



December 28, 2020

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

**ANR Pipeline Company**  
700 Louisiana Street, Suite 700  
Houston, TX 77002-2700

John A. Roscher  
Director, Rates & Tariffs

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Re: ANR Pipeline Company  
Change in FERC Gas Tariff  
Docket No. RP21-\_\_\_\_-000

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,<sup>1</sup> ANR Pipeline Company (“ANR”) respectfully submits for filing and acceptance revised tariff sections,<sup>2</sup> included herein as Appendix A, to be part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”). ANR is proposing modifications to certain sections of its Cashout and Trading of Monthly Imbalances provisions set forth in Section 6.15 of its Tariff, and respectfully requests that the Commission accept the tariff sections, included as Appendix A, to become effective February 1, 2021.

### **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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<sup>1</sup> 18 C.F.R. Part 154 (2020).

<sup>2</sup> Specifically, Part 6.15.1-GT&C, Cashout of Imbalances (“Section 6.15.1”) and Part 6.15.5-GT&C, System Cashout Mechanism (“Section 6.15.5”).

\* Persons designated for official service pursuant to Rule 2010.

### **Statement of Nature, Reasons and Basis for Filing**

Section 6.15.5 of ANR's Tariff currently defines net cashout activity associated with ANR's system cashout mechanism as the sum of (1) actual net revenues attributable to the operation of ANR's cashout program for the preceding calendar year; (2) any prior negative balance from any previous redetermination; and (3) any prior positive balance from any previous redetermination.<sup>3</sup> In the instant filing, ANR is proposing modifications to Section 6.15, which addresses Cashout and Trading of Monthly Imbalances. Specifically, ANR is proposing to update Section 6.15.5(a) to provide that cashout-related charges or credits associated with an operational balancing agreement ("OBA") will be included in ANR's calculation of its net cashout activity. In addition, to align with the proposed revision to Section 6.15.5(a), ANR is updating Section 6.15.1(b) to provide that purchases or sales of gas necessary to manage imbalance quantities associated with an OBA shall be accounted for in the calculation of purchases and sales of gas necessary to manage imbalance quantities on ANR's system.

ANR's proposal to include cashout-related charges or credits associated with any OBA in its calculation of its net cashout activity is consistent with the cashout mechanism revisions filed on July 31, 2020 by Midcontinent Express Pipeline LLC in Docket No. RP20-1059-000 and accepted by the Commission on August 31, 2020.<sup>4</sup> ANR's proposal is likewise consistent with the cashout mechanisms previously approved by the Commission for *Gulfstream*, *Texas Gas*, *Florida Gas*, *Elba Express* and *Trunkline*.<sup>5</sup> ANR notes that, consistent with Commission policy, ANR's current cashout

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<sup>3</sup> A negative net cashout activity balance is used to calculate a cashout price surcharge that is subtracted from or added to the cashout price when excess or deficient quantities are cashed out, and a positive cashout activity balance is used to calculate a negative surcharge applicable to transportation services subject to surcharges, pursuant to Sections 6.15.5(b) and (c), respectively. As a point of reference, ANR's currently effective negative surcharge of \$0.0002/Dth is based upon a positive net cashout activity balance of \$426,893, as of December 31, 2019. See ANR's Annual Cashout Filing submitted on April 30, 2020 and approved by the Commission on May 21, 2020. *ANR Pipeline Company*, Docket No. RP20-837-000 (May 21, 2020) (unpublished Director's Letter order).

<sup>4</sup> *Midcontinent Express Pipeline LLC*, 172 FERC ¶ 61,185 (2020) ("Midcontinent Order"). See PP 2 and 8 of the Midcontinent Order.

<sup>5</sup> See the following tariff sections previously approved by the Commission that include OBA related charges in their cashout provisions: *Gulfstream Natural Gas System, L.L.C.*, FERC Gas Tariff, First Revised Volume No. 1, Part 6 - General Terms and Conditions, 23.3. Periodic Rate Adjustments, System Balancing Adjustment ("Gulfstream"); *Texas Gas Transmission LLC*, FERC NGA Gas Tariff, Fourth Revised Volume No. 1, Section 6.14 GT&C - Imbalance Resolution Procedures ("Texas Gas"); *Florida Gas Transmission Company, LLC*, FERC NGA Gas Tariff, Part VI General Terms and Conditions, GT&C Section 14. Monthly Balancing ("Florida Gas"); *Elba Express Company LLC*, First Revised Volume No. 1 Tariff, 4.14 General Terms & Conditions, Resolution of Imbalances & Adjustment ("Elba Express"); and *Trunkline Gas Company, LLC* FERC NGA Gas Tariff Fourth Revised Volume No. 1, Part VI General Terms and Conditions, GT&C Section 5. Transportation Balancing ("Trunkline").

mechanism is designed to keep ANR economically indifferent to the cashout activity on its system, and this will not change with ANR's proposed revisions.<sup>6</sup>

To provide the necessary information in support of any charges or credits associated with an OBA that are included in the net cashout activity ANR will: (1) revise its workpapers submitted with its Annual Cashout Filing to support any such charges or credits; (2) continue to provide executed copies of OBAs on file at ANR's offices; and (3) provide electronic versions of executed OBAs upon request. No later than May 1 of each year, ANR submits its annual filing to the Commission with workpapers supporting its calculation of either a cashout price surcharge or a negative surcharge to be in effect for the following twelve-month period, effective June 1 ("Annual Cashout Filing"). Consistent with its prior annual filings, ANR's 2021 Annual Cashout Filing will include January through December 2020 activity<sup>7</sup> even though invoices for November and December activity could be received in 2021.

### **Effective Date**

ANR respectfully requests that the Commission accept the tariff sections included as Appendix A to become effective February 1, 2021.

### **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, ANR is submitting the following via its electronic tariff filing:

1. This transmittal letter;
2. Clean tariff sections (Appendix A); and
3. Marked tariff sections (Appendix B).

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<sup>6</sup> See *Florida Gas Transmission Co.*, 64 FERC ¶ 61,302 (1993) and *Mid Louisiana Gas Company*, 63 FERC ¶ 61,048 (1993).

<sup>7</sup> In calculating the net cashout activity under Section 6.15.5, the term "calendar year" refers to the activity months from January 1 through December 31, and any prior period adjustments made during those months.

**Certificate of Service**

As required by Sections 154.7(b) and 154.208 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. Additionally, the undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to Jonathan Scullion at (832) 320-5520.

Respectfully submitted,

ANR Pipeline Company

A handwritten signature in dark ink, reading "John A. Roscher", followed by a long horizontal flourish line.

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John A. Roscher  
Director, Rates & Tariffs

Enclosures

# **Appendix A**

## ***ANR Pipeline Company Third Revised Volume No. 1***

### **Clean Tariff**

#### **Tariff Sections**

#### **Version**

6.15.1 – GT&C, Cashout of Imbalances

v.1.0.0

6.15.5 – GT&C, System Cashout Mechanism

v.1.0.0

6.15.1 Cashout of Imbalances.

- (a) For the purposes of this Section 6.15, "Receipts" shall mean quantities of Gas allocated pursuant to Section 6.14 of these General Terms and Conditions, net of Transporter's Use, and "Deliveries" shall mean quantities of Gas allocated pursuant to Section 6.14 of these General Terms and Conditions. Transporter and Shipper shall Cashout any remaining imbalance between Monthly Receipts and Monthly Deliveries under all of Shippers' Transportation Agreements, subject to Transporter's Billing and Payment provisions contained in Section 6.17 of these General Terms and Conditions.
- (b) If Monthly Receipts are greater than Monthly Deliveries, the difference shall be "Excess Quantities". If Monthly Deliveries are greater than Monthly Receipts, the difference shall be "Deficient Quantities". Such Excess Quantities and/or Deficient Quantities shall be individually determined by Receipts in each Operational Impact Area which shall be either the Southeast, Southwest, Canadian or Mainline Receipts, as defined below in Section 6.15.1(d), respectively, and will be divided by the Monthly Delivery Point nominations applicable to such Receipts, using such information as was available to Shipper on the last Day of the Service Month on GEMS<sup>™</sup>, for the purpose of determining the applicable imbalance percentage. Transporter shall be authorized to purchase and sell Gas at Receipt Points to manage imbalance quantities and shall endeavor to make any such purchases or sales of Gas necessary to balance its system by the end of the month following the Service Month in which the imbalance is determined, to the extent such purchases or sales are operationally practicable. Any purchases or sales of Gas necessary to manage imbalance quantities associated with an operational balancing agreement ("OBA") shall be accounted for in the calculation of purchases and sales of Gas necessary to manage imbalance quantities on Transporter's system and included in the calculation of Net Cashout Activity pursuant to 6.15.5(a).
- (c) The Cashout Price will be equal to the Louisiana Spot Price Index, the Oklahoma Spot Price Index, the Canadian Spot Price Index, or the Mainline Spot Price Index, as applicable, as such spot price indices are defined in Section 6.16 of these General Terms and Conditions, and shall be applicable to imbalances associated with Southeast Receipts, Southwest Receipts, Canadian Receipts and Mainline Receipts, respectively. The indicated percentage(s) of the Cashout Price (as defined below) will be paid for the Excess/Deficient Quantities that fall within each respective bracket of the total imbalances (1) by Transporter to Shipper (as full consideration, inclusive of taxes and any other amounts) for Excess Quantities or (2) by Shipper to Transporter for Deficient Quantities, based on the scale set forth below:

Transporter Pays Shipper the following % of Imbalance:

% of Imbalance	Percentage of the Cashout Price for the Excess Quantities
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> 0% Up to 5%	100%
> 5% Up to 10%	85%
> 10% Up to 15%	70%
> 15% Up to 20%	60%
> 20%	50%

Shipper Pays Transporter the following % of Imbalance:

% of Imbalance	Percentage of the Cashout Price for the Deficient Quantities
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> 0% Up to 5%	100%
> 5% Up to 10%	115%
> 10% Up to 15%	130%
> 15% Up to 20%	140%
> 20%	150%

- (d) The Cashout Payment applicable to all Agreements of a Shipper during a Service Month shall equal (1) the sum of the Excess Quantities (if applicable) by Southeast, Southwest, Canadian and/or Mainline Receipts multiplied by the applicable Cashout Price less the Cashout Price Surcharge, if any, pursuant to Section 6.15.5(b), below, minus (2) the sum of the Deficient Quantities (if applicable) by Southeast, Southwest, Canadian and/or Mainline Receipts multiplied by the applicable Cashout Price plus the Cashout Price Surcharge, if any, pursuant to Section 6.15.5(b), below. If the difference is positive, such amount will be paid by Transporter to Shipper. If the difference is negative, such amount will be paid by Shipper to Transporter.

The Receipt Quantities under each Agreement will be determined as follows:

- (1) Southeast Receipts will equal the quantity of Monthly receipts under such Agreement that entered Transporter's System through Receipt Point(s) in the Southeast Area Facilities;
  - (2) Southwest Receipts will equal the quantity of Monthly receipts under such Agreement that entered Transporter's System through Receipt Point(s) in the Southwest Area Facilities;
  - (3) Canadian Receipts will equal the quantity of Monthly receipts under such Agreement that entered Transporter's System through the Marshfield, Wisconsin Receipt Point; and
  - (4) Mainline Receipts will equal the total quantity of Monthly receipts that are not included in the calculation of the Southeast Receipts, Southwest Receipts or Canadian Receipts.
- (e) A Cashout of imbalances at prices above or below one hundred percent (100%) of the Cashout Price shall not occur if it has been determined that such imbalances are due to Transporter's negligence. Additionally, a Cashout of imbalances due to Excess Quantities or Deficient Quantities shall be limited to one hundred percent (100%) of the Cashout Price if such imbalances occurred during circumstances of force majeure that directly affect the Transporter's or upstream or downstream facilities over which Gas is transported under the applicable Agreement, or during circumstances of force majeure that directly affect Shipper's facilities for the period until Shipper has an opportunity to adjust its nominations, or were the direct result of an OFO issued to the Shipper or its supplier. Transporter shall be required to provide accumulated imbalance data to Shipper requesting such data by electronic or other available means of communication within forty-eight (48) hours of such request during the Service Month.



6.15.5 System Cashout Mechanism.

Transporter shall establish an annual mechanism to determine the results of implementing this Cashout provision. Such mechanism shall calculate, on a system-wide basis, the annual gross revenue balance (positive or negative) derived from the Cashout program, utilizing the following procedures:

- (a) Commencing May 1, 1998, and each May 1 thereafter, Transporter shall calculate the Net Cashout Activity, which shall be defined as the sum of (1) actual net revenues attributable to the operation of the Cashout program for the preceding calendar year; (2) any cashout related charges or credits associated with an OBA for the preceding calendar year; (3) any prior negative balance from any previous redetermination, pursuant to Section 6.15.5(b), below; and (4) any prior positive balance(s) from any previous redetermination, pursuant to Section 6.15.5(c), below.
- (b) Any Net Cashout Activity that is a negative balance shall be divided by the total of all Cashout volumes bought and sold during the preceding calendar year to derive a Cashout Price Surcharge. Transporter shall file to make such Cashout Price Surcharge effective June 1, for the next succeeding twelve (12) Month period. The Cashout Price Surcharge as stated in Section 4.16 will be subtracted from the Cashout Price where Excess Quantities are being Cashed Out, and will be added to the Cashout Price where Deficient Quantities are being Cashed Out.
- (c) Any Net Cashout Activity that is a positive balance shall be divided by the throughput actually experienced for the applicable year reported in Transporter's FERC Form No. 2 to calculate a negative surcharge per Dekatherm. Transporter shall file to make such negative surcharge effective June 1, for the next succeeding twelve (12) Month period, to be applied to all Transportation Services subject to surcharges.

# **Appendix B**

## ***ANR Pipeline Company Third Revised Volume No. 1***

### **Marked Tariff**

<b><u>Tariff Sections</u></b>	<b><u>Version</u></b>
6.15.1 – GT&C, Cashout of Imbalances	v.1.0.0
6.15.5 – GT&C, System Cashout Mechanism	v.1.0.0

6.15.1 Cashout of Imbalances.

- (a) For the purposes of this Section 6.15, "Receipts" shall mean quantities of Gas allocated pursuant to Section 6.14 of these General Terms and Conditions, net of Transporter's Use, and "Deliveries" shall mean quantities of Gas allocated pursuant to Section 6.14 of these General Terms and Conditions. Transporter and Shipper shall Cashout any remaining imbalance between Monthly Receipts and Monthly Deliveries under all of Shippers' Transportation Agreements, subject to Transporter's Billing and Payment provisions contained in Section 6.17 of these General Terms and Conditions.
- (b) If Monthly Receipts are greater than Monthly Deliveries, the difference shall be "Excess Quantities". If Monthly Deliveries are greater than Monthly Receipts, the difference shall be "Deficient Quantities". Such Excess Quantities and/or Deficient Quantities shall be individually determined by Receipts in each Operational Impact Area which shall be either the Southeast, Southwest, Canadian or Mainline Receipts, as defined below in Section 6.15.1(d), respectively, and will be divided by the Monthly Delivery Point nominations applicable to such Receipts, using such information as was available to Shipper on the last Day of the Service Month on GEMS<sup>™</sup>, for the purpose of determining the applicable imbalance percentage. Transporter shall be authorized to purchase and sell Gas at Receipt Points to manage imbalance quantities and shall endeavor to make any such purchases or sales of Gas necessary to balance its system by the end of the month following the Service Month in which the imbalance is determined, to the extent such purchases or sales are operationally practicable. Any purchases or sales of Gas necessary to manage imbalance quantities associated with an operational balancing agreement ("OBA") shall be accounted for in the calculation of purchases and sales of Gas necessary to manage imbalance quantities on Transporter's system and included in the calculation of Net Cashout Activity pursuant to 6.15.5(a).
- (c) The Cashout Price will be equal to the Louisiana Spot Price Index, the Oklahoma Spot Price Index, the Canadian Spot Price Index, or the Mainline Spot Price Index, as applicable, as such spot price indices are defined in Section 6.16 of these General Terms and Conditions, and shall be applicable to imbalances associated with Southeast Receipts, Southwest Receipts, Canadian Receipts and Mainline Receipts, respectively. The indicated percentage(s) of the Cashout Price (as defined below) will be paid for the Excess/Deficient Quantities that fall within each respective bracket of the total imbalances (1) by Transporter to Shipper (as full consideration, inclusive of taxes and any other amounts) for Excess Quantities or (2) by Shipper to Transporter for Deficient Quantities, based on the scale set forth below:

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- (d) The Cashout Payment applicable to all Agreements of a Shipper during a Service Month shall equal (1) the sum of the Excess Quantities (if applicable) by Southeast, Southwest, Canadian and/or Mainline Receipts multiplied by the applicable Cashout Price less the Cashout Price Surcharge, if any, pursuant to Section 6.15.5(b), below, minus (2) the sum of the Deficient Quantities (if applicable) by Southeast, Southwest, Canadian and/or Mainline Receipts multiplied by the applicable Cashout Price plus the Cashout Price Surcharge, if any, pursuant to Section 6.15.5(b), below. If the difference is positive, such amount will be paid by Transporter to Shipper. If the difference is negative, such amount will be paid by Shipper to Transporter.

The Receipt Quantities under each Agreement will be determined as follows:

- (1) Southeast Receipts will equal the quantity of Monthly receipts under such Agreement that entered Transporter's System through Receipt Point(s) in the Southeast Area Facilities;
  - (2) Southwest Receipts will equal the quantity of Monthly receipts under such Agreement that entered Transporter's System through Receipt Point(s) in the Southwest Area Facilities;
  - (3) Canadian Receipts will equal the quantity of Monthly receipts under such Agreement that entered Transporter's System through the Marshfield, Wisconsin Receipt Point; and
  - (4) Mainline Receipts will equal the total quantity of Monthly receipts that are not included in the calculation of the Southeast Receipts, Southwest Receipts or Canadian Receipts.
- (e) A Cashout of imbalances at prices above or below one hundred percent (100%) of the Cashout Price shall not occur if it has been determined that such imbalances are due to Transporter's negligence. Additionally, a Cashout of imbalances due to Excess Quantities or Deficient Quantities shall be limited to one hundred percent (100%) of the Cashout Price if such imbalances occurred during circumstances of force majeure that directly affect the Transporter's or upstream or downstream facilities over which Gas is transported under the applicable Agreement, or during circumstances of force majeure that directly affect Shipper's facilities for the period until Shipper has an opportunity to adjust its nominations, or were the direct result of an OFO issued to the Shipper or its supplier. Transporter shall be required to provide accumulated imbalance data to Shipper requesting such data by electronic or other available means of communication within forty-eight (48) hours of such request during the Service Month.

#### 6.15.5 System Cashout Mechanism.

Transporter shall establish an annual mechanism to determine the results of implementing this Cashout provision. Such mechanism shall calculate, on a system-wide basis, the annual gross revenue balance (positive or negative) derived from the Cashout program, utilizing the following procedures:

- (a) Commencing May 1, 1998, and each May 1 thereafter, Transporter shall calculate the Net Cashout Activity, which shall be defined as the sum of (1) actual net revenues attributable to the operation of the Cashout program for the preceding calendar year; (2) any cashout related charges or credits associated with an OBA for the preceding calendar year; ~~(23)~~ any prior negative balance from any previous redetermination, pursuant to Section 6.15.5(b), below; and ~~(34)~~ any prior positive balance(s) from any previous redetermination, pursuant to Section 6.15.5(c), below~~;~~.
- (b) Any Net Cashout Activity that is a negative balance shall be divided by the total of all Cashout volumes bought and sold during the preceding calendar year to derive a Cashout Price Surcharge. Transporter shall file to make such Cashout Price Surcharge effective June 1, for the next succeeding twelve (12) Month period. The Cashout Price Surcharge as stated in Section 4.16 will be subtracted from the Cashout Price where Excess Quantities are being Cashed Out, and will be added to the Cashout Price where Deficient Quantities are being Cashed Out.
- (c) Any Net Cashout Activity that is a positive balance shall be divided by the throughput actually experienced for the applicable year reported in Transporter's FERC Form No. 2 to calculate a negative surcharge per Dekatherm. Transporter shall file to make such negative surcharge effective June 1, for the next succeeding twelve (12) Month period, to be applied to all Transportation Services subject to surcharges.