

## **MARKWEST NEW MEXICO, L.L.C.**

### ***Index-Based Pricing for Capacity Release Transactions***

Business practice standards (Version 1.9) developed by the North American Energy Standards Board (NAESB) and adopted by the Federal Energy Regulatory Commission (Commission) require interstate pipelines to support the use of index-based pricing for capacity release transactions, and to permit index-based capacity release offers and bids to be uploaded on an automated basis in compliance with certain Electronic Delivery Mechanism (EDM) standards. Pipelines are required to support at least two non-public price index references that are representative of receipt and delivery points on their system and all price indices that are referenced in their tariffs.

The FERC Gas Tariff of MarkWest New Mexico, L.L.C. (MarkWest New Mexico) does not reference any price indices. There are also no price indices that are representative of receipt and delivery points on the MarkWest New Mexico pipeline system, as that system consists of only approximately eight miles of pipeline in a remote area of New Mexico, with service provided to a single shipper. The price indices that are likely to be most representative of receipt and delivery points on the system are the Platts Gas Daily price indices for San Juan Basin points in New Mexico: (1) El Paso, Bondad; (2) El Paso, San Juan; and (3) Transwestern, San Juan.

The Commission has granted MarkWest New Mexico an extension of time to implement certain NAESB standards, including the EDM standards. The extension of time is in effect until 180 days after a customer requests that MarkWest New Mexico implement the standards. While the extension of time is in effect, MarkWest New Mexico will process capacity release transactions on a non-automated, manual basis. Capacity release transactions may be priced in any manner permitted by the Commission, including by reference to price indices. MarkWest New Mexico will attempt to accommodate the use of any price indices requested by shippers, including, but not limited to, the price indices referenced above. For more information regarding index-based pricing for capacity release transactions, please contact the following:

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