

October 13, 2020

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

Attention: Ms. Kimberly D. Bose, Secretary

Re: Sierrita Gas Pipeline LLC;

Docket No. CP18-37-000;

Sierrita Compressor Expansion Project; Statement of Cost of Facilities Constructed

#### Commissioners:

Sierrita Gas Pipeline LLC ("Sierrita") is hereby filing with the Federal Energy Regulatory Commission ("Commission") in Docket No. CP18-37-000 its Statement of Cost of Facilities Constructed for the Sierrita Compressor Expansion Project.

## **Description of Proceeding**

On December 21, 2017, Sierrita submitted its application, pursuant to Section 7(c) of the Natural Gas Act requesting a certificate of public convenience and necessity for authorization to construct, install, and operate a new compressor ("Sierrita Compressor Station") to be located in Pima County, Arizona. The project is referred to as the "Sierrita Compressor Expansion Project."

## **Description of Filing**

Section 157.20(c)(3) requires a statement showing all costs incurred to date and estimated to be incurred for final completion of the project to be filed with the Commission within six months after the authorized facilities have been constructed and placed into service. The Sierrita Compressor Expansion Project was placed into service on April 12, 2020. Accordingly, Sierrita is providing Attachment 1 with the Statement of Cost of Facilities Constructed.

### Filing Information

Sierrita is e-Filing this letter and attachment with the Commission's Secretary in accordance with the Commission's Order No. 703, *Filing Via the Internet*, guidelines issued on November 15, 2007 in Docket No. RM07-16-000.

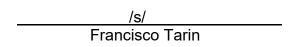
Federal Energy Regulatory Commission	-2-	October 13, 2020		
	Respectfully sub	submitted,		
	SIERRITA GAS	PIPELINE LLC		
	By <u>/s/</u> Francisco Director, R			

Enclosure

## **Certificate of Service**

I hereby certify that I have this day caused a copy of the foregoing document to be served upon each person designated on the official service list compiled by the Commission's Secretary in this proceeding in accordance with the requirements of Section 385.2010 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure.

Dated at Colorado Springs, Colorado as of this 13th day of October, 2020.



Two North Nevada Avenue Colorado Springs, Colorado 80903 (719) 667-7517

# **VERIFICATION**18 C.F.R. § 157.205(b)(4)

STATE OF COLORADO )
COUNTY OF EL PASO )

FRANCISCO TARIN, being first duly sworn on his oath, deposes and says that he is the Director, Regulatory for Sierrita Gas Pipeline LLC, that as such he is authorized to verify the foregoing filing; that he has read and is familiar with the contents thereof; and that the statements made therein are true and accurate to the best of his information, knowledge and belief; and that the activities proposed in the foregoing filing comply with the requirements of Subpart F of Part 157 of the Regulations of the Federal Energy Regulatory Commission.

Francisco Tarin

SUBSCRIBED AND SWORN TO before me, in the county of El Paso, State of Colorado this 13<sup>th</sup> day of October, 2020.

Karen Lynn Hadley

Notary Public, State of Colorado

My Commission Expires: July 23, 2022

KAREN LYNN HARTLEY Notary Public - State of Colorado Notary ID 19944008440 My Commission Expires Jul 23, 2022

#### SIERRITA GAS PIPELINE LLC

## **Sierrita Compressor Expansion Project Statement of Cost of Facilities Constructed**

Line No.	Category	iginal Exhibit K Cost Estimate	F	Final Exhibit K Cost	Difference Over/(Under)	Notes
	(a)	 (b)		(c)	(d)	
1	Land	\$ 244,163	\$	120,096	\$ (124,067)	1
2	Permitting	-		-	-	
3	Materials	19,661,425		18,068,529	(1,592,896)	2
4	Installation	15,802,011		19,756,385	3,954,374	3
5	Inspection	1,078,800		975,503	(103,297)	
6	Engineering	1,437,498		1,244,152	(193,346)	
7	Environmental	1,588,208		418,052	(1,170,156)	4
8	Total Direct Cost	\$ 39,812,104	\$	40,582,717	\$ 770,613	
9	Overhead	\$ 4,953,280	\$	4,058,272	\$ (895,008)	5
10	AFUDC	2,462,981		1,649,675	(813,306)	6
11	Contingency and escalation	 9,170,871			 (9,170,871)	7
12	Total Cost of Facilities	\$ 56,399,237	\$	46,290,664	\$ (10,108,573)	

#### Notes:

- 1 Based on the station site selection, Sierrita did not need to obtain certain land related permits and payments. This lowered the land-related costs.
- 2 Material costs were lower due to savings on cost of pipe/valves/fittings and compression equipment.
- 3 Installation costs were higher due to increased contractor costs.
- 4 Lower environmental costs incurred due to fewer construction permits being required.
- 5 Lower overhead expenses incurred due to lower direct costs.
- 6 Lower AFUDC was accumulated due to lower overall project spending and more favorable timing of project expenditures.
- 7 Contingency and escalation were not needed because the final construction costs were lower than estimated.