

Ex # 10
Feb. 19-1969

UNITED STATES OF AMERICA
Before the
FEDERAL POWER COMMISSION

Application of
EL PASO NATURAL GAS COMPANY
at Docket No. CP69-140
for a
Certificate of Public Convenience
and Necessity

Pursuant to § 7(c) of the
Natural Gas Act

Authorizing the

Construction and Operation of Certain Facilities for the
Transportation, Delivery and Sale of Additional Quantities
of Natural Gas to Existing Customers in Market Areas Served
by the Northwest Division System

Dated: November 7, 1968

Filed: November 7, 1968

UNITED STATES OF AMERICA

Before the

FEDERAL POWER COMMISSION

El Paso Natural Gas Company)

Docket No. CP69-____

Application for a Certificate
of Public Convenience and Necessity

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UNITED STATES OF AMERICA

Before the

FEDERAL POWER COMMISSION

El Paso Natural Gas Company)

Docket No. CP69-___

Application for a Certificate
of Public Convenience and Necessity

Comes now EL PASO NATURAL GAS COMPANY, hereinafter referred to as "Applicant," pursuant to § 7(c) of the Natural Gas Act and § 157.5, et sec., of the Commission's Regulations Under the Natural Gas Act, and files this application, in abbreviated form in accordance with § 157.7(a) of said Regulations, for a certificate of public convenience and necessity, all as hereinafter more fully set forth.

In support hereof, Applicant respectfully represents:

I.

The exact legal name of Applicant is El Paso Natural Gas Company. It is a corporation duly organized and existing under the laws of the State of Delaware, having its principal place of business located in El Paso, Texas. Applicant is authorized to conduct business as a foreign corporation in the States of Alaska, Arizona, Arkansas, Colorado, Idaho, Kansas, Louisiana, Montana, Nevada, New Mexico, New York, Oklahoma, Oregon, Texas, Utah, Washington and Wyoming.

The names, titles and mailing addresses of those persons to whom correspondence and communications concerning this application are to be addressed are as follows:

Mr. Travis Petty, Controller
El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas, 79999

G. Scott Cuming, Esquire
Walter G. Henderson, Esquire
El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas, 79999

Mr. Edward A. Walsh
El Paso Natural Gas Company
700 Farragut Building
900 17th Street, N. W.
Washington, D. C., 20006

C. Frank Reifsnnyder, Esquire
Hogan & Hartson
815 Connecticut Avenue
Washington, D. C., 20006

II.

Applicant is a natural-gas company engaged in the business of producing, purchasing, transporting and selling natural gas to distribution companies and other pipeline companies for resale and to industries and others for direct consumption. The pipeline system of Applicant extends from the Permian Basin of west Texas and southeast New Mexico, the Texas-Oklahoma Panhandle area, the San Juan Basin of northwest New Mexico and southwest Colorado and the Four Corners area of the States of Arizona, New Mexico, Utah and Colorado, through one or more of the States of Texas, New Mexico and Arizona, to points of termination at the boundary between the States of California and Arizona near Blythe, California, and Topock, Arizona, and to a point of termination at the boundary between the States of Arizona and Nevada near Big Bend, Arizona.

The pipeline system of Applicant also presently extends from the San Juan Basin area, through the States of Colorado, Utah, Wyoming, Idaho, Oregon and Washington, to a point of termination at the International Boundary near Sumas, Washington. This portion of Applicant's system is referred to herein as the "Northwest Division System." Natural gas utilized in service rendered by the Northwest Division System is obtained from domestic sources situated in the San Juan Basin and Rocky Mountain areas and from Canadian sources through deliveries made by Westcoast Transmission Company Limited to Applicant at two points on the International Boundary situated, near, respectively, Sumas, Washington, and Kingsgate, British Columbia.

Consistent with the decree entered by the United States District Court for the District of Utah, Central Division,^{1/} Applicant has filed an application at Docket No. CP69-67 for authorizations necessary to implement divestiture of its Northwest Division System to Northwest Pipeline Corporation.^{2/}

III.

Applicant hereby seeks a certificate of public convenience and necessity under § 7(c) of the Act authorizing the construction and operation of certain facility additions to its Northwest Division System so as

^{1/} United States v. El Paso Natural Gas Company and Pacific Northwest Pipeline Corporation, Civil Action No. 143-57, entered August 29, 1968, pursuant to the mandates of the Supreme Court in United States v. El Paso Natural Gas Company, 376 U.S. 651 (1964), and Cascade Natural Gas Corporation v. El Paso Natural Gas Company, 386 U.S. 129 (1967).

^{2/} Complemental applications of Northwest Pipeline Corporation for authorizations necessary to implement acquisition of Applicant's Northwest Division System were filed at Docket Nos. CP69-68, CP69-69 and CP69-70.

to enable the transportation and sale of additional quantities of natural gas to existing customers in established market areas presently served by such System.

Natural gas requirements of the Northwest Division System have experienced continuous growth since service was initiated in 1957. The only mainline expansion of the Northwest Division System was that recently completed under authorization issued at Docket No. CP66-315.^{3/} The Northwest Division System daily design delivery capacity is approximately 1,100,000 Mcf. Consistent with Applicant's undertaking to assure maintenance of adequate gas service, Applicant proposes herein to increase the daily design delivery capacity of the Northwest Division by an additional quantity of approximately 50,000 Mcf daily, for a total of some 1,150,000 Mcf per day.

The estimated firm peak day requirements of the Northwest Division customers for the 1969-70 heating season dictate the need for additional delivery capacity. As demonstrated by the market data appended hereto as Exhibit I, such firm requirements aggregate some 1,086,000 Mcf daily. The present design capacity of 1,100,000 Mcf daily would therefore indicate the necessity of utilizing essentially all of such capacity for satisfaction of only the firm load.

Prudent operation of the Northwest Division System, extensive as it is, requires a margin of daily design capacity, above estimated firm requirements, to assure firm service reliability. Without the additional facilities proposed, the design margin for firm service

^{3/} Order accompanying Opinion No. 526, issued August 10, 1967.

would be less than 1.5% for the 1969-70 heating season. Similarly, some margin is necessary to provide at least partial satisfaction of the requirements of interruptible service during periods of high firm demands. After satisfaction of the 1969-70 estimated Northwest Division firm peak day requirements of 1,086,000 Mcf, the present daily design capacity remaining would permit deliveries of only 14,000 Mcf per day, or approximately 3% of the estimated 450,000 Mcf peak day interruptible requirement. On this present System capacity basis, Applicant would anticipate curtailment of its interruptible requirements during 147 days of the 182 days of the 1969-70 heating season in an aggregate quantity of about 24,079,000 Mcf. The duration and magnitude of this projected curtailment demonstrate the encroachment of firm service upon the System delivery capacity serving all consumers in the Pacific Northwest market areas; further, it indicates the need for additional capacity for purposes of maintaining load-balancing and load-building interruptible service, particularly where, as in the Pacific Northwest, natural gas must compete with fuel oil at tidewater prices. Thus, in addition to providing a reasonable margin of capacity for firm service reliability, the facilities proposed herein will serve these purposes by reducing the projected number of days and quantities of curtailment of interruptible service for the 1969-70 heating season to 134 days and 17,744,000 Mcf.

The relatively small additional capacity proposed in this application, representing an increase of only some 5%, will, under all operating and weather conditions anticipated, virtually assure satisfaction of firm requirements during the 1969-70 heating season and, under most conditions, will permit at least partial satisfaction of

interruptible requirements throughout the market area. However, as also demonstrated in Exhibit I, for subsequent periods, it will be necessary to provide further delivery capacity for the Northwest Division System and Applicant is presently engaged in efforts to do so.

Applicant's existing sources of gas supply, presently utilized in providing Northwest Division service, will likewise be utilized to render the service described herein. Further, the proposed facilities will also provide a needed flexibility for the operation of the entire Northwest Division System facilities and the utilization of the various sources of gas supply available to the System. By the installation of the proposed facilities, consisting of mainline compressor horsepower, the southern segment of the Northwest Division System will be reinforced to permit the transportation of an additional 50,000 Mcf per day to the Pacific Northwest market areas from existing sources of supply attached to the southern portion of the System. This improvement in operating flexibility will permit the use of all System sources of supply in serving the Northwest Division customers in a manner consistent with operating conditions of the system as they exist from time to time in the future.

The instant proposal will, therefore, provide added capacity to serve firm requirements and will lessen curtailment of interruptible requirements. It will also afford a necessary margin of firm service reliability and will permit a more flexible use of Applicant's Northwest Division System facilities and gas supply. Grant of the authorization request herein is thus required by and will clearly serve the present and future public convenience and necessity.

IV.

The facilities for which Applicant hereby seeks authorization to construct and operate, consisting of mainline compression facilities, are specifically described as follows:

A. Compressor Station No. 2

Compressor cylinder modifications on four (4) 2,000 horsepower gas engine-driven reciprocating compressor units at Compressor Station No. 2 located in Section 31, Township 28 South, Range 23 East, San Juan County, Utah. These modifications will not increase the nameplate horsepower rating but are required to fully utilize the existing horsepower under the design conditions set forth herein.

B. Compressor Station No. 4

Turbocharging kits on four (4) 2,000 horsepower compressor units at Applicant's Compressor Station No. 4 located in the E/2 of Section 35 and the W/2 of Section 36, Township 34 North, Range 9 West, La Plata County, Colorado. These turbocharging kits will not increase the nameplate horsepower rating, but will recover 292 horsepower per unit, which is now unavailable due to operation at an altitude of 5,500 feet.

C. Compressor Station No. 5

A new compressor station consisting of two (2) 3,165 horsepower combustibile gas turbine-driven centrifugal units, with appurtenances, totaling 6,300 horsepower. This station will be known as Compressor Station No. 5 and will be located on the 26" O.D. Ignacio-to-Sumas Mainline in the SE/4 of Section 15, Township 2 South, Range 23 East, Uintah County, Utah.

D. Compressor Station No. 7

One (1) 2,000 horsepower gas engine-driven reciprocating compressor unit, with appurtenances, and turbocharging kits on three (3) 1,500 horsepower compressor units at Applicant's Compressor Station No. 7 located in the SW/4 of Section 2 and the SE/4 of Section 3, Township 21 North, Range 118 West, Lincoln County, Wyoming. The turbocharging kits will not increase the nameplate horsepower rating, but will recover 275 horsepower per unit, which is now unavailable due to operation at an altitude of 6,630 feet. The additional horsepower, together with that presently installed, will make a total of 6,500 horsepower at this station.

E. Compressor Station No. 8

One (1) 6,000 horsepower gas engine-driven reciprocating compressor unit, with appurtenances, at Applicant's Compressor Station No. 8 located in the NW/4 of Section 22, Township 10 South, Range 43 East, Bear Lake County, Idaho. This horsepower addition, together with that presently installed, will make a total of 12,000 horsepower at this station.

F. Compressor Station No. 9

One (1) 3,400 horsepower gas engine-driven reciprocating compressor unit, with appurtenances, and turbocharging kits on three (3) 2,000 horsepower compressor units at Applicant's Compressor Station No. 9 located in the NE/4 of Section 15, Township 7 South, Range 32 East, Power County, Idaho. The turbocharging kits will not increase the nameplate horsepower, but will recover 236 horsepower per unit, which is now unavailable due to operation at an altitude of 4,615 feet. The additional horsepower, together with that presently installed, will make a total of 9,400 horsepower at this station.

G. Compressor Station No. 10

Compressor cylinder modifications on three (3) 2,000 horsepower gas engine-driven reciprocating compressor units at Compressor Station No. 10 located in the SW/4 of Section 7, Township 11 South, Range 21 East, Cassia County, Idaho. The modifications will not increase the nameplate horsepower rating, but are required to fully utilize the existing horsepower under the design conditions set forth herein.

In addition to the above facilities, and as a part of the project described herein, Applicant proposes to construct and operate, under authority of § 2.55(a) of the Commission's General Policy and Interpretations, communications, supervisory control and telemetry facilities as required for the operation and control of proposed Compressor Station No. 5.

The total estimated cost of all of the above described facilities, including overhead, contingencies and required filing fees, is \$7,884,860. Details of such cost are set forth in Exhibit K appended hereto.

Applicant proposes to commence construction of the above described facilities upon receipt of Commission authorization therefor and to complete construction of and place in operation such facilities as soon thereafter as practicable. It is anticipated that, following issuance of necessary authorization, six (6) months will be required to obtain the facilities and place same in operation.

V.

No application or filing, to supplement or effectuate Applicant's proposal, as set forth herein, must be or is to be made by Applicant, or by any other person, with any Federal, state or other regulatory body.

VI.

This application is being filed in abbreviated form in accordance with § 157.7(a) of the Commission's Regulations. Reference is made below to all exhibits required under § 157.14 of said Regulations which are attached, incorporated by reference or omitted for the reasons indicated.

EXHIBIT A - ARTICLES OF INCORPORATION AND BYLAWS

Applicant requests the incorporation by reference of Exhibit A to its application at Docket No. CP68-261.

EXHIBIT B - STATE AUTHORIZATION

Applicant requests the incorporation by reference of Exhibit B to its application at Docket No. CP67-45.

EXHIBIT C - COMPANY OFFICIALS

Applicant requests the incorporation by reference of Exhibit C to its application at Docket No. CP69-43.

EXHIBIT D - SUBSIDIARIES AND AFFILIATIONS

Applicant requests the incorporation by reference of Exhibit D to its application at Docket No. CP67-217.

EXHIBIT E - OTHER PENDING APPLICATIONS AND FILINGS

Should the instant application be approved prior to grant of the divestiture authorizations sought by Applicant at Docket No. CP69-67, the facilities and services embraced hereby will be divested by Applicant to Northwest Pipeline Corporation under such authorizations. Otherwise, Northwest Pipeline Corporation will be substituted as the party applicant under the instant application.

EXHIBIT F - LOCATION OF FACILITIES

Attached as Exhibit F is a geographical map reflecting the location of Applicant's proposed facilities and their relationship to Applicant's overall system.

EXHIBIT G - FLOW DIAGRAMS SHOWING DAILY DESIGN CAPACITY AND REFLECTING OPERATION WITH AND WITHOUT PROPOSED FACILITIES ADDED

Attached as Exhibit G are flow diagrams showing the daily design capacity and reflecting operating conditions with and without the proposed facilities added.

EXHIBIT G-I - FLOW DIAGRAMS REFLECTING MAXIMUM CAPABILITIES

This exhibit is omitted since the data shown in Exhibit G reflect the maximum capabilities of Applicant's proposed facilities under the operating conditions set forth therein.

EXHIBIT G-II - FLOW DIAGRAM DATA

Attached as Exhibit G-II is a statement of engineering design data in explanation and support of the flow diagrams submitted herewith as Exhibit G.

EXHIBIT H - TOTAL GAS SUPPLY DATA

Inasmuch as the instant application does not involve service to major new markets or major existing markets from new sources of gas supply over new routes, the information and data required by this exhibit are omitted. Should information respecting Applicant's total system gas supply be deemed applicable herein, Applicant requests the incorporation by reference of its 1967 FPC Form No. 15.

EXHIBIT I - MARKET DATA

Attached as Exhibit I are market data respecting Applicant's Northwest Division System.

EXHIBIT J - CONVERSION TO NATURAL GAS

This exhibit is inapplicable and is omitted.

EXHIBIT K - COST OF FACILITIES

Attached as Exhibit K is an estimate of the cost of constructing the proposed facilities.

EXHIBIT L - FINANCING

Applicant proposes to finance the cost of construction of the proposed facilities from working funds, supplemented, as necessary, by short-term loans.

Applicant requests the incorporation by reference of the income statement and balance sheet submitted as a part of Exhibit L to its application at Docket No. CP68-261 and the statement relating to financing submitted as Exhibit L to its application at Docket No. CP69-3.

EXHIBIT M - CONSTRUCTION, OPERATION AND MANAGEMENT

Applicant expects to have the proposed facilities constructed by an independent contractor under a contract awarded on the basis of competitive bidding if sufficient contractors tender reasonable bids and, if not, such facilities will be constructed under a negotiated contract. Otherwise, there are no service, management or other contracts existing or contemplated in connection with the construction or operation of the proposed facilities.

EXHIBIT N - REVENUES-EXPENSES-INCOME

The estimated revenues and expenses related to the proposed facilities will not significantly affect the operating revenues or operating expenses of Applicant. Attached as Exhibit N is an estimate of incremental cost of service and rate base for the proposed facilities.

EXHIBIT O - DEPRECIATION AND DEPLETION

The proposed facilities will be depreciated at an annual rate of 3.05%, which rate is currently applied by Applicant to similar facilities.

EXHIBIT P - TARIFF

No changes are proposed in Applicant's FPC Gas Tariff to implement the instant proposal. Further, no material change in Applicant's average cost of service will result upon effectuation thereof. Accordingly, the other information and data required for this exhibit are omitted.

VII.

Appended hereto is a statement, in conformity with § 157.6(b)(7) of the Commission's Regulations, submitted in the form contemplated by § 157.9 of said Regulations, suitable for publication in the Federal Register.

VIII.

WHEREFORE, El Paso Natural Gas Company, the Applicant herein, respectfully prays that the Commission issue to it a certificate of public convenience and necessity under § 7(c) of the Natural Gas Act authorizing the construction and operation of facilities, all as hereinabove set forth. Applicant is able and willing to perform the proposal set forth in this application and, for the reasons stated, believes that issuance of the requested authorization will serve and is required by the present and future public convenience and necessity.

Applicant requests that this application be heard and disposed of under the procedure provided for under § 1.32(b) of the Commission's Rules of Practice and Procedure and, accordingly, requests that the intermediate decision procedure be omitted and waives oral hearing and opportunity for filing exceptions to the decision of the Commission.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By s/ Travis Petty
Travis Petty
Controller

G. Scott Cuming, General Counsel
Walter G. Henderson, Counsel
of EL PASO NATURAL GAS COMPANY

By s/ Walter G. Henderson
Walter G. Henderson

HOGAN & HARTSON

By s/ C. Frank Reifsnyder
C. Frank Reifsnyder

Attorneys for EL PASO NATURAL GAS COMPANY

Dated: November 7, 1968

STATE OF TEXAS)
)
COUNTY OF EL PASO)

TRAVIS PETTY, being first duly sworn, on oath, says that he is Controller of El Paso Natural Gas Company; that he has read the within and foregoing Application for a Certificate of Public Convenience and Necessity and that he is familiar with the contents thereof; that, as such officer, he has executed the same for and on behalf of said Company with full power and authority to do so; and that the matters and facts set forth therein are true to the best of his information, knowledge and belief.

s/ Travis Petty
Travis Petty

SUBSCRIBED AND SWORN TO before me, the undersigned authority,
on this 7th day of November, 1968.

s/ Norma Jean Adkins
Norma Jean Adkins
Notary Public in and for
El Paso County, Texas
My Commission Expires June 1, 1969

(SEAL)

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

El Paso Natural Gas Company

)

Docket No. CP69-88

NOTICE OF APPLICATION
(November , 1968)

Take notice that on November , 1968, El Paso Natural Gas Company ("El Paso"), a Delaware corporation, whose mailing address is Post Office Box 1492, El Paso, Texas, 79999, filed an application for a certificate of public convenience and necessity under § 7(c) of the Natural Gas Act authorizing the construction and operation of certain facilities on its Northwest Division System for the transportation, delivery and sale in interstate commerce of additional quantities of gas to existing customers in the market areas presently served by that system, all as more fully set forth in the application on file with the Commission and open to public inspection.

El Paso proposes to install additional compressor horsepower units and to modify certain existing compressor horsepower units along the southern portion of the Northwest Division System so as to increase the system's total daily design delivery capacity by 50,000 Mcf above its present daily design capacity of approximately 1,100,000 Mcf and to provide improved operating flexibility for the entire Northwest Division System. The new compressor units, totaling 17,730 horsepower, and the modification of existing units, together with certain auxiliary communication facilities, are estimated to cost \$7,884,860, including overhead, contingencies and required filing fees. El Paso proposes to finance such cost through use of current funds supplemented, as necessary, by short-term loans.

The application states that the additional delivery capacity proposed will be utilized to meet the estimated firm requirements of existing Northwest Division System customers during the 1969-70 heating season and to provide a margin in daily design capacity for firm service reliability, which can also be utilized, to the extent available, for partial satisfaction of interruptible service to prevent excessive curtailments during periods of high firm demands.

The application also states that no changes are proposed in El Paso's FPC Gas Tariff to implement the instant proposal and no material change in El Paso's average cost of service will result.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D. C., 20426, in accordance with the Rules of Practice and Procedure (18 CFR 1.8 or 1.10) and the Regulations Under the Natural Gas Act (157.10) on or before _____, 1968.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by §§ 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission on the application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Secretary

EXHIBIT F

LOCATION OF FACILITIES

Application of
EL PASO NATURAL GAS COMPANY

EL PASO NATURAL GAS COMPANY

Index of Customers

COLORADO

<u>Map Ref.</u>	<u>Customer</u>	<u>Location</u>
	<u>Industrial Sales</u>	
18	Moon Lake Electric Association, Inc.	Rio Blanco County
9	Union Carbide Nuclear Company	Slick Rock and Uravan
8	Vanadium Corporation of America	Nucla
	<u>Sales for Resale</u>	
3	Naturita, City of	Naturita
5	Plateau Natural Gas Company	Cortez and Dolores
4	Plateau Natural Gas Company	Mancos
6	Rocky Mountain Natural Gas Company, Inc.	Dove Creek
2	Rocky Mountain Natural Gas Company, Inc.	Egnar
1	Southern Union Gas Company	Durango and La Plata County
13	Western Slope Gas Company	Grand Junction
15	Western Slope Gas Company	Rifle

IDAHO

	<u>Sales for Resale</u>	
192	Intermountain Gas Company	Aberdeen
37	Intermountain Gas Company	American Falls
31	Intermountain Gas Company	Bancroft
50	Intermountain Gas Company	Boise and Meridian
39	Intermountain Gas Company	Burley, Rupert and Heyburn
38	Intermountain Gas Company	Declo
16	Intermountain Gas Company	East Raft River
51	Intermountain Gas Company	Emmett and Parma
43	Intermountain Gas Company	Filer
207	Intermountain Gas Company	Flying H Farms
53	Intermountain Gas Company	Fruitland
28	Intermountain Gas Company	Georgetown
45	Intermountain Gas Company	Glenns Ferry

EL PASO NATURAL GAS COMPANY

Index of Customers

IDAHO (cont.)

<u>Map Ref.</u>	<u>Customer</u>	<u>Location</u>
	<u>Sales for Resale (cont.)</u>	
44	Intermountain Gas Company	Gooding, Jerome, Buhl and Wendell
30	Intermountain Gas Company	Grace
40	Intermountain Gas Company	Hansen
35	Intermountain Gas Company	Idaho Falls, Shelley and Blackfoot
25	Intermountain Gas Company	Indian Hills
34	Intermountain Gas Company	Inkom
41	Intermountain Gas Company	Kimberly
49	Intermountain Gas Company	Kuna
32	Intermountain Gas Company	Lava Hot Springs
33	Intermountain Gas Company	McCammon
27	Intermountain Gas Company	Montpelier
47	Intermountain Gas Company	Mountain Home and Bruneau
141	Intermountain Gas Company	Murtaugh
48	Intermountain Gas Company	Nampa and Caldwell
52	Intermountain Gas Company	New Plymouth
55	Intermountain Gas Company	Payette and Weiser
36	Intermountain Gas Company	Pocatello
29	Intermountain Gas Company	Soda Springs
42	Intermountain Gas Company	Twin Falls
46	Southwest Gas Corporation	Idaho-Nevada Border
91	Washington Water Power Company, The	Bonnors Ferry
88	Washington Water Power Company, The	Bunker Hill Co., The (Kellogg)
85	Washington Water Power Company, The	Coeur d'Alene
89	Washington Water Power Company, The	Kellogg, Osburn, Wardner
81	Washington Water Power Company, The	Lewiston
79	Washington Water Power Company, The	Moscow, Bovill, Troy and Deary
159	Washington Water Power Company, The	Page Mine, Canyon County
87	Washington Water Power Company, The	Pinehurst
84	Washington Water Power Company, The	Post Falls
80	Washington Water Power Company, The	Potlatch Forests, Inc. (Lewiston)
155	Washington Water Power Company, The	Rathdrum
90	Washington Water Power Company, The	Sandpoint
86	Washington Water Power Company, The	Smelterville

EL PASO NATURAL GAS COMPANY

Index of Customers

OREGON

<u>Map Ref.</u>	<u>Customer</u>	<u>Location</u>
	<u>Industrial Sales</u>	
56	Oregon Portland Cement Company	Lime
	<u>Sales for Resale</u>	
151	California Pacific Utilities Company	Beaver Marsh
144	California Pacific Utilities Company	Canyonville
112	California Pacific Utilities Company	Grants Pass Area
113	California Pacific Utilities Company	Klamath Falls
58	California Pacific Utilities Company	La Grande, Elgin and Imbler
145	California Pacific Utilities Company	Myrtle Creek and Riddle
201	California Pacific Utilities Company	North Powder
146	California Pacific Utilities Company	Oakland and Sutherlin
111	California Pacific Utilities Company	Roseburg
152	California Pacific Utilities Company	Round Prairie
161	California Pacific Utilities Company	Union
110	California Pacific Utilities Company	Winchester (Evans Prod.)
148	California Pacific Utilities Company	Winston and Dillard
61	Cascade Natural Gas Corporation	Athena and Weston
57	Cascade Natural Gas Corporation	Baker
115	Cascade Natural Gas Corporation	Bend
193	Cascade Natural Gas Corporation	Chemult
114	Cascade Natural Gas Corporation	Gilchrist
63	Cascade Natural Gas Corporation	Hermiston
158	Cascade Natural Gas Corporation	Huntington
117	Cascade Natural Gas Corporation	Madras
60	Cascade Natural Gas Corporation	Milton-Freewater
194	Cascade Natural Gas Corporation	Mowich
170	Cascade Natural Gas Corporation	Nyssa
54	Cascade Natural Gas Corporation	Ontario
62	Cascade Natural Gas Corporation	Pendleton
154	Cascade Natural Gas Corporation	Prineville
116	Cascade Natural Gas Corporation	Redmond
202	Cascade Natural Gas Corporation	Stanfield
64	Cascade Natural Gas Corporation	Umatilla

EL PASO NATURAL GAS COMPANY

Index of Customers

OREGON (cont.)

<u>Map Ref.</u>	<u>Customer</u>	<u>Location</u>
	<u>Sales for Resale (cont.)</u>	
149	Northwest Natural Gas Company	Albany
106	Northwest Natural Gas Company	Aumsville
169	Northwest Natural Gas Company	Brownsville and Halsey
107	Northwest Natural Gas Company	Coburg
109	Northwest Natural Gas Company	Cottage Grove and Saginaw
150	Northwest Natural Gas Company	Creswell
100	Northwest Natural Gas Company	Dalles, The
195	Northwest Natural Gas Company	Deer Island, Prescott and Wauna
108	Northwest Natural Gas Company	Eugene, Junction City and Springfield
165	Northwest Natural Gas Company	Gresham
102	Northwest Natural Gas Company	Hood River
19	Northwest Natural Gas Company	Jefferson and Scio
139	Northwest Natural Gas Company	Marion
167	Northwest Natural Gas Company	McMinnville and Amity
197	Northwest Natural Gas Company	Molalla
17	Northwest Natural Gas Company	Monitor
166	Northwest Natural Gas Company	Mt. Angel
14	Northwest Natural Gas Company	Portland
105	Northwest Natural Gas Company	Portland, N.E.
164	Northwest Natural Gas Company	Portland, S.E.
163	Northwest Natural Gas Company	Salem
171	Northwest Natural Gas Company	South Eugene
168	Northwest Natural Gas Company	Turner

UTAH

Sales for Resale

11	Utah Gas Service Company	Arches National Monument
21	Utah Gas Service Company	Dutch John

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Index of Customers

UTAH (cont.)

<u>Map Ref.</u>	<u>Customer</u>	<u>Location</u>
<u>Sales for Resale (cont.)</u>		
12	Utah Gas Service Company	Grand County
10	Utah Gas Service Company	Moab
7	Utah Gas Service Company	Monticello
20	Utah Gas Service Company	Vernal
<u>WASHINGTON</u>		
<u>Industrial Sales</u>		
65	Phillips Pacific Chemical Company	Hedges
<u>Sales for Resale</u>		
125	Buckley, City of	Buckley
124	Cascade Natural Gas Corporation	Aberdeen, McCleary, Hoquiam
206	Cascade Natural Gas Corporation	Acme
174	Cascade Natural Gas Corporation	Aluminum Company of America Tap (Wenatchee)
134	Cascade Natural Gas Corporation	Anacortes, Burlington, Sedro- Wooley
132	Cascade Natural Gas Corporation	Arlington
135	Cascade Natural Gas Corporation	Bellingham and Ferndale
127	Cascade Natural Gas Corporation	Bremerton, Shelton, Port Orchard, etc.
68	Cascade Natural Gas Corporation	Burbank Heights
147	Cascade Natural Gas Corporation	Barthelheimer Dairy Tap
122	Cascade Natural Gas Corporation	Castle Rock
175	Cascade Natural Gas Corporation	Chevron Chemical Co. (Kennewick)
205	Cascade Natural Gas Corporation	Deming
173	Cascade Natural Gas Corporation	Gold Bar
94	Cascade Natural Gas Corporation	Grandview

EL PASO NATURAL GAS COMPANY

Index of Customers

WASHINGTON (cont.)

<u>Map Ref.</u>	<u>Customer</u>	<u>Location</u>
	<u>Sales for Resale (cont.)</u>	
183	Cascade Natural Gas Company	Granite Falls
131	Cascade Natural Gas Company	Grotto, Ideal Cement
120	Cascade Natural Gas Company	Kalama
204	Cascade Natural Gas Company	Kawecki Chemical Co. (Wenatchee)
66	Cascade Natural Gas Company	Kennewick and Richland
121	Cascade Natural Gas Company	Longview-Kelso
136	Cascade Natural Gas Company	Lynden, Everson and Nooksack
130	Cascade Natural Gas Company	Monroe
69	Cascade Natural Gas Company	Moses Lake
133	Cascade Natural Gas Company	Mount Vernon
71	Cascade Natural Gas Company	Othello
67	Cascade Natural Gas Company	Pasco
92	Cascade Natural Gas Company	Prosser
203	Cascade Natural Gas Company	Sandvik Spec. Metals
140	Cascade Natural Gas Company	Startup
143	Cascade Natural Gas Company	Sultan
129	Cascade Natural Gas Company	Snohomish
137	Cascade Natural Gas Company	Sumas
93	Cascade Natural Gas Company	Sunnyside
200	Cascade Natural Gas Company	Quincy
95	Cascade Natural Gas Company	Toppenish, Zillah, Granger and Wapato
178	Cascade Natural Gas Company	Utah-Idaho Sugar Company (Moses Lake)
59	Cascade Natural Gas Company	Walla Walla
98	Cascade Natural Gas Company	Wenatchee
119	Cascade Natural Gas Company	Woodland
96	Cascade Natural Gas Company	Yakima and Union Gap
76	Columbia Gas Company	Endicott
99	Columbia Gas Company	Goldendale
72	Columbia Gas Company	Ritzville
103	Columbia Gas Company	Stevenson

EL PASO NATURAL GAS COMPANY

Index of Customers

WASHINGTON (cont.)

<u>Map Ref.</u>	<u>Customer</u>	<u>Location</u>
<u>Sales for Resale (cont.)</u>		
70	Columbia Gas Company	Warden
97	Ellensburg, City of	Ellensburg
126	Enumclaw, City of	Enumclaw
118	Northwest Natural Gas Company	Battleground
104	Northwest Natural Gas Company	Camas and Washougal
138	Northwest Natural Gas Company	Carson, Whatcom County
182	Northwest Natural Gas Company	Klickitat
156	Northwest Natural Gas Company	North Bonneville
162	Northwest Natural Gas Company	Ridgefield
157	Northwest Natural Gas Company	Vancouver
101	Northwest Natural Gas Company	White Salmon and Bingen
123	Washington Natural Gas Company	Centralia and Chehalis
153	Washington Natural Gas Company	Clearview
189	Washington Natural Gas Company	Issaquah
160	Washington Natural Gas Company	Lake Stevens
196	Washington Natural Gas Company	North Bend (East Seattle)
186	Washington Natural Gas Company	Tacoma (North and South)
184	Washington Natural Gas Company	Rainier
190	Washington Natural Gas Company	Redmond
185	Washington Natural Gas Company	Olympia
172	Washington Natural Gas Company	Puyallup
128	Washington Natural Gas Company	Seattle (North and South)
187	Washington Natural Gas Company	Toledo
188	Washington Natural Gas Company	Winlock
198	Washington Natural Gas Company	Yelm
82	Washington Water Power Company, The	Cheney-Medical Lake
77	Washington Water Power Company, The	Colfax
176	Washington Water Power Company, The	Colton
179	Washington Water Power Company, The	Fairchild AFB Tap (Spokane)
181	Washington Water Power Company, The	Kettle Falls
75	Washington Water Power Company, The	La Crosse
180	Washington Water Power Company, The	Lind
177	Washington Water Power Company, The	Mt. St. Michaels
142	Washington Water Power Company, The	Palouse

EL PASO NATURAL GAS COMPANY

Index of Customers

WASHINGTON (cont.)

<u>Map Ref.</u>	<u>Customer</u>	<u>Location</u>
	<u>Sales for Resale (cont.)</u>	
78	Washington Water Power Company, The	Pullman
73	Washington Water Power Company, The	Rosalia
199	Washington Water Power Company, The	Spangle
83	Washington Water Power Company, The	Spokane
192	Washington Water Power Company, The	Sprague
74	Washington Water Power Company, The	St. John
191	Washington Water Power Company, The	Uniontown

WYOMING

Industrial Sales

26	San Francisco Chemical Company	Sage
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Sales for Resale

22	Colorado Interstate Gas Company	Green River
23	Mountain Fuel Supply Company	Green River
24	Wyoming Industrial Gas Company	Kemmerer

EXHIBIT G

**FLOW DIAGRAMS SHOWING DAILY DESIGN CAPACITY
AND REFLECTING OPERATION WITH AND WITHOUT PROPOSED
FACILITIES ADDED**

**Application of
EL PASO NATURAL GAS COMPANY**

EXHIBIT G-II

FLOW DIAGRAM DATA

Application of
EL PASO NATURAL GAS COMPANY

EL PASO NATURAL GAS COMPANY

Engineering Design Data

I. Flow Formula

A modified version of the Panhandle Eastern "A" Flow Formula was used for calculating all pipeline pressure drops.

The equation is:

$$Q = K \cdot \left[\frac{P_1^2 - P_2^2}{L} \right]^{0.5394}$$

where:

$$K = 0.000889 \cdot d^{2.6182} \cdot E \cdot C$$

and

$$C = \sqrt{\frac{312}{G \cdot T}}$$

- Q = Flowing volume in M² cf/d at 14.73 psia and 60°F.
- K = Constant for a particular line
- P₁ = Upstream pipeline pressure (psia)
- P₂ = Downstream pipeline pressure (psia)
- L = Length of pipeline in miles
- d = Inside diameter of pipeline in inches
- E = Pipeline flow efficiency
- C = Correction for gas temperature and gravity other than standard conditions
- G = Specific gravity of gas (relative to air)
- T = Temperature of flowing gas in degrees Rankine

NOTE: Pipeline flow efficiency, specific gravity and temperature used are noted on the flow diagram.

EXHIBIT I

MARKET DATA

**Application of
EL PASO NATURAL GAS COMPANY**

EL PASO NATURAL GAS COMPANY
Market Data

Table of Contents

<u>Description</u>	<u>Schedule No.</u>
Estimated Annual Natural Gas Requirements, by Customer, for the Calendar Years 1968 through 1972 and Actual Data of Like Import for the Calendar Years 1956 through 1967	1
Estimated Maximum Day Requirements, by Customer for the Heating Seasons 1968-69 through 1971-72 and Actual Data of Like Import for the Heating Seasons 1956-66 through 1967-68	2

EXHIBIT K

COST OF FACILITIES

Application of
EL PASO NATURAL GAS COMPANY

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Table of Contents

<u>Description</u>	<u>Schedule No.</u>	<u>Tab No.</u>
Cost Estimate Summary	1	1
Cost Estimate Details	2	2
Cost Statement	3	3

EL PASO NATURAL GAS COMPANY

Cost of Facilities
Cost Estimate Summary

<u>Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Compressor Stations</u>			
Station No. 2 Compressor Modifications			\$ 69,000
Station No. 4 Engine Modifications			100,000
Station No. 5 - Compressor Units & Equipment	6,330 HP	\$247.71/HP	1,568,000
Service Facilities			261,000
Station No. 7 - Compressor Units & Equipment	2,000 HP	\$383.50/HP	767,000
Engine Modifications			88,000
Service Facilities			33,000
Station No. 8 - Compressor Units & Equipment	6,000 HP	\$425.00/HP	2,550,000
Compressor Modifications			90,000
Service Facilities			77,000
Station No. 9 - Compressor Units & Equipment	3,400 HP	\$366.18/HP	1,245,000
Engine Modifications			140,000
Service Facilities			33,000
Station No. 10 Compressor Modifications			18,000
Direct Cost Compressor Stations			<u>\$ 7,039,000</u>
<u>Supervisory Control & Telemetry</u>			<u>\$ 53,000</u>
Total Direct Cost of Facilities			\$ 7,092,000
Add: General Overhead @ 6%			426,000
Contingency @ 5%			<u>355,000</u>
Total Project Cost (Excluding Filing Fees)			\$ 7,873,000
Estimated Filing Fee (\$50 + 0.15%)			<u>11,860</u>
TOTAL PROJECT COST			<u>\$ 7,884,860</u>

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 2 Compressor Modifications

Modify existing compressor units.

Material

Fixed Clearance pockets \$ 34,000

Installation Costs

Contractors \$ 27,000

Other Field Costs \$ 8,000

TOTAL DIRECT COSTS \$ 69,000

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 4 Engine Modifications

Turbocharge four (4) existing compressor units.

Material

Turbocharger Conversion Kits \$ 64,000

Installation Costs

Contractors \$ 24,000

Other Field Costs \$ 12,000

TOTAL DIRECT COST \$ 100,000

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 5

Install two (2) 3,165 HP gas turbine centrifugal compressors and necessary appurtenances.

Material

Station	
Buildings	\$ 25,000
Foundations	9,000
Compressor Units 2 - 3,165 HP	820,000
Accessory Equipment	25,000
Piping	171,000
Electrical	10,000
Other	<u>30,000</u>
Total Material	<u>\$ 1,090,000</u>

Installation Costs

Contractors \$ 346,000

Other Field Costs \$ 132,000

TOTAL DIRECT COST \$ 1,568,000

Cost per HP = \$247.71

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 5

Install service facilities.

<u>Site</u>	<u>\$ 20,000</u>
<u>Site Improvements</u>	<u>\$ 104,000</u>
<u>Residences (2) House Camp</u>	<u>\$ 70,000</u>
<u>Electrical</u>	<u>\$ 10,000</u>
<u>Water Supply System</u>	<u>\$ 35,000</u>
<u>Other Field Costs</u>	<u>\$ 22,000</u>
TOTAL DIRECT COST	<u>\$ 261,000</u>

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 7 Compressor Addition

Install one (1) 2,000 HP reciprocating compressor unit and necessary appurtenances.

Material

Station	
Compressor Building	\$ 28,000
Foundations	14,000
Compressor Unit 1 - 2,000 HP	299,000
Cooling Equipment	11,000
Accessory Equipment	20,000
Piping	60,000
Electrical	10,000
Other	<u>25,000</u>
Total Material	<u>\$ 467,000</u>

Installation Costs

Contractors \$ 236,000

Other Field Costs \$ 64,000

TOTAL DIRECT COST \$ 767,000

Cost per HP = \$383.50

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 7 Engine Modifications

Turbocharge three (3) existing compressor units
and related piping modifications.

Material

Turbocharger Conversion Kits	\$ 48,000
Piping	<u>5,000</u>
Total Material	<u>\$ 53,000</u>

Installation Costs

Contractors	<u>\$ 25,000</u>
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<u>Other Field Costs</u>	<u>\$ 10,000</u>
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TOTAL DIRECT COST	<u>\$ 88,000</u>
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EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 7

Install service facilities.

<u>Site Improvement</u>	<u>\$ 10,000</u>
<u>Electrical</u>	<u>\$ 10,000</u>
<u>Water</u>	<u>\$ 10,000</u>
<u>Other Field Costs</u>	<u>\$ 3,000</u>
TOTAL DIRECT COST	<u>\$ 33,000</u>

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 8 Compressor Addition

Install one (1) 6,000 HP reciprocating compressor unit and necessary appurtenances.

Material

Station

Compressor & Auxiliary Building	\$ 71,000
Foundations	61,000
Compressor Unit 1 - 6,000 HP	886,000
Cooling Equipment	90,000
Accessory Equipment	79,000
Piping	263,000
Electrical	25,000
Other	<u>89,000</u>
Total Material	<u>\$ 1,564,000</u>

Installation Costs

Contractors \$ 771,000

Other Field Costs \$ 215,000

TOTAL DIRECT COST \$ 2,550,000

Cost per HP = \$425

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 8 Compressor Modifications

Modify existing compressor units.

Material

Fixed Clearance Pockets	\$ 39,000
Piping	<u>5,000</u>
Total Material	<u>\$ 44,000</u>

Installation Costs

Contractors	<u>\$ 38,000</u>
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<u>Other Field Cost</u>	<u>\$ 8,000</u>
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TOTAL DIRECT COST	<u><u>\$ 90,000</u></u>
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EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 8

Install service facilities.

<u>Site</u>	<u>\$ 20,000</u>
<u>Site Improvements</u>	<u>\$ 20,000</u>
<u>Electrical</u>	<u>\$ 21,000</u>
<u>Water Supply System</u>	<u>\$ 10,000</u>
<u>Other Field Costs</u>	<u>\$ 6,000</u>
TOTAL DIRECT COST	<u>\$ 77,000</u>

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 9 Compressor Addition

Install one (1) 3,400 HP reciprocating compressor unit and necessary appurtenances.

Material

Station	
Compressor Building	\$ 32,000
Foundations	17,000
Compressor Unit 1 - 3,400 HP	490,000
Cooling Equipment	67,000
Accessory Equipment	25,000
Piping	100,000
Electrical	10,000
Other	27,000
Total Material	<u>\$ 768,000</u>

Installation Costs

Contractors	<u>\$ 377,000</u>
<u>Other Field Costs</u>	<u>\$ 100,000</u>

TOTAL DIRECT COST \$ 1,245,000

Cost per HP @ \$366.18

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 9 Engine Modifications

Turbocharge three (3) existing compressor units
and related piping modifications.

Material

Turbocharger Conversion Kits	\$ 48,000
Fixed Clearance Pockets	26,000
Piping	<u>5,000</u>
Total Material	<u>\$ 79,000</u>

Installation Costs

Contractors	<u>\$ 46,000</u>
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<u>Other Field Costs</u>	<u>\$ 15,000</u>
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TOTAL DIRECT COST	<u>\$ 140,000</u>
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EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 9

Install service facilities.

<u>Site Improvements</u>	<u>\$ 10,000</u>
<u>Electrical</u>	<u>\$ 10,000</u>
<u>Water Supply</u>	<u>\$ 10,000</u>
<u>Other Field Costs</u>	<u>\$ 3,000</u>
TOTAL DIRECT COST	<u>\$ 33,000</u>

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Station No. 10 Compressor Modifications

Modify existing compressor units.

Material

Fixed Clearance Pockets \$ 9,000

Installation Costs

Contractors \$ 7,000

Other Field Costs \$ 2,000

TOTAL DIRECT COST \$ 18,000

EL PASO NATURAL GAS COMPANY

Cost of Facilities

General Overhead

Accounting Department	\$ 34,000
Purchasing Department	3,800
Engineering Department	123,500
Controller's Department	3,000
Interest During Construction	132,100
Insurance and Taxes	6,400
Employees Pensions & Benefits	21,300
Planning Department	2,600
Outside Engineering	<u>99,300</u>
TOTAL	<u>\$ 426,000</u>

EL PASO NATURAL GAS COMPANY

Cost of Facilities

Statement

The compressor station and compressor modification estimates were based on published price information submitted by a compressor manufacturer and installation costs were developed from past experience of Applicant in constructing compressor stations, compressor additions and modifications of this type.

Preliminary bids were not called for on any of the work proposed herein.

While construction of compressor facilities authorized at Docket No. CP66-315 is complete, the costs are not yet available for comparative purposes.

EXHIBIT N

REVENUES – EXPENSES – INCOME

**Application of
EL PASO NATURAL GAS COMPANY**

Case 3834

Feb. 19, 1969
Hearing

EX 9

UNITED STATES OF AMERICA
Before the
FEDERAL POWER COMMISSION

Application of
EL PASO NATURAL GAS COMPANY
at Docket No. CP69- 203
for a
Certificate of Public Convenience
and Necessity

Pursuant to § 7(c) of the
Natural Gas Act

Authorizing the

Construction and Operation of Facilities
on El Paso's San Juan Basin Gathering Systems

Dated: January 24, 1969

Filed: January 28, 1969

UNITED STATES OF AMERICA

Before the

FEDERAL POWER COMMISSION

El Paso Natural Gas Company)

Docket No. CP69-____

Application for a Certificate
of Public Convenience and Necessity

Table of Contents

<u>Description</u>	<u>Tab Reference</u>
Application Text	Application Text
Federal Register Notice	Federal Register Notice
Location of Facilities	F

UNITED STATES OF AMERICA

Before the

FEDERAL POWER COMMISSION

El Paso Natural Gas Company)

Docket No. CP69-___

Application for a Certificate
of Public Convenience and Necessity

Comes now EL PASO NATURAL GAS COMPANY, hereinafter referred to as "Applicant," pursuant to § 7(c) of the Natural Gas Act and § 157.5, et seq., of the Commission's Regulations Under the Natural Gas Act, and files this application, in abbreviated form in accordance with § 157.7(a) of said Regulations, for a certificate of public convenience and necessity, all as hereinafter more fully set forth.

In support hereof, Applicant respectfully represents:

I.

The exact legal name of Applicant is El Paso Natural Gas Company. It is a corporation duly organized and existing under the laws of the State of Delaware, having its principal place of business located in El Paso, Texas. Applicant is authorized to conduct business as a foreign corporation in the States of Alaska, Arizona, Arkansas, Colorado, Idaho, Kansas, Louisiana, Montana, Nevada, New Mexico, New York, Oklahoma, Oregon, Texas, Utah, Washington and Wyoming.

The names, titles and mailing addresses of those persons to whom correspondence and communications concerning this application are to be addressed are as follows:

Mr. Travis Petty, Controller
El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas, 79999

Mr. Edward A. Walsh
El Paso Natural Gas Company
700 Farragut Building
900 17th Street, N. W.
Washington, D. C., 20006

G. Scott Cuming, Esquire, General Counsel
Walter G. Henderson, Esquire
El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas, 79999

II.

Applicant is a natural-gas company engaged in the business of producing, purchasing, transporting and selling natural gas to distribution companies and other pipeline companies for resale and to industries and others for direct consumption. The pipeline system of Applicant extends from the Permian Basin of west Texas and southeast New Mexico, the Texas-Oklahoma Panhandle area, the San Juan Basin of northwest New Mexico and southwest Colorado and the Four Corners area of the States of Arizona, New Mexico, Utah and Colorado, through one or more of the States of Texas, New Mexico, Utah, Colorado and Arizona, to points of termination at the boundary between the States of California and Arizona near Blythe, California, and Topock, Arizona, and to a point of termination at the boundary between the States of Arizona and Nevada near Big Bend, Arizona; the pipeline system of Applicant also extends from the San Juan Basin area, through the States of Colorado, Utah, Wyoming, Idaho, Oregon and Washington, to a point of termination at the International Boundary near Sumas, Washington.

III.

Applicant hereby seeks a certificate of public convenience and necessity under Section 7(c) of the Act authorizing the construction, during the calendar year 1969, and operation of up to a maximum total of an additional 33,000 compressor brake horsepower on Applicant's San Juan Basin gathering systems. Such horsepower is to be installed and utilized for the specific purpose of offsetting declining reservoir pressures in gas producing formations of the San Juan Basin.

Applicant commenced taking gas from the San Juan Basin in 1950 by means of facilities authorized at Docket No. G-1177. At that time, Applicant constructed a gathering system to connect wells located in the then relatively small Blanco, Kutz Canyon, Angel Peak and Barker Dome fields and installed a total of 5,390 compressor horsepower at two locations, all to provide a total daily design delivery capacity of 167,000 Mcf from the Basin into its Southern Division Mainline System. In the intervening period since that time, Applicant has steadily increased its reliance upon the San Juan Basin as a major gas source and has continuously expanded its gathering systems and related facilities necessary for the gathering, compression, processing and transportation of San Juan gas. The gas well gathering systems, as presently constituted, are integrated and connect to some 6,218 wells with pipelines totaling approximately 4,727 miles and installed compressor horsepower totaling 114,134 at ten locations. These facilities are shown on Figure 1 of Exhibit F hereto.

Since its inception, the San Juan gathering facilities have been designed as two systems operated at pressures approximating 250 psi and 500 psi, respectively. The 250 psi system is utilized to gather gas produced from the Pictured Cliffs formation, and the 500 psi system is utilized to gather gas produced from the deeper Mesa Verde and Dakota formations. These operating pressures are consistent with pressure provisions included in Applicant's gas purchase agreements as to initial operating pressures; however, such agreements also provide that Applicant will reduce the operating pressure of any gathering system as required to permit continued production of the wells connected and producing into such gathering facilities.

Applicant has taken some 5.4 trillion cubic feet from the San Juan Basin; Southern Union Gas Company and other pipeline companies have likewise taken significant quantities of gas from the area. As a result of the withdrawal of such large quantities from the depletion type San Juan Basin reservoirs, the Basin will in 1969, based upon Applicant's determinations, reach the stage in its productive life when the operating pressure of Applicant's gathering systems must be generally reduced by some 60-70 psi in order to maintain the present design delivery capability from the Basin. Installation of additional compressor horsepower in the gathering systems in 1969, will permit a general reduction in operating pressure of the gathering systems throughout the producing area. Although Applicant has yet to establish with exactness the

location, individual unit size or type of compressors to be installed and the cost thereof, it has determined that a total of some 33,000 compressor brake horsepower, at an estimated total cost of \$10,000,000, will be adequate to accomplish this objective. Accordingly, Applicant hereby seeks authorization to construct, as needed during the calendar year 1969, and operate up to a maximum of 33,000 brake horsepower to be located at existing and new compressor locations in the San Juan Basin gathering systems at an aggregate cost not to exceed \$10,000,000.

The installation of the proposed horsepower will not increase Applicant's present daily design delivery capability from the Basin nor the capacity of its mainline systems extending therefrom. However, absent installation of additional horsepower in the Basin, Applicant's ability to load these mainline systems to their capacity for use in meeting peak day and sustained peak period requirements will be impaired to the extent that Applicant will not be able to fully load its Southern Division system from its San Juan supply to meet anticipated requirements during the 1969-70 heating season. Applicant is continuing comprehensive studies to determine the precise type, size and location of the required compressor horsepower; however, because of the necessity to go forward with installation of the compressor horsepower immediately upon completion of the studies, thereby assuring availability of the required horsepower for the 1969-70 heating season operation, Applicant files the instant application at this time. This need when coupled with the time required for delivery of equipment requires early consideration and prompt approval of the proposal in order that the objectives of the project be realized. Since these circumstances result from the nature

of the project herein proposed, Applicant is agreeable to reporting to the Commission data similar to that required by § 157.7(b)(3) of the Commission Regulations, respecting the exact amount, size, type, location and cost of all compressor horsepower installed during 1969 under the authorization herein requested.

Consistent with Applicant's responsibility of prudent operations and management of its Northwest Division facilities pending approval of divestiture in favor of acquisition thereof by Northwest Pipeline Corporation (Northwest), as proposed in the proceedings at Docket No. CP69-67, et al., the present overall San Juan Basin gathering systems' compressor requirements are being considered and installation of such facilities will occur as necessary in the operations of both the Southern and Northwest Division systems. Applicant and Northwest are in agreement as to the approach and magnitude of the project described herein and all facility installations undertaken under the authorizations requested and affecting the Northwest Division facilities to be divested will be accomplished with concurrence of Northwest.

Grant of the authorizations requested herein will enable Applicant to install compressor facilities in the San Juan Basin in 1969 to permit the necessary reduction in the gathering systems pressure as required to offset the declining reservoir pressures of the gas producing formation in that area. Applicant therefore believes that issuance of the authorization requested herein will serve and is required by the present and future public convenience and necessity.

IV.

As stated, the facilities for which Applicant hereby seeks authorization to construct, as required during 1969, and operate will consist of up to a total of 33,000 compressor brake horsepower and appurtenances. The compressor units will be of varying unit sizes and types and installed at various existing and new locations in Applicant's San Juan Basin gathering systems. The aggregate cost thereof will not exceed \$10,000,000.

Applicant intends to construct the proposed horsepower as required throughout the calendar year 1969 after receipt of requisite Commission authorization therefor and to complete such construction and place the facilities in operation as soon as thereafter as practicable.

V.

No application to supplement or effectuate the instant application must be or is to be filed by Applicant, or by any other persons, with any Federal, State or other regulatory body.

VI.

This application is being filed in abbreviated form in accordance with § 157.7(a) of the Commission's Regulations. Reference is made below to all exhibits required under § 157.14 of said Regulations which are attached, incorporated by reference or omitted for the reasons indicated.

EXHIBIT A - ARTICLES OF INCORPORATION AND BYLAWS

Applicant requests the incorporation by reference of Exhibit A to its application at Docket No. CP68-261.

EXHIBIT B - STATE AUTHORIZATION

Applicant requests the incorporation by reference of Exhibit B to its application at Docket No. CP67-45.

EXHIBIT C - COMPANY OFFICIALS

Applicant requests the incorporation by reference of Exhibit C to its application at Docket No. CP69-43.

EXHIBIT D - SUBSIDIARIES AND AFFILIATIONS

Applicant requests the incorporation by reference of Exhibit D to its application at Docket No. CP69-161.

EXHIBIT E - OTHER PENDING APPLICATIONS AND FILINGS

The proposed compressor facilities which are installed in that portion of the San Juan Basin gathering system to be divested will be divested to Northwest on the closing date under the divestiture authorizations sought by Applicant at Docket No. CP69-67.

EXHIBIT F - LOCATION OF FACILITIES

Attached as Exhibit F are maps reflecting the location of Applicant's present San Juan Basin gathering systems facilities and their relationship to Applicant's overall system. The proposed facilities will be installed on the existing gathering systems area utilized by Applicant and shown on Exhibit F.

EXHIBIT G - FLOW DIAGRAMS SHOWING DAILY DESIGN CAPACITY AND REFLECTING OPERATION WITH AND WITHOUT PROPOSED FACILITIES ADDED

Inasmuch as the precise location, amount and type and operation

of the facilities proposed herein and their respective capacities are not now known, this exhibit is omitted.

EXHIBIT G-I - FLOW DIAGRAMS REFLECTING MAXIMUM CAPABILITIES

This exhibit is omitted for the reasons stated in support of the omission of Exhibit G.

EXHIBIT G-II - FLOW DIAGRAM DATA

This exhibit is omitted for the reasons stated in support of the omission of Exhibit G.

EXHIBIT H - TOTAL GAS SUPPLY DATA

Inasmuch as the instant application does not involve service to major new markets or major existing markets from new sources of gas supply over new routes, the information and data required by this exhibit are omitted. Should information respecting Applicant's total system gas supply be deemed applicable herein, Applicant requests the incorporation by reference of its 1967 FPC Form No. 15.

EXHIBIT I - MARKET DATA

Since no new or additional sales are involved with the project for which authorization is requested herein, this exhibit is inapplicable and is omitted.

EXHIBIT J - CONVERSION TO NATURAL GAS

This exhibit is inapplicable and is omitted.

EXHIBIT K - COST OF FACILITIES

Since the amount, size and type of compressor horsepower to be constructed hereunder are not known at this time, cost data related thereto cannot be submitted; however, as stated above, such costs will not exceed \$10,000,000 in total and Applicant, if required, will report, among other things, actual construction costs of all facilities installed under the authorizations herein requested.

EXHIBIT L - FINANCING

Applicant proposes to finance the cost of the proposed facilities from working funds supplemented as necessary by short-term loans.

Applicant requests the incorporation by reference of the income statement and balance sheet and to the statement relating to financing submitted as Exhibit L to its application at Docket No. CP69-161.

EXHIBIT M - CONSTRUCTION, OPERATION AND MANAGEMENT

Applicant expects to have its proposed facilities constructed by independent contractors under contracts awarded on the basis of competitive bidding if sufficient contractors are available; otherwise, such facilities will be constructed under negotiated contracts. Other than construction contracts, there are no service, management or other contracts existing or contemplated in connection with the construction or operation of the proposed facilities.

EXHIBIT N - REVENUES-EXPENSES-INCOME

The expenses related to the facilities which are the subject hereof will not significantly affect the operating expenses of Applicant.

Because of the nature of project herein proposed, Applicant's revenues and income will likewise be essentially unaffected by the instant project. Therefore, this exhibit is omitted.

EXHIBIT O - DEPRECIATION AND DEPLETION

The proposed facilities will be depreciated at an annual rate of 3.92%, the rate which is currently applied to similar facilities of Applicant.

EXHIBIT P - TARIFF

No changes will be required in Applicant's FPC Gas Tariff to implement the instant proposal and no material change in Applicant's average cost of service will result upon effectuation thereof; accordingly, this exhibit is omitted.

VII.

Appended hereto is a statement, in conformity with § 157.6(b)(7) of the Commission's Regulations, submitted in the form contemplated by § 157.9 of said Regulations, suitable for publication in the Federal Register.

VIII.

WHEREFORE, El Paso Natural Gas Company, the Applicant herein, respectfully prays that the Commission issue to it a certificate of public convenience and necessity under § 7(c) of the Natural Gas Act, as amended, authorizing the construction and operation of facilities, all as hereinabove set forth. Applicant is able and willing to perform the proposal set forth in this application and, for the reasons stated, believes that issuance of the requested authorization will serve and is required by the present and future public convenience and necessity.

Applicant requests that this application be heard and disposed of under the procedure provided for by § 1.32 of the Commission's Rules of Practice and Procedure and, accordingly, requests that the intermediate decision procedure be omitted and waives oral hearing and opportunity for filing exceptions to the decision of the Commission.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By s/ Travis Petty
Travis Petty
Controller

G. Scott Cuming, General Counsel
Walter G. Henderson, Counsel
of EL PASO NATURAL GAS COMPANY

By s/ Walter G. Henderson
Walter G. Henderson

Attorney for EL PASO NATURAL GAS COMPANY

Dated: January 24, 1969

STATE OF TEXAS)
)
COUNTY OF EL PASO)

TRAVIS PETTY, being first duly sworn, on oath, says that he is Controller of El Paso Natural Gas Company; that he has read the within and foregoing Application for a Certificate of Public Convenience and Necessity and that he is familiar with the contents thereof; that, as such officer, he has executed the same for and on behalf of said Company with full power and authority to do so; and that the matters and facts set forth therein are true to the best of his information, knowledge and belief.

s/ Travis Petty
Travis Petty

SUBSCRIBED AND SWORN TO before me, the undersigned authority,
on this 24th day of January, 1969.

s/ Norma Jean Adkins
Norma Jean Adkins
Notary Public in and for
El Paso County, Texas
My Commission Expires June 1, 1969

(SEAL)

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

El Paso Natural Gas Company

)

Docket No. CP69-____

NOTICE OF APPLICATION
(January , 1969)

Take notice that on January , 1969, El Paso Natural Gas Company ("El Paso"), a Delaware corporation, whose mailing address is Post Office Box 1492, El Paso, Texas, 79999, filed an application at Docket No. CP69-____ under § 7(c) of the Natural Gas Act, for a certificate of public convenience and necessity authorizing the construction and operation of certain facilities, all as more fully set forth in the application on file with the Commission and open for public inspection.

El Paso seeks authorization to install, as needed during 1969, additional compressor horsepower on its San Juan Basin gathering systems to enable the general reduction in operating pressures of those systems. El Paso states that as a result of the withdrawal, since 1950, of large volumes of gas from the depletion type San Juan Basin reservoirs, that Basin will, in 1969, reach a stage in its productive life when the operating pressures of its gathering systems must be generally reduced some 60-70 psi.

El Paso proposes to utilize additional compressor horsepower to be installed at new and existing locations in the Basin of various types and sizes as may be required in 1969 to compensate for the required reduction in gathering system pressure. Accordingly, El Paso, in the instant application seeks authorization to construct, during 1969, and operate up to a maximum of 33,000 brake horsepower, at an aggregate cost not to exceed \$10,000,000.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D. C., 20426, in accordance with the Rules of Practice and Procedure (18 CFR 1.8 or 1.10) and the Regulations Under the Natural Gas Act (157.10) on or before _____.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by §§ 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission on the application if no protest or petitions to intervene is filed within the time required herein, if the Commission on its own review of the

matter finds that grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

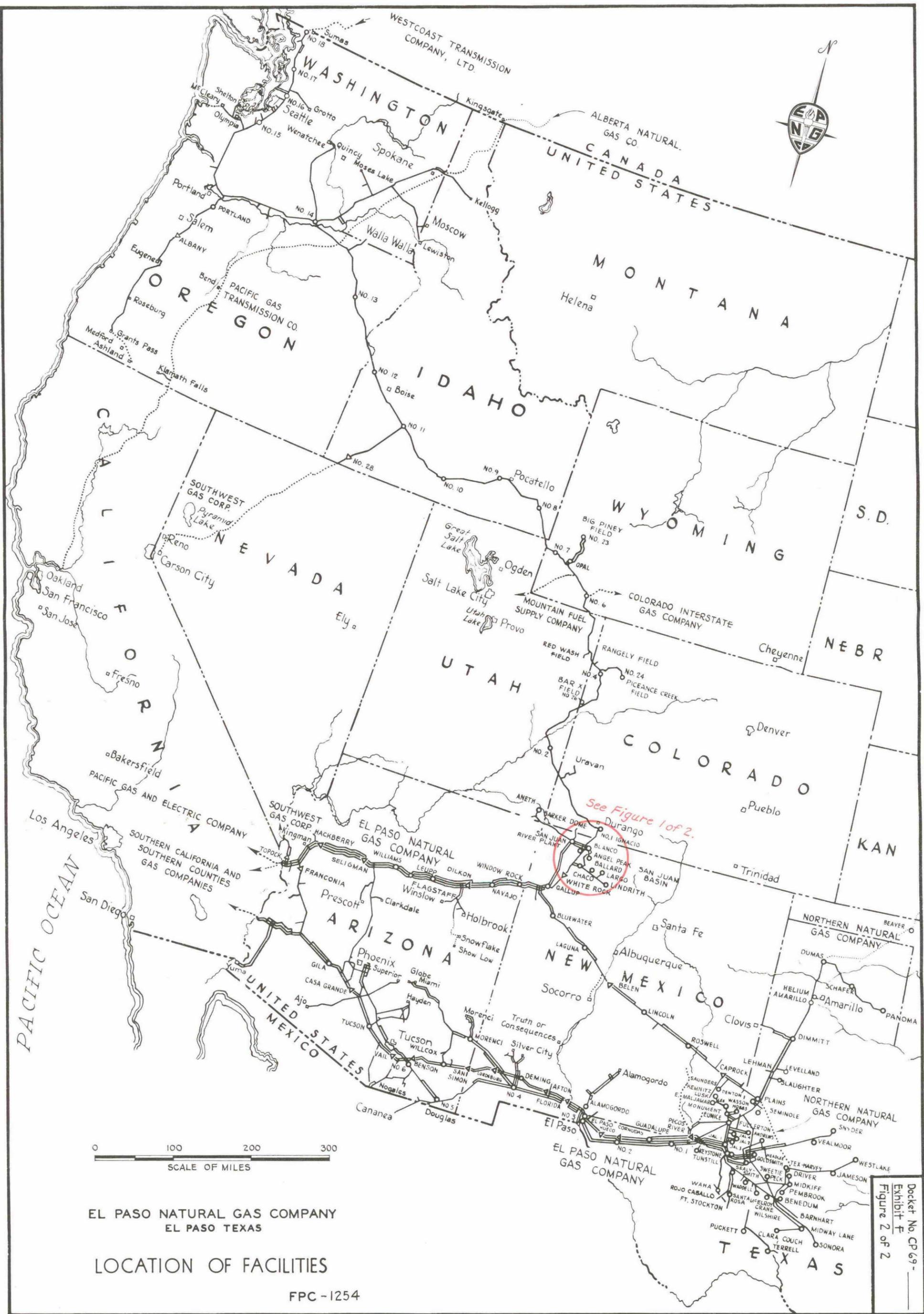
Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Secretary

EXHIBIT F

LOCATION OF FACILITIES

Application of
EL PASO NATURAL GAS COMPANY



EL PASO NATURAL GAS COMPANY
EL PASO TEXAS

LOCATION OF FACILITIES

FPC -1254

Docket No. CP 69-
Exhibit F
Figure 2 of 2