



January 29, 2014

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

ANR Pipeline Company
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Houston, Texas 77002-2761

John A. Roscher
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Re: ANR Pipeline Company
Change in FERC Gas Tariff
Docket No. RP14-_____ -

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,¹ ANR Pipeline Company (“ANR”) respectfully submits for filing and acceptance revised Section 5.12.3² to be part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”). As explained in greater detail below, ANR is proposing a revision to tariff Section 5.12.3 to allow for greater storage overrun service flexibility for shippers that contract with ANR for firm storage service under existing Rate Schedule FSS (“FSS”). ANR respectfully requests that the Commission accept revised tariff Section 5.12.3, included herein as Appendix A, to become effective March 1, 2014.

Correspondence

The names, titles, mailing address, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

¹ 18 C.F.R. Part 154 (2014).

² Specifically, Part 5.12.3 – Rate Schedule FSS, Charges (“Section 5.12.3”) is being revised in the instant filing.

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Statement of the Nature, Reasons and Basis for Filing

On October 1, 1996, in Docket No. RP97-11-000, ANR filed proposed revisions to the overrun provision of FSS in order to make available a best efforts interruptible gas loan service from storage in excess of a shipper's working storage gas balance ("October 1 Filing"). The revisions included in the October 1 Filing enabled ANR to utilize ANR-owned operational working gas for the interruptible gas loan service. Thus, the October 1 Filing provided FSS customers with another supply source to assist in the management of their market/supply balance. Additionally, the tariff change allowed ANR to use its working gas more efficiently by mitigating fluctuations in its storage balance and allowed ANR to employ an additional tool to help manage its pipeline system and integrated storage fields.³ On October 30, 1996, the Commission accepted and suspended the tariff revisions, subject to conditions, to be effective November 1, 1996.⁴

ANR is proposing in the instant filing to augment the supply pool available for gas loans under the overrun service provision of FSS to include ANR-owned base gas, in addition to the working gas previously approved by the Commission in the October 30 Order. Adding base gas to the supply mix available for interruptible gas loan service will benefit ANR's FSS storage customers

³ At page 2 of the October 1 Filing's transmittal letter, ANR stated that "All storage gas provided to FSS customers in excess of injected quantities will only be provided from ANR-owned operational *working gas* on a best efforts, as available basis only." (emphasis added).

⁴ *ANR Pipeline Company*, 77 FERC ¶ 61,080 (1996) ("October 30 Order"). In the October 30 Order, the Commission noted in its Description of Filing ANR's statement that it would "...withdraw gas from ANR-owned operational *working gas*..." *Id.* at 61,335 (emphasis added). On November 14, 1996, in Docket No. RP97-11-001, ANR filed revised tariff sheets to comply with the October 30 Order. On July 24, 1997, the Commission accepted the revised tariff sheets. *ANR Pipeline Company*, Docket No. RP97-11-001 (July 24, 1997) (unpublished Director's letter order).

by enhancing ANR's ability to assist its storage customers in the management of their supply portfolios.⁵ Specifically, ANR is proposing herein to revise Section 5.12.3, paragraph 4, to include a reference to the availability of both base gas and working gas to satisfy shipper requests for redelivery under FSS in excess of a shipper's working storage gas balance (*i.e.*, a gas "loan" through FSS overrun service). ANR will continue to satisfy such shipper requests for storage overrun service under FSS on an interruptible, non-discriminatory basis, and only when it can do so without adversely effecting ANR's operations or its ability to meet all of its other firm service obligations. ANR's proposal is consistent with similar provisions approved by the Commission in other proceedings.⁶ No other changes to FSS are proposed herein.

ANR is submitting the instant filing in an effort to be more responsive to a changing storage marketplace that seeks increased flexibility to satisfy business and natural gas portfolio requirements. The change proposed herein to Section 5.12.3 is intended to provide greater operational flexibility to ANR and its existing storage service customers, and attract additional load such as gas-fired electric generation and asset managers to ANR's FSS service. The change proposed herein is another method by which ANR continues to seek ways to maximize the utilization of its system and sales of its services.⁷

The revisions to tariff Section 5.12.3 are fully set forth in Appendix A, attached hereto.

Effective Date

ANR is requesting that the Commission approve the tariff section filed herein and included as Appendix A to become effective March 1, 2014.

⁵ ANR reported over 117 Bcf of ANR-owned base gas to the U.S. Energy Information Administration on May 1, 2013. The amount of ANR-owned base gas available for gas loans will vary depending on then existing operating conditions.

⁶ See *Southeast Gas Storage, LLC*, 125 FERC ¶ 61,307 at P 10 n.3 (2008), where the Commission acknowledged that "Southeast plans to lend its system-owned gas (including base gas) from time to time on an interruptible basis...to the extent it is operationally feasible and will not impair Southeast's ability to meet its firm...service obligations."

⁷ See, e.g., *ANR Pipeline Company*, Docket No. RP14-316-000 (January 10, 2014) (unpublished Director's letter order approving enhancements to FSS injection flexibility and storage contract year); *ANR Pipeline Company*, Docket No. RP13-873-000 (May 16, 2013) (unpublished Director's letter order approving enhancements to injection flexibility under certain storage services).

Other Filings Which May Affect This Proceeding

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

Contents of Filing

In accordance with Section 154.7 of the Commission's regulations and Commission Order No. 714,⁸ ANR is submitting the following XML filing package, which includes:

- 1) This transmittal letter;
- 2) A clean version of the tariff section (Appendix A); and
- 3) A marked version of the tariff section (Appendix B).

Certificate of Service

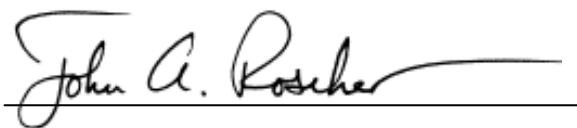
As required by Sections 154.7(b) and 154.208 of the Commission's regulations, copies of this filing are being served on all of ANR's existing customers and interested state regulatory agencies. A copy of this letter, together with the other attachments, is available during regular business hours for public inspection at ANR's principal place of business.

Pursuant to Section 385.2005 and Section 385.2011(c) (5), 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 Joan Collins at (832) 320-5651.

Respectfully submitted,

ANR PIPELINE COMPANY

A handwritten signature in black ink that reads "John A. Roscher". The signature is written in a cursive style and is positioned above a solid horizontal line.

John A. Roscher
Director, Rates & Tariffs

Enclosures

⁸ *Electronic Tariff Filings*, 124 FERC ¶ 61,270 (2008) ("Order No. 714").

Appendix A

ANR Pipeline Company
FERC Gas Tariff, Third Revised Volume No. 1

Clean Tariff

Tariff Sections

Version

5.12.3 – Rate Schedule FSS, Charges

v.2.0.0

5.12.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.
 - (a) The applicable FSS Deliverability Reservation Rate, as stated in Section 4.9 or 4.10, shall be paid each Month for each Dekatherm of Shipper's Base MDWQ; plus
 - (b) The applicable FSS Capacity Reservation Rate, as stated in Section 4.9 or 4.10, shall be paid each Month for each Dekatherm of Shipper's MSQ divided by twelve (12).
2. Commodity Charges. The applicable Injection/Withdrawal Commodity Rate, as stated in Section 4.9 or 4.10, shall be paid each Month by Shipper for each Dekatherm of Gas tendered to or by Transporter at the Point of Injection/Withdrawal during the Service Month, excluding quantities delivered pursuant to Section 5.12.3 paragraph 4 of this Rate Schedule.
3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown in Section 4.16. Such surcharges shall not be applicable if paid on related Transportation Service.
4. Storage Overrun Service. Shipper may request Transporter to inject quantities of Gas for Shipper on any Day during the Injection Period in excess of the quantities specified in Section 5.12.2(c)(1) of this Rate Schedule or to withdraw quantities of Gas for Shipper on any Day during the Withdrawal Period in excess of Shipper's MDWQ. Shipper may also request Transporter to inject quantities of Gas for Shipper on any Day during the Withdrawal Period or withdraw quantities of Gas for Shipper on any Day during the Injection Period. Shipper may request Transporter to accept deliveries of quantities of Gas in excess of the MSQ during any Injection Period and Shipper may request Transporter to redeliver quantities of Gas in excess of the MSQ or Working Storage Gas during any Withdrawal Period provided, however, that at no time may Shipper's Working Storage Gas exceed Shipper's MSQ. Transporter may utilize its base or working storage Gas to satisfy Shipper redelivery requests and may do so on an interruptible basis if it can do so without adverse effect on Transporter's operations or its ability to meet all of its other firm service obligations. Shipper may nominate on an interruptible basis for the redelivery of any quantities of Gas which have been provided to Shipper in excess of its Working Storage Gas, in accordance with Section 6.6 of these General

Terms and Conditions of this Tariff; however, Shipper shall be required to return all such quantities commencing within forty-eight (48) hours of notification by Transporter to do so unless Transporter in its reasonable discretion determines that a longer period is operationally feasible. For each Dth of such Gas that Shipper shall not return to Transporter as expressly required pursuant to this Section 5.12.3 paragraph 4, Shipper shall be subject to a penalty rate equal to twelve (12) times the sum of the maximum applicable FSS Deliverability and Capacity Reservation Rates.

5. **Overrun Service Charge.** The applicable Overrun Service Rate shall be paid for each Dekatherm of Gas which is injected or withdrawn on behalf of Shipper during the Month pursuant to Section 5.12.3 paragraph 4 of this Rate Schedule unless such overrun service, with Transporter's concurrence, is makeup of quantities of Gas that Transporter previously failed to inject into storage or withdraw from storage. The formula for calculating the applicable Rate Schedule FSS Overrun Service Rate is stated in Section 4.9 or 4.10.
6. **Fuel and Electric Power Cost Reimbursement.** Shipper shall furnish at the Point(s) of Injection/Withdrawal, for each Dekatherm injected, the Transporter's Use and EPC Charge utilizing the applicable Rate Schedule FSS Transporter's Use (%) and EPC Charge set forth in Section 4.18 or 4.19.
7. **Cycling Fuel Charge.** If a Shipper has renewed its Agreement for the next Storage Contract Year under this Rate Schedule, or any successor Rate Schedule, and fails to reduce its Working Storage Gas to twenty percent (20%) or less of its MSQ by the end of the Winter Period, then Transporter shall reduce the Working Storage Gas for Cycling Fuel, provided, however, that such deadline for reducing Working Storage Gas shall be extended, as applicable, by the number of Days that the quotient of Shipper's MSQ divided by Shipper's Base MDWQ exceeds 151.
8. If a Shipper has reached the termination date of its Agreement without renewing or extending its Agreement or has reached a break in the period of Shipper's service, and fails to withdraw all of its Working Storage Gas by the end of the Storage Contract Year, then such Shipper shall be deemed to have executed the necessary Agreements under Rate Schedules DDS and ITS for the further disposition of such remaining Working Storage Gas, provided, however, that such deadline for removing Working Storage Gas shall be extended, as applicable, by the number of Days that the quotient of Shipper's MSQ divided by Shipper's Base MDWQ exceeds 151. If Transporter provides notice to Rate Schedule DDS Shippers pursuant to Section 5.13 paragraph 2(d) of Rate Schedule DDS to withdraw Shippers' Rate Schedule DDS quantities, such notice will be deemed as notice to Shippers terminating service under Rate Schedule FSS and Transporter shall contemporaneously notify such Shippers. Any remaining quantities of Working Storage Gas or, as applicable, Rate Schedule DDS quantities will be subject to

confiscation after the end of the forty-five day notice period provided for in Section 5.13 paragraph 2(d) of Rate Schedule DDS.

9. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for which a Maximum Rate and Minimum Rate are stated in Section 4.9 or 4.10 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such section. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

Appendix B

ANR Pipeline Company FERC Gas Tariff, Third Revised Volume No. 1

Marked Tariff

Tariff Sections

Version

5.12.3 – Rate Schedule FSS, Charges

v.2.0.0

5.12.3 CHARGES

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3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown in Section 4.16. Such surcharges shall not be applicable if paid on related Transportation Service.
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Terms and Conditions of this Tariff; however, Shipper shall be required to return all such quantities commencing within forty-eight (48) hours of notification by Transporter to do so unless Transporter in its reasonable discretion determines that a longer period is operationally feasible. For each Dth of such Gas that Shipper shall not return to Transporter as expressly required pursuant to this Section 5.12.3 paragraph 4, Shipper shall be subject to a penalty rate equal to twelve (12) times the sum of the maximum applicable FSS Deliverability and Capacity Reservation Rates.

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