



TETCO M3 Rate Change

Texas Eastern Tariff Within a Tariff

Natural gas customers across New York and Pennsylvania served by ENGIE Power & Gas will see increases in bills beginning with the April billing cycle. A new line item called “TETCO M3 Rate Adjustment” can reach \$0.35/mmbtu, depending on weighted volume of overall load. Any flow contracted prior to April 2022 will be assessed this rate adjustment.

Why the Increase?

The increase is part of a tariff filing that FERC approved on the basis that Enbridge has made substantial investments to modernize the TETCO M3 system, and that the increased tariffs changes are designed to recover a return on these capital investments.

Enbridge puts the cost to modernize Texas Eastern Transmission at more than \$400 million. The company claims the modernization will increase the safety and reliability of the system and reduce associated greenhouse gas emissions by replacing aging compressor equipment across the pipeline.

Texas Eastern Transmission connects includes 8,580 miles of pipeline and connects Texas and the Gulf Coast with high demand markets in the northeast, supplying up to 12.04 Bcf/d.

Change in Law

These charges were unknown when contracts were entered with ENGIE Power & Gas. Pursuant to our contract, ENGIE Power & Gas will pass through these increased costs as a “change in law.” We are passing these fees on to customers, collecting funds needed in order to recover costs already paid. As a “pass through” there is no element of overhead, administrative expense, profit, or other cost added.

According to EPA, leaks from gas pipelines were responsible for 21 million metric tons of CO2-equivalent emissions of methane in 2020. Pipeline methane leakage is likely even higher. Operators of natural gas transmission systems across the U.S. face significant expenses to reduce emissions and will likely seek rate adjustments to cover these costs.



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