



April 30, 2020

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

ANR Pipeline Company
700 Louisiana, Suite 700
Houston, Texas 77002-2700

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Director, Rates & Tariffs

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Re: ANR Pipeline Company
Annual Cashout Surcharge
Docket No. RP20-____-000

Dear Ms. Bose:

ANR Pipeline Company (“ANR”) hereby submits its annual Net Cashout Activity filing in compliance with the cashout provisions of Section 6.15.5 of the General Terms & Conditions (“GT&C”) of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”).¹ ANR notes that the workpapers included herein support the restatement of ANR’s currently effective Cashout Price Negative Surcharge of (\$0.0002)/Dekatherm (“Dth”) as reflected in Section 4.16 of ANR’s Tariff²

Correspondence

The names, titles and mailing address of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

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¹ 6.15.5 – GT&C, System Cashout Mechanism (“Section 6.15.5”).

² 4.16 – Statement of Rates, Statement of Surcharges (“Section 4.16”).

Statement of the Nature, Reasons and Basis for Proposed Change

Section 6.15.5 of the GT&C of ANR's Tariff sets forth the System Cashout Mechanism. The System Cashout Mechanism provides for an annual calculation, on a system-wide basis, of a cashout surcharge (positive or negative) reflecting annual cashout activity.

Consistent with the requirements of Section 6.15.5, attached hereto as Appendix A is ANR's annual report of net cashout activity on its pipeline system. Attachment 1, Page 1, of this report reflects the calculation of the 2019 Net Cashout Activity Balance that is comprised of a beginning positive cashout balance (*i.e.*, revenues in excess of costs) of \$338,091, net positive cashout activity during calendar year 2019 of \$690,989 (*i.e.*, revenues in excess of costs), and negative surcharge reimbursements by ANR in 2019 of \$632,440. After including carrying charges, the Net Cashout Activity balance at December 31, 2019 used to develop the surcharge is \$426,893.

Consistent with Tariff Section 6.15.5(c), ANR has calculated a Cashout Price Negative Surcharge of $(\$0.000211)/\text{Dth}$, which rounds to a rate of $(\$0.0002)/\text{Dth}$, by dividing the Total Cashout Activity balance by the system throughput actually experienced and reported in ANR's 2019 FERC Form No. 2. Accordingly, the proposed Cashout Price Negative Surcharge, to become effective June 1, 2020, remains unchanged from the currently effective rate of $(\$0.0002)$ as set forth in Section 4.16 of ANR's Tariff. This surcharge is applied to all transportation services subject to surcharges.

ANR is enclosing herewith the detailed schedules, in Appendix C, that derive the Cashout Price Negative Surcharge rate of $(\$0.0002)/\text{Dth}$.

- Attachment 1 sets forth a monthly summary of the net cashout activity on a system-wide basis for the period January 2019 through December 2019 (pages 2 - 4), and in total for the twelve-month period (page 1). Deficient Quantities are shown as positive entries and Excess Quantities are shown as negative entries. Page 1 summarizes the cashout activity during this twelve-month period and provides the calculation of the Cashout Price Negative Surcharge.

- Attachment 2 sets forth the calculation of carrying charges on the monthly net cashout activity in accordance with Section 154.501 of the Commission's regulations.
- Attachment 3 summarizes the spot price indices for Louisiana, Oklahoma, Canada, and the ANR Mainline for the period January 2019 through December 2019.
- Attachment 4 includes a listing of all actual replacement gas purchases and sales, including volume and amount, by entity.
- Attachment 5 includes a detailed report of monthly net volume imbalances cashed-out (bought or sold), including applicable cashout prices, and the applicable cashout gas costs or cashout revenues by shipper and by receipt area for the period January 2019 through December 2019.

Effective Date

ANR proposes that effective June 1, 2020, the Cashout Price Negative Surcharge remain at a rate of (\$0.0002)/Dth as currently reflected in Section 4.16 of ANR's Tariff.

Other Filings Which May Affect this Proceeding

There are no filings before the Commission that may affect the changes proposed herein.

Materials Enclosed

In accordance with Section 154.7(a)(1) of the Commission's regulations, ANR is submitting a filing package, which includes:

- (1) The transmittal letter;
- (2) Workpapers (Appendix A).

Certificate of Service

As required by Section 154.502(2) of the Commission’s regulations, a copy of this filing is being served upon all of ANR’s existing customers and interested state regulatory agencies. A copy of this letter, together with any attachments, is available during regular business hours for public inspection at ANR’s principal place of business.

Pursuant to Section 385.2005 of the Commission’s regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. The undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to David A. Alonzo at (832) 320-5477.

Respectfully submitted,

ANR PIPELINE COMPANY



A handwritten signature in cursive script that reads "John A. Roscher". The signature is written in black ink and includes a long horizontal flourish extending to the right. Below the signature is a solid horizontal line.

John A. Roscher
Director, Rates & Tariffs