



Tennessee Gas Pipeline
Company, L.L.C.
a Kinder Morgan company

January 11, 2019

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Tennessee Gas Pipeline Company, L.L.C.
Negotiated Rate Agreement Filing
Service Package No. 321801
Docket No. RP19-_____-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Regulations of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. Part 154, Tennessee Gas Pipeline Company, L.L.C. (“Tennessee”), hereby tenders for filing a Negotiated Rate Agreement between Tennessee and Mex Gas Supply, S.L. (“Mex Gas”) for Service Package No. 321801, dated November 16, 2018 (“Mex Gas NRA”).

Tennessee submits the Mex Gas NRA for inclusion in its First Revised Volume No. 2 (“Volume No. 2”) of Tennessee’s FERC Gas Tariff (“Tariff”). The proposed Tariff record is listed below:

Record Version	Description	Title	Version
4.6.2	4.6.2 Neg. Rate Agmt.	Negotiated Rate Agreement	3.0.0

Tennessee respectfully requests that the Commission accept and approve the Mex Gas NRA and related Tariff record effective on December 1, 2018.

Statement of Nature, Reasons, and Basis for the Filing

On August 30, 1996, in Docket No. RP96-312-000, the Commission approved, subject to conditions, Tennessee’s July 16, 1996 tariff filing authorizing Tennessee to charge negotiated rates for its transportation and storage services.¹ Tennessee made its negotiated rate filing pursuant to the Commission’s *Policy Statement*, which the Commission issued on January 31, 1996, and

¹ *Tennessee Gas Pipeline Co.*, 76 FERC ¶ 61,224, *order on reh’g*, 77 FERC ¶ 61,215 (1996).

modified on July 25, 2003.² Both the *Policy Statement* and the orders approving Tennessee's negotiated rate option require Tennessee, when implementing a negotiated rate contract, to file either the contract or tariff sheets identifying and describing the transaction.³ The Commission has stated that pipelines' negotiated rate filings must disclose all consideration linked to the agreement.⁴ As to the disclosure of consideration, the Commission stated, "in any pipeline filing of a negotiated rate agreement, any other agreement, understanding, negotiation or consideration linked to the agreement must be disclosed in the pipeline's filing."⁵

The Mex Gas NRA supersedes and cancels, effective December 1, 2018, the Negotiated Rate Agreement between Tennessee and Mex Gas dated November 11, 2016, which was approved by the Commission by Letter Order dated December 19, 2016 in Docket No. RP17-234-000.⁶

The information set forth in the Mex Gas NRA and in the Mex Gas GTA filed in Docket No. RP17-234-000, fully discloses the essential conditions involved in the negotiated rate transaction with Mex Gas, including a specification of all consideration.

Materials Enclosed

In accordance with the applicable provisions of Part 154 of the Commission's regulations, Tennessee provides an eTariff .xml filing package containing:

- (1) A transmittal letter in PDF format;
- (2) Revised Tariff record in RTF format with metadata attached;
- (3) A clean and marked version of the revised Tariff record in PDF format for posting on eLibrary;

² Statement of Policy on Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Transportation Services of Natural Gas Pipelines, 74 FERC ¶ 61,076 (1996); Natural Gas Pipeline Negotiated Rate Policies and Practices, 104 FERC ¶ 61,134 (2003) ("*Policy Statement*").

³ *Tennessee Gas Pipeline Co.*, 77 FERC at 61,877; *Policy Statement*, 74 FERC at 61,241.

⁴ *Columbia Gulf Transmission Co.*, 85 FERC ¶ 61,373 (1998).

⁵ *Id.* at 62,424.

⁶ In the November 30, 2016 filing in Docket No. RP17-234-000, Tennessee also submitted for filing and approval, a Gas Transportation Agreement dated September 4, 2014 as amended on June 9, 2016 ("Mex Gas GTA") with Mex Gas that contained certain non-conforming provisions. Such provisions, which are unaffected by the revised Mex Gas NRA, were also approved by the Commission in the December 19, 2016 Letter Order.

- (4) A copy of the Mex Gas NRA; and
- (5) A copy of the entire filing in PDF format for posting on eLibrary.

Service and Correspondence

The undersigned certifies that a copy of this filing has been served electronically pursuant to 18 C.F.R. § 154.208 on Tennessee's customers and affected state regulatory commissions. A paper copy of this filing may only be served if a customer has been granted waiver of electronic service pursuant to 18 C.F.R. Part 390 of the Commission's regulations. In addition, an electronic copy of this filing is available for public inspection during regular business hours in Tennessee's office at 1001 Louisiana Street, Houston, Texas 77002.

Pursuant to 18 C.F.R. § 385.2005 and § 385.2011(c)(5) of the Commission's regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best knowledge and belief of the undersigned.

The names, titles, and mailing addresses of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

*Tony Sala
Assistant General Counsel
Tennessee Gas Pipeline Company, L.L.C.
1001 Louisiana Street, Suite 1000
Houston, Texas 77002
(713) 420-6431
Tony_Sala@kindermorgan.com

* Carlos Oblitas
Director, Rates and Regulatory Affairs
Tennessee Gas Pipeline Company, L.L.C.
1001 Louisiana Street, Suite 1000
Houston, TX 77002
(713) 420-3297
Carlos_Oblitas@kindermorgan.com

(*Persons designated for service in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010.)

Effective Date and Waiver Request

Tennessee respectfully requests all waivers that may be necessary, including waiver of the 30-day notice period pursuant to Section 154.207 of the Commission's regulations⁷, for the Commission to accept the Mex Gas NRA and related Tariff record to become effective on December 1, 2018.

⁷ The Commission has routinely waived the 30-day notice period for negotiated rate filings. *See Statement of Policy on Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Transportation Services of Natural Gas Pipelines*, 74 FERC ¶ 61,076, at 61,241; *see also, Alliance Pipeline L.P.*, 132 FERC ¶ 61,010, at P 10 (2010); *Texas Eastern Transmission, LP*, 130 FERC ¶ 61,189, at n.20 (2010).

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
January 11, 2019
Page 4

Pursuant to Section 154.7(a)(9) of the Commission's regulations, Tennessee hereby moves to place the revised Tariff records into effect on the requested effective date.

Any questions regarding this filing may be directed to the undersigned at (713) 420-5771.

Respectfully submitted,

TENNESSEE GAS PIPELINE COMPANY, L.L.C.

By: /s/ *Carlos Oblitas*
Carlos J. Oblitas
Director, Rates and Regulatory Affairs

Enclosures

CLEAN TARIFF SHEETS / RECORDS

Tariff Submitter:	Tennessee Gas Pipeline Company, L.L.C.
FERC Tariff Program Name:	FERC NGA Gas Tariff
Tariff Title:	TGP Tariffs
Tariff Record Proposed Effective Date:	December 1, 2018
Tariff Record Title:	3.0.0, 4.6.2 Gas Trans Agmt, Negotiated Rate Letter Mex Gas Supply, S.L. SP321801
Option Code:	A



Tennessee Gas Pipeline
Company, L.L.C.
a Kinder Morgan company

NEGOTIATED RATE AGREEMENT

November 16, 2018

Mex Gas Supply, S.L.
Lago Zurich 245 Piso 7 (Torre Zurich)
Colonia Ampliacion Granada, C.P. 11520
Delegacion Miguel Hidalgo Ciudad de Mexico

Attention: Medardo F. Becerril Cadena

RE: Firm Transportation Negotiated Rate Agreement (“Negotiated Rate Agreement”)
Rate Schedule FT-A Service Package No. 321801 (“Service Package”)
Open Season No. 955 and 1024

Dear Medardo:

Tennessee Gas Pipeline Company, L.L.C. (“Transporter”) and Mex Gas Supply, S.L. (“Shipper”) entered into a Precedent Agreement, dated December 4, 2014 (“Precedent Agreement”). As part of the Precedent Agreement, Shipper elected the negotiated rate option as offered by Transporter. In response to the request of Shipper and pursuant to Section 5.6 of Rate Schedule FT-A of Transporter’s FERC Gas Tariff, as may be revised from time to time (“Transporter’s Tariff”), Transporter hereby agrees to adjust its Rate Schedule FT-A transportation rates for service provided under the above-referenced Service Package, as follows. Any terms that are not defined herein shall have the meaning as set forth in the Service Package. This Negotiated Rate Agreement supersedes and cancels, as of December 1, 2018 the previous Negotiated Rate Agreement dated November 11, 2016.

1. a. From the Commencement Date and for the Primary Term of 18 years following the Commencement Date, the applicable Rate Schedule FT-A transportation reservation rates shall be:
 - (i) A monthly Fixed Negotiated Reservation Rate of \$11.5583 per Dth. (\$0.38 Daily Demand)
 - (ii) The monthly Fixed Negotiated Reservation Rate stated above applies to gas delivered by Transporter on behalf of Shipper from its Primary Receipt Point(s) located in Transporter’s Rate Zone 1, Zone 4 and/or any current or future secondary receipt points in Transporter’s Rate Zone 0, Zone 1/L, Zone 2, and/or Zone 4 for delivery to its primary delivery point and all secondary delivery points in Zone 0, Zone L/1, Zone 2, and/or Zone 4.

- b. From the Commencement Date and for the Primary Term of 18 years following the Commencement Date, the applicable Rate Schedule FT-A transportation commodity



rates shall be equal to the then effective applicable general system Base Commodity Rate.

2. In addition to the negotiated reservation and commodity rates set forth above in Section 1(a) and (b), Shipper shall pay (i) any and all surcharges specified in Transporter's Tariff, as such surcharges may be modified from time to time; and (ii) any new surcharges which may be added to Transporter's Tariff in the future pursuant to any FERC-approved surcharge or cost recovery mechanism of general applicability implemented in a generic proceeding or in a Transporter-specific proceeding. Shipper shall pay all surcharges and other recovery mechanism described herein without regard to whether any such surcharge(s) or recovery mechanisms is a reservation, commodity, or other surcharge or any other recovery mechanism for the recovery of direct or indirect costs.
3. In addition, Shipper will provide to Transporter natural gas according to the applicable general system Fuel and Loss Retention Percentage ("F&LR") and shall pay the applicable general system Electric Power Cost Rates ("EPCR") under Rate Schedule FT-A as set forth in Transporter's Tariff. Provided, however, Shipper shall be subject to incremental F&LR and EPCR applicable to the Project to the extent such charges are imposed on the Project by the Federal Energy Regulatory Commission, ("FERC").
4. In accordance with Section 4.7 of Transporter's Rate Schedule FT-A, Shipper may elect from time-to-time to amend its Primary Receipt Point(s) from any current or future point located within Shipper's capacity path at the Fixed Negotiated Reservation Rate and Commodity Rates specified above in Sections 1(a) and 1(b), respectively. Amendments of the Primary Receipt outside of Shipper's capacity path will be at Transporter's sole discretion. All amendments are subject to Shipper's TQ and available mainline, lateral and meter capacity. In no event shall Transporter be obligated to modify facilities, nor shall revenue to Transporter be reduced as a result of such amendments.
5. Engaging an agent to manage Shipper's utilization of its gas transportation agreement shall not, on its own, cause Shipper to incur the applicable maximum daily commodity rates under Rate Schedule FT-A described hereunder; however, such agent's management of Shipper's gas transportation agreement shall be subject to all of the terms and conditions of the gas transportation agreement, this Negotiated Rate Agreement and Transporter's Tariff.
6. If Shipper fails to pay correctly invoiced amounts, then, if such failure is not cured within thirty (30) days of provision of notice by Transporter to Shipper of such failure, Transporter shall have the right to immediately terminate this Negotiated Rate Agreement with Shipper and/or assess, from the date of such failure to pay, the applicable maximum rate on the above Service Package for the month(s) in which there was such failure to pay. The foregoing provision shall not apply to invoiced amounts that Shipper has disputed.
7. This Negotiated Rate Agreement shall be filed with and is subject to approval by the FERC. If any terms of this Negotiated Rate Agreement are in any way modified by order, rulemaking, regulation, or policy of the FERC, Transporter and Shipper shall negotiate in



March 21, 2016
Mex Gas Supply, S.L

good faith to amend this Negotiated Rate Agreement to ensure that the original commercial intent of the parties is preserved. If the parties cannot achieve mutual agreement, the Parties will proceed under the Negotiated Rate Agreement as modified by such order, rulemaking, regulation, or policy of the FERC; provided, however, that Transporter shall be under no obligation to make any provision offered to Shipper generally available to all shippers on Transporter's system.


If Shipper is interested in entering into the Negotiated Rate Agreement for firm capacity in accordance with the terms proposed above, please have the authorized representative of Shipper execute this Negotiated Rate Agreement, and return to the undersigned. This Negotiated Rate Agreement will become binding upon the parties only after it then is accepted and executed by Transporter's authorized representative on the below "Agreed to and Accepted" portion. One fully executed copy will be returned for your records.

Please contact me at 713-420-2109 if you have any questions.

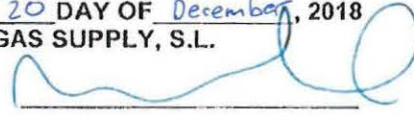
Sincerely,


Brenden Marquardt
Manager of Marketing

AGREED TO AND ACCEPTED
THIS 2 DAY OF January, ~~2018~~ 2019
TENNESSEE GAS PIPELINE COMPANY, L.L.C.

By:  BEM
Name: Ernesto A. Ochoa TS
Title: Vice President - Commercial

AGREED TO AND ACCEPTED
THIS 20 DAY OF December, 2018
MEX GAS SUPPLY, S.L.

By: 
Name: Nuria Olano
Title: Trading manager

MARKED TARIFF SHEETS / RECORDS

Tariff Submitter: Tennessee Gas Pipeline Company, L.L.C.
FERC Tariff Program Name: FERC NGA Gas Tariff
Tariff Title: TGP Tariffs
Tariff Record Proposed Effective Date: December 1, ~~2016~~2018
Tariff Record Title: ~~2.0.03.0.0~~, 4.6.2 Gas Trans Agmt, Negotiated Rate
Letter Mex Gas Supply, S.L. SP321801
Option Code: A