

143 FERC ¶ 61,160
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 22, 2013

In Reply Refer To:
El Paso Natural Gas Company, L.L.C.
Docket Nos. RP13-802-000 and
RP13-802-001

El Paso Natural Gas Company, L.L.C.
PO Box 1087
Colorado Springs, CO 80944

Attention: Francisco Tarin
Director, Regulatory Affairs

Dear Mr. Tarin:

1. On April 19, 2013, El Paso Natural Gas Company, L.L.C. (El Paso) filed tariff records¹ to its FERC Gas Tariff which reflect two non-conforming firm transportation service agreements. El Paso states that the agreements contain non-conforming provisions associated with two separate expansion projects on El Paso's system. In addition, El Paso is removing several expired or conforming agreements from the list of non-conforming agreements and updating its points of contact information throughout the tariff. On April 25, 2013, El Paso filed a correction to the April 19 filing to correct the contract effective date from April 15, 2013 to June 1, 2013 where applicable in the agreement between El Paso and El Paso Electric Company (El Paso Electric).² The tariff records as corrected are accepted effective May 20, 2013.

2. El Paso states that TSA No. FT37G000 is a new firm agreement with MGI Supply, Ltd. (MGI) and is filed in support of the Norte Crossing Project. El Paso states that the non-conforming provisions are related to the construction of the Norte Crossing Project. The Norte Crossing Project comprises new border crossing facilities that will transport natural gas to the United States/Mexico border to facilities interconnecting with the Tarahumara Pipeline, allowing El Paso to provide natural gas to a new natural gas-fired

¹ See Appendix.

² See Appendix.

power plant in northern Mexico. El Paso states that TSA No. H6623000 is a revised firm hourly agreement with El Paso Electric and is in support of new delivery facilities referred to as the Montana Plant Expansion Project, which is being constructed to allow for the delivery of natural gas to a new El Paso Electric natural gas-fired electric generation facility called the Montana Plant. El Paso states that this agreement contains potentially non-conforming contract provisions. El Paso states that the proposed agreement increases the contract volumes to meet natural gas requirements at the new El Paso Electric Montana Power Plant and extends the term of the agreement by an additional twelve years.

3. Notice of the filings was issued on April 22, 2013 and April 26, 2013, respectively. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2012)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2012)), all timely filed motions to intervene and any unopposed motion to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. On May 1, 2013, BP Energy Company, ConocoPhillips Company, and Shell Energy North America, L.P. (jointly Indicated Shippers) filed a Request for Clarification.

4. Indicated Shippers seek clarification regarding language in both contracts which states that El Paso "shall seek to recover from all of its shippers through a FERC proceeding any Greenhouse Gas Costs that are imposed on EPNG" Indicated Shippers express concern that the language could be read to provide El Paso the right to collect greenhouse gas costs from all shippers, rather than simply a right to collect such costs only from the parties to these specific agreements. Indicated Shippers note that the Commission has previously rejected pipeline proposals to implement greenhouse gas cost surcharges because such costs are speculative at this time. Indicated Shippers request that the Commission confirm that no greenhouse gas costs can be collected from any El Paso customer absent a separate tariff filing which is approved by the Commission and no other party can be deemed to have waived objections to such a tariff filing by virtue of the Commission's approval of the subject El Paso Electric and MGI agreements.

5. The Commission accepts the subject agreements to be effective May 20, 2013. The language in the agreements states that El Paso "shall seek to recover [such greenhouse gas emission costs] from all of its shippers through a FERC proceeding" and states that any such costs must be approved by the Commission. At such time as El Paso may seek to collect any costs related to Greenhouse Gas Emissions from any shipper, it must make a filing to recover such costs, and at that time, all affected parties will have

the opportunity to intervene and raise any objections. El Paso is not automatically entitled to recover such costs from any customer absent Commission approval.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

El Paso Natural Gas Company, L.L.C.
FERC NGA Gas Tariff
EPNG Tariffs

Tariff Records Accepted Effective May 20, 2013

[Tariff, Third Revised Volume No. 1A, 2.0.0](#)

[Part I: Overview, Section 1 - Table of Contents, 15.0.1](#)

[Part I: Overview, Section 4 - Points of Contact, 4.0.0](#)

[Part IV: GT&C, Section 1 - Definitions, 9.0.0](#)

[Part IV: GT&C, Section 9 - Capacity Release Program, 9.0.0](#)

[Part IV: GT&C, Section 20 - Electronic Bulletin Board, 6.0.0](#)

[Part IV: GT&C, Section 26 - Complaint Procedures, 3.0.0](#)

[Part VII: Non-Conforming, , 10.0.1](#)

[Part VII: Non-Conforming, Section 8 - El Paso Electric Company #H6223000, 2.1.0](#)

[Part VII: Non-Conforming, Section 8.1 - El Paso Electric Company #H6223000 Exhibit A, 2.1.0](#)

[Part VII: Non-Conforming, Section 8.2 - El Paso Electric Company #H6223000 Exhibit B, 0.1.0](#)

[Part VII: Non-Conforming, Section 19 - MGI Supply, Ltd. #FT37G000, 1.1.0](#)

[Part VII: Non-Conforming, Section 19.1 - MGI Supply, Ltd. #FT37G000 Exhibit A, 1.0.0](#)

[Part VII: Non-Conforming, Section 19.2 - MGI Supply, Ltd. #FT37G000 Exhibit B, 1.0.0](#)

[Part VII: Non-Conforming, Section 20 - Reserved, 1.0.0](#)

[Part VII: Non-Conforming, Section 20.1 - Reserved, 1.0.0](#)

[Part VII: Non-Conforming, Section 20.2 - Reserved, 1.0.0](#)

Tariff Records Rejected as Moot

[Part VII: Non-Conforming, Section 8 - El Paso Electric Company #H6223000, 2.0.0](#)

[Part VII: Non-Conforming, Section 8.1 - El Paso Electric Company #H6223000 Exhibit A, 2.0.0](#)

[Part VII: Non-Conforming, Section 8.2 - El Paso Electric Company #H6223000 Exhibit B, 0.0.0](#)

[Part VII: Non-Conforming, Section 19 - MGI Supply, Ltd. #FT37G000, 1.0.0](#)