

**Nueces-Brownsville**

**Bidder Questions and Answers**

Num	Submitted By	Reference	Subject	Question	Answer
1.	Enagás	Section 5 b	Proposal Deliverables	<p>Monthly fixed rates must not vary by more than +/- 3% on a yearly basis.</p> <p>Could you please provide more details about how will the CFE consider this variation?</p> <p>Will this variation be calculated for natural years, years starting in the In-Service Date or rolling years?</p> <p>Should we consider the average of the fixed charges for the year and compare it with the previous and following one?</p>	<p>“The monthly rates provided must not vary by more that +/- three percent (3%) on a yearly basis” means that the tariff for any given month cannot vary by more than +/- three (3%) percent from the same month in the previous year.</p>
2.	Enagás	Section 5 c	Proposal Deliverables	<p>Is it an exclusive condition the fact that the background and experience of the bidder in the development, construction, and operation of natural gas projects is not developed in the United States?</p>	<p>This condition will be evaluated by CFE on a case by case bases, all bidders are encouraged to submit proposals. CFE prefers that Bidders’ proposals support their ability to develop, construct, and operate natural gas projects in the United States.</p>
3.	Enagás	Section 6 h	Proposal Evaluation	<p>Are there any objective measures for weighting the different criteria for the proposal evaluation?</p> <p>Could you please provide further details on the Best value concept for the valuation (Price, quality and performance).</p> <p>Assuming full compliance of the RFP requirements, are there any other indicators apart from the NPV?</p>	<p>Best Value allows CFE to consider factors other than NPV in its evaluation to prevent a situation where CFE is obligated to select the lowest priced proposal if it is provided by a bidder who likely is not capable of completing the project.</p>

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4.	Enagás	Appendix C	12. Rates and Surcharges  14. Most favoured Nations.	<p>Appendix C contains several references to third party rates and/or third party use of the facilities:</p> <p>“If at any time during the Term (...) another party becomes a customer on any of the Project facilities, CFE’s fixed rates will be reduced by an amount equal to any financial benefit (...)”.</p> <p>“CFE’s rate shall be no higher than the lowest rate applicable to any other shipper under a Firm Transportation Service Agreement for service on the Project (...)”.</p> <p>“Where third parties utilize the Project, the benefits from any economy of scale will flow equitably to CFE (...)”.</p> <p>It seems clear that CFE’s fixed rate can not be higher than rates applied to a third party, therefore not being possible the obtention of any additional benefit related with a third party utilization of the facility. Could you please clarify how these benefits from economies of scale would flow equitably to both parties?</p>	<p>Most favored nations rates and profit sharing are two separate concepts.</p> <p>Most favored nations applies so that CFE never pays a higher rate than a third party shipper.</p> <p>Profit sharing allows CFE to obtain an equitable share of the benefits created by the pipeline providing service to third parties. If a third party takes service for rate x and the cost of providing the service is y, then CFE and pipeline will equitably share the economic benefit of the third party service, which can be represented algebraically as: economic benefit shared = x-y The allocation of the economic benefit shall be negotiated with the winning bidder.</p> <p>The two concepts are not exclusive. Profit sharing applies to every third party contract. Most favored nations only applies if the third party rate is lower than CFE’s.</p>

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5.	TransCanada	Appendix A	Delivery Point	Please confirm that the Delivery Point "Brownsville" as stated in the table included in Appendix 1 is coincident with the coordinate and associated radius provided for the offshore coordinate at the Mexico/US border as stated in Section 9.	Confirmed.
6.	TransCanada	A-3 and Section 6	Interconnection Points	Please confirm that the two interconnects by CFE will include measurement as per A-3 and all data signals will be transferred to the Transporter.	CFE shall be responsible for the interconnections with HPL and TETCO. To be explained at in-person Q&A and possibly revised in next release of the RFP.
7.	TransCanada	Section 4	Funding Commitment	With respect to question 16, TransCanada understands the purpose of the Funding Commitment is to cover CFE's costs of engaging the back-up bidder to complete the project. We therefore kindly request the Commission to modify the Funding Commitment amount so that it is the greater of (i) the difference between the net present value of the Winning Bidder's submission and the net present value of the first back-up bidder's submissions, or (ii) the amount of thirty million U.S. dollars (\$30,000,000).	Respectfully declined.  At the time of a termination with the Winning Bidder it will be unclear whether: a) the back-up winners will hold the same prices that they offered in their proposals, and b) the first back-up winner will be available to construct the project. These variables mean that CFE will likely need more money to cover than the difference between Winning Bidder and first back-up winner.

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8.	TransCanada	Section 2 and Appendix A	Header Design	We kindly request the CFE to clarify that the CFE will not accept a Header design that utilizes existing pipeline capacity, interconnections, and/or compression to satisfy the capacity requirements for the CFE Nueces Header stipulated in the RFP.	Respectfully declined.  CFE seeks that the Transporter does not utilize existing pipeline capacity, interconnections, and/or compression to satisfy the capacity requirements for the CFE Nueces Header stipulated in the RFP.
9.	Williams	RFP Section 1	General RFP	We kindly request CFE to confirm which of the documents contained in the RFP may be negotiated between the Winning Bidder and CFE, after the Announcement of the Winning Bidder.	CFE reserves the right to negotiate the final terms of the TSAs with the Winning Bidder, which TSAs shall conform to the terms in Appendix C in all materials respects.
10.	Williams	RFP Section 2	ISD	We kindly request CFE confirm whether Transporter's obligation to achieve the Target ISD and Shipper's related abilities to foreclose on the Project be deferred for any period of time in which the Interconnecting Pipeline is not ready to receive natural gas.	The Project must enter into (or be capable of entering) commercial operations by June 30, 2018. Shipper shall not foreclose if Transporter is capable of operations on that date, even if gas is not flowing because of a delay on the downstream pipeline.
11.	Williams	RFP Section 4C	Funding Commitment	The second paragraph of Section 4c states that " <i>The Funding Commitment will be greater than the difference between the net present value of the Winning Bidder's submission and the net present value of the higher of the two (2) back-up bidders' submissions...</i> ". Considering that (i) the winning bidder will not be able to acknowledge such amount until the contract is awarded, (ii) the Funding commitment will be the greater between said amount and \$30,000,000 U.S. dollars, (iii) the bidders need to make a correct risk assessment prior to submitting a proposal, we kindly request CFE to include a cap to the Funding Commitment.	Respectfully declined.

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12.	Williams	RFP Section 9	Route	We kindly request CFE to confirm that the route of the pipeline, as per the geographical coordinates provided, should finish in Mexico, across the Mexico/United States border.	The interconnection to the downstream pipeline shall be within 1 nautical mile (this is within a 1 nautical mile on the water border between Mexico and USA) of the points provided. Transporter will be responsible for installing facilities in the United States of America and in Texas State Waters to interconnect to the downstream pipeline at the U.S./Mexico border.
13.	Williams	Appendix A	Interconnects	We kindly request CFE to provide the location of the two interconnects provided by CFE, specifically the TETCO and Houston Pipeline interconnects.	Transporter should build the header to facilitate the interconnections with the six named initial interconnecting pipelines and the two initial interconnecting pipelines that are to be chosen by Transporter. CFE will ensure that TETCO and HPL facilities are built to the header.
14.	Williams	Appendix A	Interconnects	We kindly request CFE to clarify whether Transporter or Shipper would be responsible for any interconnecting pipe between the Tap facilities and the interconnections for the two CFE interconnects (TETCO and Houston Pipeline).	The pipe needed to interconnect TETCO and HPL to the Header would be built by TETCO and HPL.
15.	Williams	Appendix A	Schedule	Assuming a TSA execution date of April 5, 2016, and the thirty (30) month design and construction period, as stated in the RFP, this would provide a construction completion date of October 4, 2018. We kindly request CFE confirm which provision prevails between the stated ISD and the stated length of construction.	The Project must enter into commercial operations by June 30, 2018. The 30-month period will be corrected in the next amended and restated RFP.

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16.	Williams	Appendix A	Reliability	We kindly request CFE clarify how the reliability factors stated in in Appendix A and the failure to deliver statements stated in Appendix C be viewed in combination.	The reliability standards in Appendix A shall be considered for the design of the system and for operational planning. In Appendix C, the 7 consecutive days or 20 days in aggregate are the trigger for the step-in rights. Also in Appendix C, failure to deliver the service up to 50% is accepted by CFE only if it is due to an event of force majeure.
17.	Williams	Appendix A, Attachment A-1	Pressures	We kindly request CFE confirm the minimum pressure required at the international border.	Minimum pressure = 1,700 psig
18.	Williams	Appendix A, Attachment A-1	Pressures	We kindly request CFE explain the decision to set a maximum delivery pressure.	This is based upon the pressure needed at the Mexican points of delivery. Please see the next revised RFP.
19.	Williams	Appendix A, Attachment A-1, Page A-1-1	Pressures	We kindly request CFE confirmation that the pressure at the bottom of page A-1-1, which reads 2.6 BCF/D @ 2100 PSI, is correct as the addendum dated April 1, states 1700 to 1800 PSI at the end of the Nueces to Brownsville pipe.	The addendum is the controlling document related to delivery pressures.
20.	Williams	Appendix B	Fiber Optic	We kindly request CFE confirm if Transporter is required to install the fiber optic line offshore.	All fiber optic line capacity on the Brownsville Pipeline not needed for security, surveillance, telemetering and automation of the natural gas transportation process on the offshore portion of the Brownsville Pipeline shall terminate onshore at the southernmost point in Texas at or near where the Brownsville Pipeline travels offshore towards its offshore point of interconnection with the Interconnecting Mexican Pipeline.

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21.	Williams	Appendix C	Rates	Appendix C Section 4 allows for rate adjustments due to changes in EPA regulations, tax rates and other regulations, appears to conflict with Appendix A, Page A-4, Item 5, which states in part, "Transporter is at-risk for changes to compressor stations or other operating conditions that may be imposed due to changes in EPA, Pipeline and Hazardous Materials Safety Administration, or other regulations". We kindly request CFE confirm whether this is a conflict and, if so, which would prevail.	CFE's rates are subject to adjustment only to reflect the effects of compliance with any change in tax or other law except for those mentioned in Appendix A. See next release of RFP.
22.	Williams	Appendix C	ISD	We kindly request CFE confirm whether Shipper's decision to defer the ISD would release Transporter's obligations related to the target ISD during the term of the deferral period.	No. Transporter must comply with its obligation related to the target ISD in order to receive payment, this is Pipeline must be operated even tho CFE moved its ISD. The services for paid amounts will be provided at the back end of the contract.
23.	Williams	Appendix C	Force Majeure	We kindly request CFE to advise whether the occurrence of a Force Majeure event during the construction period would delay Shipper's ability to draw upon the Performance Bond.	Confirmed.
24.	Williams	Appendix C	Imbalances	We kindly request CFE confirm imbalances with interconnecting pipelines will be addressed in the TSAs.	Imbalances between Transporter and interconnecting pipelines should be covered in the respective operational balancing agreements, which are the responsibility of the Transporter.
25.	Williams	Appendix C	Joint Venture	We kindly request CFE to advise the reason for moving the assets into an LLC if a joint venture agreement cannot be reached.	The goal is to reach a JV agreement and the formation of a Delaware LLC is a way to incentivize the parties to reach an agreement.

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26.	Williams	Appendix C	Profit-sharing	We kindly request CFE confirm to provide more detail regarding the proposed profit-sharing right, specifically: <ul style="list-style-type: none"> <li>• Would Shipper participate in capital contributions?</li> <li>• Would Shipper's participation be diluted if expansion capital is expended after the establishment of the profit-sharing right is granted?</li> <li>• Would Shipper have the option to convert the profit-sharing right to ownership in a JV in the future, or would this option provide a single election?</li> <li>• How would Shipper participate in Project dividends / distributions?</li> </ul>	The terms of the JV will be negotiated with the Winning Bidder.
27.	Williams	Appendix C	Material Terms for Foundational Shipper	We kindly request CFE to confirm under which situations that may arise in the future may directly cause an increase or decrease in the CFE's rates.	See section 12, Appendix C of the RFP.
28.	Williams	Appendix C	Material Terms for Foundational Shipper	We kindly request CFE to clarify if Shipper assigns the TSA to third parties. Joint Venture or any Profit-Sharing Arrangement, would there be any creditworthiness requirements for the assignee?	Generally an assignee must meet creditworthiness standards. If it does not, assignee may post credit support or CFE may remain responsible for assignee's obligations. To be negotiated with Winning Bidder.
29.	Williams	Appendix F	Performance Bond	We kindly request CFE confirm whether the amounts required for the Performance Bond be reduced if CFE assigned or released a portion of its capacity.	No.
30.	Kinder Morgan	Appendix A		Does CFE require a two-pipe design for the header with one pipe operating at low pressure and one at high pressure?	Bidders are responsible for the design of the low/high pressure header. CFE does not have a preference on design as long as it accommodates all the interconnections at high and low pressure.



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31.	Kinder Morgan	Appendix A		Who will supply any compression that may be required for receipts from or deliveries to TETCO and HPL?	For receipts points, TETCO and HPL will be responsible for compression. CFE will indicate the Transporter if they will be interconnected at high or low pressure end. For delivery points, Transporter will be responsible for the pressure needed at such point.
32.	Kinder Morgan	Appendix A		What type of structure does CFE envision being built at the point where the Brownsville and Marino pipelines interconnect? Who is responsible for any offshore structure and/or interconnect?	Responsibility for the point and any facilities located there are Transporter's. Responsibilities between Transporter and interconnecting Mexican pipeline are to be set forth in an interconnection and operating agreement between the two pipelines.
33.	Kinder Morgan	Appendix A		If the Marino pipeline is not in service when the Brownsville Pipeline in-service date occurs, what happens?	The Project must enter into (or be capable of entering) commercial operations by June 30, 2018. CFE shall begin paying Demand Charges on the In-Service Date, <u>provided that</u> any payments of Demand Charges made for services not received during the period of this the types of force majeure described in Section 24 Appendix C, shall be credited back to CFE in the form of an extension at the end of the Term so that CFE's number of monthly Demand Charge payments and number of months of service will both equal 276.
34.	Kinder Morgan	Sec. 5(b)		Does the 2% cap on fuel include the header and the pipeline or is each individual?	The 2% is the cap for both the header and the pipeline combined.

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35.	Enterprise Productos	Appendix A		Please provide the minimum and maximum hourly flow rates that Bidders should use in designing the Nueces Header and Brownsville Pipeline.	The maximum flexibility available.
36.	Sempra	Appendix A/A-3 and A-4 EPA Regulations		<p>The RFP includes the statement “Transporter is at-risk for changes to compressor stations or other operating conditions that may be imposed due to changes in EPA, Pipeline and Hazardous Materials Safety Administration, or other regulations.”</p> <p>We view this and other changes in state and regulatory requirements as standard regulatory risk that should be borne by the Shipper. Please modify this provision.</p>	CFE’s rates are subject to adjustment only to reflect the effects of compliance with any change in tax or other law except for those mentioned in Appendix A. See next release of RFP.
37.	Sempra	Appendix C/7		In a scenario in which the Transporter has invested capital to expand the capacity of the system and secured additional third-party customers, CFE should be responsible for paying the Transporter CFE’s proportionate share of these costs plus an agreed upon return reflecting the value of the contracts.	Respectfully declined.
38.	Sempra	Appendix G Guarantee		We view performance guarantees as non-standard and out of market. Please remove this provision and limit to a payment guarantee.	Respectfully declined.
39.	Sempra	Appendix G Indemnity		Please remove the indemnity provision.	Respectfully declined.

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40.	Sempra	General		Please provide a copy of the Sur de Texas Pipeline RFP when available.	Please check CFE's website for the RFP. ( <a href="http://www.cfe.gob.mx/Proveedores/3_Licitacionesprincipales/Paginas/ProyectosdeconvocatoriadeGasoductos.aspx">http://www.cfe.gob.mx/Proveedores/3_Licitacionesprincipales/Paginas/ProyectosdeconvocatoriadeGasoductos.aspx</a> )
41.	Sempra	RFP/1 Offshore Connection		How does CFE define "Texas State Waters"?	It is CFE's understanding that Texas' seaward boundary is 3 marine leagues (9 nautical miles). Ultimately, jurisdiction of the project is each bidder's responsibility.
42.	Sempra	RFP/2 Project Background		Detailed equipment design and environmental information (existing conditions, potential impacts, proposed mitigation measures, etc.) will be needed for the Mexican portion of the offshore border crossing to obtain the applicable environmental permits.  Please confirm that this information will be provided by Sur de Texas Winning Bidder.	Both Mexican and USA RFPs provide for sharing all information to ensure both transporters fulfill their regulatory obligations.
43.	Sempra	RFP/2 Project Background		Pertaining to the question above, what is the timing for this information?	To be determined.
44.	Sempra	RFP/2 Project Background		If the data is not available to support the proposed permitting schedule, are there alternative means of developing the information?	This information is the responsibility of Transporter and the interconnecting Mexican pipeline.

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45.	Sempra	RFP/2 Project Background		If the design of the offshore interconnection with the Sur de Texas pipeline is the responsibility of the Brownsville Pipeline Winning Bidder, will the Sur de Texas Winning Bidder have opportunity to provide input?	Yes. The Sur de Texas winning bidder will have responsibility to provide information and assist the U.S. pipeline.
46.	Sempra	RFP/2 Jurisdiction		For an initial period would CFE be willing for the Nueces pipeline to transport only gas produced in Texas?	CFE supply states required to have all interconnects in service (intra and interstate).
47.	Sempra	RFP/2 Jurisdiction		For an initial period would CFE be willing for the Nueces pipeline to be connected solely to pipelines that transport only gas produced in Texas?	CFE supply states required to have all interconnects in service (intra and interstate).
48.	Sempra	RFP/1-2 Jurisdiction		Please confirm the jurisdictional nature (interstate or intrastate) of the two expansion pipelines to which the header must be designed to interconnect.	To be determined, by CFE in the future according to its supply strategy.
49.	Sempra	RFP/2 Interconnectio n		Who is responsible for the offshore interconnection with the Sur de Texas pipeline – The Brownsville Pipeline Winning Bidder or the Sur de Texas Winning Bidder?	The Brownsville Pipeline Winning Bidder is the responsible for the offshore interconnection.  Both sides must build their pipelines to the U.S. Mexico border and must agree to interconnect to each other. The details of the interconnection shall be set forth in an Interconnection Agreement between the two pipelines.
50.	Sempra	Appendix A/A- 1		What is the delivery pressure specification at the point of interconnection with the Sur de Texas pipeline?	The pipeline must be capable on the In-Service Date of delivering gas at a pressure between 1,700 and 1,800 psig.

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51.	Sempra	Appendix A/A-1		Please confirm that CFE is responsible for the design, construction and operation of the laterals from the interconnecting pipelines' Tap Facilities (TETCo/Spectra and Houston Pipeline) to the CFE Nueces Header.	The design, construction, and operation of the pipe needed to interconnect TETCO and HPL to the Header would be built by TETCO and HPL. In addition the Winning Bidder of the Nueces Pipeline will be responsible for the tap facilities at the header.
52.	Sempra	Appendix A/A-1		Please provide to the bidders the geographical coordinates of the TETCo/Spectra and Houston Pipeline Tap Facilities tie-in points.	Transporter should design and build the header to facilitate the the most efficient interconnections with the six named initial interconnecting pipelines and the two initial interconnecting pipelines that are to be chosen by Transporter. CFE will ensure that TETCO and HPL facilities are built to the header.
53.	Sempra	Appendix A/A-2		Who will own the Tap Facilities for TETCo/Spectra and Houston Pipeline?	Transporter.
54.	Sempra	Appendix A/A-2		Please describe CFE's role in the process of interconnecting with TETCo/Spectra and Houston Pipeline?	CFE will keep step in rights to ensure that the Nueces Pipeline and TETCO/HPL are interconnected to the Nueces Header.
55.	Sempra	Appendix A/A-2		Does CFE anticipate Transporter will enter into an interconnection agreement with TETCo/Spectra and Houston Pipeline?	Yes.
56.	Sempra	Appendix A/A-2		With respect to the question above, who would be responsible for negotiating the interconnection agreements?	CFE will be responsible for negotiating the TETCo/Spectra and Houston Pipeline interconnection agreements.

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57.	Sempra	Appendix A/ A-3		Please confirm that it is at the bidder's discretion as to where the pressure management control valve, Brownsville pipeline delivery meter skid and pig launcher are located (i.e., onshore or offshore).	Confirmed. The Transporter is responsible for the design system. Transporter has to make sure that the system is maintained and operated properly (i.e., pig runs should be able to run from the launcher in the US all the way to the corresponding pig traps).
58.	Sempra	Appendix A/ A-3		Please confirm that the Mexican Pipeline will be designed with a pig receiver to receive maintenance pigs.	Details of the interconnection with the Mexican Pipeline should be set forth in the interconnection agreement.
59.	Sempra	Appendix A/A- 3		To the extent the point of interconnection is located onshore, please confirm that the Transporter delivery requirements (i.e. pressure requirements, amount delivered, etc.) will be deemed met at the last metered point onshore and not at the offshore interconnection point.	Confirmed.
60.	Sempra	Appendix A/A- 4		To the extent the pressure management control valve and Brownsville pipeline delivery meter skid are located onshore please confirm that the custody transfer point will be deemed at that location.	Confirmed.
61.	Sempra	Appendix C/24 Force Majeure		Will the Force Majeure provision from the Interconnecting Mexican Pipeline and any other pipeline in Mexico connected downstream of the Interconnecting Mexican Pipeline be provided and incorporated into the TSA so that the Transporter can understand what constitutes Force Majeure under those respective agreements?	CFE will negotiate the terms of the TSA with the Winning Bidder.

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62.	Sempra	Appendix C/24 a) Force Majeure		For a Force Majeure event caused by "any other pipeline in Mexico connected downstream of the Interconnecting Mexican Pipeline" does such "other pipeline" have to be connected to the Interconnecting Mexican Pipeline or can it be somewhere down the pipeline network?	CFE will honor a Force Majeure declaration by a directly interconnected pipeline. To the extent the Transporter claims a Force Majeure on an indirectly connected downstream pipeline, the burden will be on the Transporter to demonstrate the impact on Transporter's ability to meet its obligations. This will be clarified in the revised RFP.
63.	Sempra	Appendix C/24 a) and c) ii) Force Majeure		Would acts of the United States, State or local government delaying or prohibiting performance or otherwise affecting Transporter's ability to perform under the TSAs, including the denial or significant delay of granting of cross border permits, be considered "commercially reasonable" as events of Force Majeure in Transporter's SOC or Tariff?	CFE will negotiate the terms of the TSA with the Winning Bidder.
64.	Sempra	Appendix C/24 c) iii) Force Majeure		In the reference to Shipper's inability to terminate the TSA's in the "provided however" clause does the delivery of the "daily delivery obligation" refer just to Shipper's obligation or the daily delivery obligation of all shippers on the pipeline?	Shipper's obligation.
65.	Sempra	Appendix C/24 c) Force Majeure		We respectfully suggest that this section should begin with the following language from section 24 b): "Subject to the responsibilities of the Interconnecting Mexican Pipeline, the Mexico Pipelines, applicable laws and scheduled maintenance" during the Commercial Operations Period...".	Under consideration by CFE. The TSA will be negotiated with the Winning Bidder.

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66.	Sempra	Appendix C/24 c) Force Majeure		Respectfully request clarification that a Force Majeure resulting from “any declaration of Force Majeure by the Interconnecting Mexican Pipeline and any other pipeline in Mexico connected downstream of the Interconnecting Mexican Pipeline” will not constitute a Prolonged FM for which Transporter must (1) provide a proposal and plan for remedying, (2) issue a letter of credit or guarantee or (3) forgive Demand Fees, as stated in Sections 24(b) and (c) and that such a Prolonged FM does not trigger Shipper’s right to remedy or terminate as stated in Sections 24(b) and (c).	Yes. Will not constitute a Prolonged FM.
67.	Sempra	Appendix C/24 c)ii) Force Majeure		Please clarify what happens if Shipper declares a Prolonged FM for reasons not covered by (a) and (b) of 24 c) ii) (e.g. due to a FM declared by interconnecting pipelines for reasons other than those events covered by (a) and (b)).	Shipper shall not be obliged to pay any Demand Fees.
68.	Sempra	Appendix C/26		Section 26 of the TSA states that Shipper will have a ROFR on any portion of the MDQ however, new language added to the section states the ROFR shall apply to the full contracted-for capacity unless CFE has permanently released a portion of its capacity.  Please clarify if the ROFR is applicable to the full contracted-for capacity (excluding capacity that has been permanently released).	Confirmed – Shipper will have the ROFR on the full contracted-for capacity, excluding capacity that Shipper has permanently released to an unaffiliated non-subsiary third party.



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69.	Enbridge			Please confirm that no Mexican regulatory or other approvals will need to be obtained for the construction of, operation of, or rates for, the pipeline/facilities that the winning bidder will own or build.	Mexican approvals will be the responsibility of the Winning Bidder of the Mexican Pipeline. The U.S. and Mexican pipelines must cooperate to provide for seamless permitting of the border crossing.
70.	Enbridge			Will there be bidder-owned facilities in Mexico after completion of construction that will be subject to regulation by Mexico? Or will the bidder's ownership end at the international border?	No, the U.S. pipeline's facilities will end at the border.
71.	Enbridge			Why does CFE desire bi-directional capability on the pipeline?	Bi-directional capability will give CFE flexibility to dictate the direction of natural gas flow on the pipeline in accordance with market demands.
72.	Enbridge			Will the fiber optic lines "additional services" be of a nature that would require oversight by Texas or U.S. regulatory authorities?	CFE contemplates the sole use of the cable at the In-Service Date to be monitoring and surveillance of the cable. Any future use of the cable, including regulatory requirements associated therewith, will be CFE's responsibility.
73.	Enbridge			Regarding section 16 of the Form TSA, would CFE be willing to have Transporter as well as Shipper have the ability to extend for up to 4 months the in-service date of the pipeline, without incremental cost to Shipper?	No.
74.	Enbridge			Regarding the Force Majeure section of the TSA, will regulatory delays for construction be considered force majeure events?	No, regulatory delays for construction will not be considered force majeure events.
75.	Enbridge			Regarding Section 3(f) of the Form TSA, is an event or force majeure an exception to this provision? Also, please define what a "default" is under this section.	The force majeure provisions are applicable to this section. A "default" under a TSA(s) will be as defined in such TSA(s).

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76.	Enbridge			Regarding Section 7 of the Form TSA, does CFE have the right under this provision to institute joint ownership of the project prior to the expiration of 24 years? Also, how are "profits" defined?	No. CFE has the right to elect to create the JV prior to the end of the Term, but the transfer to the JV of all right, title and interest to the Project will not be effective until the end of the Term. Profits will be defined as the corresponding financial benefits calculated after taxes are paid.
77.	Enbridge			Regarding Section 7a-b of the Form TSA, what is meant by the phrase, "The 49% ownership interest...is based upon CFE's capacity amounts contracted-for in the TSA's and Improvements that contribute to providing the contracted-for level of service".	CFE will not contribute for the expansion of the Pipeline.
78.	Enbridge			Regarding Section 8 of the Form TSA, please explain in further detail how the Cross Default provision works.	A default by one party under any Nueces-Brownsville Pipeline TSA will result in a default by that party under the other Nueces-Brownsville Header TSA(s).
79.	Enbridge			Regarding Section 9 of the Form TSA, is it acceptable for Transporter to include in its Gas Quality Specs those quality requirements mandated by Mexican gas quality regulations in effect at the time of the delivery?	Yes.
80.	Enbridge			Regarding Section 24c(ii) of the Form TSA, can U.S. governmental agency delays be added to the definition of force majeure along with Mexican governmental agency delays?	No.

**Bidder Questions and Answers**

<b>Num</b>	<b>Submitted By</b>	<b>Reference</b>	<b>Subject</b>	<b>Question</b>	<b>Answer</b>
81.	Enbridge			Regarding Section 26 of the Form TSA, if Shipper exercises the Right of First Refusal, will the rate be at the pipeline's maximum tariff rate? If not, what will be the rate charged to Shipper during the renewal term?	Tariff rate will to be negotiated between CFE and Transporter which will have to be discounted tariff rate according to specific conditions at the time agreed by the parties.
82.	Enbridge			On page A-2 of the Appendix A, CFE indicates a minimum pressure of 2,100 psig. Can CFE provide the basis for the 2,100 psig requirement at the border, such as any hydraulic study(s)?	On August 1 <sup>st</sup> , CFE distributed to the mailing list an amended Appendix A page A-2, specifying 1700 psig as minimum and 1800 psig as maximum. Please review that document.
83.	Enbridge			Does CFE have a required design pressure for the Nueces to Brownsville pipeline system?	No, CFE contemplates this to be the responsibility of the Transporter.
84.	Enbridge			Table 1 on page A-2-10 of Appendix 2 provides the gas specifications. Is CFE able to provide the expected gas composition?	No, CFE contemplates this to be the responsibility of the Transporter.
85.	Enbridge			Under project background, CFE states the pipe size be at least 42" in diameter. If a large pipeline diameter is deemed optimum, will this be coordinated with the pipe size of the Interconnecting Mexican Pipeline.	CFE will revise the RFP. Changes will be included in the respective amended RFP and explained in the Question and Answer session.
86.	Enbridge			In Appendix A, first paragraph, CFE indicates the final length and route are at the discretion of the Bidder. In Appendix A page A-4, CFE specifies an offshore delivery location at the Mexico/United States border within a one (1) nautical mile radius of the geographical coordinates of 25°58'8.27" N; 96°59'56.10" W. If a bidder proposes a route that is primarily offshore from Nueces, would the CFE accept an offshore delivery location further offshore?	CFE will consider the length and route proposed by the Bidder.

**Bidder Questions and Answers**

<b>Num</b>	<b>Submitted By</b>	<b>Reference</b>	<b>Subject</b>	<b>Question</b>	<b>Answer</b>
87.	Spectra	Appendix A Page A-2 and Appendix A Attachment A1 Page A-1- 1 and A-1-2	Technical	Please confirm that consistent with the 9-1-2015 amendment to Appendix A Attachment A-1 the capacity of the Brownsville Pipeline will be deliverable at the international border at a minimum pressure of one thousand seven hundred (1,700) psig, not 2,100 psig as stated on page A-2 of the First Amended and Restated Request For Proposals.	Confirmed.
88.	Spectra	Section 2. Project Background Page 3	Legal	Please clarify whether the CFE's JV or profit sharing option in year 24 is intended to be 49% of the portion of the Project, that underpins the provision of the CFE's service (e.g. CFE capacity, no expansions) or a 49% share of the entire Project (CFE capacity + expansions) as it may have been expanded over the 23 year primary term.	CFE's ownership will be based upon its percentage of capacity compared to overall system capacity at the time of formation of the JV.  CFE will not contribute for the expansion of the Pipeline.
89.	Spectra	Section 3 RFP Schedule – Bidding Procedure Page 4 and Section 4 Commitment Bond, Performance Bond, and Funding Commitment Page 5	Legal	We respectfully request the CFE reconsider their timetable in order to shorten the requirement for the designated back up bidders to maintain their bids for a period of up to 5 months after submission. (e.g. through submission on January 12th to 60 days after TSA execution on June 5th).	Respectfully decline.

**Bidder Questions and Answers**

<b>Num</b>	<b>Submitted By</b>	<b>Reference</b>	<b>Subject</b>	<b>Question</b>	<b>Answer</b>
90.	Morgan Lewis			Can the metering and regulation station of each interconnection be sought by agreement between the interconnecting company and the Transporter, or will the Transporter be solely economically responsible?	Transporter should negotiate this with the interconnecting company.
91.	Morgan Lewis			Will the Transporter be responsible for building a shoot-out to each of the interconnecting pipelines, or will the interconnecting company be responsible for this?	Transporter should negotiate this with the interconnecting company.
92.	Morgan Lewis			Please provide any interconnection engineering information and the procedure for the offshore interconnection.	Bidders are responsible for designing, constructing and operating the Project so as to accommodate the interconnection. Please fully support your proposal.
93.	Morgan Lewis			Please provide any offshore pipeline engineering information regarding the downstream pipeline so the offshore portion of the Nueces to Brownsville pipeline can be designed with the same buoyancy, materials, etc.	The required specifications are set forth in Appendix A to the RFP. Bidders are otherwise responsible for the design of the Project. Please fully support your proposal.
94.	Morgan Lewis			Please provide any geotechnical survey data / sea floor bathymetry for South Texas waters for the offshore portion of the pipeline.	Bidders are responsible for obtaining this information to the extent necessary to support their proposal.
95.	Morgan Lewis			Please provide any meteorological and oceanographic data for the offshore portion of the pipeline.	Bidders are responsible for obtaining this information to the extent necessary to support their proposal.
96.	Morgan Lewis			Please provide any offshore pipeline engineering information regarding hydrate formation.	Bidders are responsible for obtaining this information to the extent necessary to support their proposal.

### Bidder Questions and Answers

Num	Submitted By	Reference	Subject	Question	Answer
97.	Dimension Energy Services	2(iii)	Interconnections	Please confirm that the “two (2) interconnects to be selected by the Transporter” means actual, physical interconnections and not just provisions at the Nueces Header for two, future interconnections. If not, please clarify.	Confirmed.
98.	Dimension Energy Services	5.a. and Appendix C, 12	Monthly Tariff Rates	Please confirm that “the monthly rates provided must not vary by more that +/- three percent (3%) on a yearly basis” means that the tariff for any given month cannot vary by more than +/- three (3%) percent from the same month in the previous year. If not, please provide an example.	Confirmed.
99.	Dimension Energy Services	6.g.and 6.h.	Value Analysis	Please explain (1) what is meant by “In this procurement CFE also will review fue-related proposals as part of its overall best value analysis” and (2) the methodology CFE will use to evaluate bids with such a fuel-related proposal(s) compared to bids without such a fuel-related proposal.	CFE will include fuel costs in its net present value analysis – Bidders must provide fuel rates as percentages of total capacity.
100.	Dimension Energy Services	Appendix A	TETCO/Spectra and Houston Pipeline Interconnections	Please confirm that the Project will not required to design, develop, permit, construct, finance, own, purchase, perate or maintain the TETCO/Spectra and/or Houston Pipe Line interconnections (any facilities upstream of the insulating flange described at the bottom of page A-1 assuming flow into the Nueces Header).	The design, construction, and operation of the pipe needed to interconnect TETCO and HPL to the Header will be built by TETCO and HPL. CFE will be responsible for the interconnection, but Transporter shall build and bear the costs of the Tap Facilities.
101.	Dimension Energy Services	Appendix A	TETCO/Spectra and Houston Pipe Line Interconecions	Please state whether or not the Project is required to provide pig launchers and receivers, gas flow and quality measurement equipment, pressure regulating equipment and similar such interconnection facilities for the TETCO/Spectra and the Houston Pipe Line Interconnections.	No. Nueces Header will only include for TETCO-Spectra and HPL the tap facilities.

### Bidder Questions and Answers

Num	Submitted By	Reference	Subject	Question	Answer
102.	Dimension Energy Services	Appendix A	TETCO/Spectra and Houston Pipe Line Interconecions	Please state whether or not the Project is required to make space available at the Nueces Header for facilities related to the TETCO/Spectra and/or Houston Pipe Line interconnections which would not be constructed, owned, operated or maintained by the Project.	Bidders are responsible for designing, constructing and operating the Project so as to accommodate the interconnections.Please fully support your proposal.
103.	Dimension Energy Services	Appendix A	Cost of Interconnecting the Two(2) Expansion Pipelines	Please describe what cost relating to “interconnecting the two (2) expansion pipelines should be included in the rates submitted by Bidder.” For example, the lengths of such pipelines cannot be known at this time and, therefore, the construction costs cannot be anticipated at this time.	Nueces Header should only include the necessary space for a potential expansion of these two pipelines.
104.	Dimension Energy Services	Appendix A	Delivery Pressure at the International Border	Please confirm that “deliverable at the international border at a minimum pressure of two thousand one hundred (2,100) psig” should be one thousand seven hundred (1,700) psig.	Confirmed.
105.	Dimension Energy Services	Appendix A and Appendix C, 6	Interconnection Step-In Rights	Please confirm that, with respect to “step-in rights to negotiate directly on Transporter’s behalf with such interconnecting pipeline regarding the terms of the applicable interconnection and operating agreement, using commercially reasonable terms”, such commercially reasonable terms means terms that are not detrimental to Transporter.	“Commercially reasonable terms” means terms that can be expected to accomplish the desired results at a reasonable cost, and are reflective of actual transactions in the performance of similar services in similar jurisdictions in the oil and gas industry.
106.	Dimension Energy Services	Appendix A	Interconnection with the Inerconnecting Mexican Pipeline	Please state whether or not the Project is required to make space available onshore near the offshore interconnection with the Inerconnecting Mexican Pipeline for facilities related to such interconnection which would not be constructed, owned, operated or maintained by the Project (e.g., measurement equipment or control valves).	Bidders are responsible for designing, constructing and operating the Project so as to accommodate the interconnections.Please fully support your proposal.

**Bidder Questions and Answers**

<b>Num</b>	<b>Submitted By</b>	<b>Reference</b>	<b>Subject</b>	<b>Question</b>	<b>Answer</b>
107.	Dimension Energy Services	Appendix A and Appendice C, 3.a.	CFE's Technical Representatives	Please confirm that, other than the payment of three million U.S. dollars (\$3,000,000), Transporter has no other obligations to CFE with respect to CFE's Technical Representatives. That is, Transporter is not required to (1) provide lodging, office space, transportation, meals and the like and (2) involve such representatives in Transporter's internal meetings (planning, permitting, financing, engineering, project and construction management, QA/QC, operations and the like).	Confirmed. The payment amount will be revised to \$4,000,000 in the next draft of the RFP.
108.	Dimension Energy Services	Appendix A,1	Metering	"The meter on the United States Border will be used for measurement of custody transfer volumes and invoicing." Please describe how Shipper expects the meters at the Nueces Header to be used.	CFE has requested for two tariff rates, one for the header and one for the pipeline. CFE will meter gas at both points separately according to the actual gas flow.