



September 4, 2015

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

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

John A. Roscher
Director, Rates & Tariffs

tel 832.320.5675
fax 832.320.6675
email John_Roscher@TransCanada.com
web www.anrpl.com/company_info/

Re: ANR Pipeline Company
Compliance Filing, Docket No. CP14-514
Docket No. RP15-_____ - _____

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”) hereby submits for filing revised Section 4.18² to be part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”). The revised tariff section is being submitted to comply with the Commission’s December 2, 2014, Order Issuing Certificate in Docket No. CP14-514-000 (“Certificate Order”)³ and with the Commission’s July 7, 2015, Order Denying Rehearing in Docket No. CP14-514-001 (“Rehearing Order”).⁴ ANR requests that the Commission accept the proposed tariff section, included herein as Appendix A, to become effective on the date the facilities are placed into service, which is anticipated to occur on or about October 15, 2015.

Correspondence

The names, titles, mailing addresses, 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 (2015).

² Part 4.18 – Statement of Rates, Transporter’s Use (%) (“Section 4.18”).

³ *ANR Pipeline Company*, 149 FERC ¶ 61,197 (2014).

⁴ *ANR Pipeline Company*, 152 FERC ¶ 61,021 (2015).

John A. Roscher
Director, Rates and Tariffs
* Joan F. Collins
Manager, Tariffs and Compliance
ANR Pipeline Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Tel. (832) 320-5651
Fax (832) 320-6651
E-mail: joan_collins@transcanada.com

* David R. Hammel
Senior Legal Counsel
ANR Pipeline Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Tel. (832) 320-5861
Fax (832) 320-6861
E-mail: dave_hammel@transcanada.com

* Persons designated for official service pursuant to Rule 2010.

Statement of the Nature, Reasons and Basis for Filing

Background

On July 2, 2014, in Docket No. CP14-514-000, ANR filed an application pursuant to section 7(c) of the NGA and Part 157 of the Commission's regulations⁵ ("Application") for authorization to construct and operate a 10,915 horsepower compressor unit at ANR's existing Sulphur Springs Compressor Station ("Sulphur Springs Compression Project", "Sulphur Springs", or "Project") in order to provide an additional 133,643 Dth/day of firm transportation service on the Lebanon Lateral, located within the Southeast Central segment ("ML-3") of ANR's system. In its Application, ANR proposed to recover Sulphur Springs compressor fuel and lost and unaccounted for volumes ("L&U") on a rolled-in basis through ANR's system-wide fuel tracker mechanism found at Section 6.34⁶ of the General Terms and Conditions ("GT&C") of its Tariff. In its Certificate Order, the Commission denied ANR's request for a predetermination of rolled-in rate treatment for the fuel associated with the Sulphur Springs Compression Project. Instead, the Commission required ANR to charge an incremental fuel rate for the Project and further required ANR to separately identify the incremental fuel associated with the Project. Finally, the Commission instructed ANR to file actual tariff records reflecting the fuel retainage percentages not less than 30 days, or more than 60 days, before the in-service date for the Sulphur Springs Compression Project.⁷

On January 2, 2015, ANR filed a request for rehearing of the Commission's Certificate Order, or in the alternative, requested that the Commission clarify how ANR should calculate and implement an

⁵ 18 C.F.R. Part 157 (2014).

⁶ Part 6.34 – GT&C, Transporter's Use and Transporter's EPC Adjustment ("Section 6.34")

⁷ Certificate Order at Ordering Paragraphs (E) and (G). In Footnote 14 of its Certificate Order, the Commission agreed with ANR's proposal to assess ANR's annually re-determined system-wide L&U percentage to all system services, including the Sulphur Springs Compression Project.

incremental fuel rate for the project.⁸ On July 7, 2015, in Docket No. CP14-514-001, the Commission issued its Rehearing Order. In its Rehearing Order, the Commission rejected ANR's request for rolled-in treatment for the Sulphur Springs fuel cost⁹ and suggested that ANR determine the initial incremental fuel rate assessed to shippers subscribing to the new capacity by dividing the projected fuel usage of the Sulphur Springs Compression Project by the incremental capacity created by the Project.¹⁰

Instant Filing

To comply with the Commission's Certificate and Rehearing Orders, ANR is submitting revised Section 4.18, which reflects the addition of an incremental Transporter's Use (%)¹¹ of 1.30% for the Sulphur Springs Compressor Station. The incremental Sulphur Springs Transporter's Use (%) will be charged to those shippers subscribing to capacity created by the Sulphur Springs Compression Project ("Project Shippers").¹² The Sulphur Springs Transporter's Use (%), as proposed herein, consists of an incremental fuel rate of 0.97%, as forth in an ANR data response in Docket No. CP14-514,¹³ and ANR's currently stated L&U of 0.33%,¹⁴ resulting in a total Transporter's Use (%) of 1.30%. The Sulphur Springs Transporter's Use (%) serves as a minimum fuel charge, assessed to Project Shippers entering ANR's system at Sulphur Springs. No additional fuel charge will be assessed to Project Shippers for services provided solely within ML-3.¹⁵

⁸ *Request of ANR Pipeline Company for Rehearing or Clarification* ("Request for Rehearing") at pg. 1. Specifically, ANR requested rehearing on 1) whether the Commission erred when it required ANR to calculate an incremental fuel rate for the Sulphur Springs Compression Project based upon a faulty "apples-to-oranges" comparison between a projected incremental fuel rate and ANR's existing Zone 3 fuel rate; and 2) whether the Commission erred in denying ANR's request for rolled-in treatment of the fuel associated with the Project based upon the faulty comparison, when an appropriate "apples to apples" comparison and the integrated nature of the Project supports rolled-in treatment under the Commission's certificate policy and precedent.

⁹ Rehearing Order at P 7.

¹⁰ Id. at P 12.

¹¹ Transporter's Use and Transporter's Use (%), defined in Sections 6.1.84 and 6.1.86, respectively, of ANR's Tariff, consists of fuel use and L&U.

¹² The capacity created by the Project has been fully subscribed by two Shippers, CNX Gas Company ("CNX") and Rice Energy Marketing ("Rice Energy"). For CNX, the incremental fuel rate will apply to Contract Nos. 125723 and 125724; for Rice Energy, the incremental fuel rate will apply to Contract Nos. 125852, 125853, and 125854.

¹³ The 0.97% fuel retention rate was derived by ANR in its August 28, 2014, FERC Data Response to Question No. 2, at Attachment B, by dividing the projected fuel usage of Project Shippers by the incremental capacity created by the Sulphur Springs Compression Project, consistent with that required by the Commission in Paragraph 12 of its Rehearing Order.

¹⁴ ANR's currently stated L&U rate of 0.33%, filed as part of ANR's Annual Re-determination of Transporter's Use (%) and EPC Charges in Docket No. RP15-533 ("2015 Fuel Filing"), was approved by the Commission on March 24, 2015.

¹⁵ Project Shippers will not be assessed an additional ML-3 to ML-3 Transporter's Use (%) of 0.46% as approved in ANR's 2015 Fuel Filing.

However, as set forth in Section 4.18, in the event a Project Shipper transports gas outside of ML-3 on a forward haul basis (*e.g.*, into ML-7), such Project Shipper will be assessed a fuel charge for each additional zone traversed (“Additional Zone Charge”). Such Additional Zone Charges are determined using the applicable fuel charges for each zone included in ANR’s most recently approved Annual Re-determination of Transporter’s Use (%) and EPC Charges (“Fuel Filing”) and applied consistent with the methodology set forth in the rate matrix included therein.¹⁶ For example, if a Project Shipper transports gas to ML-7, such Project Shipper will be charged the Sulphur Springs Transporter’s Use (%) of 1.30% and an Additional Zone Charge consisting of the currently stated ML-7 fuel charge of 0.80%, resulting in a total Transporter’s Use (%) of 2.10%. Project Shippers transporting gas to ML-2 or the Southeast Area on a backhaul basis will not be assessed an Additional Zone Charge, consistent with the methodology shown on the rate matrix in ANR’s annual Fuel Filing.

In support of the incremental Sulphur Springs Transporter’s Use (%)s proposed in revised Section 4.18, ANR has included, herein as Appendix C, a table detailing the components of the total Transporter’s Use (%) to be charged to Project Shippers for transportation to each zone on ANR’s system. For comparative purposes, Appendix C additionally provides the currently effective system-wide Transporter’s Use (%)s for non-incremental transportation service from ML-3 to the various zones on ANR’s system.

Finally, ANR further states that to comply with the Commission’s Certificate Order, ANR shall separately set forth calculations as part of its prospective annual Fuel Filings to revise the incremental Sulphur Springs Transporter’s Use (%), including actual fuel costs associated with the Sulphur Springs Compression Project, and the recovery of such actual costs from the Sulphur Springs Project Shippers.¹⁷ The tracker/true-up mechanism for determining the Sulphur Springs Transporter’s Use (%) shall be consistent with ANR’s tracker/true-up mechanism described in Sections 6.1.86 and 6.34 of ANR’s GT&C.

Effective Date and Request for Waiver

Regarding the proposed effective date for Section 4.18, pursuant to the FERC’s *Implementation Guide for Electronic Tariff Filing*,¹⁸ and for administrative ease, ANR is reflecting an effective date of December 31, 9998, as a placeholder until the actual in-service date is known. Upon the Sulphur Springs

¹⁶ See ANR’s 2015 Fuel Filing, Attachment 1, Page 1 of 15.

¹⁷ Certificate Order at Ordering Paragraph (E).

¹⁸ Office of the Secretary of the Commission, *Implementation Guide for Electronic Filing of Parts 35, 154, 284, 300, and 301 Tariff Filings* (2014).

Compression Project's in-service, ANR will submit a notification to the Commission of the actual date to reflect in Section 4.18, anticipated to occur on or about October 15, 2015.

ANR additionally requests waiver of the upcoming 2016 Fuel Filing requirement for Sulphur Springs Transporter's Use (%), as set forth in Section 6.34(a) of ANR's GT&C. Section 6.34(a) requires that the Fuel Filing be submitted 30 days prior to April 1, 2016, and reflect costs for the prior calendar year. As such, the Sulphur Springs Transporter's Use (%) would include less than three months of actual data, which is insufficient for purposes of re-determining the incremental fuel rate. ANR proposes instead to defer the re-determination of the incremental Sulphur Springs fuel rate (*i.e.*, currently proposed rate of 0.97%) to ANR's annual Fuel Filing to become effective April 1, 2017.¹⁹ ANR requests the Commission grant all waivers necessary to permit ANR to consolidate the 2015 actual usage data with the 2016 actual usage data to be used in determining the incremental Sulphur Springs fuel rate to be filed as part of the annual 2017 Fuel Filing to become effective April 1, 2017.

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 Order No. 714, ANR is submitting the following XML filing package, which includes:

1. This transmittal letter;
2. Clean tariff section (Appendix A);
3. Marked tariff section (Appendix B); and
4. Sulphur Springs Transporter's Use (%) Comparison (Appendix C).

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

¹⁹ ANR would restate the L&U component of the incremental Sulphur Springs Transporter's Use (%) to reflect the revised L&U rate included in the 2016 Fuel Filing.

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 with a long horizontal flourish extending to the right.

John A. Roscher
Director, Rates & Tariffs

Enclosures

Appendix A

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

Clean Tariff

Tariff Section

Version

4.18 – Statement of Rates, Transporter’s Use (%)

v.6.0.0

TRANSPORTER'S USE (%)

1. Transporter's Use (%) for all transmission Transportation Services in Volume Nos. 1 and 2:

		(PERCENTAGE)						
		SOUTHEAST			SOUTHWEST			NORTHERN
TO:		S.E. Area	Southern Segment	Central Segment	S.W. Area	Southern Segment	Central Segment	Segment
-----		(SE)	(ML-2)	(ML-3)	(SW)	(ML-5)	(ML-6)	(ML-7)
FROM:								

SOUTHEAST AREA (SE)		0.50	1.06	1.52	0.29	1.05	2.32	2.32
S.E. SOUTHERN SEGMENT (ML-2)		--	0.89	1.35	0.12	0.88	2.15	2.15
S.E. CENTRAL SEGMENT (ML-3)		--	--	0.79	0.00	0.32	1.59	1.59
SOUTHWEST AREA (SW)		3.11	3.67	4.13	1.30	2.06	3.33	4.13
S.W. SOUTHERN SEGMENT (ML-5)		2.14	2.70	3.16	--	1.09	2.36	3.16
S.W. CENTRAL SEGMENT (ML-6)		--	1.94	2.40	--	--	1.60	2.40
NORTHERN SEGMENT (ML-7)		--	--	1.13	--	--	1.13	1.13

NOTES:

1. (a) There will be no charge for Transporter's Use on Backhauls, services performed within any Hub, or services under Rate Schedule IPLS.
- (b) The areas and segments listed above are defined in Section 6.1 of the General Terms and Conditions of this Tariff, and are illustrated on the system map in Section 3.
2. For Rate Schedules FSS, STS, MBS and DDS storage services, and variance quantities pursuant to Rate Schedules FTS-3 and ITS-3, Transporter's Use (%): 0.85%.
3. In the case of any Shipper that purchases Gas from a Pooler, the provisions of Rate Schedules PTS-1, PTS-2 and PTS-3 shall be applicable.
4. For services provided on the 12-mile lateral located between the Link Meter Station and the Corunna Interconnect Point in St. Clair, Michigan, Shippers will not be charged a Transporter's Use % but will be charged a lost and unaccounted (%) of: 0.33%.

2. Incremental Transporter's Use (%) for the Sulphur Springs Compression Station:

		(PERCENTAGE)						
		SOUTHEAST			SOUTHWEST			NORTHERN
TO:	S.E. Area	Southern Segment	Central Segment	S.W. Area	Southern Segment	Central Segment	Segment	
-----	-----	-----	-----	-----	-----	-----	-----	
	(SE)	(ML-2)	(ML-3)	(SW)	(ML-5)	(ML-6)	(ML-7)	
FROM:								

SULPHUR SPRINGS (ML-3)	1.30	1.30	1.30	1.30	1.30	2.10	2.10	

NOTES:

1. Pursuant to Commission Orders issued in Docket No. CP14-514, Shippers subscribing to capacity created by the Sulphur Springs Compression Station Project ("Project Shippers") shall be charged an incremental Transporter's Use (%).
2. (a) For forward haul service outside of ML-3, Project Shippers shall pay a Transporter's Use (%) inclusive of fuel charges for all segments traversed.
 (b) Project Shippers shall pay no additional fuel charge for backhaul service to ML-2 or the Southeast Area, or for services performed within any Hub.
3. The areas and segments listed above are defined in Section 6.1 of the General Terms and Conditions of this Tariff, and are illustrated on ANR's system map in Section 3.

Appendix B

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

Marked Tariff

Tariff Section

Version

4.18 – Statement of Rates, Transporter’s Use (%)

v.6.0.0

TRANSPORTER'S USE (%)

1. ~~Transporter's Use (%)~~ For all transmission Transportation Services in Volume Nos. 1 and 2:

	(PERCENTAGE)						
	SOUTHEAST			SOUTHWEST			NORTHERN
TO:	S.E. Area	Southern Segment	Central Segment	S.W. Area	Southern Segment	Central Segment	Segment
FROM:	(SE)	(ML-2)	(ML-3)	(SW)	(ML-5)	(ML-6)	(ML-7)
SOUTHEAST AREA (SE)	0.50	1.06	1.52	0.29	1.05	2.32	2.32
S.E. SOUTHERN SEGMENT (ML-2)	--	0.89	1.35	0.12	0.88	2.15	2.15
S.E. CENTRAL SEGMENT (ML-3)	--	--	0.79	0.00	0.32	1.59	1.59
SOUTHWEST AREA (SW)	3.11	3.67	4.13	1.30	2.06	3.33	4.13
S.W. SOUTHERN SEGMENT (ML-5)	2.14	2.70	3.16	--	1.09	2.36	3.16
S.W. CENTRAL SEGMENT (ML-6)	--	1.94	2.40	--	--	1.60	2.40
NORTHERN SEGMENT (ML-7)	--	--	1.13	--	--	1.13	1.13

NOTES:

1. (a) There will be no charge for Transporter's Use on Backhauls, services performed within any Hub, or services under Rate Schedule IPLS.
- (b) The areas and segments listed above are defined in Section 6.1 of the General Terms and Conditions of this Tariff, and are illustrated on the system map in Section 3.4.
2. For Rate Schedules FSS, STS, MBS and DDS storage services, and variance quantities pursuant to Rate Schedules FTS-3 and ITS-3, Transporter's Use (%): 0.85%.
3. In the case of any Shipper that purchases Gas from a Pooler, the provisions of Rate Schedules PTS-1, PTS-2 and PTS-3 shall be applicable.
4. For services provided on the 12-mile lateral located between the Link Meter Station and the Corunna Interconnect Point in St. Clair, Michigan, Shippers will not be charged a Transporter's Use % but will be charged a lost and unaccounted (%) of: 0.33%.

2. Incremental Transporter's Use (%) for the Sulphur Springs Compression Station:

		(PERCENTAGE)						
		SOUTHEAST			SOUTHWEST		NORTHERN	
		S.E.	Southern	Central	S.W.	Southern	Central	
TO:		Area	Segment	Segment	Area	Segment	Segment	
		(SE)	(ML-2)	(ML-3)	(SW)	(ML-5)	(ML-6)	
								(ML-7)
<u>FROM:</u>								
	<u>SULPHUR SPRINGS (ML-3)</u>	1.30	1.30	1.30	1.30	1.30	2.10	
								2.10

NOTES:

1. Pursuant to Commission Orders issued in Docket No. CP14-514, Shippers subscribing to capacity created by the Sulphur Springs Compression Station Project ("Project Shippers") shall be charged an incremental Transporter's Use (%).
2. (a) For forward haul service outside of ML-3, Project Shippers shall pay a Transporter's Use (%) inclusive of fuel charges for all segments traversed.

(b) Project Shippers shall pay no additional fuel charge for backhaul service to ML-2 or the Southeast Area, or for services performed within any Hub.
3. The areas and segments listed above are defined in Section 6.1 of the General Terms and Conditions of this Tariff, and are illustrated on ANR's system map in Section 3.

**ANR PIPELINE COMPANY
DOCKET NO. RP15-____-____**

Sulphur Springs Transporter's Use (%) Comparison

APPENDIX C

**ANR PIPELINE COMPANY
DERIVATION OF TRANSPORTER'S USE (%) BY ROUTE
SULPHUR SPRINGS TRANSPORTER'S USE (%) COMPARISON**

From	To Southeast			To Southwest			
	Southeast Area SE	Southern ML-2	Central ML-3	Southwest Area SW	Southern ML-5	Central ML-6	Northern ML-7
Southeast Central ML-3	Complete Backhaul No Charge	Complete Backhaul No Charge	SEC + LU $0.46 + 0.33 =$ 0.79	SEC + N -SWC-SWS+LU $0.46 + 0.80 -$ $1.27 - 0.76 + 0.33 =$ 0.00	SEC + N - SWC + LU $0.46 + 0.80 -$ $1.27 - 0.76 + 0.33 =$ 0.32	SEC + N + LU 0.46 + $0.80 + 0.33 =$ 1.59	SEC + N + LU 0.46 + $0.80 + 0.33 =$ 1.59
Sulphur Springs ML-3 /1	Sulphur Springs Charge SS + LU $0.97 + 0.33 =$ 1.30 Additional Zone Charge (Backhaul)	Sulphur Springs Charge SS + LU $0.97 + 0.33 =$ 1.30 Additional Zone Charge (Backhaul)	Sulphur Springs Charge SS + LU $0.97 + 0.33 =$ 1.30 Total Fuel Charge 1.30	Sulphur Springs Charge SS + LU $0.97 + 0.33 =$ 1.30 Additional Zone Charge N - SWC - SWS $0.80 - 1.27 - 0.76 =$ 0.00 Total Fuel Charge 1.30	Sulphur Springs Charge SS + LU $0.97 + 0.33 =$ 1.30 Additional Zone Charge N - SWC $0.80 - 1.27 =$ 0.00 Total Fuel Charge 1.30	Sulphur Springs Charge SS + LU $0.97 + 0.33 =$ 1.30 Additional Zone Charge N 0.80 = 0.80 Total Fuel Charge 2.10	Sulphur Springs Charge SS + LU $0.97 + 0.33 =$ 1.30 Additional Zone Charge N 0.80 = 0.80 Total Fuel Charge 2.10

/1 Sulphur Springs Charge applies to compression costs at the Sulphur Springs Compressor Station, and is assessed to Project Shippers to enter ANR's system. There is no charge for backhaul service to ML-2 or the Southeast Area. For forward haul service outside of ML-3, Project Shippers shall pay a Total Fuel Charge inclusive of Additional Zone Charges for all segments traversed.

Key

- SEC - S.E. CENTRAL SEGMENT (ML-3)
- SWS - S.W. SOUTHERN SEGMENT (ML-5)
- SWC - S.W. CENTRAL SEGMENT (ML-6)
- N - NORTHERN SEGMENT (ML-7)
- SS - SULPHUR SPRINGS (ML-3)
- LU - LOST AND UNACCOUNTED FOR