

Waha-San Elizario Pipeline

QUESTIONS & ANSWERS					
Number	Bidder-	Sections, Appendix or Annex	General Subject	Questions	Answers
1.	Bracewell & Giuliani LLP	RFP, Section 5.a.		With regard to the fiber optics, please clarify which unit of measurement is to be used in creating the rate basis. Since fiber optics are not able to be measured on an MMBtu basis, is the denominator of the rate equation to equal the gas throughput capacity of the pipeline (e.g. 1.220 BCFD or 1.475 BCFD) or would this be the volume profile expressed in Appendix A, page A-7? Is it preferable for bidders to include fiber optic capital costs into its overall project capital?	The RFP anticipates that the cost of the fiber optic will be capitalized with the overall cost of developing the Project. Accordingly, it is preferable for bidders to include fiber optic capital in to the overall cost of the project.
2.	Bracewell & Giuliani LLP	RFP, Section 5.b.		Is CFE's intent to have a fixed fuel arrangement as opposed to actuals, which will be paid in-kind to Transporter? In other words, once a fuel percentage is contractually agreed, is it CFE's expectation that the Transporter will be obligated to provide (at its own cost) any fuel in excess of the established fuel percentage to the extent necessary to operate the pipeline?	Any fuel in excess will be provided by the Transporter at its own cost.
3.	Bracewell & Giuliani LLP	RFP, Appendix A		Appendix A of this Request for Proposal states "The capacity of the San Elizario Pipeline will be 1.475 Bcf/d or 1.220 Bcf/d, deliverable at the international border at a minimum pressure of 750 psig." Confirm that Bidder shall use the minimum and maximum pressures shown on table of page A-7 of the	CFE confirms that bidder shall use the minimum and maximum pressures shown on table of page A-7 of the RFP.

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				RFP.	
4.	Bracewell & Giuliani LLP	RFP, Appendix A		Appendix A, table on page A-7 shows maximum volumes. Could CFE provide the minimum volumes?	CFE confirms that table on page A-7 shows a range of volumes including minimum and maximum.
5.	Bracewell & Giuliani LLP	RFP, Appendix A		Appendix A of this Request for Proposal, page A-2 states "1. All meters must meet or exceed AGA 9 specifications and have turndown capability to five percent (5%)." What is the required turndown percentage for the compressors?	CFE confirms that the compressors shall be able to deliver in the complete range of volumes and pressures included in the table on page A-7.
6.	Operadora Mexicana de Gasoductos, S.A. de C.V.	RFP SECTION 2	Capacity	Please clarify the capacity of the pipeline.	CFE will determine after award of the contract whether the Project shall be for 1.220 Bcf/d or 1.475 Bcf/d as stated on page 5 of the RFP. Accordingly, Bidders must prepare an offer with pricing proposals for the capacity of 1.220 Bcf/d and 1.475 Bcf/d.
7.	Operadora Mexicana de Gasoductos, S.A. de C.V.		Gas Quality	Please provide specifications of the gas at the interconnections.	As set forth in RFP Appendix A, gas will be within the US standard at all interconnections except at the interconnection with the interconnecting Mexican pipeline. Gas leaving the United States and entering Mexico via the interconnection with the interconnecting Mexican pipeline must meet Mexican gas quality standards.
8.	Sempra U.S. Gas & Power	Appendix A		Appendix A states "Prior to the facilities required to bring the gas into compliance with the NOM-001-SECRE-2010, the gas in the system shall be U.S. quality gas. Gas delivered between two points in the U.S.	The design of the project is the responsibility of the Transporter. The Transporter shall consider that gas in the receipt point may be of a different quality standard than the NOM-001-SECRE-2010 and the Transporter will



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				<p>must comply with U.S. gas quality standards”.</p> <p>Can CFE please confirm that since there is no US national gas quality standard, the Transporter has the discretion to choose a reasonable quality standard at the interconnection with the Waha Hub that works the best with its design. Can such standard be the NOM-001-SECRE-2010?</p>	not be able to reject that gas.
9.	Sempra U.S. Gas & Power	Appendix A, Attachment A-1		Per the table Pressures and Volumes required at San Elizario, the minimum pressure at Receipt Point “CFE Waha Header” is 800 PSIG. Should the cost associated with compression required to achieve this minimum pressure be included in the San Elizario bid proposal?	No, CFE confirms that the minimum pressure of 800 PSIG at the CFE Waha Header will be borne by the cost for the CFE Waha Header. The delivery pressure at the Mexican border for the San Elizario pipeline will be borne by the San Elizario Project.
10.	Sempra U.S. Gas & Power	Appendix C, Section 23		Section 22 provides that “In the event Shipper elects to terminate the TSA and/or take over the Project as a result of a prolonged Force Majeure, Shipper will provide Transporter with a termination payment calculated as described in Section 17”. Can CFE please clarify what “take over the Project” means. Does this mean CFE would take ownership of the Project?	Yes, in such event Shipper could take the ownership of the project and try to restart the transportation service.
11.	Sempra U.S.	Appendix		Can CFE please clarify whether an act of the	It is possible that an act of the government of Mexico or



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	Gas & Power	C, Section 23		government of Mexico or CRE that delays construction or inhibits the flow of gas is an event of force majeure.	CRE would constitute a force majeure, but existence of an event of force majeure is a fact driven analysis and no predetermination can be made at this stage.
12.	Sempra U.S. Gas & Power	RFP Section 4, Appendix F		There is a discrepancy between the time tables for the LOCs listed on page 4 of the RFP and page F-1 of Appendix F): The date listed for execution of the TSA is March 15, 2015 on page 4 of the RFP, and January 26, 2015 on page F-1 of Appendix F. Can CFE please confirm March 15, 2015 is the correct date and revise Appendix F to reflect.	March 15, 2015 is the correct execution date.