



February 26, 2019

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

RE: Fayetteville Express Pipeline LLC
Docket No. RP19-_____
Negotiated Rate Service Agreement

Dear Ms. Bose:

Fayetteville Express Pipeline LLC (FEP) hereby electronically submits for filing with the Federal Energy Regulatory Commission (Commission) as part of its FERC NGA Gas Tariff, First Revised Volume No. 1 (Tariff), the following revised tariff record, to be effective on March 1, 2019.

<u>Version</u>	<u>Description</u>	<u>Title</u>
6.0.0	Currently Effective Rates	6. Statement of Negotiated Rates

STATEMENT OF NATURE, REASONS AND BASIS

The purpose of this filing, made in accordance with the provisions of Section 154.204 of the Commission's regulations, is to document the negotiated usage and fuel rates for a capacity release replacement shipper who is an asset manager (AMA Replacement Shipper) as defined in Section 284.8(h)(3) of the Commission's Regulations.

Section 5.1(c) of Rate Schedule FTS and Section 30 of the General Terms and Conditions of the Tariff authorize FEP to execute contracts for transportation service at negotiated rates, as provided under the Commission's policy statement on negotiated rates.¹ The policy statement requires that when a pipeline enters into a negotiated rate service agreement with a customer, the pipeline must either file the contract or a tariff sheet describing the negotiated rate for acceptance with the Commission.²

Pursuant to the Commission's policy guidance regarding flow through of negotiated usage and fuel charges,³ FEP has determined that the AMA Replacement Shipper's release agreement detailed herein is eligible for pass through of the commodity and fuel components of the releasing shipper's negotiated rates which are based on a rate design other than straight fixed variable. The reported asset management agreement is between SWN Energy Services Company, LLC (releasing shipper) and Flywheel Energy Marketing, LLC (AMA Replacement Shipper). Tariff Record "Currently Effective Rates, 6. Negotiated Rates" shows the negotiated usage and fuel rates between FEP and the AMA Replacement Shipper that grants the AMA Replacement Shipper the same rate as the releasing shipper. Also on this tariff record, FEP is removing the listing for negotiated rates that have

¹ *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines*, 74 FERC ¶ 61,076; *order denying requests for reh'g and clarification*, 75 FERC ¶ 61,024 (1996); *Natural Gas Pipeline Negotiated Rate Policies and Practices*, 104 FERC ¶ 6 n, 114 FERC ¶ 61,042 (2006) (Negotiated Rate Policy Statement).

² 104 FERC ¶ 61,134 at P 25.

³ 129 FERC ¶ 61,031 at P 19.

already been filed as a part of the non-conforming agreements in FEP's tariff volume titled "Filed Agreements."

IMPLEMENTATION AND WAIVER REQUEST

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, FEP requests that the revised tariff record submitted herewith become effective March 1, 2019, the effective date of the capacity release agreement discussed herein. FEP respectfully requests that the Commission grant waiver of Section 154.207 of the Commission's regulations and any and all other waivers of its regulations that it deems necessary to allow the proposed tariff record in this filing to become effective on March 1, 2019, as proposed.

CONTENTS OF THE FILING

This filing is made in electronic format in compliance with Section 154.4 of the Commission's Regulations. The proposed tariff record in RTF format with metadata attached are being submitted as part of an XML filing package containing the following:

- This transmittal letter that includes a Statement of Nature, Reasons and Basis
- A clean version of the proposed tariff record in PDF format
- A marked version of the proposed tariff changes in PDF format
- A copy of the complete filing in PDF format for publishing in eLibrary.

COMMUNICATIONS, PLEADINGS AND ORDERS

All correspondence and communications concerning this filing should be served on each of the following persons:

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⁴ Designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. FEP respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow FEP to include additional representatives on the official service list.

⁵ Designated as responsible Company official under Section 154.7(a)(2) of the Commission's regulations.

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In accordance with Section 154.208(d) of the Commission's Regulations, a copy of this filing is available for public inspection during regular business hours at FEP's office at 1300 Main Street, Houston, Texas 77002. In addition, copies of this filing are being electronically served on jurisdictional customers and interested state regulatory commissions. FEP has posted this filing on its Internet website accessible via <http://fepttransfer.energytransfer.com> under Informational Postings, Regulatory.

Pursuant to Section 385.2005(a) of the Commission's regulations, the undersigned states that she has read this filing and knows its contents, that the contents are true to the best of her knowledge and belief, and that she possesses full power and authority to sign this filing.

Respectfully submitted,

Fayetteville Express Pipeline LLC

/s/ Deborah A. Bradbury

Deborah A. Bradbury
Sr. Director – Regulatory Tariffs & Reporting

STATEMENT OF NEGOTIATED RATES

Shipper	Contract No.	Rate Schedule	Negotiated Rate	Contract MDQ (Dth/d)	Primary Receipt Point(s)	Primary Delivery Point(s)	Term
Flywheel Energy Marketing, LLC	200083	FTS	(1)	1200000	(2)	(3)	(4)

This negotiated rate agreement does not deviate in any material respect from the form of service agreement set forth in this Tariff.

- (1) This is a capacity release replacement shipper’s contract. Replacement Shipper is an asset manager that is eligible for pass through of the commodity and fuel components of the releasing shipper’s negotiated rates. Fixed Negotiated Base Commodity Rate: \$0.00/Dth. Fuel Charge pursuant to Section 3.3(a) of Releasing Shipper’s Contract No. 200000, Exhibit C Negotiated Rate Agreement which basically states that fuel is tariff rate with a cap of 0.71%.
- (2) Primary Receipt Points
 - 78520 SWN/MIDGE #2
 - 78521 SWN/TIGER
 - 78512 SWN/SOUTH RAINBOW
 - 78513 SWN/SOUTHEAST RAINBOW
 - 78514 SWN/COVE
 - 78515 SWN/YOGI-CADDIS
 - 78516 SWN/YELLOWSTONE
 - 78517 SWN/NEW QUITMAN
 - 78519 SWN/MIDGE #1
- (3) Primary Delivery Points
 - 78523 TEXAS GAS LULA
 - 78524 ANR QUITMAN
 - 78525 TRUNKLINE PANOLA
- (4) 3/1/2019 - 12/31/2020

MARKED VERSION

STATEMENT OF NEGOTIATED RATES TRANSACTIONS
 PURSUANT TO SECTION 30

Shipper Name	Rate Schedule	Term of Contract	Contract MDQ (Dth/d)	Reservation Rate(s)	Commodity Charge(s)	Primary Receipt Point(s)/Point No(s).	Primary Delivery Point(s)/Point No(s).
Southwestern Energy		FTS	1/	1/	1/	1/	1/
				-Services Company			
Cross Timbers		FTS	1/, 3/	1/, 3/	1/, 3/	1/, 3/	1/, 3/
				-Energy Services, Inc.			
Riverbend Oil & Gas VIII, L.L.C.		FTS	1/	1/	1/	1/	1/
Southwestern Energy		ITS	2/	2/	2/	2/	2/
				-Services Company			
MMGJ Arkansas Upstream, LLC		FTS	4/	4/	4/	4/	4/

1/ — This information is set out in the executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit, which have been filed with the Commission as a part of FEP’s tariff volume titled “Filed Agreements.”

2/ — This information is set out in the executed Transportation Rate Schedule ITS Agreement, which has been filed with the Commission in compliance with the Commission’s Order in 129 FERC ¶ 61,235 at Docket No. CP09-433-000.

3/ — This negotiated rate agreement is an assignment of an executed Transportation Rate Schedule FTS Agreement and corresponding Negotiated Rate Exhibit which were filed with the Commission in compliance with the Commission’s Order in 129 FERC ¶ 61,235 at Docket No. CP09-433-000.

4/ — This negotiated rate agreement was entered into following the acquisition of BHP Billiton Petroleum (Fayetteville) LLC (BHP) by MMGJ Arkansas, LLC (MMGJ) including

~~the firm transportation capacity under its Rate Schedule FTS Transportation Agreement with FEP. Immediately upon closing, MMGI changed the name of BHP to MMGI Arkansas Upstream, LLC.~~

Shipper	Contract No.	Rate Schedule	Negotiated Rate	Contract MDQ (Dth/d)	Primary Receipt Point(s)	Primary Delivery Point(s)	Term
Flywheel Energy Marketing, LLC	200083	FTS	(1)	1200000	(2)	(3)	(4)

~~These negotiated rate agreements does not deviate in any material respect from the form of service agreement set forth in this Tariff.~~

~~(1) This is a capacity release replacement shipper's contract. Replacement Shipper is an asset manager that is eligible for pass through of the commodity and fuel components of the releasing shipper's negotiated rates. Fixed Negotiated Base Commodity Rate: \$0.00/Dth. Fuel Charge pursuant to Section 3.3(a) of Releasing Shipper's Contract No. 200000, Exhibit C Negotiated Rate Agreement which basically states that fuel is tariff rate with a cap of 0.71%.~~

~~(2) Primary Receipt Points~~

- ~~78520 SWN/MIDGE #2~~
- ~~78521 SWN/TIGER~~
- ~~78512 SWN/SOUTH RAINBOW~~
- ~~78513 SWN/SOUTHEAST RAINBOW~~
- ~~78514 SWN/COVE~~
- ~~78515 SWN/YOGI-CADDIS~~
- ~~78516 SWN/YELLOWSTONE~~
- ~~78517 SWN/NEW QUITMAN~~
- ~~78519 SWN/MIDGE #1~~

~~(3) Primary Delivery Points~~

- ~~78523 TEXAS GAS LULA~~
- ~~78524 ANR QUITMAN~~
- ~~78525 TRUNKLINE PANOLA~~

~~(4) 3/1/2019 - 12/31/2020~~