



May 31, 2019

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

North Baja Pipeline, LLC
700 Louisiana Street, Suite 700
Houston, TX 77002

John A. Roscher
Director, Rates & Tariffs

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Re: North Baja Pipeline, LLC
Negotiated Rate Agreement
Docket No. RP19-_____ - _____

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,¹ North Baja Pipeline, LLC (“North Baja”) hereby submits for filing and acceptance two (2) revised tariff sections to be part of its FERC Gas Tariff, First Revised Volume No. 1 (“Tariff”).² The revised tariff sections are being submitted to report one (1) new negotiated rate service agreement that North Baja has entered into with Sempra LNG International, LLC (“Sempra”). North Baja requests that the Commission accept the proposed tariff sections to become effective June 1, 2019.

Correspondence

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

¹ 18 C.F.R. Part 154 (2019).

² Specifically, Section 4.2.1 – Statement of Rates, Negotiated Rate Agreements-Rate Schedule FTS-1 (“Section 4.2.1”) and Section 4.2.2 – Statement of Rates, Explanatory Footnotes for Negotiated Rates-FTS-1 (“Section 4.2.2”).

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* Persons designated for official service pursuant to Rule 2010.

Statement of the Nature, Reasons, and Basis for Filing

This filing is being submitted to update North Baja's reporting of negotiated rate transactions initiated in accordance with the Commission's January 16, 2002 Order in Docket No. CP01-24-000.³ Within North Baja's Tariff, Section 4.2.1 identifies each negotiated rate service agreement under Rate Schedule FTS-1, including the: a) shipper, b) the term of the contract, c) the contract quantity, d) the primary receipt and delivery points, and e) the footnote where the rate description can be found. Section 4.2.2 lists the footnotes that provide further detail for the various agreements listed in Section 4.2.1.

Specifically, North Baja is proposing to modify Section 4.2.1 and 4.2.2 to reflect the terms of a negotiated rate service agreement it has entered into with Sempra ("Contract No. 125091"). In Contract No. 125091, North Baja and Sempra have mutually agreed that Sempra will "pay a fixed monthly reservation rate equal to \$0.092 per dekatherm times 30.4 days for each month [...] as well as all maximum applicable commodity rates, and all reservation and commodity surcharges, including but not limited to fuel retention rates, under Rate Schedule FTS-1...." Contract No. 125091 does not contain any provision that deviates in any material respect from North Baja's FTS-1 Form of Service Agreement in its Tariff. Service under Contract No. 125091 commences June 1, 2019.

Effective Date

North Baja respectfully requests that the Commission grant all waivers of its regulations, including waiver of Section 154.207,⁴ necessary to accept this filing, and accept the tariff sections, included as Appendix A, to become effective June 1, 2019.

³ *North Baja Pipeline, LLC*, 98 FERC ¶ 61,020 (2002).

⁴ 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 61,241-61,242 (1996) (indicating that the Commission will "readily grant requests to waive the 30-day notice requirement").

Other Filings That May Affect This Proceeding

There are no other filings before the Commission that may significantly affect the changes proposed herein.

Contents of Filing

In accordance with Section 154.7 and 154.201 of the Commission’s regulations, and Order No. 714, North Baja is submitting the following XML filing package, which includes:

1. This transmittal letter;
2. A clean version of the tariff sections (Appendix A); and
3. A marked version of the tariff sections (Appendix B).

Certificate of Service

As required by Sections 154.7(b) and 154.208 of the Commission’s regulations, copies of this filing are being served upon all of North Baja’s existing customers and interested state regulatory agencies. A copy of this letter, together with any attachments, is available during regular business hours for public inspection at North Baja’s principal place of business.

Pursuant to Section 385.2005, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to David Brown at (832) 320-5512.

Respectfully submitted,



John A. Roscher
Director, Rates & Tariffs

Enclosures

Appendix A

North Baja Pipeline, LLC FERC Gas Tariff, First Revised Volume No. 1

Clean Tariff

<u>Tariff Sections</u>	<u>Version</u>
4.2.1 – Statement of Rates, Negotiated Rate Agreements-Rate Schedule FTS-1	v.5.0.0
4.2.2 – Statement of Rates, Explanatory Footnotes for Negotiated Rates - FTS-1	v.6.0.0

STATEMENT OF EFFECTIVE RATES AND CHARGES

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULE FTS-1

SHIPPER	TERM OF CONTRACT	DTH/D	PRIMARY RECEIPT POINT	PRIMARY DELIVERY POINT	RATE /2
Energia Azteca X, S. de R.L. de C.V. /1	09/01/02 - 03/31/28	135,000	Ehrenberg	US-Mexico Border	/5
Energia de Baja California, S. S. de R.L. de C.V. /1	09/01/02 - 03/31/28	37,000	Ehrenberg	US-Mexico Border	/6
Arizona Public Service Company /8 (LAT-1 Service)	03/01/10 - 02/28/25	66,250	US-Mexico Border at Yuma, AZ in the vicinity of County 10 th Street	Yucca Power Plant, Yuma, Arizona	
Arizona Public Service Company /8	03/01/10 - 02/28/15	11,000	Ehrenberg	US-Mexico Border	
Sempra LNG Marketing Corp. /1	/10	125,000	Ehrenberg	Ogilby	/4
Sempra LNG Marketing Corp. /8	07/01/08 - 02/14/28	85,000	US-Mexico Border	SoCalGas	/4
Sempra LNG Marketing, LLC /8	06/01/10 - 02/28/23	105,000	US-Mexico Border	SoCalGas	/7
Imperial Irrigation District /1	04/01/11 - 03/31/31	18,500	Ehrenberg	US-Mexico Border	/9
Sempra LNG Marketing, LLC /1	03/01/19 - 04/30/28	100,000	Ehrenberg	Ogilby	/3

Sempra LNG International, LLC /1	06/01/19 02/29/28	63,670	Ehrenberg	Ogilby	/11
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Explanatory Footnotes for Negotiated Rates
Under Rate Schedule FTS-1

- 1/ This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.
- 2/ Unless otherwise noted, all Shippers pay North Baja Pipeline, LLC's maximum Reservation Charge, Delivery Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.
- 3/ Shipper shall pay a fixed monthly reservation rate equal to \$0.11/Dth times 30.4 days for each month, as well as all maximum applicable commodity rates, and all reservation and commodity surcharges, including but not limited to fuel retention rates, under Rate Schedule FTS-1.
- 4/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to \$0.1237 times 30.4 days for each month, times the Maximum Daily Quantity, plus a volumetric rate of \$0.0038 per Dth, plus, fuel, line loss and unaccounted for gas as set forth in the Tariff and any and all applicable surcharges. This rate shall be fixed for the term of this Agreement.
- 5/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to \$0.1019 times 30.4 days for each month, plus a delivery rate of \$0.0031 per Dth, plus ACA. Shipper shall reimburse Transporter for fuel, line loss, and other unaccounted for gas in kind at a rate of 0.7%. This rate shall be fixed for the term of this Agreement.

Rate Protection Provision:

- (1) This provision applies only to gas that is delivered to NBP at Ehrenberg, AZ. To the extent NBP and Gasoducto Rosarito ("GR") separately provide long-term (greater than 364 days) firm transportation service to a Third Party Shipper in the Western Zone at a combined rate that is lower than \$0.270 per Dth on a 100% load factor basis (excluding non-pipeline surcharges), or in the Mexicali Zone at a combined rate that is lower than \$0.245 per Dth, then the rate applicable to Shipper for service on NBP shall be reduced in accordance with the following formula:

$$NR = OR - ((CTR - TPR) \times 0.4286)$$

Where: NR = New Rate level at which Shipper will receive service on NBP. Resulting unit rate will be converted to a reservation/delivery structure where the delivery rate will equal three (3) percent of the NR;

OR = Shipper's negotiated Original Rate on NBP or \$0.105 per Dth on a 100% load factor basis;

CTR = Competitive Threshold Rate which is \$0.270 per Dth for the Western Zone and \$0.245 per Dth for the Mexicali Zone; and
TPR = Third Party Rate for the combined NBP and GR path.

The Western Zone is defined as 115 degrees, 41 minutes, 21 seconds west longitude, west to the interconnection with Transportadora de Gas Natural de Baja California;

The Mexicali Zone is defined as 115 degrees, 41 minutes, 21 seconds, east to 115 degrees, 11 minutes, 50 seconds west longitude;

A Third Party Shipper is defined as a shipper that is either the owner, operator, or fuel supplier to electric generation facilities, or affiliates of NBP or GR.

- (2) This provision applies only to the portion of capacity held by Shipper in excess of 90,000 Dth.
 - (3) The New Rate shall only apply for the duration of the term of service provided to the Third Party Shipper, but in no event shall apply beyond the term of this rate protection provision.
 - (4) This provision terminates December 31, 2017. If the capacity held by Shipper is permanently assigned or released to a similarly-situated replacement shipper, the rate protection provision shall be extended to such replacement shipper.
- 6/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to \$0.1019 times 30.4 days for each month, plus a delivery rate of \$0.0031 per Dth, plus ACA. Shipper shall reimburse Transporter for fuel, line loss, and other unaccounted for gas in kind at a rate of 0.7%. This rate shall be fixed for the term of this Agreement.

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- 7/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to \$0.1147 plus a Reverse Flow Facilities Surcharge of \$0.0070 for a total of \$0.1217 times 30.4 days for each month, times the Maximum Daily Quantity, plus a volumetric rate of \$0.0036 per Dth plus fuel, line loss and unaccounted for gas as set forth in the Tariff and any and all applicable surcharges. This rate shall be fixed for the term of this Agreement.
 - 8/ This contract contains terms that materially deviate from the Form of Service Agreement in this Tariff. This contract has been filed with the FERC.
 - 9/ The transportation rate for the Transportation Service is a negotiated rate consisting of a monthly reservation fee of US (67,532.40) which is \$0.12 times 30.42 days for each month, times the Maximum Daily Quantity, plus a volumetric rate of US \$0.00066 per Dth plus fuel and line loss and unaccounted for gas as set forth in the Tariff and any and all applicable surcharges.
 - 10/ The term of the agreement 07/01/2008 to 08/31/2022, subject to Article III Section 1 of the agreement. Article III Section 1 provides that effective only upon commencement of firm natural gas transportation service related to the expansion capacity that is the subject of a

potential precedent agreement executed between North Baja and Shipper regarding capacity on North Baja's potential North Baja XPress expansion project, such service shall continue until February 29, 2028.

- 11/ The transportation rate under this Agreement is a fixed monthly reservation rate equal to \$0.092 per dekatherm times 30.4 days for each month, as well as all maximum applicable commodity rates, and all reservation and commodity surcharges.

Appendix B

North Baja Pipeline, LLC FERC Gas Tariff, First Revised Volume No. 1

Marked Tariff

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