
 2025 Article 11.2(a) Rates Escalated Per Tariff
 (Excludes Surcharges)

Line No.	Description	FT-1	
		Maximum Rate	Minimum Rate
	(a)	(b)	(c)
<u>Mainline Transmission Base Reservation Rates</u>			
1	Production Area	\$ 4.6691	\$ 0.0000
2	Texas	\$ 6.8348	\$ 0.0000
3	New Mexico	\$ 7.8845	\$ 0.0000
4	Arizona	\$ 10.6969	\$ 0.0000
5	Nevada	\$ 10.8381	\$ 0.0000
6	California	\$ 12.7092	\$ 0.0000
<u>Mainline Transmission Usage Rates</u>			
From San Juan Basin to:			
7	Production Area	\$ 0.0033	\$ 0.0033
8	Texas	\$ 0.0036	\$ 0.0036
9	New Mexico	\$ 0.0210	\$ 0.0210
10	Arizona	\$ 0.0270	\$ 0.0270
11	Nevada	\$ 0.0257	\$ 0.0257
12	California	\$ 0.0236	\$ 0.0236
From Permian Basin to:			
13	Production Area	\$ 0.0033	\$ 0.0033
14	Texas	\$ 0.0088	\$ 0.0088
15	New Mexico	\$ 0.0216	\$ 0.0216
16	Arizona	\$ 0.0316	\$ 0.0316
17	Nevada	\$ 0.0506	\$ 0.0506
18	California	\$ 0.0481	\$ 0.0481
From Anadarko Basin to:			
19	Production Area	\$ 0.0033	\$ 0.0033
20	Texas	\$ 0.0098	\$ 0.0098
21	New Mexico	\$ 0.0335	\$ 0.0335
22	Arizona	\$ 0.0423	\$ 0.0423
23	Nevada	\$ 0.0557	\$ 0.0557
24	California	\$ 0.0541	\$ 0.0541
From California to:			
25	Production Area	\$ 0.0188	\$ 0.0188
26	Texas	\$ 0.0188	\$ 0.0188
27	New Mexico	\$ 0.0188	\$ 0.0188
28	Arizona	\$ 0.0188	\$ 0.0188
29	Nevada	\$ 0.0188	\$ 0.0188
30	California	\$ 0.0188	\$ 0.0188

El Paso Natural Gas Company, L.L.C.
FT-2 Firm Transportation Rates
2025 Article 11.2(a) Rates Escalated Per Tariff
(Excludes Surcharges)

Line No.	Description	FT-2	
		Maximum Rate	Minimum Rate
	(a)	(b)	(c)
<u>Mainline Transmission Usage Rates:</u>			
From San Juan Basin to:			
1	Anadarko	\$ 0.3778	\$ 0.0036
2	Permian	\$ 0.3778	\$ 0.0036
3	San Juan	\$ 0.3773	\$ 0.0033
4	Texas	\$ 0.3799	\$ 0.0036
5	New Mexico	\$ 0.4134	\$ 0.0210
6	Arizona	\$ 0.6079	\$ 0.0270
From Permian Basin to:			
7	Anadarko	\$ 0.3869	\$ 0.0088
8	Permian	\$ 0.3773	\$ 0.0033
9	San Juan	\$ 0.4122	\$ 0.0216
10	Texas	\$ 0.3869	\$ 0.0088
11	New Mexico	\$ 0.4122	\$ 0.0216
12	Arizona	\$ 0.6128	\$ 0.0316
From Anadarko Basin to:			
13	Anadarko	\$ 0.3773	\$ 0.0033
14	Permian	\$ 0.3889	\$ 0.0098
15	San Juan	\$ 0.4363	\$ 0.0335
16	Texas	\$ 0.3889	\$ 0.0098
17	New Mexico	\$ 0.4363	\$ 0.0335
18	Arizona	\$ 0.6337	\$ 0.0423
From California to:			
19	Anadarko	\$ 0.4341	\$ 0.0188
20	Permian	\$ 0.4341	\$ 0.0188
21	San Juan	\$ 0.4341	\$ 0.0188
22	Texas	\$ 0.4341	\$ 0.0188
23	New Mexico	\$ 0.4341	\$ 0.0188
24	Arizona	\$ 0.4341	\$ 0.0188

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

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Appendix B

Escalation of Rates

El Paso Natural Gas Company, L.L.C.
Escalation of Rates Per Tariff
2025 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.
Reservation								
Minimum Escalation - Floor								
1	Rate for 2024	1/ \$ 12.5075	\$ 10.6661	\$ 10.5271	\$ 7.7593	\$ 6.7263	\$ 4.5950	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.1251	\$ 0.1067	\$ 0.1053	\$ 0.0776	\$ 0.0673	\$ 0.0460	3
Maximum Escalation - Ceiling								
4	Rate for 2024	\$ 12.5075	\$ 10.6661	\$ 10.5271	\$ 7.7593	\$ 6.7263	\$ 4.5950	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.5628	\$ 0.4800	\$ 0.4737	\$ 0.3492	\$ 0.3027	\$ 0.2068	6
GDP-IPD Calculation								
7	O&M,OT - Year 2024 Portion of the Rate	2/ \$ 8.1534	\$ 6.9532	\$ 6.8625	\$ 5.0582	\$ 4.3847	\$ 2.9955	7
8	Year 2024 Escalation	2/ \$ 0.2639	\$ 0.2250	\$ 0.2221	\$ 0.1637	\$ 0.1419	\$ 0.0969	8
9	Year 2025 O&M, and Other Taxes	\$ 8.4173	\$ 7.1782	\$ 7.0846	\$ 5.2219	\$ 4.5266	\$ 3.0924	9
10	GDP-IPD Escalation Factor	3/ 2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.2017	\$ 0.1720	\$ 0.1698	\$ 0.1252	\$ 0.1085	\$ 0.0741	13
Selected Escalation Amount								
14	Rate for 2024	\$ 12.5075	\$ 10.6661	\$ 10.5271	\$ 7.7593	\$ 6.7263	\$ 4.5950	14
15	Selected Escalation	4/ \$ 0.2017	\$ 0.1720	\$ 0.1698	\$ 0.1252	\$ 0.1085	\$ 0.0741	15
16	Total Rate Year 2025	\$ 12.7092	\$ 10.8381	\$ 10.6969	\$ 7.8845	\$ 6.8348	\$ 4.6691	16
17	100% Load Factor Rate (excluding usage)	\$ 0.4178	\$ 0.3563	\$ 0.3517	\$ 0.2592	\$ 0.2247	\$ 0.1535	17

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 1, Line 16, Docket No. RP24-174 (Nov. 28, 2023).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 1, Lines 9 and 15, Docket No. RP24-174 (Nov. 28, 2023).

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. In this case, the escalation is 1.6126% and can be derived by dividing Line 15 by Line 14.

El Paso Natural Gas Company, L.L.C.
Escalation of Rates Per Tariff
2025 FT-1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
From San Juan:								
Minimum Escalation - Floor								
1	Rate for 2024	1/ \$ 0.0232	\$ 0.0253	\$ 0.0266	\$ 0.0207	\$ 0.0035	\$ 0.0033	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.0002	\$ 0.0003	\$ 0.0003	\$ 0.0002	\$ -	\$ -	3
Maximum Escalation - Ceiling								
4	Rate for 2024	\$ 0.0232	\$ 0.0253	\$ 0.0266	\$ 0.0207	\$ 0.0035	\$ 0.0033	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.0010	\$ 0.0011	\$ 0.0012	\$ 0.0009	\$ 0.0002	\$ 0.0001	6
GDP-IPD Calculation								
7	O&M,OT - Year 2024 Portion of the Rate	2/ \$ 0.0152	\$ 0.0165	\$ 0.0172	\$ 0.0136	\$ 0.0020	\$ 0.0018	7
8	Year 2024 Escalation	2/ \$ 0.0005	\$ 0.0005	\$ 0.0006	\$ 0.0004	\$ 0.0001	\$ 0.0001	8
9	Year 2025 O&M, and Other Taxes	\$ 0.0157	\$ 0.0170	\$ 0.0178	\$ 0.0140	\$ 0.0021	\$ 0.0019	9
10	GDP-IPD Escalation Factor	3/ 2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.0004	\$ 0.0004	\$ 0.0004	\$ 0.0003	\$ 0.0001	\$ -	13
Selected Escalation Amount								
14	Rate for 2024	\$ 0.0232	\$ 0.0253	\$ 0.0266	\$ 0.0207	\$ 0.0035	\$ 0.0033	14
15	Selected Escalation	4/ 0.0004	0.0004	0.0004	0.0003	0.0001	0.0000	15
16	Total Usage Rate Year 2025	\$ 0.0236	\$ 0.0257	\$ 0.0270	\$ 0.0210	\$ 0.0036	\$ 0.0033	16
Total Rate								
17	Reservation (Sheet 1, Line 16)	\$ 12.7092	\$ 10.8381	\$ 10.6969	\$ 7.8845	\$ 6.8348	\$ 4.6691	17
18	Total Usage Rate	\$ 0.0236	\$ 0.0257	\$ 0.0270	\$ 0.0210	\$ 0.0036	\$ 0.0033	18
19	100% Load Factor Rate	\$ 0.4414	\$ 0.3820	\$ 0.3787	\$ 0.2802	\$ 0.2283	\$ 0.1568	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 2, Line 16, Docket No. RP24-174 (Nov. 28, 2023).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 2, Lines 9 and 15, Docket No. RP24-174 (Nov. 28, 2023).

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
2025 FT-1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
From Permian:								
Minimum Escalation - Floor								
1	Rate for 2024	1/ \$ 0.0473	\$ 0.0498	\$ 0.0311	\$ 0.0213	\$ 0.0087	\$ 0.0033	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.0005	\$ 0.0005	\$ 0.0003	\$ 0.0002	\$ 0.0001	\$ -	3
Maximum Escalation - Ceiling								
4	Rate for 2024	\$ 0.0473	\$ 0.0498	\$ 0.0311	\$ 0.0213	\$ 0.0087	\$ 0.0033	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.0021	\$ 0.0022	\$ 0.0014	\$ 0.0010	\$ 0.0004	\$ 0.0001	6
GDP-IPD Calculation								
7	O&M,OT - Year 2024 Portion of the Rate	2/ \$ 0.0308	\$ 0.0325	\$ 0.0203	\$ 0.0140	\$ 0.0060	\$ 0.0018	7
8	Year 2024 Escalation	2/ \$ 0.0010	\$ 0.0011	\$ 0.0007	\$ 0.0005	\$ 0.0002	\$ 0.0001	8
9	Year 2025 O&M, and Other Taxes	\$ 0.0318	\$ 0.0336	\$ 0.0210	\$ 0.0145	\$ 0.0062	\$ 0.0019	9
10	GDP-IPD Escalation Factor	3/ 2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.0008	\$ 0.0008	\$ 0.0005	\$ 0.0003	\$ 0.0001	\$ -	13
Selected Escalation Amount								
14	Rate for 2024	\$ 0.0473	\$ 0.0498	\$ 0.0311	\$ 0.0213	\$ 0.0087	\$ 0.0033	14
15	Selected Escalation	4/ 0.0008	0.0008	0.0005	0.0003	0.0001	0.0000	15
16	Total Usage Rate Year 2025	\$ 0.0481	\$ 0.0506	\$ 0.0316	\$ 0.0216	\$ 0.0088	\$ 0.0033	16
Total Rate								
17	Reservation (Sheet 1, Line 16)	\$ 12.7092	\$ 10.8381	\$ 10.6969	\$ 7.8845	\$ 6.8348	\$ 4.6691	17
18	Total Usage Rate	\$ 0.0481	\$ 0.0506	\$ 0.0316	\$ 0.0216	\$ 0.0088	\$ 0.0033	18
19	100% Load Factor Rate	\$ 0.4659	\$ 0.4069	\$ 0.3833	\$ 0.2808	\$ 0.2335	\$ 0.1568	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 3, Line 16, Docket No. RP24-174 (Nov. 28, 2023).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 3, Lines 9 and 15, Docket No. RP24-174 (Nov. 28, 2023).

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
2025 FT-1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
From Anadarko:								
Minimum Escalation - Floor								
1	Rate for 2024	1/ \$ 0.0532	\$ 0.0548	\$ 0.0416	\$ 0.0330	\$ 0.0096	\$ 0.0033	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.0005	\$ 0.0005	\$ 0.0004	\$ 0.0003	\$ 0.0001	\$ -	3
Maximum Escalation - Ceiling								
4	Rate for 2024	\$ 0.0532	\$ 0.0548	\$ 0.0416	\$ 0.0330	\$ 0.0096	\$ 0.0033	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.0024	\$ 0.0025	\$ 0.0019	\$ 0.0015	\$ 0.0004	\$ 0.0001	6
GDP-IPD Calculation								
7	O&M,OT - Year 2024 Portion of the Rate	2/ \$ 0.0347	\$ 0.0357	\$ 0.0271	\$ 0.0215	\$ 0.0064	\$ 0.0018	7
8	Year 2024 Escalation	2/ \$ 0.0011	\$ 0.0012	\$ 0.0009	\$ 0.0007	\$ 0.0002	\$ 0.0001	8
9	Year 2025 O&M, and Other Taxes	\$ 0.0358	\$ 0.0369	\$ 0.0280	\$ 0.0222	\$ 0.0066	\$ 0.0019	9
10	GDP-IPD Escalation Factor	3/ 2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.0009	\$ 0.0009	\$ 0.0007	\$ 0.0005	\$ 0.0002	\$ -	13
Selected Escalation Amount								
14	Rate for 2024	\$ 0.0532	\$ 0.0548	\$ 0.0416	\$ 0.0330	\$ 0.0096	\$ 0.0033	14
15	Selected Escalation	4/ 0.0009	0.0009	0.0007	0.0005	0.0002	0.0000	15
16	Total Usage Rate Year 2025	\$ 0.0541	\$ 0.0557	\$ 0.0423	\$ 0.0335	\$ 0.0098	\$ 0.0033	16
Total Rate								
17	Reservation (Sheet 1, Line 16)	\$ 12.7092	\$ 10.8381	\$ 10.6969	\$ 7.8845	\$ 6.8348	\$ 4.6691	17
18	Total Usage Rate	\$ 0.0541	\$ 0.0557	\$ 0.0423	\$ 0.0335	\$ 0.0098	\$ 0.0033	18
19	100% Load Factor Rate	\$ 0.4719	\$ 0.4120	\$ 0.3940	\$ 0.2927	\$ 0.2345	\$ 0.1568	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 4, Line 16, Docket No. RP24-174 (Nov. 28, 2023).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 4, Lines 9 and 15, Docket No. RP24-174 (Nov. 28, 2023).

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
2025 FT-1 Usage Base Rates

Line No.	Description (a)	California (b)	Nevada (c)	Arizona (d)	New Mexico (e)	Texas (f)	Producing Area (g)	Line No.
From California:								
Minimum Escalation - Floor								
1	Rate for 2024	1/ \$ 0.0185	\$ 0.0185	\$ 0.0185	\$ 0.0185	\$ 0.0185	\$ 0.0185	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	3
Maximum Escalation - Ceiling								
4	Rate for 2024	\$ 0.0185	\$ 0.0185	\$ 0.0185	\$ 0.0185	\$ 0.0185	\$ 0.0185	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.0008	\$ 0.0008	\$ 0.0008	\$ 0.0008	\$ 0.0008	\$ 0.0008	6
GDP-IPD Calculation								
7	O&M,OT - Year 2024 Portion of the Rate	2/ \$ 0.0121	\$ 0.0121	\$ 0.0121	\$ 0.0121	\$ 0.0121	\$ 0.0121	7
8	Year 2024 Escalation	2/ \$ 0.0004	\$ 0.0004	\$ 0.0004	\$ 0.0004	\$ 0.0004	\$ 0.0004	8
9	Year 2025 O&M, and Other Taxes	\$ 0.0125	\$ 0.0125	\$ 0.0125	\$ 0.0125	\$ 0.0125	\$ 0.0125	9
10	GDP-IPD Escalation Factor	3/ 2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	2.5771%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	2.3967%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ 0.0003	13
Selected Escalation Amount								
14	Rate for 2024	\$ 0.0185	\$ 0.0185	\$ 0.0185	\$ 0.0185	\$ 0.0185	\$ 0.0185	14
15	Selected Escalation	4/ 0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	15
16	Total Usage Rate Year 2025	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	16
Total Rate								
17	Reservation (Sheet 1, Line 16)	\$ 12.7092	\$ 10.8381	\$ 10.6969	\$ 7.8845	\$ 6.8348	\$ 4.6691	17
18	Total Usage Rate	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	18
19	100% Load Factor Rate	\$ 0.4366	\$ 0.3751	\$ 0.3705	\$ 0.2780	\$ 0.2435	\$ 0.1723	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 5, Line 16, Docket No. RP24-174 (Nov. 28, 2023).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 5, Lines 9 and 15, Docket No. RP24-174 (Nov. 28, 2023).

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
2025 11.2 Rates Escalated Per Tariff
(Excludes Surcharges)

Line No.	Description	2024 FT-2 RATES			2025 FT-2 RATES			Line No.
		Rate Less Usage (b)	FT-1 Usage (c)	Total 1/ (d) [b + c]	Inflation Adjustment 2/ (e) [b * 1.0161]	FT-1 Usage (f)	Total (g) [e + f]	
<u>Mainline Transmission Usage Rates:</u>								
From San Juan Basin to:								
1	Anadarko	\$ 0.3683	\$ 0.0035	\$ 0.3718	\$ 0.3742	\$ 0.0036	\$ 0.3778	1
2	Permian	\$ 0.3683	\$ 0.0035	\$ 0.3718	\$ 0.3742	\$ 0.0036	\$ 0.3778	2
3	San Juan	\$ 0.3681	\$ 0.0033	\$ 0.3714	\$ 0.3740	\$ 0.0033	\$ 0.3773	3
4	Texas	\$ 0.3703	\$ 0.0035	\$ 0.3738	\$ 0.3763	\$ 0.0036	\$ 0.3799	4
5	New Mexico	\$ 0.3862	\$ 0.0207	\$ 0.4069	\$ 0.3924	\$ 0.0210	\$ 0.4134	5
6	Arizona	\$ 0.5717	\$ 0.0266	\$ 0.5983	\$ 0.5809	\$ 0.0270	\$ 0.6079	6
From Permian Basin to:								
7	Anadarko	\$ 0.3721	\$ 0.0087	\$ 0.3808	\$ 0.3781	\$ 0.0088	\$ 0.3869	7
8	Permian	\$ 0.3681	\$ 0.0033	\$ 0.3714	\$ 0.3740	\$ 0.0033	\$ 0.3773	8
9	San Juan	\$ 0.3844	\$ 0.0213	\$ 0.4057	\$ 0.3906	\$ 0.0216	\$ 0.4122	9
10	Texas	\$ 0.3721	\$ 0.0087	\$ 0.3808	\$ 0.3781	\$ 0.0088	\$ 0.3869	10
11	New Mexico	\$ 0.3844	\$ 0.0213	\$ 0.4057	\$ 0.3906	\$ 0.0216	\$ 0.4122	11
12	Arizona	\$ 0.5720	\$ 0.0311	\$ 0.6031	\$ 0.5812	\$ 0.0316	\$ 0.6128	12
From Anadarko Basin to:								
13	Anadarko	\$ 0.3681	\$ 0.0033	\$ 0.3714	\$ 0.3740	\$ 0.0033	\$ 0.3773	13
14	Permian	\$ 0.3731	\$ 0.0096	\$ 0.3827	\$ 0.3791	\$ 0.0098	\$ 0.3889	14
15	San Juan	\$ 0.3964	\$ 0.0330	\$ 0.4294	\$ 0.4028	\$ 0.0335	\$ 0.4363	15
16	Texas	\$ 0.3731	\$ 0.0096	\$ 0.3827	\$ 0.3791	\$ 0.0098	\$ 0.3889	16
17	New Mexico	\$ 0.3964	\$ 0.0330	\$ 0.4294	\$ 0.4028	\$ 0.0335	\$ 0.4363	17
18	Arizona	\$ 0.5820	\$ 0.0416	\$ 0.6236	\$ 0.5914	\$ 0.0423	\$ 0.6337	18
From California to:								
19	Anadarko	\$ 0.4087	\$ 0.0185	\$ 0.4272	\$ 0.4153	\$ 0.0188	\$ 0.4341	19
20	Permian	\$ 0.4087	\$ 0.0185	\$ 0.4272	\$ 0.4153	\$ 0.0188	\$ 0.4341	20
21	San Juan	\$ 0.4087	\$ 0.0185	\$ 0.4272	\$ 0.4153	\$ 0.0188	\$ 0.4341	21
22	Texas	\$ 0.4087	\$ 0.0185	\$ 0.4272	\$ 0.4153	\$ 0.0188	\$ 0.4341	22
23	New Mexico	\$ 0.4087	\$ 0.0185	\$ 0.4272	\$ 0.4153	\$ 0.0188	\$ 0.4341	23
24	Arizona	\$ 0.4087	\$ 0.0185	\$ 0.4272	\$ 0.4153	\$ 0.0188	\$ 0.4341	24

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 6, Column (g), Docket No. RP24-174 (Nov. 28, 2023).

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 1.0161 (the GDP-IPD inflation factor), the FT-2 rates were also escalated by using the same 1.0161 inflation factor.

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

Docket No. RP25-___

Appendix C

System Average Usage Rates

El Paso Natural Gas Company, L.L.C.
Calculation of
2025 System Average Usage Rates

Maximum Article 11.2(a) 2025 FT-1 Usage Rates			
	Rate	Factor	Total
SJ to PA	\$0.0033	19.113%	\$0.0006
P to PA	\$0.0033	78.043%	\$0.0026
A to PA	\$0.0033	1.701%	\$0.0001
CA to PA	\$0.0188	1.143%	\$0.0002
			<u>\$0.0035</u>
SJ to TX	\$0.0036	19.113%	\$0.0007
P to TX	\$0.0088	78.043%	\$0.0069
A to TX	\$0.0098	1.701%	\$0.0002
CA to TX	\$0.0188	1.143%	\$0.0002
			<u>\$0.0080</u>
SJ to NM	\$0.0210	19.113%	\$0.0040
P to NM	\$0.0216	78.043%	\$0.0169
A to NM	\$0.0335	1.701%	\$0.0006
CA to NM	\$0.0188	1.143%	\$0.0002
			<u>\$0.0217</u>
SJ to AZ	\$0.0270	19.113%	\$0.0052
P to AZ	\$0.0316	78.043%	\$0.0247
A to AZ	\$0.0423	1.701%	\$0.0007
CA to AZ	\$0.0188	1.143%	\$0.0002
			<u>\$0.0308</u>
SJ to NV	\$0.0257	19.113%	\$0.0049
P to NV	\$0.0506	78.043%	\$0.0395
A to NV	\$0.0557	1.701%	\$0.0009
CA to NV	\$0.0188	1.143%	\$0.0002
			<u>\$0.0455</u>
SJ to CA	\$0.0236	19.113%	\$0.0045
P to CA	\$0.0481	78.043%	\$0.0375
A to CA	\$0.0541	1.701%	\$0.0009
CA to CA	\$0.0188	1.143%	\$0.0002
			<u>\$0.0431</u>

Maximum Article 11.2(a) 2025 FT-2 Usage Rates			
	Rate	Factor	Total
SJ to A	\$0.3778	19.113%	\$0.0722
P to A	\$0.3869	78.043%	\$0.3019
A to A	\$0.3773	1.701%	\$0.0064
CA to A	\$0.4341	1.143%	\$0.0050
			<u>\$0.3855</u>
SJ to P	\$0.3778	19.113%	\$0.0722
P to P	\$0.3773	78.043%	\$0.2945
A to P	\$0.3889	1.701%	\$0.0066
CA to P	\$0.4341	1.143%	\$0.0050
			<u>\$0.3783</u>
SJ to SJ	\$0.3773	19.113%	\$0.0721
P to SJ	\$0.4122	78.043%	\$0.3217
A to SJ	\$0.4363	1.701%	\$0.0074
CA to SJ	\$0.4341	1.143%	\$0.0050
			<u>\$0.4062</u>
SJ to TX	\$0.3799	19.113%	\$0.0726
P to TX	\$0.3869	78.043%	\$0.3019
A to TX	\$0.3889	1.701%	\$0.0066
CA to TX	\$0.4341	1.143%	\$0.0050
			<u>\$0.3861</u>
SJ to NM	\$0.4134	19.113%	\$0.0790
P to NM	\$0.4122	78.043%	\$0.3217
A to NM	\$0.4363	1.701%	\$0.0074
CA to NM	\$0.4341	1.143%	\$0.0050
			<u>\$0.4131</u>
SJ to AZ	\$0.6079	19.113%	\$0.1162
P to AZ	\$0.6128	78.043%	\$0.4782
A to AZ	\$0.6337	1.701%	\$0.0108
CA to AZ	\$0.4341	1.143%	\$0.0050
			<u>\$0.6102</u>

Minimum Article 11.2(a) 2025 FT-2 Usage Rates			
	Rate	Factor	Total
SJ to A	\$0.0036	19.113%	\$0.0007
P to A	\$0.0088	78.043%	\$0.0069
A to A	\$0.0033	1.701%	\$0.0001
CA to A	\$0.0188	1.143%	\$0.0002
			<u>\$0.0079</u>
SJ to P	\$0.0036	19.113%	\$0.0007
P to P	\$0.0033	78.043%	\$0.0026
A to P	\$0.0098	1.701%	\$0.0002
CA to P	\$0.0188	1.143%	\$0.0002
			<u>\$0.0037</u>
SJ to SJ	\$0.0033	19.113%	\$0.0006
P to SJ	\$0.0216	78.043%	\$0.0169
A to SJ	\$0.0335	1.701%	\$0.0006
CA to SJ	\$0.0188	1.143%	\$0.0002
			<u>\$0.0183</u>
SJ to TX	\$0.0036	19.113%	\$0.0007
P to TX	\$0.0088	78.043%	\$0.0069
A to TX	\$0.0098	1.701%	\$0.0002
CA to TX	\$0.0188	1.143%	\$0.0002
			<u>\$0.0080</u>
SJ to NM	\$0.0210	19.113%	\$0.0040
P to NM	\$0.0216	78.043%	\$0.0169
A to NM	\$0.0335	1.701%	\$0.0006
CA to NM	\$0.0188	1.143%	\$0.0002
			<u>\$0.0217</u>
SJ to AZ	\$0.0270	19.113%	\$0.0052
P to AZ	\$0.0316	78.043%	\$0.0247
A to AZ	\$0.0423	1.701%	\$0.0007
CA to AZ	\$0.0188	1.143%	\$0.0002
			<u>\$0.0308</u>

El Paso Natural Gas Company, L.L.C.
Calculation of Percentage Weighting for
2025 System Average Usage Rates

Percents from Each Receipt Area

Receipt Area	Oct-23	to	Sep-24	
Receipt Area	Volume (Mmbtu)			Percent
San Juan	S		452,001,714	19.113%
Permian	P		1,845,611,187	78.043%
Anadarko	A		40,223,670	1.701%
California	CA		27,038,352	1.143%
Total from Basins			2,364,874,923	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. RP25-___

Appendix D

Derivation of Escalator

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

Line No.	Description (a)	2nd Qtr 2023 (b)	2nd Qtr 2024 (c)	Percentage Increase/(Decrease) (d) [(c - b) / b]
1	Implicit Price Deflator	121.804	124.943	2.5771%
2				
3				
4				
5				
6				
7	Minimum Inflation Percent			1.0%
8	Maximum Inflation Percent			4.5%
9				
10	2023-2024 GDP-IPD Escalation Factor			2.5771%
11	Applicable Percent of GDP-IPD			93.0%
12	Adjusted Inflation Percent			2.3967%

Table 1.1.9. Implicit Price Deflators for Gross Domestic Product

[Index numbers, 2017=100] Seasonally adjusted

Bureau of Economic Analysis

Last Revised on: October 30, 2024 - Next Release Date November 27, 2024

Line		2022				2023				2024		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Gross domestic product	115.119	117.731	119.057	120.157	121.251	121.804	122.768	123.241	124.163	124.943	125.501
2	Personal consumption expenditures	113.567	115.663	117.010	118.169	119.316	120.177	120.978	121.473	122.501	123.269	123.731
3	Goods	111.176	113.989	114.677	114.734	114.950	115.112	115.256	114.805	114.658	114.856	114.397
4	Durable goods	108.307	108.602	109.360	108.970	108.852	108.773	107.599	106.724	106.596	105.909	105.278
5	Nondurable goods	112.667	116.928	117.576	117.890	118.300	118.604	119.531	119.332	119.173	119.897	119.543
6	Services	114.567	116.280	117.968	119.697	121.325	122.548	123.688	124.673	126.301	127.359	128.293
7	Gross private domestic investment	112.565	115.150	117.227	118.250	119.445	119.074	119.495	120.212	120.488	121.255	121.888
8	Fixed investment	113.304	115.973	117.952	119.063	120.093	120.051	120.472	121.157	121.437	122.212	122.972
9	Nonresidential	106.710	108.778	110.507	111.434	112.964	113.036	113.172	113.649	114.026	114.678	115.371
10	Structures	121.035	126.066	131.100	133.695	135.716	135.405	134.127	135.261	134.563	134.675	134.791
11	Equipment	103.177	105.406	107.052	108.611	110.478	110.527	111.218	111.533	112.586	113.059	113.743
12	Intellectual property products	103.265	103.861	104.209	103.828	104.829	105.088	105.365	105.683	105.959	107.013	107.975
13	Residential	136.369	141.251	144.209	146.082	144.890	144.358	146.031	147.605	147.443	148.718	149.729
14	Change in private inventories	---	---	---	---	---	---	---	---	---	---	---
15	Net exports of goods and services	---	---	---	---	---	---	---	---	---	---	---
16	Exports	120.597	126.208	123.241	121.371	121.333	120.223	121.439	120.791	121.528	122.337	121.895
17	Goods	122.390	129.795	125.038	121.366	120.424	118.458	119.739	118.718	118.946	119.629	118.602
18	Services	116.336	118.217	118.951	120.805	122.607	123.230	124.294	124.397	126.150	127.205	127.940
19	Imports	112.348	115.479	114.096	112.788	112.345	111.041	111.061	111.058	111.786	112.372	112.129
20	Goods	112.120	115.393	113.387	111.347	110.632	109.043	109.071	109.149	109.649	110.269	109.978
21	Services	113.030	115.481	116.987	119.018	119.844	119.857	119.851	119.492	121.220	121.663	121.631
22	Government consumption expenditures and gross investr	118.349	121.673	122.361	123.037	123.112	122.789	123.985	124.399	125.548	126.193	126.972
23	Federal	112.636	114.680	116.175	117.361	118.602	119.629	120.755	121.895	122.964	123.821	124.367
24	National defense	113.576	116.168	117.283	118.387	119.432	120.715	122.041	123.498	124.653	125.477	125.864
25	Nondefense	111.421	112.757	114.743	116.033	117.526	118.226	119.095	119.825	120.784	121.684	122.439
26	State and local	121.956	126.095	126.276	126.633	125.970	124.797	126.040	126.005	127.204	127.719	128.642
	Addendum:											
27	Gross national product	115.038	117.647	118.972	120.071	121.164	121.716	122.679	123.152	124.074	124.853	---

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	\$ 4.66914.5950	\$ 0.15350.1511
Texas	\$ 6.83486.7263	\$ 0.22470.2211
New Mexico	\$ 7.88457.7593	\$ 0.25920.2551
Arizona	\$ 10.696910.5271	\$ 0.35170.3461
Nevada	\$ 10.838110.6661	\$ 0.35630.3507
California	\$ 12.709212.5075	\$ 0.41780.4112

DAILY USAGE	From	From	From	From	System
Maximum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0033	\$ 0.0033	\$ 0.0033	\$ 0.018 85	\$ 0.0035
Texas	\$ 0.003 65	\$ 0.008 87	\$ 0.009 86	\$ 0.018 85	\$ 0.008 077
New Mexico	\$ 0.021 007	\$ 0.021 63	\$ 0.033 50	\$ 0.018 85	\$ 0.021 74
Arizona	\$ 0.027 066	\$ 0.031 61	\$ 0.042 316	\$ 0.018 85	\$ 0.030 83
Nevada	\$ 0.025 73	\$ 0.050 6498	\$ 0.055 748	\$ 0.018 85	\$ 0.045 545
California	\$ 0.023 62	\$ 0.048 173	\$ 0.054 132	\$ 0.018 85	\$ 0.043 122

DAILY USAGE	From	From	From	From	System
Minimum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0033	\$ 0.0033	\$ 0.0033	\$ 0.018 85	\$ 0.0035
Texas	\$ 0.003 65	\$ 0.008 87	\$ 0.009 86	\$ 0.018 85	\$ 0.008 077
New Mexico	\$ 0.021 007	\$ 0.021 63	\$ 0.033 50	\$ 0.018 85	\$ 0.021 74
Arizona	\$ 0.027 066	\$ 0.031 61	\$ 0.042 316	\$ 0.018 85	\$ 0.030 83
Nevada	\$ 0.025 73	\$ 0.050 6498	\$ 0.055 748	\$ 0.018 85	\$ 0.045 545
California	\$ 0.023 62	\$ 0.048 173	\$ 0.054 132	\$ 0.018 85	\$ 0.043 122

37.1 Article 11.2(a) Rates (continued)

Rate Schedule FT-2

DAILY USAGE	From	From	From	From	System
Maximum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Anadarko	\$ 0.37 7818	\$ 0.38 6908	\$ 0.37 7314	\$ 0.4 341272	\$ 0.38 55793
Permian	\$ 0.37 7818	\$ 0.37 7314	\$ 0.38 8927	\$ 0.4 341272	\$ 0.37 8324
San Juan	\$ 0.37 7314	\$ 0.4 122057	\$ 0.4 363294	\$ 0.4 341272	\$
0.40623995					
Texas	\$ 0.37 9938	\$ 0.38 6908	\$ 0.38 8927	\$ 0.4 341272	\$ 0.38 6100
New Mexico	\$ 0.4 134069	\$ 0.4 122057	\$ 0.4 363294	\$ 0.4 341272	\$ 0.4 131067
Arizona	\$ 0.60795983	\$ 0.6 128031	\$ 0.6 337236	\$ 0.4 341272	\$ 0.6 102006
DAILY USAGE	From	From	From	From	System
Minimum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Anadarko	\$ 0.003 65	\$ 0.008 87	\$ 0.0033	\$ 0.018 85	\$ 0.007 96
Permian	\$ 0.003 65	\$ 0.0033	\$ 0.009 86	\$ 0.018 85	\$ 0.003 76
San Juan	\$ 0.0033	\$ 0.021 63	\$ 0.033 50	\$ 0.018 85	\$ 0.018 379
Texas	\$ 0.003 65	\$ 0.008 87	\$ 0.009 86	\$ 0.018 85	\$ 0.008 077
New Mexico	\$ 0.021 007	\$ 0.021 63	\$ 0.033 50	\$ 0.018 85	\$ 0.021 74
Arizona	\$ 0.027 066	\$ 0.031 61	\$ 0.042 316	\$ 0.018 85	\$ 0.030 83

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) reservation rate that exceeds the maximum non-Article 11.2 reservation tariff rate or Article 11.2(b) reservation rate for such service, this service shall be billed at the lower of the applicable maximum non-Article 11.2 reservation tariff rate or the Article 11.2(b) reservation rate, if any. Should a Section 37 TSA be subject to an Article 11.2(a) usage rate that exceeds the maximum non-Article 11.2 usage tariff rate for such service (or exceeds the applicable Article 11.2(b) usage rate for the FT-2 service, if any), this service shall be billed at the applicable maximum non-Article 11.2 usage tariff rate (or the applicable Article 11.2(b) usage rate for the FT-2 service if it is lower than the other two rates).
- 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.

37.3 (continued)

- (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.
 - (i) Transporter's actual system throughput data (by basin) for the 12-Month period ending September 30th 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.

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	\$ 4.6691	\$ 0.1535
Texas	\$ 6.8348	\$ 0.2247
New Mexico	\$ 7.8845	\$ 0.2592
Arizona	\$ 10.6969	\$ 0.3517
Nevada	\$ 10.8381	\$ 0.3563
California	\$ 12.7092	\$ 0.4178

DAILY USAGE	From	From	From	From	System
Maximum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0033	\$ 0.0033	\$ 0.0033	\$ 0.0188	\$ 0.0035
Texas	\$ 0.0036	\$ 0.0088	\$ 0.0098	\$ 0.0188	\$ 0.0080
New Mexico	\$ 0.0210	\$ 0.0216	\$ 0.0335	\$ 0.0188	\$ 0.0217
Arizona	\$ 0.0270	\$ 0.0316	\$ 0.0423	\$ 0.0188	\$ 0.0308
Nevada	\$ 0.0257	\$ 0.0506	\$ 0.0557	\$ 0.0188	\$ 0.0455
California	\$ 0.0236	\$ 0.0481	\$ 0.0541	\$ 0.0188	\$ 0.0431

DAILY USAGE	From	From	From	From	System
Minimum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0033	\$ 0.0033	\$ 0.0033	\$ 0.0188	\$ 0.0035
Texas	\$ 0.0036	\$ 0.0088	\$ 0.0098	\$ 0.0188	\$ 0.0080
New Mexico	\$ 0.0210	\$ 0.0216	\$ 0.0335	\$ 0.0188	\$ 0.0217
Arizona	\$ 0.0270	\$ 0.0316	\$ 0.0423	\$ 0.0188	\$ 0.0308
Nevada	\$ 0.0257	\$ 0.0506	\$ 0.0557	\$ 0.0188	\$ 0.0455
California	\$ 0.0236	\$ 0.0481	\$ 0.0541	\$ 0.0188	\$ 0.0431

37.1 Article 11.2(a) Rates (continued)

Rate Schedule FT-2

DAILY USAGE	From	From	From	From	System
Maximum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Anadarko	\$ 0.3778	\$ 0.3869	\$ 0.3773	\$ 0.4341	\$ 0.3855
Permian	\$ 0.3778	\$ 0.3773	\$ 0.3889	\$ 0.4341	\$ 0.3783
San Juan	\$ 0.3773	\$ 0.4122	\$ 0.4363	\$ 0.4341	\$ 0.4062
Texas	\$ 0.3799	\$ 0.3869	\$ 0.3889	\$ 0.4341	\$ 0.3861
New Mexico	\$ 0.4134	\$ 0.4122	\$ 0.4363	\$ 0.4341	\$ 0.4131
Arizona	\$ 0.6079	\$ 0.6128	\$ 0.6337	\$ 0.4341	\$ 0.6102
DAILY USAGE	From	From	From	From	System
Minimum	San Juan	Permian	Anadarko	California	Average
	-----	-----	-----	-----	-----
Anadarko	\$ 0.0036	\$ 0.0088	\$ 0.0033	\$ 0.0188	\$ 0.0079
Permian	\$ 0.0036	\$ 0.0033	\$ 0.0098	\$ 0.0188	\$ 0.0037
San Juan	\$ 0.0033	\$ 0.0216	\$ 0.0335	\$ 0.0188	\$ 0.0183
Texas	\$ 0.0036	\$ 0.0088	\$ 0.0098	\$ 0.0188	\$ 0.0080
New Mexico	\$ 0.0210	\$ 0.0216	\$ 0.0335	\$ 0.0188	\$ 0.0217
Arizona	\$ 0.0270	\$ 0.0316	\$ 0.0423	\$ 0.0188	\$ 0.0308

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) reservation rate that exceeds the maximum non-Article 11.2 reservation tariff rate or Article 11.2(b) reservation rate for such service, this service shall be billed at the lower of the applicable maximum non-Article 11.2 reservation tariff rate or the Article 11.2(b) reservation rate, if any. Should a Section 37 TSA be subject to an Article 11.2(a) usage rate that exceeds the maximum non-Article 11.2 usage tariff rate for such service (or exceeds the applicable Article 11.2(b) usage rate for the FT-2 service, if any), this service shall be billed at the applicable maximum non-Article 11.2 usage tariff rate (or the applicable Article 11.2(b) usage rate for the FT-2 service if it is lower than the other two rates).

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.

37.3 (continued)

- (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.
 - (i) Transporter's actual system throughput data (by basin) for the 12-Month period ending September 30th 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.