

DRAFT

xxxxx, 2016

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

Attention: Ms. Kimberly D. Bose, Secretary

Re: Revenue Sharing Mechanism Update Filing;
Colorado Interstate Gas Company; L.L.C.
Docket No. RP16- -

Commissioners:

Colorado Interstate Gas Company ("CIG") tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") Part IV, Section 23 – Docket No. RP11-2107 Settlement Provisions, Version 5.0.0 for inclusion in CIG's FERC Gas Tariff, Second Revised Volume No. 1. The tariff record is being submitted concurrently with the filing of a petition to amend a Stipulation and Agreement (S&A) filed and approved in Docket No. RP11-2107-000. As further explained below, the changes to the S&A result in corresponding changes to Part IV, Section 23 – Docket No. RP11-2107 Settlement Provisions of CIG's tariff. The effective date of the tariff record is May 1, 2016.

Background

On May 12, 2011, CIG petitioned for approval of the S&A filed in Docket Nos. RP06-397-000 and RP11-2107-000. The Commission approved the S&A in a letter order issued on August 15, 2011. Under Article VI of the S&A, the term extends through the earlier of: (a) the date new rates become effective pursuant to a new general system-wide rate change that would be submitted by CIG pursuant to Section 4 NGA, (b) the date that rates become effective pursuant to action taken by the Commission under Section 5 of the NGA, or (c) October 1, 2016.

Article III, paragraph 3.4 of the S&A also provides for a specific crediting requirement attributable to "Qualifying Services" for each full year through the term of the S&A. Similarly, paragraph 3.5 established a General Revenue Sharing and Surcharge Mechanism that provides for the crediting of certain revenues or for the charging of a surcharge during each full calendar year of the S&A. These paragraphs further provide that no credits or surcharges are applicable during a partial calendar year during the term of the S&A. CIG

incorporated these and other provisions of the S&A in Part IV: Section 23 - Docket No. RP11-2107 Settlement Provisions ("GT&C Section 23").¹

Reason for Filing

On August 4, 2015, CIG convened a settlement conference to discuss the possibility of resolving issues of its upcoming rate case filing and eliminate the need for the filing in its entirety. At this point, CIG and the shippers participating in settlement discussions have reached an agreement in principle and require additional time to prepare and submit a pre-filing settlement document for the Commission's review and approval. Accordingly, CIG is submitting a petition concurrently with this filing to amend the S&A in Docket No. RP11-2107-000 to extend its term to January 1, 2017 to allow additional time for parties to draft and file a pre-filing settlement and to provide the Commission sufficient time to review and approve such settlement.

Because the current term of the S&A ends October 1, 2016, calendar year 2016 was contemplated to be a partial year in which paragraphs 3.4 and 3.5 would not apply. With the proposed extension of the S&A term through calendar year 2016, the mechanisms under paragraphs 3.4 and 3.5 require revisions to be consistent with the agreement in principle. After discussions with shippers participating in settlement negotiations and consistent with the agreement in principle and the petition to amend the S&A in Docket No. RP11-2107-000 being submitted concurrently with this filing, CIG proposes to amend GT&C Section 23 to reflect the updated terms of the proposed amendments of the S&A.

Description of Filing

CIG is submitting the referenced tariff record pursuant to Subpart C of Part 154 of the Commission's regulations.

Part IV: Section 23 – Docket No. RP11-2107 Settlement Provisions is modified essentially to change the threshold for the crediting of the specified revenues for the Qualifying Services Revenue Crediting mechanism in calendar year 2016, as well as to amend the Mainline Services Revenue Crediting and Surcharge Provisions to provide that no credits or surcharges will be applicable to calendar year 2016.

¹ The Commission accepted the tariff record in a letter order issued in Docket No. RP11-2423-000 dated September 16, 2011.

Procedural Matters

Inasmuch as this filing is fully described in this transmittal letter, the statement of nature, the reasons and the basis for the instant tariff filing required by Section 154.7(a)(6) of the Commission's regulations is omitted.

In accordance with the applicable provisions of Part 154 of the Commission's regulations, CIG is submitting the following:

- a) an eTariff XML filing package containing the proposal in electronic format;
- b) a transmittal letter; and
- c) clean and marked versions of the tariff records in PDF format.

CIG respectfully requests the Commission accept the tendered tariff record for filing and permit it to become effective on May 1, 2016. With respect to any tariff provision the Commission allows to go into effect without change, CIG hereby moves to place the tendered tariff provision into effect at the end of the suspension period, if any, specified by the Commission.

Additionally, pursuant to Section 154.7(a)(6) of the Commission's regulations, CIG respectfully requests the Commission grant all necessary waivers in order to effectuate this filing.

Correspondence and communications concerning this filing should be directed to:

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These persons have been designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure.

The undersigned hereby certifies that he has read this filing and knows (i) the contents of such filing and the attachments; (ii) that he contents as stated in the filing and in the attachments are true to the best of his knowledge and belief; and (iii) that he possesses full power and authority to sign this filing.

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Respectfully submitted,

COLORADO INTERSTATE GAS COMPANY, L.L.C.

By _____/s/_____
Francisco Tarin
Director, Regulatory Affairs

Enclosures

Certificate of Service

I hereby certify that I have this day caused a copy of the foregoing document to be served upon all shippers on CIG's pipeline system and interested state regulatory commissions, in accordance with the requirements of Sections 154.208 and 385.2010 of the Commission's Rules of Practice and Procedures.

Dated at Colorado Springs, Colorado as of this xth day of xxx, 2016.

/s/

Francisco Tarin

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