



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

November 20, 2025

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

Attention: Ms. Debbie-Anne A. Reese, Secretary

Re: Article 11.2(a) Inflation Adjustment Filing;
El Paso Natural Gas Company, L.L.C.
Docket No. RP26-

Commissioners:

El Paso Natural Gas Company, L.L.C. ("EPNG") tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") Version 24.0.0 of Part IV: General Terms and Conditions, Section 37 "Article 11.2 Provisions," of the Third Revised Volume No. 1A of EPNG's FERC Gas Tariff ("Tariff").

Proposed with an effective date of January 1, 2026, 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. Pursuant to these provisions, EPNG annually increases 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).

Description of Filing

This filing is submitted pursuant to Subpart C of Part 154 of the Commission's regulations² 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, 2026, 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.³

To calculate the GDP-IPD increase in this filing, the final GDP-IPD index for the second quarter of 2025 and the GDP-IPD for the same period of 2024 are compared. The resulting annual change in the GDP-IPD is 2.4615%.⁴ However, as stated earlier, the adjustment is limited to 93% of the annual change in GDP-IPD. Therefore, the adjusted annual change is 2.2892%. 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 1.5524%. 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 (2025), 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.

² 18 C.F.R. §§ 154.201 - 154.210 (2025) (Subpart C).

³ At the time of preparation of this filing, the final third quarter 2025 index is not yet published; therefore, consistent with EPNG's tariff, the second quarter index was used.

⁴ 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,⁵ 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, 2026, 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.

⁵ 18 C.F.R. §§ 154.1 – 154.603 (2025) (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/
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 2025.

/s/
Shelly L. Busby

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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
 2026 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	\$ 4.7416	\$ 0.0000
2	Texas	\$ 6.9409	\$ 0.0000
3	New Mexico	\$ 8.0069	\$ 0.0000
4	Arizona	\$ 10.8630	\$ 0.0000
5	Nevada	\$ 11.0064	\$ 0.0000
6	California	\$ 12.9065	\$ 0.0000
<u>Mainline Transmission Usage Rates</u>			
From San Juan Basin to:			
7	Production Area	\$ 0.0033	\$ 0.0033
8	Texas	\$ 0.0037	\$ 0.0037
9	New Mexico	\$ 0.0213	\$ 0.0213
10	Arizona	\$ 0.0274	\$ 0.0274
11	Nevada	\$ 0.0261	\$ 0.0261
12	California	\$ 0.0240	\$ 0.0240
From Permian Basin to:			
13	Production Area	\$ 0.0033	\$ 0.0033
14	Texas	\$ 0.0089	\$ 0.0089
15	New Mexico	\$ 0.0219	\$ 0.0219
16	Arizona	\$ 0.0321	\$ 0.0321
17	Nevada	\$ 0.0514	\$ 0.0514
18	California	\$ 0.0488	\$ 0.0488
From Anadarko Basin to:			
19	Production Area	\$ 0.0033	\$ 0.0033
20	Texas	\$ 0.0100	\$ 0.0100
21	New Mexico	\$ 0.0340	\$ 0.0340
22	Arizona	\$ 0.0430	\$ 0.0430
23	Nevada	\$ 0.0566	\$ 0.0566
24	California	\$ 0.0549	\$ 0.0549
From California to:			
25	Production Area	\$ 0.0191	\$ 0.0191
26	Texas	\$ 0.0191	\$ 0.0191
27	New Mexico	\$ 0.0191	\$ 0.0191
28	Arizona	\$ 0.0191	\$ 0.0191
29	Nevada	\$ 0.0191	\$ 0.0191
30	California	\$ 0.0191	\$ 0.0191

El Paso Natural Gas Company, L.L.C.
FT-2 Firm Transportation Rates
2026 Article 11.2(a) Rates Escalated Per Tariff
(Excludes Surcharges)

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	\$ 0.3837	\$ 0.0037
2	Permian	\$ 0.3837	\$ 0.0037
3	San Juan	\$ 0.3831	\$ 0.0033
4	Texas	\$ 0.3858	\$ 0.0037
5	New Mexico	\$ 0.4198	\$ 0.0213
6	Arizona	\$ 0.6173	\$ 0.0274
From Permian Basin to:			
7	Anadarko	\$ 0.3929	\$ 0.0089
8	Permian	\$ 0.3831	\$ 0.0033
9	San Juan	\$ 0.4186	\$ 0.0219
10	Texas	\$ 0.3929	\$ 0.0089
11	New Mexico	\$ 0.4186	\$ 0.0219
12	Arizona	\$ 0.6223	\$ 0.0321
From Anadarko Basin to:			
13	Anadarko	\$ 0.3831	\$ 0.0033
14	Permian	\$ 0.3950	\$ 0.0100
15	San Juan	\$ 0.4431	\$ 0.0340
16	Texas	\$ 0.3950	\$ 0.0100
17	New Mexico	\$ 0.4431	\$ 0.0340
18	Arizona	\$ 0.6436	\$ 0.0430
From California to:			
19	Anadarko	\$ 0.4408	\$ 0.0191
20	Permian	\$ 0.4408	\$ 0.0191
21	San Juan	\$ 0.4408	\$ 0.0191
22	Texas	\$ 0.4408	\$ 0.0191
23	New Mexico	\$ 0.4408	\$ 0.0191
24	Arizona	\$ 0.4408	\$ 0.0191

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Appendix B

Escalation of Rates

El Paso Natural Gas Company, L.L.C.
Escalation of Rates Per Tariff
2026 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.
<u>Reservation</u>								
Minimum Escalation - Floor								
1	Rate for 2025	1/ \$ 12.7092	\$ 10.8381	\$ 10.6969	\$ 7.8845	\$ 6.8348	\$ 4.6691	1
2	Minimum Inflation Percent	1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum	\$ 0.1271	\$ 0.1084	\$ 0.1070	\$ 0.0788	\$ 0.0683	\$ 0.0467	3
Maximum Escalation - Ceiling								
4	Rate for 2025	\$ 12.7092	\$ 10.8381	\$ 10.6969	\$ 7.8845	\$ 6.8348	\$ 4.6691	4
5	Maximum Inflation Percent	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum	\$ 0.5719	\$ 0.4877	\$ 0.4814	\$ 0.3548	\$ 0.3076	\$ 0.2101	6
GDP-IPD Calculation								
7	O&M, OT - Year 2025 Portion of the Rate	2/ \$ 8.4173	\$ 7.1782	\$ 7.0846	\$ 5.2219	\$ 4.5266	\$ 3.0924	7
8	Year 2025 Escalation	2/ \$ 0.2017	\$ 0.1720	\$ 0.1698	\$ 0.1252	\$ 0.1085	\$ 0.0741	8
9	Year 2026 O&M, and Other Taxes	\$ 8.6190	\$ 7.3502	\$ 7.2544	\$ 5.3471	\$ 4.6351	\$ 3.1665	9
10	GDP-IPD Escalation Factor	3/ 2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	10
11	Applicable Percent of GDP-IPD	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment	2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)	\$ 0.1973	\$ 0.1683	\$ 0.1661	\$ 0.1224	\$ 0.1061	\$ 0.0725	13
Selected Escalation Amount								
14	Rate for 2025	\$ 12.7092	\$ 10.8381	\$ 10.6969	\$ 7.8845	\$ 6.8348	\$ 4.6691	14
15	Selected Escalation	4/ \$ 0.1973	\$ 0.1683	\$ 0.1661	\$ 0.1224	\$ 0.1061	\$ 0.0725	15
16	Total Rate Year 2026	\$ 12.9065	\$ 11.0064	\$ 10.8630	\$ 8.0069	\$ 6.9409	\$ 4.7416	16
17	100% Load Factor Rate (excluding usage)	\$ 0.4243	\$ 0.3619	\$ 0.3571	\$ 0.2632	\$ 0.2282	\$ 0.1559	17

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 1, Line 16, Docket No. RP25-197-000 (Nov. 20, 2024).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 1, Lines 9 and 15, Docket No. RP25-197-000 (Nov. 20, 2024).

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 1.5524% and can be derived by dividing Line 15 by Line 14.

El Paso Natural Gas Company, L.L.C.
Escalation of Rates Per Tariff
2026 FT-1 Usage Base Rates

Line No.	Description		California	Nevada	Arizona	New Mexico	Texas	Producing Area	Line No.
	(a)		(b)	(c)	(d)	(e)	(f)	(g)	
From San Juan:									
Minimum Escalation - Floor									
1	Rate for 2025	1/	\$ 0.0236	\$ 0.0257	\$ 0.0270	\$ 0.0210	\$ 0.0036	\$ 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 2025		\$ 0.0236	\$ 0.0257	\$ 0.0270	\$ 0.0210	\$ 0.0036	\$ 0.0033	4
5	Maximum Inflation Percent		4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum		\$ 0.0011	\$ 0.0012	\$ 0.0012	\$ 0.0009	\$ 0.0002	\$ 0.0001	6
GDP-IPD Calculation									
7	O&M, OT - Year 2025 Portion of the Rate	2/	\$ 0.0157	\$ 0.0170	\$ 0.0178	\$ 0.0140	\$ 0.0021	\$ 0.0019	7
8	Year 2025 Escalation	2/	\$ 0.0004	\$ 0.0004	\$ 0.0004	\$ 0.0003	\$ 0.0001	\$ -	8
9	Year 2026 O&M, and Other Taxes		\$ 0.0161	\$ 0.0174	\$ 0.0182	\$ 0.0143	\$ 0.0022	\$ 0.0019	9
10	GDP-IPD Escalation Factor	3/	2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	10
11	Applicable Percent of GDP-IPD		93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment		2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	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 2025		\$ 0.0236	\$ 0.0257	\$ 0.0270	\$ 0.0210	\$ 0.0036	\$ 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 2026		\$ 0.0240	\$ 0.0261	\$ 0.0274	\$ 0.0213	\$ 0.0037	\$ 0.0033	16
Total Rate									
17	Reservation (Appendix B, page 1, Line 16)		\$ 12.9065	\$ 11.0064	\$ 10.8630	\$ 8.0069	\$ 6.9409	\$ 4.7416	17
18	Total Usage Rate		\$ 0.0240	\$ 0.0261	\$ 0.0274	\$ 0.0213	\$ 0.0037	\$ 0.0033	18
19	100% Load Factor Rate		\$ 0.4483	\$ 0.3880	\$ 0.3845	\$ 0.2845	\$ 0.2319	\$ 0.1592	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 2, Line 16, Docket No. RP25-197-000 (Nov. 20, 2024).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 2, Lines 9 and 15, Docket No. RP25-197-000 (Nov. 20, 2024).

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
2026 FT-1 Usage Base Rates

Line No.	Description		California	Nevada	Arizona	New Mexico	Texas	Producing Area	Line No.
	(a)		(b)	(c)	(d)	(e)	(f)	(g)	
From Permian:									
Minimum Escalation - Floor									
1	Rate for 2025	1/	\$ 0.0481	\$ 0.0506	\$ 0.0316	\$ 0.0216	\$ 0.0088	\$ 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 2025		\$ 0.0481	\$ 0.0506	\$ 0.0316	\$ 0.0216	\$ 0.0088	\$ 0.0033	4
5	Maximum Inflation Percent		4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	5
6	Escalated Threshold Maximum		\$ 0.0022	\$ 0.0023	\$ 0.0014	\$ 0.0010	\$ 0.0004	\$ 0.0001	6
GDP-IPD Calculation									
7	O&M, OT - Year 2025 Portion of the Rate	2/	\$ 0.0318	\$ 0.0336	\$ 0.0210	\$ 0.0145	\$ 0.0062	\$ 0.0019	7
8	Year 2025 Escalation	2/	\$ 0.0008	\$ 0.0008	\$ 0.0005	\$ 0.0003	\$ 0.0001	\$ -	8
9	Year 2026 O&M, and Other Taxes		\$ 0.0326	\$ 0.0344	\$ 0.0215	\$ 0.0148	\$ 0.0063	\$ 0.0019	9
10	GDP-IPD Escalation Factor	3/	2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	10
11	Applicable Percent of GDP-IPD		93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment		2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)		\$ 0.0007	\$ 0.0008	\$ 0.0005	\$ 0.0003	\$ 0.0001	\$ -	13
Selected Escalation Amount									
14	Rate for 2025		\$ 0.0481	\$ 0.0506	\$ 0.0316	\$ 0.0216	\$ 0.0088	\$ 0.0033	14
15	Selected Escalation	4/	0.0007	0.0008	0.0005	0.0003	0.0001	0.0000	15
16	Total Usage Rate Year 2026		\$ 0.0488	\$ 0.0514	\$ 0.0321	\$ 0.0219	\$ 0.0089	\$ 0.0033	16
Total Rate									
17	Reservation (Appendix B, page 1, Line 16)		\$ 12.9065	\$ 11.0064	\$ 10.8630	\$ 8.0069	\$ 6.9409	\$ 4.7416	17
18	Total Usage Rate		\$ 0.0488	\$ 0.0514	\$ 0.0321	\$ 0.0219	\$ 0.0089	\$ 0.0033	18
19	100% Load Factor Rate		\$ 0.4731	\$ 0.4133	\$ 0.3892	\$ 0.2851	\$ 0.2371	\$ 0.1592	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 3, Line 16, Docket No. RP25-197-000 (Nov. 20, 2024).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 3, Lines 9 and 15, Docket No. RP25-197-000 (Nov. 20, 2024).

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
2026 FT-1 Usage Base Rates

Line No.	Description		California	Nevada	Arizona	New Mexico	Texas	Producing Area	Line No.
	(a)		(b)	(c)	(d)	(e)	(f)	(g)	
From Anadarko:									
Minimum Escalation - Floor									
1	Rate for 2025	1/	\$ 0.0541	\$ 0.0557	\$ 0.0423	\$ 0.0335	\$ 0.0098	\$ 0.0033	1
2	Minimum Inflation Percent		1%	1%	1%	1%	1%	1%	2
3	Escalated Threshold Minimum		\$ 0.0005	\$ 0.0006	\$ 0.0004	\$ 0.0003	\$ 0.0001	\$ -	3
Maximum Escalation - Ceiling									
4	Rate for 2025		\$ 0.0541	\$ 0.0557	\$ 0.0423	\$ 0.0335	\$ 0.0098	\$ 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 2025 Portion of the Rate	2/	\$ 0.0358	\$ 0.0369	\$ 0.0280	\$ 0.0222	\$ 0.0066	\$ 0.0019	7
8	Year 2025 Escalation	2/	\$ 0.0009	\$ 0.0009	\$ 0.0007	\$ 0.0005	\$ 0.0002	\$ -	8
9	Year 2026 O&M, and Other Taxes		\$ 0.0367	\$ 0.0378	\$ 0.0287	\$ 0.0227	\$ 0.0068	\$ 0.0019	9
10	GDP-IPD Escalation Factor	3/	2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	10
11	Applicable Percent of GDP-IPD		93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment		2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	12
13	Applied GDP-IPD Escalator (Ln 9 * Ln 12)		\$ 0.0008	\$ 0.0009	\$ 0.0007	\$ 0.0005	\$ 0.0002	\$ -	13
Selected Escalation Amount									
14	Rate for 2025		\$ 0.0541	\$ 0.0557	\$ 0.0423	\$ 0.0335	\$ 0.0098	\$ 0.0033	14
15	Selected Escalation	4/	0.0008	0.0009	0.0007	0.0005	0.0002	0.0000	15
16	Total Usage Rate Year 2026		\$ 0.0549	\$ 0.0566	\$ 0.0430	\$ 0.0340	\$ 0.0100	\$ 0.0033	16
Total Rate									
17	Reservation (Appendix B, page 1, Line 16)		\$ 12.9065	\$ 11.0064	\$ 10.8630	\$ 8.0069	\$ 6.9409	\$ 4.7416	17
18	Total Usage Rate		\$ 0.0549	\$ 0.0566	\$ 0.0430	\$ 0.0340	\$ 0.0100	\$ 0.0033	18
19	100% Load Factor Rate		\$ 0.4792	\$ 0.4185	\$ 0.4001	\$ 0.2972	\$ 0.2382	\$ 0.1592	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 4, Line 16, Docket No. RP25-197-000 (Nov. 20, 2024).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 4, Lines 9 and 15, Docket No. RP25-197-000 (Nov. 20, 2024).

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
2026 FT-1 Usage Base Rates

Line No.	Description		California	Nevada	Arizona	New Mexico	Texas	Producing Area	Line No.
	(a)		(b)	(c)	(d)	(e)	(f)	(g)	
From California:									
Minimum Escalation - Floor									
1	Rate for 2025	1/	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	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 2025		\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	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 2025 Portion of the Rate	2/	\$ 0.0125	\$ 0.0125	\$ 0.0125	\$ 0.0125	\$ 0.0125	\$ 0.0125	7
8	Year 2025 Escalation	2/	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ 0.0003	8
9	Year 2026 O&M, and Other Taxes		\$ 0.0128	\$ 0.0128	\$ 0.0128	\$ 0.0128	\$ 0.0128	\$ 0.0128	9
10	GDP-IPD Escalation Factor	3/	2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	2.4615%	10
11	Applicable Percent of GDP-IPD		93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	93.0000%	11
12	Reduced Inflation Adjustment		2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	2.2892%	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 2025		\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	\$ 0.0188	14
15	Selected Escalation	4/	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	15
16	Total Usage Rate Year 2026		\$ 0.0191	\$ 0.0191	\$ 0.0191	\$ 0.0191	\$ 0.0191	\$ 0.0191	16
Total Rate									
17	Reservation (Appendix B, page 1, Line 16)		\$ 12.9065	\$ 11.0064	\$ 10.8630	\$ 8.0069	\$ 6.9409	\$ 4.7416	17
18	Total Usage Rate		\$ 0.0191	\$ 0.0191	\$ 0.0191	\$ 0.0191	\$ 0.0191	\$ 0.0191	18
19	100% Load Factor Rate		\$ 0.4434	\$ 0.3810	\$ 0.3762	\$ 0.2823	\$ 0.2473	\$ 0.1750	19

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 5, Line 16, Docket No. RP25-197-000 (Nov. 20, 2024).

2/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 5, Lines 9 and 15, Docket No. RP25-197-000 (Nov. 20, 2024).

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
2026 11.2 Rates Escalated Per Tariff
(Excludes Surcharges)

		2025 FT-2 RATES			2026 FT-2 RATES			
Line No.	Description	Rate Less Usage	FT-1 Usage	Total 1/ [b + c]	Inflation Adjustment 2/ [b * 1.0155]	FT-1 Usage	Total [e + f]	Line No.
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
<u>Mainline Transmission Usage Rates:</u>								
From San Juan Basin to:								
1	Anadarko	\$ 0.3742	\$ 0.0036	\$ 0.3778	\$ 0.3800	\$ 0.0037	\$ 0.3837	1
2	Permian	\$ 0.3742	\$ 0.0036	\$ 0.3778	\$ 0.3800	\$ 0.0037	\$ 0.3837	2
3	San Juan	\$ 0.3740	\$ 0.0033	\$ 0.3773	\$ 0.3798	\$ 0.0033	\$ 0.3831	3
4	Texas	\$ 0.3763	\$ 0.0036	\$ 0.3799	\$ 0.3821	\$ 0.0037	\$ 0.3858	4
5	New Mexico	\$ 0.3924	\$ 0.0210	\$ 0.4134	\$ 0.3985	\$ 0.0213	\$ 0.4198	5
6	Arizona	\$ 0.5809	\$ 0.0270	\$ 0.6079	\$ 0.5899	\$ 0.0274	\$ 0.6173	6
From Permian Basin to:								
7	Anadarko	\$ 0.3781	\$ 0.0088	\$ 0.3869	\$ 0.3840	\$ 0.0089	\$ 0.3929	7
8	Permian	\$ 0.3740	\$ 0.0033	\$ 0.3773	\$ 0.3798	\$ 0.0033	\$ 0.3831	8
9	San Juan	\$ 0.3906	\$ 0.0216	\$ 0.4122	\$ 0.3967	\$ 0.0219	\$ 0.4186	9
10	Texas	\$ 0.3781	\$ 0.0088	\$ 0.3869	\$ 0.3840	\$ 0.0089	\$ 0.3929	10
11	New Mexico	\$ 0.3906	\$ 0.0216	\$ 0.4122	\$ 0.3967	\$ 0.0219	\$ 0.4186	11
12	Arizona	\$ 0.5812	\$ 0.0316	\$ 0.6128	\$ 0.5902	\$ 0.0321	\$ 0.6223	12
From Anadarko Basin to:								
13	Anadarko	\$ 0.3740	\$ 0.0033	\$ 0.3773	\$ 0.3798	\$ 0.0033	\$ 0.3831	13
14	Permian	\$ 0.3791	\$ 0.0098	\$ 0.3889	\$ 0.3850	\$ 0.0100	\$ 0.3950	14
15	San Juan	\$ 0.4028	\$ 0.0335	\$ 0.4363	\$ 0.4091	\$ 0.0340	\$ 0.4431	15
16	Texas	\$ 0.3791	\$ 0.0098	\$ 0.3889	\$ 0.3850	\$ 0.0100	\$ 0.3950	16
17	New Mexico	\$ 0.4028	\$ 0.0335	\$ 0.4363	\$ 0.4091	\$ 0.0340	\$ 0.4431	17
18	Arizona	\$ 0.5914	\$ 0.0423	\$ 0.6337	\$ 0.6006	\$ 0.0430	\$ 0.6436	18
From California to:								
19	Anadarko	\$ 0.4153	\$ 0.0188	\$ 0.4341	\$ 0.4217	\$ 0.0191	\$ 0.4408	19
20	Permian	\$ 0.4153	\$ 0.0188	\$ 0.4341	\$ 0.4217	\$ 0.0191	\$ 0.4408	20
21	San Juan	\$ 0.4153	\$ 0.0188	\$ 0.4341	\$ 0.4217	\$ 0.0191	\$ 0.4408	21
22	Texas	\$ 0.4153	\$ 0.0188	\$ 0.4341	\$ 0.4217	\$ 0.0191	\$ 0.4408	22
23	New Mexico	\$ 0.4153	\$ 0.0188	\$ 0.4341	\$ 0.4217	\$ 0.0191	\$ 0.4408	23
24	Arizona	\$ 0.4153	\$ 0.0188	\$ 0.4341	\$ 0.4217	\$ 0.0191	\$ 0.4408	24

1/ Article 11.2(a) Inflation Adjustment Filing, Appendix B, Page 6, Column (g), Docket No. RP25-197-000 (Nov. 20, 2024).

2/ Because the inflation adjustment factor increases for all zonal FT-1 reservation rates by an overall inflation adjustment factor of 1.0155 (See Appendix B, page 1, line 14 & 15; e.g. 0.1973/12.7092 in Col(b)), the FT-2 rates were also escalated by using the same 1.0155 overall inflation adjustment factor.

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

Docket No. RP26-__

Appendix C

System Average Usage Rates

El Paso Natural Gas Company, L.L.C.
Calculation of
2026 System Average Usage Rates

Maximum Article 11.2(a) 2026 FT-1 Usage Rates			
	Rate	Factor	Total
SJ to PA	\$0.0033	19.067%	\$0.0006
P to PA	\$0.0033	77.942%	\$0.0026
A to PA	\$0.0033	1.819%	\$0.0001
CA to PA	\$0.0191	1.173%	\$0.0002
			<u>\$0.0035</u>
SJ to TX	\$0.0037	19.067%	\$0.0007
P to TX	\$0.0089	77.942%	\$0.0069
A to TX	\$0.0100	1.819%	\$0.0002
CA to TX	\$0.0191	1.173%	\$0.0002
			<u>\$0.0080</u>
SJ to NM	\$0.0213	19.067%	\$0.0041
P to NM	\$0.0219	77.942%	\$0.0171
A to NM	\$0.0340	1.819%	\$0.0006
CA to NM	\$0.0191	1.173%	\$0.0002
			<u>\$0.0220</u>
SJ to AZ	\$0.0274	19.067%	\$0.0052
P to AZ	\$0.0321	77.942%	\$0.0250
A to AZ	\$0.0430	1.819%	\$0.0008
CA to AZ	\$0.0191	1.173%	\$0.0002
			<u>\$0.0312</u>
SJ to NV	\$0.0261	19.067%	\$0.0050
P to NV	\$0.0514	77.942%	\$0.0401
A to NV	\$0.0566	1.819%	\$0.0010
CA to NV	\$0.0191	1.173%	\$0.0002
			<u>\$0.0463</u>
SJ to CA	\$0.0240	19.067%	\$0.0046
P to CA	\$0.0488	77.942%	\$0.0380
A to CA	\$0.0549	1.819%	\$0.0010
CA to CA	\$0.0191	1.173%	\$0.0002
			<u>\$0.0438</u>

Maximum Article 11.2(a) 2026 FT-2 Usage Rates			
	Rate	Factor	Total
SJ to A	\$0.3837	19.067%	\$0.0732
P to A	\$0.3929	77.942%	\$0.3062
A to A	\$0.3831	1.819%	\$0.0070
CA to A	\$0.4408	1.173%	\$0.0052
			<u>\$0.3916</u>
SJ to P	\$0.3837	19.067%	\$0.0732
P to P	\$0.3831	77.942%	\$0.2986
A to P	\$0.3950	1.819%	\$0.0072
CA to P	\$0.4408	1.173%	\$0.0052
			<u>\$0.3842</u>
SJ to SJ	\$0.3831	19.067%	\$0.0730
P to SJ	\$0.4186	77.942%	\$0.3263
A to SJ	\$0.4431	1.819%	\$0.0081
CA to SJ	\$0.4408	1.173%	\$0.0052
			<u>\$0.4126</u>
SJ to TX	\$0.3858	19.067%	\$0.0736
P to TX	\$0.3929	77.942%	\$0.3062
A to TX	\$0.3950	1.819%	\$0.0072
CA to TX	\$0.4408	1.173%	\$0.0052
			<u>\$0.3922</u>
SJ to NM	\$0.4198	19.067%	\$0.0800
P to NM	\$0.4186	77.942%	\$0.3263
A to NM	\$0.4431	1.819%	\$0.0081
CA to NM	\$0.4408	1.173%	\$0.0052
			<u>\$0.4196</u>
SJ to AZ	\$0.6173	19.067%	\$0.1177
P to AZ	\$0.6223	77.942%	\$0.4850
A to AZ	\$0.6436	1.819%	\$0.0117
CA to AZ	\$0.4408	1.173%	\$0.0052
			<u>\$0.6196</u>

Minimum Article 11.2(a) 2026 FT-2 Usage Rates			
	Rate	Factor	Total
SJ to A	\$0.0037	19.067%	\$0.0007
P to A	\$0.0089	77.942%	\$0.0069
A to A	\$0.0033	1.819%	\$0.0001
CA to A	\$0.0191	1.173%	\$0.0002
			<u>\$0.0079</u>
SJ to P	\$0.0037	19.067%	\$0.0007
P to P	\$0.0033	77.942%	\$0.0026
A to P	\$0.0100	1.819%	\$0.0002
CA to P	\$0.0191	1.173%	\$0.0002
			<u>\$0.0037</u>
SJ to SJ	\$0.0033	19.067%	\$0.0006
P to SJ	\$0.0219	77.942%	\$0.0171
A to SJ	\$0.0340	1.819%	\$0.0006
CA to SJ	\$0.0191	1.173%	\$0.0002
			<u>\$0.0185</u>
SJ to TX	\$0.0037	19.067%	\$0.0007
P to TX	\$0.0089	77.942%	\$0.0069
A to TX	\$0.0100	1.819%	\$0.0002
CA to TX	\$0.0191	1.173%	\$0.0002
			<u>\$0.0080</u>
SJ to NM	\$0.0213	19.067%	\$0.0041
P to NM	\$0.0219	77.942%	\$0.0171
A to NM	\$0.0340	1.819%	\$0.0006
CA to NM	\$0.0191	1.173%	\$0.0002
			<u>\$0.0220</u>
SJ to AZ	\$0.0274	19.067%	\$0.0052
P to AZ	\$0.0321	77.942%	\$0.0250
A to AZ	\$0.0430	1.819%	\$0.0008
CA to AZ	\$0.0191	1.173%	\$0.0002
			<u>\$0.0312</u>

El Paso Natural Gas Company, L.L.C.
Calculation of Percentage Weighting for
2026 System Average Usage Rates

Percents from Each Receipt Area			
Receipt Area	Oct-24 to	Sep-25	
Receipt Area		Volume (Mmbtu)	Percent
San Juan	S	453,261,144	19.067%
Permian	P	1,852,869,141	77.942%
Anadarko	A	43,235,345	1.819%
California	CA	27,875,571	1.173%
Total from Basins		2,377,241,201	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. RP26-__

Appendix D

Derivation of Escalator

Table 1.1.9. Implicit Price Deflators for Gross Domestic Product

[Index numbers, 2017=100] Seasonally adjusted

Bureau of Economic Analysis

Last Revised on: September 25, 2025 - Next Release Date October 30, 2025

Line		2023				2024				2025	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Gross domestic product	121.288	121.92	122.914	123.405	124.374	125.167	125.696	126.45	127.577	128.248
2	Personal consumption expenditures	119.304	120.184	120.993	121.539	122.614	123.401	123.921	124.695	125.751	126.416
3	Goods	115.005	115.094	115.193	114.856	114.708	114.82	114.353	114.285	114.915	114.973
4	Durable goods	108.868	108.81	107.568	106.699	106.622	105.906	105.301	105.228	105.456	106.262
5	Nondurable goods	118.376	118.553	119.45	119.432	119.245	119.851	119.47	119.406	120.281	119.884
6	Services	121.276	122.566	123.741	124.743	126.445	127.576	128.603	129.811	131.086	132.064
7	Gross private domestic investment	118.87	118.664	119.022	119.66	119.989	120.726	121.358	121.927	122.17	122.265
8	Fixed investment	119.761	119.631	120.02	120.713	120.939	121.75	122.557	123.091	123.316	123.375
9	Nonresidential	112.699	112.64	112.665	113.16	113.379	114.071	114.702	115.137	115.087	114.981
10	Structures	135.63	135.332	134.007	135.181	134.356	134.939	134.697	134.805	135.162	134.806
11	Equipment	110.383	110.46	111.16	111.442	112.423	112.949	113.539	113.753	113.93	114.87
12	Intellectual property products	104.362	104.279	104.34	104.689	104.749	105.635	106.702	107.478	107.047	106.113
13	Residential	144.335	143.901	145.9	147.438	147.682	148.969	150.523	151.47	152.92	153.74
14	Change in private inventories	---	---	---	---	---	---	---	---	---	---
15	Net exports of goods and services	---	---	---	---	---	---	---	---	---	---
16	Exports	121.308	120.203	121.498	120.78	121.526	122.419	122.225	122.186	123.844	123.429
17	Goods	120.457	118.484	119.811	118.675	118.929	119.69	118.784	118.288	120.084	119.544
18	Services	122.495	123.128	124.352	124.466	126.176	127.321	128.496	129.326	130.715	130.543
19	Imports	112.29	110.948	111.11	111.084	111.738	112.274	112.485	112.327	112.821	112.468
20	Goods	110.609	108.971	109.092	109.153	109.596	110.099	110.133	110.055	110.48	109.611
21	Services	119.61	119.6	119.949	119.545	121.107	121.782	122.755	122.258	123.063	124.996
22	Government consumption expenditures and gross investr	123.981	123.845	125.345	125.768	126.877	127.454	128.093	128.647	130.086	131.155
23	Federal	118.634	119.414	120.536	121.384	122.629	123.558	124.298	125.039	126.835	129
24	National defense	119.138	120.025	121.515	122.81	124.249	125.091	125.733	126.428	128.003	129.919
25	Nondefense	117.98	118.623	119.269	119.536	120.531	121.571	122.441	123.243	125.328	127.828
26	State and local	127.366	126.651	128.388	128.542	129.564	129.92	130.493	130.927	132.141	132.532
Addendum:											
27	Gross national product	121.2	121.832	122.825	123.315	124.284	125.077	125.605	126.359	127.485	128.155

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

Line No.	Description (a)	2nd Qtr 2024 (b)	2nd Qtr 2025 (c)	Percentage Increase/(Decrease) (d) $[(c - b) / b]$
1	Implicit Price Deflator	125.167	128.248	2.4615%
2				
3				
4				
5				
6				
7	Minimum Inflation Percent			1.0%
8	Maximum Inflation Percent			4.5%
9				
10	2024-2025 GDP-IPD Escalation Factor			2.4615%
11	Applicable Percent of GDP-IPD			93.0%
12	Adjusted Inflation Percent			2.2892%

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. 74166691	\$ 0. 15591535
Texas	\$ 6. 94098348	\$ 0. 22822247
New Mexico	\$ 8.00697.8845	\$ 0. 26322592
Arizona	\$ 10. 86306969	\$ 0. 35713517
Nevada	\$ 11.006410.8381	\$ 0. 36193563
California	\$ 12. 90657092	\$ 0. 42434178

DAILY USAGE Maximum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0033	\$ 0.0033	\$ 0.0033	\$ 0. 01910188	\$ 0.0035
Texas	\$ 0. 00370036	\$ 0. 00890088	\$ 0. 01000098	\$ 0. 01910188	\$ 0.0080
New Mexico	\$ 0. 02130210	\$ 0. 02190216	\$ 0. 03400335	\$ 0. 01910188	\$ 0. 02200217
Arizona	\$ 0. 02740270	\$ 0. 03210316	\$ 0. 04300423	\$ 0. 01910188	\$ 0. 03120308
Nevada	\$ 0. 02610257	\$ 0. 05140506	\$ 0. 05660557	\$ 0. 01910188	\$ 0. 04630455
California	\$ 0. 02400236	\$ 0. 04880481	\$ 0. 05490541	\$ 0. 01910188	\$ 0. 04380431

DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0033	\$ 0.0033	\$ 0.0033	\$ 0. 01910188	\$ 0.0035
Texas	\$ 0. 00370036	\$ 0. 00890088	\$ 0. 01000098	\$ 0. 01910188	\$ 0.0080
New Mexico	\$ 0. 02130210	\$ 0. 02190216	\$ 0. 03400335	\$ 0. 01910188	\$ 0. 02200217

0.02200217	
Arizona	\$ 0.02740270 \$ 0.03210316 \$ 0.04300423 \$ 0.01910188 \$
0.03120308	
Nevada	\$ 0.02610257 \$ 0.05140506 \$ 0.05660557 \$ 0.01910188 \$
0.04630455	
California	\$ 0.02400236 \$ 0.04880481 \$ 0.05490541 \$ 0.01910188 \$
0.04380431	

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	\$ 0.38373778	\$ 0.39293869	\$ 0.38313773	\$ 0.44084341	\$
0.39163855					
Permian	\$ 0.38373778	\$ 0.38313773	\$ 0.39503889	\$ 0.44084341	\$
0.38423783					
San Juan	\$ 0.38313773	\$ 0.41864122	\$ 0.44314363	\$ 0.44084341	\$
0.41264062					
Texas	\$ 0.38583799	\$ 0.39293869	\$ 0.39503889	\$ 0.44084341	\$
0.39223861					
New Mexico	\$ 0.41984134	\$ 0.41864122	\$ 0.44314363	\$ 0.44084341	\$
0.41964131					
Arizona	\$ 0.61736079	\$ 0.62236128	\$ 0.64366337	\$ 0.44084341	\$
0.61966102					

DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California	System Average
Anadarko	\$ 0.00370036	\$ 0.00890088	\$ 0.0033	\$ 0.01910188	\$ 0.0079
Permian	\$ 0.00370036	\$ 0.0033	\$ 0.01000098	\$ 0.01910188	\$ 0.0037
San Juan	\$ 0.0033	\$ 0.02190216	\$ 0.03400335	\$ 0.01910188	\$
0.01850183					
Texas	\$ 0.00370036	\$ 0.00890088	\$ 0.01000098	\$ 0.01910188	\$ 0.0080
New Mexico	\$ 0.02130210	\$ 0.02190216	\$ 0.03400335	\$ 0.01910188	\$
0.02200217					
Arizona	\$ 0.02740270	\$ 0.03210316	\$ 0.04300423	\$ 0.01910188	\$
0.03120308					

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	\$ 4.7416	\$ 0.1559
Texas	\$ 6.9409	\$ 0.2282
New Mexico	\$ 8.0069	\$ 0.2632
Arizona	\$ 10.8630	\$ 0.3571
Nevada	\$ 11.0064	\$ 0.3619
California	\$ 12.9065	\$ 0.4243

DAILY USAGE Maximum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0033	\$ 0.0033	\$ 0.0033	\$ 0.0191	\$ 0.0035
Texas	\$ 0.0037	\$ 0.0089	\$ 0.0100	\$ 0.0191	\$ 0.0080
New Mexico	\$ 0.0213	\$ 0.0219	\$ 0.0340	\$ 0.0191	\$ 0.0220
Arizona	\$ 0.0274	\$ 0.0321	\$ 0.0430	\$ 0.0191	\$ 0.0312
Nevada	\$ 0.0261	\$ 0.0514	\$ 0.0566	\$ 0.0191	\$ 0.0463
California	\$ 0.0240	\$ 0.0488	\$ 0.0549	\$ 0.0191	\$ 0.0438

DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Production Area	\$ 0.0033	\$ 0.0033	\$ 0.0033	\$ 0.0191	\$ 0.0035
Texas	\$ 0.0037	\$ 0.0089	\$ 0.0100	\$ 0.0191	\$ 0.0080
New Mexico	\$ 0.0213	\$ 0.0219	\$ 0.0340	\$ 0.0191	\$ 0.0220
Arizona	\$ 0.0274	\$ 0.0321	\$ 0.0430	\$ 0.0191	\$ 0.0312
Nevada	\$ 0.0261	\$ 0.0514	\$ 0.0566	\$ 0.0191	\$ 0.0463
California	\$ 0.0240	\$ 0.0488	\$ 0.0549	\$ 0.0191	\$ 0.0438

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	\$ 0.3837	\$ 0.3929	\$ 0.3831	\$ 0.4408	\$ 0.3916
Permian	\$ 0.3837	\$ 0.3831	\$ 0.3950	\$ 0.4408	\$ 0.3842
San Juan	\$ 0.3831	\$ 0.4186	\$ 0.4431	\$ 0.4408	\$ 0.4126
Texas	\$ 0.3858	\$ 0.3929	\$ 0.3950	\$ 0.4408	\$ 0.3922
New Mexico	\$ 0.4198	\$ 0.4186	\$ 0.4431	\$ 0.4408	\$ 0.4196
Arizona	\$ 0.6173	\$ 0.6223	\$ 0.6436	\$ 0.4408	\$ 0.6196
DAILY USAGE Minimum	From San Juan	From Permian	From Anadarko	From California	System Average
	-----	-----	-----	-----	-----
Anadarko	\$ 0.0037	\$ 0.0089	\$ 0.0033	\$ 0.0191	\$ 0.0079
Permian	\$ 0.0037	\$ 0.0033	\$ 0.0100	\$ 0.0191	\$ 0.0037
San Juan	\$ 0.0033	\$ 0.0219	\$ 0.0340	\$ 0.0191	\$ 0.0185
Texas	\$ 0.0037	\$ 0.0089	\$ 0.0100	\$ 0.0191	\$ 0.0080
New Mexico	\$ 0.0213	\$ 0.0219	\$ 0.0340	\$ 0.0191	\$ 0.0220
Arizona	\$ 0.0274	\$ 0.0321	\$ 0.0430	\$ 0.0191	\$ 0.0312

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.