

September 29, 2021

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

Re: *Gas Transmission Northwest LLC, Docket No. RP15-904-*_____
Petition for Approval of Settlement and Request for Action by
January 1, 2022

Dear Secretary Bose:

Pursuant to Rule 207(a)(5) of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.207(a)(5), GTN Transmission Northwest LLC (“GTN”) hereby submits for filing and approval:

- Petition of Gas Transmission Northwest LLC for Approval of Amended and Restated Stipulation and Agreement of Settlement and Request for Action by January 1, 2022 Effective Date (“Petition”) requesting Commission approval of the Amended and Restated Stipulation and Agreement of Settlement (“Settlement”); and
- The Settlement, which GTN believes to be supported or unopposed by all of its shippers and other interested parties.

GTN is serving copies of this letter and attachments to all customers and interested state commissions. Although unaware of any required waivers, GTN respectfully requests that the Commission grant any waivers that the Commission may deem necessary to approve the Settlement as proposed.

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Respectfully submitted,

/s/ Joseph S. Koury

Eva N. Neufeld – Associate General Counsel
Sandra L. Mazan – Legal Counsel
Gas Transmission Northwest LLC
700 Louisiana Street
Houston, Texas 77002-2700
Tel: (832) 320-5500
Fax: (832) 320-6549
eva_neufeld@tcenergy.com
sandra_mazan@tcenergy.com

Joseph S. Koury
Ryan J. Collins
Uju Okasi
Wright & Talisman P.C.
1200 G Street N.W., Suite 600
Washington, D.C. 20005
Tel: (202) 393-1200
Fax: (202) 393-1240
koury@wrightlaw.com
collins@wrightlaw.com
okasi@wrightlaw.com

**ATTORNEYS FOR
GAS TRANSMISSION NORTHWEST LLC**

Enclosures

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Gas Transmission Northwest LLC) Docket No. RP15-904-_____

**PETITION OF GAS TRANSMISSION NORTHWEST LLC FOR APPROVAL OF
AMENDED AND RESTATED STIPULATION AND AGREEMENT OF
SETTLEMENT AND REQUEST FOR ACTION BY JANUARY 1, 2022
EFFECTIVE DATE**

Pursuant to Rule 207(a)(5) of the Federal Energy Regulatory Commission's ("FERC" or "Commission") Rules of Practice and Procedure, 18 C.F.R. § 385.207(a)(5) (2021), Gas Transmission Northwest LLC ("GTN") hereby petitions the Commission for approval of the accompanying Amended and Restated Stipulation and Agreement of Settlement ("Settlement"). GTN believes that the Settlement is supported or unopposed by all of its shippers and other interested parties.

I. CORRESPONDENCE AND COMMUNICATION

All correspondence and communications regarding this filing should be addressed to the following:

Eva N. Neufeld – Associate General Counsel
*Sandra L. Mazan – Legal Counsel
Gas Transmission Northwest LLC
700 Louisiana Street
Houston, Texas 77002-2700
Tel: (832) 320-5500
Fax: (832) 320-6549
eva_neufeld@tcenergy.com
sandra_mazan@tcenergy.com

Sorana Linder - Director, Rates, Tariff &
Modernization
Gas Transmission Northwest LLC
700 Louisiana Street
Houston, Texas 77002-2700
Tel: (832) 320-5520
sorana_linder@tcenergy.com

Joseph S. Koury
*Ryan J. Collins
Uju Okasi
Wright & Talisman P.C.
1200 G Street N.W., Suite 600
Washington, D.C. 20005
Tel: (202) 393-1200
Fax: (202) 393-1240
koury@wrightlaw.com
collins@wrightlaw.com
okasi@wrightlaw.com

* Persons designated for official service pursuant to Rule 2010.

II. BACKGROUND

On April 23, 2015, in Docket No. RP15-904-000, GTN filed a Petition for Approval of Stipulation and Agreement of Settlement (“2015 Settlement”)¹ in order to resolve issues relating to a potential GTN general rate change filing pursuant to section 4 of the Natural Gas Act (“NGA”).² The 2015 Settlement, among other things, set forth reduced settlement rates and established a requirement for GTN to file a general section 4 rate case with rates to be effective no later than January 1, 2022, which “shall be made within sufficient time to accommodate any Commission-imposed suspension period.”³

On June 30, 2015, in Docket No. RP15-904-000, the Commission approved the 2015 Settlement.⁴

On July 18, 2018, the Commission issued Order No. 849⁵ and its Order on Rehearing of its previously issued Revised Policy Statement on income tax allowances.⁶ On November 30, 2018, in Docket No. RP15-904-001, the Commission approved an Amended Stipulation and Agreement of Settlement (“2018 Amendment”),⁷ which GTN

¹ Petition of Gas Transmission Northwest LLC for Approval of Stipulation and Agreement of Settlement, Docket No. RP15-904-000 (April 23, 2015).

² 15 U.S.C. § 717c.

³ 2015 Settlement at Article V.1.

⁴ *Gas Transmission Northwest LLC*, 151 FERC ¶ 61,280 (2015), *order approving settlement*, 165 FERC ¶ 61,195 (2018), *order granting petition to amend settlement*, 175 FERC ¶ 61,250 (2021).

⁵ *Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate*, Order No. 849, 164 FERC ¶ 61,031 (2018), *order denying reh’g*, Order No. 849-A, 167 FERC ¶ 61,051 (2019), *final rule*, Order No. 849-B, 175 FERC ¶ 61,141 (2021).

⁶ *Inquiry Regarding the Commission’s Policy for Recovery of Income Tax Costs*, 162 FERC ¶ 61,227 (“Revised Policy Statement”), *order on reh’g*, 164 FERC ¶ 61,030 (2018).

⁷ *Gas Transmission Northwest LLC*, 165 FERC ¶ 61,195 (2018).

submitted for approval on October 16, 2018, as a pre-filing settlement between GTN and interested parties to resolve issues arising from the Tax Cut and Jobs Act (“Tax Act”),⁸ Order No. 849, and the Revised Policy Statement on income tax allowances. The 2018 Amendment, among other things, provided reduced transportation rates, and maintained GTN’s filing requirement for new rates to be effective no later than January 1, 2022, including any Commission-imposed suspension period.⁹

Early in 2021, GTN and interested parties engaged in pre-filing settlement discussions in order to reach an agreeable settlement in lieu of GTN filing a general section 4 rate case pursuant to the NGA. On June 4, 2021, to provide additional time for settlement negotiations, GTN filed an unopposed motion to extend by three months GTN’s section 4 rate filing obligation under the 2018 Amendment. The Commission approved that extension by order issued June 28, 2021.¹⁰ The parties continued negotiations to resolve differences regarding issues that may have been raised in GTN’s section 4 rate filing. As a result of multiple discussions, GTN and its customers and other interested parties (“Settling Parties”)¹¹ reached agreement to a settlement in principle resolving issues regarding GTN’s rates and rate filing obligation. The settlement in principle is memorialized in the attached Settlement.

III. PETITION FOR APPROVAL

The attached Settlement reflects the agreement of GTN and the other Settling Parties, and results from their significant efforts to resolve pending rate issues in lieu of

⁸ Tax Cut and Jobs Act, Pub. L. No. 115-97, 131 Stat. 2054 (2017).

⁹ See 2018 Settlement at Article V.1.

¹⁰ *Gas Transmission Northwest LLC*, 175 FERC ¶ 61,250 (2021).

¹¹ See Settlement at Appendix A.

GTN filing an NGA section 4 rate case. The Commission has encouraged pipelines and their customers to resolve differences over rates before making any filing with the Commission,¹² because it enables the efficient processing of a rate change “without the expense of a hearing and lengthy litigation.”¹³ Here, the Settlement successfully resolves in a practical and carefully constructed fashion a wide array of issues that would have been subject to potential dispute in an NGA section 4 rate case. The Settlement will provide rate stability by maintaining existing tariff recourse rates, thereby avoiding the time and expense of an NGA general rate case. The Settlement also includes a moratorium on rate changes through December 31, 2023, and a rate filing obligation for GTN to file for rates to become effective no later than April 1, 2024, accounting for any Commission-imposed suspension period. The avoidance of litigation and resulting better use of resources is a valuable outcome, benefiting the participants, the Commission, and the public interest. Therefore, GTN submits that the Settlement is in the public interest and should be approved effective January 1, 2022, as proposed, without modification or condition.

IV. REQUEST FOR COMMISSION ACTION TO MAKE SETTLEMENT EFFECTIVE BY JANUARY 1, 2022

The Settlement effective date is January 1, 2022,¹⁴ and the Settlement resolves GTN’s obligation to file for rates to become effective no later than April 1, 2022. Accordingly, GTN requests that the Commission issue an order approving the Settlement without condition or modification to be effective January 1, 2022, as proposed.

¹² See *Dominion Transmission, Inc.*, 111 FERC ¶ 61,285, at P 30 (2005).

¹³ *Id.*

¹⁴ See Settlement at Article IV.A.1.

V. CONCLUSION

WHEREFORE, GTN respectfully requests that the Commission grant this Petition by approving the Settlement without condition or modification. GTN further requests that the Commission grant any other authorizations or waivers that may be necessary to approve the Settlement as proposed herein, to be effective January 1, 2022.

Respectfully submitted,

Eva N. Neufeld – Associate General Counsel
Sandra L. Mazan – Legal Counsel
Gas Transmission Northwest LLC
700 Louisiana Street
Houston, Texas 77002-2700
Tel: (832) 320-5500
Fax: (832) 320-6549
eva_neufeld@tcenergy.com
sandra_mazan@tcenergy.com

/s/ Joseph S. Koury
Joseph S. Koury
Ryan J. Collins
Uju Okasi
Wright & Talisman P.C.
1200 G Street N.W., Suite 600
Washington, D.C. 20005
Tel: (202) 393-1200
Fax: (202) 393-1240
koury@wrightlaw.com
collins@wrightlaw.com
okasi@wrightlaw.com

ATTORNEYS FOR GAS TRANSMISSION NORTHWEST LLC

September 29, 2021

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Gas Transmission Northwest LLC

)

Docket No. RP15-904-__

**AMENDED AND RESTATED
STIPULATION AND AGREEMENT OF SETTLEMENT**

Upon approval by the Federal Energy Regulatory Commission (“FERC” or the “Commission”) pursuant to Rule 207(a)(5) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.207(a)(5) (2021), this Amended and Restated Stipulation and Agreement of Settlement (“Settlement”) shall maintain the transportation service recourse rates set forth in Gas Transmission Northwest LLC’s (“GTN”) FERC Gas Tariff, Fourth Revised Volume No. 1-A (“Tariff”), in satisfaction of GTN’s existing rate filing obligation, pursuant to the terms below. GTN and the other Settling Parties (as defined below) stipulate and agree to the following:

**ARTICLE I
PROCEDURAL HISTORY**

1. On April 23, 2015, in Docket No. RP15-904-000, GTN filed a Petition for Approval of Stipulation and Agreement of Settlement (“2015 Settlement”) in order to resolve issues relating to a potential GTN general rate change filing pursuant to section 4 of the Natural Gas Act (“NGA”). 15 U.S.C. § 717c. The Commission approved the 2015 Settlement on June 30, 2015. *Gas Transmission Northwest LLC*, 151 FERC ¶ 61,280 (2015).

2. On October 16, 2018, in Docket No. RP15-904-001, GTN filed a Petition for Approval of Amended Stipulation and Agreement of Settlement (“2018 Amendment”) that amended the 2015 Settlement to address issues relating to the change in the federal corporate income tax rate resulting from the Tax Cut and Jobs Act, Pub. L. No. 115-97, 131 Stat. 2054 (2017), and the Commission’s Order No. 849, *Interstate and Intrastate Natural Gas Pipelines*;

Rate Changes Relating to Federal Income Tax Rate, 164 FERC ¶ 61,031 (2018), and Revised Policy Statement on income tax allowances. *Inquiry Regarding the Commission’s Policy for Recovery of Income Tax Costs*, Revised Policy Statement on Treatment of Income Taxes, 162 FERC ¶ 61,227 (2018) (“Revised Policy Statement”), *order on reh’g*, 164 FERC ¶ 61,030 (2018). The 2018 Amendment provided a general rate reduction in two phases, with the second phased rate reduction becoming effective January 1, 2020 (“Phase II rates”). The Commission approved the 2018 Amendment on November 30, 2018. *Gas Transmission Northwest LLC*, 165 FERC ¶ 61,195 (2018).

3. The 2015 Settlement established, and the 2018 Amendment carried forward, a mandatory filing requirement for GTN to submit a general section 4 rate case pursuant to the NGA, such that rates would be effective no later than January 1, 2022 (i.e., with sufficient time to accommodate any Commission imposed suspension).

4. Commencing early in 2021, GTN and stakeholders engaged in multiple settlement discussions to explore the possibility of reaching a pre-filing rate settlement in lieu of GTN filing a section 4 rate case. During the settlement discussions, GTN provided informal discovery of rate-related information and the parties exchanged multiple offers and counteroffers of settlement.

5. To provide additional time to conduct pre-filing settlement negotiations, on June 4, 2021, GTN filed an unopposed petition to extend by three months GTN’s rate filing obligation under the 2018 Amendment, such that rates would be effective no later than April 1, 2022 (with rates filed by September 30, 2021 assuming a five-month suspension period). The Commission approved the extension of GTN’s rate filing obligation by order issued June 28, 2021. *Gas Transmission Northwest LLC*, 175 FERC ¶ 61,250 (2021).

6. As a result of these negotiations, the parties were able to agree to the Settlement. The Settlement resolves all issues associated with GTN's section 4 rate filing obligation, and thus obviates the need for such filing and the attendant costs and burdens to the parties and the Commission.

ARTICLE II **INDIVISIBILITY OF SETTLEMENT TERMS**

1. The Settling Parties have engaged in extensive settlement negotiations in an effort to resolve issues that may have been raised in a GTN section 4 rate filing. The Settlement provides for a reasonable resolution of the issues raised in settlement discussions. The Settlement is a carefully crafted and delicate compromise among many parties with diverse and often conflicting interests. It is an integrated package and the Settling Parties request that it be approved in its entirety.

ARTICLE III **SETTLING PARTIES AND CONTESTING PARTIES**

A. Settling Parties

1. A "Settling Party" is (a) any party identified in Appendix A; or (b) any party or shipper not identified in Appendix A that (i) expressly supports, or (ii) does not oppose the Settlement as a whole and/or any of its underlying provisions.

B. Contesting Parties

1. Any entity, party or Settling Party shall become a Contesting Party on the date that it (a) files any pleading at the Commission concerning this Settlement, other than a request for rehearing in accordance with Article IV.A.3. or Article IV.A.4., that takes any position with regard to the Settlement other than that the entity, party, or Settling Party (i) unequivocally supports the

Settlement as a whole and each of its underlying provisions, (ii) does not oppose approval of the Settlement as a whole and/or (iii) urges expedited approval of the Settlement as filed; (b) provides notice as set forth in Article IV.A.4. or Article IV.A.5. that it elects to become a Contesting Party; or (c) takes any action inconsistent with the terms of the Settlement.

2. Contesting Parties shall forego any and all rights or obligations under the Settlement. GTN shall retain all rights to file base rate or any other base or tariff changes pursuant to section 4 of the NGA that will be applicable to all Contesting Parties, notwithstanding anything in this Settlement. Any Commission orders during the term of this Settlement related to such NGA section 4 filings that are otherwise precluded by the Settlement shall only become effective as to Contesting Parties. Further, no rate, surcharge, or allocation of costs applicable to any Settling Party shall be modified as a result of the election of any other party to be a Contesting Party.

ARTICLE IV **SETTLEMENT EFFECTIVENESS**

A. Effective Date

1. This Settlement shall satisfy the requirement in the Docket Nos. RP15-904-000 and RP15-904-001 settlements that GTN file for rates to become effective no later than January 1, 2022. This Settlement shall become effective on January 1, 2022 (“Effective Date”). If a Commission order approving the Settlement requires modification(s) or condition(s), then the Settlement shall take effect with the modification(s) or condition(s) required by the Commission, subject to the rights of the parties enumerated in this Article. To the extent that this Settlement is approved without modification or condition, the Settling Parties are bound by the terms of the Settlement and waive any and all rights to file requests for rehearing, clarification and/or reconsideration of such an order.

2. In the event that the Commission issues an order approving the Settlement subject to a modification(s) or condition(s), then, within seven (7) calendar days of the date of such a Commission order, the Settling Parties will initiate a good-faith meet-and-confer process to: (a) determine whether the Commission-imposed modification(s) or condition(s) can be accepted by all Settling Parties, or, if not, then (b) make such mutually agreeable changes to the Settlement as are necessary so it is accepted by Settling Parties. If within fourteen (14) calendar days of the date of such a Commission order the Settling Parties are unable to mutually agree as provided for in (a) or (b) in the preceding sentence, then the obligation to meet and confer in good faith shall cease and the Settlement will become effective subject to the rights of GTN and the other Settling Parties as set forth in Article IV.A.3. and Article IV.A.4., respectively.

3. If an order approving the Settlement requires a modification(s) or imposes a condition(s) that materially and adversely affects GTN, as determined by GTN in its reasonable discretion, then within twenty-one (21) calendar days of such Commission order and following the good faith efforts prescribed in Article IV.A.2. above, GTN shall provide notice to the Commission and all parties to the proceeding stating whether it will withdraw the Settlement and, if it does not withdraw the Settlement, whether it will seek rehearing of such Commission order. If GTN does not withdraw the Settlement, then the Settlement shall remain in effect with the modification(s) or condition(s) required by the Commission, subject to the outcome of any request for rehearing filed by GTN or any other Settling Party. If GTN elects to file a request for rehearing that is consistent with the terms of the Settlement, then no other Settling Party shall oppose such a request for rehearing. Within seven (7) calendar days of a Final Order (as defined in Article IV.A.6.) denying a request for rehearing filed by GTN pursuant to Article IV.A.3., GTN shall have the option to

withdraw the Settlement by providing written notice of withdrawal of the Settlement to the Commission and all parties in this proceeding.

4. If an order approving the Settlement requires a modification(s) or imposes a condition(s) that materially and adversely affects any Settling Party other than GTN, as determined by such Settling Party in its reasonable discretion, then within twenty-one (21) calendar days of the issuance of such Commission order and following the good faith efforts prescribed in Article IV.A.2. above, such Settling Party shall provide notice to the Commission and all parties to the proceeding stating whether or not it elects to continue to be bound by the Settlement and, if so, whether it will seek rehearing of such Commission order. If such Settling Party elects to continue to be bound by the Settlement, then the Settlement shall remain in effect with the modification(s) or condition(s) required by the Commission, subject to the outcome of any request for rehearing filed by such Settling Party. If such Settling Party elects to file a request for rehearing that is consistent with the Settlement, then no other Settling Party will oppose such request for rehearing. Such Settling Party providing notice that it elects not to continue to be bound by the Settlement shall cease to be a Settling Party and shall be deemed to be a Contesting Party as of the date of such notice; provided, however, that filing a request for rehearing that is consistent with the Settlement does not constitute notice of intent to become a Contesting Party, and provided, further, that such Settling Party may elect to become a Contesting Party within seven (7) calendar days of a Final Order denying a request for rehearing, consistent with Article IV.A.5. below. Within seven (7) calendar days of receipt of such notice that such Settling Party elects to become a Contesting Party, GTN shall have the option, but not the obligation, to withdraw the Settlement by providing written notice of withdrawal of the Settlement to the Commission and all parties in this proceeding.

5. Within seven (7) calendar days of a Final Order denying a request for rehearing filed by a Settling Party other than GTN, such Settling Party shall have the option to provide notice to the Commission and all parties to the proceeding that it elects not to be bound by the Settlement. Such Settling Party that elects not to be bound by the Settlement shall cease to be a Settling Party and shall be deemed to be a Contesting Party as of the date of such notice. Within seven (7) calendar days of receipt of such notice, GTN shall have the option, but not the obligation, to withdraw the Settlement by providing written notice of withdrawal of the Settlement to the Commission and all parties in this proceeding.

6. For purposes of this Settlement, a Final Order is an order by the Commission for which no request for rehearing or petition for review or certiorari is pending and for which the statutory time period within which to seek rehearing, review or certiorari has expired. If GTN withdraws the Settlement, all parties' rights, obligations and commitments under the Settlement are deemed null and void, and all parties are returned to the status quo *ante*.

7. The term of the Settlement shall be from the Effective Date until the Settlement Rates are superseded by new base tariff recourse rates pursuant to section 4 or section 5 of the NGA or a superseding general rate settlement ("Term").

B. Effect of Withdrawal of the Settlement by GTN or Rejection by the Commission or by a Court

1. Any notice of withdrawal permitted by the Settlement and provided by GTN, or any rejection of the Settlement by the Commission or a court of competent jurisdiction, shall cause the Settlement to be terminated and become null and void, and the provisions of the 2015 Settlement, as amended by the 2018 Amendment, including the rates stated therein, shall be restored to full effectiveness.

ARTICLE V
MORATORIUM AND MANDATORY FILING REQUIREMENT

A. Moratorium

1. The period from January 1, 2022, until December 31, 2023, is referred to herein as the “Moratorium.”

2. Except in accordance with this Article V, GTN hereby waives and relinquishes its rights under section 4 of the NGA to advocate any changes or adjustments that would be inconsistent with any provision of this Settlement to be effective during the Moratorium, including, without limitation, any increase, change or modification of the Settlement Rates, as referenced in Article VI.A. GTN, and any successor, assignee or affiliate, will not initiate, undertake, pursue, seek, advocate, support, aid or abet any effort to implement a change or adjustment to any provision of this Settlement that would become effective during the Moratorium, pursuant to section 4 of the NGA or any other statutory provision, at the Commission or with any other governmental authority or regulatory body having jurisdiction over GTN, to modify, increase or otherwise change in any way the Settlement Rates, or any other provision of this Settlement, including but not limited to challenging, contesting or otherwise opposing the Settlement Rates, as referenced in Article VI.A.; provided, however, that the waiver effectuated by this Article V.A.2. does not preclude GTN from making any filing under section 4 for the purpose of seeking a change or adjustment to GTN’s rates or terms and condition of service effective on or after January 1, 2024, or from making any filing allowed under Article V.A.4. or Article V.A.5.

3. Each Settling Party other than GTN, hereby waives and relinquishes its rights under section 5 of the NGA to advocate individually, with others or in support of others, any changes or adjustments that would be inconsistent with any provision of this Settlement to be

effective during the Moratorium. Such Settling Party, and any successor, assignee (including shippers acquiring capacity by capacity release) or affiliate of such Settling Party, whether acting individually, with others or in support of others, will not initiate, undertake, pursue, seek, advocate, support, aid or abet any effort to implement a change or adjustment to any provision of this Settlement that would become effective during the Moratorium, pursuant to section 5 of the NGA or any other statutory provision, at the Commission or with any other governmental authority or regulatory body having jurisdiction over GTN, to modify, restrict, encumber, reduce or otherwise change in any way the Settlement Rates, or any other provision of this Settlement; provided, however, that the waiver effectuated by this Article V.A.3. does not preclude such Settling Party from (i) making any section 5 filing on the basis that GTN has violated the terms of this Settlement or has applied the terms of this Settlement in an unduly discriminatory manner, (ii) making any filing allowed under Article V.A.4. or Article V.A.6., or (iii) making any filing under section 5 for the purpose of seeking a change or adjustment to GTN's rates or terms and conditions of service effective on or after January 1, 2024.

4. During the Moratorium, and provided that any such activity is not inconsistent with the provisions of this Settlement, GTN and any other Settling Party shall be free to: (a) petition to initiate rulemaking proceedings of general industry-wide applicability; (b) actively participate in any rulemaking, notice of inquiry or similar proceeding of general applicability before the Commission ("Commission Rulemaking"); (c) petition for and actively participate in judicial appeals or remands of Commission Rulemaking proceedings; and (d) participate in any other Commission proceeding.

5. During the Moratorium, in addition to GTN's rights under Article VII below, GTN may take any action and make any filing not inconsistent with this Settlement, including the actions

listed in Article V.A.5.(a) through (d) below. Parties may not challenge GTN's right to make such filings, but may otherwise take any position with respect to such filings:

- (a) make a filing required by the Commission with regard to this settlement or pursuant to a Commission Order or regulation or applicable law requiring GTN to make a filing to comply during the period of the moratorium and only to the extent mandated;
- (b) make any filing pursuant to sections 4 or 7 of the NGA not inconsistent with the terms of the Settlement for the following:
 - (i) proposing to construct and operate new facilities or to provide new service(s) not covered by the Settlement;
 - (ii) proposing any incremental rate, maximum recourse rate and/or rate schedule associated with such new facilities or new service(s); or
 - (iii) proposing new or revised rate schedules or terms or conditions of service that do not change the Settlement Rates;
- (c) provide discounts to the Settlement Rates; and
- (d) enter into negotiated rate agreements.

6. During the Moratorium, Settling Parties other than GTN shall have the right to make any NGA section 5 filing not prohibited by the Settlement and, subject to the limitations set forth in Article V.A.3. and Article V.A.5. above, shall have the right to challenge any filing made by GTN pursuant to Article V.A.4. or Article V.A.5. above.

7. To the extent that the Commission considers any change to the terms of the Settlement during the Moratorium, the standard of review for any such proposed change shall be the most stringent standard permissible under applicable law.

B. Mandatory Rate Filing Requirement

1. GTN shall file a general rate case pursuant to section 4 of the NGA such that the rates proposed therein will be effective no later than April 1, 2024. The filing shall be made within sufficient time to accommodate any Commission-imposed suspension period. However, GTN's

obligation under this provision shall be extinguished in the event that, after the end of the Moratorium but before April 1, 2024: (i) GTN has filed a general rate case under section 4 of the NGA, (ii) GTN has filed for Commission approval of a general rate settlement, or (iii) the Commission has instituted a general investigation of GTN's rates under section 5 of the NGA.

ARTICLE VI **SETTLEMENT RATES**

1. GTN's existing base tariff reservation and delivery recourse rates currently stated in Tariff Sections 4.1, 4.2, 4.3, and 4.5, which were established in the 2018 Amendment as the Phase II rates, shall continue in effect for the Term of the Settlement ("Settlement Rates").

ARTICLE VII **CARBON TAX REGULATORY ASSET**

1. For the period from January 1, 2022, until the effective date of new base tariff recourse rates, GTN is authorized to establish regulatory asset(s) to record costs actually paid by GTN for any carbon/greenhouse gas related taxes assessed by governmental bodies of the States of Washington and Oregon. Any costs recorded in such regulatory asset(s) may accumulate interest at the Commission's rate in accordance with 18 C.F.R. § 154.501(d) from the date incurred until GTN fully recovers the costs through its rates.

2. GTN shall be permitted to include the costs properly recorded in such regulatory asset(s) in rates proposed in GTN's next general NGA section 4 rate case or in any general investigation of GTN's rates under section 5 of the NGA. Such costs shall be amortized over a period of no less than three (3) years. Any costs recorded in such regulatory asset(s) shall not receive rate base treatment.

3. In GTN's next general NGA section 4 rate case or in any general investigation of GTN's rates under section 5 of the NGA, Settling Parties retain all rights to challenge GTN's recovery in rates of costs recorded in such regulatory asset(s); provided, however, Settling Parties shall not challenge GTN's authority to record such costs as regulatory asset(s) or that the costs were incurred outside of the applicable base period and test period.

ARTICLE VIII DEPRECIATION

1. GTN will continue to apply its existing depreciation rates to all accounts and subaccounts, including the annual depreciation rate applicable to mainline gas turbines of 3.50% and the annual depreciation rate applicable to all other mainline transmission facilities of 1.80%. All other annual depreciation rates shall be as set forth in Appendix B. In addition to the 1.80% rate, for regulatory purposes, GTN shall reflect negative salvage at an annual rate of 0.05% of transmission plant.

ARTICLE IX INCOME TAX ALLOWANCE/ADIT

1. This Settlement does not alter the terms of Article VIII of the 2018 Amendment, which addressed the treatment of an income tax allowance and accumulated deferred income taxes in the rates established by the 2018 Amendment, except as follows: During the term of the Settlement, the Settlement Rates set forth in Article VI reflect, as a settled practice, zero income tax allowance as well as elimination of accumulated deferred income tax ("ADIT") and associated regulatory liability, based on the Commission's rulings in Order No. 849 and Docket No. PL17-1 ("Tax Allowance Policy"). GTN and the other Settling Parties specifically agree and acknowledge as follows: (a) for the period January 1, 2019 through December 31, 2023, the Settlement Rates shall reflect zero income tax allowance and elimination of ADIT, regardless of any change in the

Tax Allowance Policy during that term; (b) after December 31, 2023, to the extent that there is no change in the Commission's Tax Allowance Policy with respect to income tax allowance and/or elimination of ADIT, or to GTN's ownership structure, GTN's treatment of these rate elements as reflected in the Settlement shall continue as a settled practice; and (c) after December 31, 2023, to the extent there is or has been any change in (i) the Commission's Tax Allowance Policy with respect to income tax allowance and/or elimination of ADIT, or (ii) GTN's ownership structure, the Settling Parties agree to reserve all rights to address said changes in a subsequent proceeding following the expiration of the Settlement.

ARTICLE X **POST-MORATORIUM REPORTING REQUIREMENT**

1. At the conclusion of the Moratorium, GTN shall provide Settling Parties a report that shows: (a) prudently incurred expenses and capital expenditures incurred by account, by year, related to dithiazine contamination and remediation; and (b) any and all amounts recovered by GTN for dithiazine contamination and remediation whether from insurance, a court-imposed judgment, a settlement or otherwise.

ARTICLE XI **POST RETIREMENT BENEFITS OTHER THAN PENSIONS**

1. GTN represents that Post Retirement Benefits Other Than Pensions ("PBOP") plan liabilities are currently fully funded and assumed to be fully funded for the term of the Settlement. GTN agrees that it will not establish a regulatory asset associated with PBOP expenses or costs. In its next section 4 rate proceeding, GTN may seek recovery of its allocated portion of actuarially-determined annual net PBOP costs and/or expenses, if any, that are incurred during the base period

of such rate case, as adjusted for known and measurable test period changes, and shippers may take any position with respect to such request.

ARTICLE XII
AMENDMENT, RESTATEMENT, AND SUPERSEDURE OF
THE 2015 SETTLEMENT AND THE 2018 AMENDMENT

1. Subject to Article IV.B., the Settling Parties agree that as of the Effective Date, this Settlement amends, restates, and supersedes the 2015 Settlement and the 2018 Amendment. This Settlement fulfills GTN's mandatory filing requirement for GTN to submit a general section 4 rate case pursuant to section 4 of the NGA such that rates would be effective no later than January 1, 2022. Thus, the 2015 Settlement and the 2018 Amendment are superseded in their entirety by this Settlement and shall be null and void and no provision of either the 2015 Settlement or the 2018 Amendment will continue to have any force or effect or be binding on any entity, party or Settling Party; provided however, that consistent with Article X of the 2015 Settlement, the following provisions of the 2011 Stipulation and Agreement of Settlement ("2011 Settlement"), filed on August 12, 2011, in Docket No. RP11-2377-000, and approved by the Commission in *Gas Transmission Northwest LLC*, 137 FERC ¶ 61,163 (2011), are not superseded by this Settlement and shall survive and any entity, party or Settling Party cannot challenge such provisions: (a) the provisions in Article XI of the 2011 Settlement providing for survival of the provisions of Article VI.E. of the 2007 settlement in Docket No. RP06-407-000 relating to seasonal rates for short-term firm transportation service and interruptible transportation service; and (b) the provisions in Article IX of the 2011 Settlement relating to the treatment of revenues from the Calpine bankruptcy. For the avoidance of doubt, this Settlement does not effectuate changes to GTN's existing Tariff.

ARTICLE XIII **RESERVATIONS**

1. No Settling Party shall be bound or prejudiced by any part of this Settlement, unless it becomes effective in accordance with the provisions hereof.

A. Settlement Has No Precedential Value

1. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue. Unless this Settlement is approved and becomes effective in accordance with the provisions set forth herein, then in any proceeding before the Commission this Settlement and the content of any settlement negotiations resulting therein may not be employed or cited to in any manner and nothing contained in this Settlement, nor in any of the settlement negotiations leading hereto, shall be deemed an admission by any party of any principle contained herein.

2. The methods or practices observed in deriving rates and the presence or absence of methods of establishing rates as referenced in this Settlement shall not constitute precedent nor be used to prejudice any otherwise available rights or arguments of any participant in a future proceeding, other than to enforce the terms of the Settlement or collect rates due for the service provided while the Settlement remains in effect, and shall not be used as evidence that a particular method is a "long-standing practice" as that term is used in *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578 (D.C. Cir. 1975), or a "settled practice" as that term is used in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980). The provisions of this Settlement are for purposes of settlement only and shall have no precedential effect.

B. No Drafter

1. No party shall be deemed the drafter of this Settlement, and this Settlement shall not be construed against any party as the drafter.

C. Severability

1. The provisions of the Settlement are not severable and may become effective only in accordance with the terms of the Settlement.

D. Negotiated Settlement

1. It is specifically understood and agreed by and among the Settling Parties that the Settlement represents a negotiated settlement only with respect to the issues resolved by the Settlement. Except to the extent explicitly set forth in the Settlement, neither the Commission, its Staff, nor any Settling Party shall be deemed to have approved, accepted, agreed to or consented to any policy, methodology or other principle underlying or supposed to underlie any of the matters provided for in the Settlement.

E. Standard of Review

1. To the extent that the Commission considers any changes to the terms of the Settlement, the standard of review for any such proposed change shall be the most stringent standard permissible under applicable law.

**ARTICLE XIV
PRIVILEGED DOCUMENT**

1. Unless the Settlement shall have become effective in accordance with Article IV, this Settlement shall be privileged, and all discussions held and materials provided by any party in reaching this Settlement shall be treated as if it were subject to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2021), regardless of whether Rule 602 would apply by its terms.

ARTICLE XV
EFFECT OF COMMISSION APPROVAL

1. The Commission's approval of this Settlement shall constitute Commission authorization and approval for GTN to maintain the rates as set forth in this Settlement, without conditions other than those specified herein.

2. The Commission's approval of this Settlement shall constitute Commission waiver of compliance, to the extent (if any) necessary, by GTN with the requirements of the Commission's Rules and Regulations under the NGA and Natural Gas Policy Act including, but not limited to, Parts 154, 157, 201 and 284 as necessary to carry out any provision of this Settlement.

Respectfully submitted,

/s/ Joseph S. Koury

Eva N. Neufeld – Associate General Counsel
Sandra L. Mazan – Legal Counsel
Gas Transmission Northwest LLC
700 Louisiana Street, Suite 1300
Houston, Texas 77002-2700
Tel: (832) 320-5500
Fax: (832) 320-6549
eva_neufeld@tcenergy.com
sandra_mazan@tcenergy.com

Joseph S. Koury
Ryan J. Collins
Wright & Talisman P.C.
1200 G Street N.W., Suite 600
Washington, D.C. 20005
Tel: (202) 393-1200
Fax: (202) 393-1240
koury@wrightlaw.com
collins@wrightlaw.com

Sorana Linder
Director, Rates, Tariffs & Modernization
Gas Transmission Northwest LLC
700 Louisiana Street, Suite 1300
Houston, TX 77002-2700
Tel: (832) 320-5520
sorana_linder@tcenergy.com

On behalf of Gas Transmission Northwest LLC

September 29, 2021

APPENDIX A

Settling Parties

SETTLING PARTIES

The entities listed below have authorized GTN to state that they either support or do not oppose the foregoing Amended and Restated Stipulation and Agreement of Settlement.

Alliance of Western Energy Consumers
Apache Corporation
ARC Resources LTD.
Avangrid Renewables, LLC
Avista Corporation
BP Canada
BP Canada Energy Marketing Corp.
Calpine Energy Services, L.P.
Canadian Association of Petroleum Producers
Cascade Natural Gas Corporation
California Public Utilities Commission
Cargill Limited
Castleton Commodities Merchant Trading L.P.
Chevron U.S.A., Inc.
Citadel Energy Marketing LLC
City of Redding, California
ConocoPhillips Company
Direct Energy Business Marketing, LLC
Gas Transmission Northwest LLC
Hammerhead Resources Inc.
IGI Resources, Inc.
Koch Energy Services, LLC
Mercuria Commodities Canada Corporation
Northern California Power Agency
Northwest Natural Gas Company
NuVista Energy Ltd.
NV Energy
Ovintiv
Paramount Resources
Pacific Gas and Electric Company
Portland General Electric Company
Powerex Corp.
Puget Sound Energy, Inc.
Repsol Energy NA
Repsol Oil & Gas Canada Inc.
Sacramento Municipal Utility District
Shell Energy North America (US), L.P.
Sierra Pacific Power Company d/b/a NV Energy
Southern California Gas Company
Southern California Generation Coalition
Suncor Energy Marketing Inc.

Tenaska Inc.
Tenaska Marketing Ventures
Tourmaline Oil Marketing Corp.
Turlock Irrigation District
Uniper Global Commodities North America LLC
United States Gypsum Company

APPENDIX B

Depreciation Rates

DEPRECIATION RATES

<u>Line No.</u>	<u>Description</u>	<u>Rate in %</u>
1	Lateral Transmission Facilities	
2	Medford Lateral	2.05
3	Coyote Springs Lateral	1.80
4	Carty Lateral	3.33
5		
6	General Plant	
7	Office Furniture and Equipment	6.67
8	Computer Equipment	20.00
9	Personal Computer and Laptops	20.00
10	Software	20.00
11	Transportation Equipment – Light	10.00
12	Transportation Equipment – Heavy	10.00
13	Stores Equipment	0.00
14	Tools, Ship, Garage Equipment	4.00
15	Power Operated Equipment	0.00
16	Communications Equipment	10.00
17	Miscellaneous Equipment	0.00
18		
19	Intangibles	
20	Miscellaneous	2.00
21	Information, Technology System, Applications	10.00

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing documents upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 29th day of September 2021.

/s/ Uju Okasi

Uju Okasi
Wright & Talisman, P.C.
1200 G Street, N.W., Suite 600
Washington, D.C. 20005-3802
(202) 393-1200
okasi@wrightlaw.com

*Attorney for
Gas Transmission Northwest LLC*