



March 28, 2013

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

ANR Pipeline Company
717 Texas Street, Suite 2400
Houston, TX 77002-2761

John A. Roscher
Director, Rates & Tariffs

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Re: ANR Pipeline Company
Deferred Transportation Cost Adjustment
Docket No. RP13- _____-_____

Dear Ms. Bose:

ANR Pipeline Company (“ANR”), pursuant to Section 4 of the Natural Gas Act and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,¹ submits for filing revised Section 4.17 to be part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”).² The purpose of this filing is to comply with the Deferred Transportation Cost Adjustment (“DTCA”) provisions in Section 6.26 of the General Terms & Conditions (“GT&C”) of ANR’s Tariff.³ ANR respectfully requests that the Commission accept Section 4.17, included in Appendix A, to become effective May 1, 2013.

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 18 C.F.R. Part 154 (2012).

² 4.17 – Statement of Rates, Deferred Transportation Cost Adjustment.

³ 6.26 – GT&C, Deferred Transportation Cost Adjustment Provision (“Section 6.26”).

Statement of Nature, Reasons and Basis for Filing

Pursuant to the DTCA provisions of ANR's Tariff, ANR is required to make a filing to adjust its base transportation and storage rates by means of a DTCA surcharge if the actual Qualifying Transportation Costs incurred by ANR during a 12-month period ending on each April 30th vary by more than ten percent (10%) from the Qualifying Transportation Costs included in its base rates.⁴ As more fully described below, ANR is submitting the instant filing because the actual Qualifying Transportation Costs incurred by ANR during the 12-month period ending April 30, 2013, varied by more than ten percent (10%) from the Qualifying Transportation Costs included in ANR's base rates. As explained below, ANR's Qualifying Transportation Costs have increased primarily as a result of ANR having entered into a replacement contract for service provided under Great Lakes Gas Transmission Company ("Great Lakes") Rate Schedule X-1.⁵

Section 6.26 of ANR's Tariff provides for the recovery of Account No. 858 costs incurred under Account No. 858 arrangements existing as of ANR's last rate case in Docket No. RP94-43, including the costs of any contract amendments and contract replacements. Great Lakes Rate Schedule X-1 ("X-1 Agreement") is an agreement that existed at the time of ANR's Docket No. RP94-43 rate case and is, therefore, a qualifying Account No. 858 arrangement under the DCTA provisions of ANR's Tariff. Specifically, the X-1 Agreement is a three-party gas exchange agreement between ANR, Great Lakes and TransCanada Pipelines Limited ("TransCanada"), initially entered into in 1970. Under the X-1 Agreement, Great Lakes delivers up to 506,500 Dth per day of gas provided by TransCanada to ANR at Fortune Lake, Michigan, and ANR re-delivers an equivalent volume of gas to Great Lakes at Farwell, Michigan. The exchange of gas under the X-1 Agreement is achieved by displacement of the gas TransCanada transports on the Great Lakes system. For the past 40 years, ANR has used the gas provided under the X-1 Agreement to meet its firm service obligations in Wisconsin.

⁴ Qualifying Transportation Costs are defined in Section 6.26(a)(1) of ANR's Tariff. Article VII of the October 17, 1997, Stipulation and Agreement in Docket No. RP94-43-016 ("Stipulation") established a \$40,732,091 base level of Account No. 858 trackable costs. See ANR Pipeline Company, 82 FERC ¶ 61,145 (1998).

⁵ The exchange agreement described below and reflected in Great Lakes Rate Schedule X-1 is also included in ANR's FERC Gas Tariff as Rate Schedule X-16.

Over the past several decades, ANR has been able to rely on the X-1 Agreement to meet its firm service obligations in Wisconsin because TransCanada flowed sufficient volumes under its transportation contract with Great Lakes to be exchanged under the X-1 Agreement. Effective November 1, 2012, however, TransCanada reduced its forward haul transportation contract demand on Great Lakes from 698,727 Dth per day to 100,000 Dth per day. In addition, the extent to which TransCanada will actually flow up to its new contract demand of 100,000 Dth per day on any given day has become less certain. As a result, ANR found that it could no longer rely on the X-1 Agreement to meet its firm obligations in Wisconsin and was required to execute a new Part 284 firm transportation service on Great Lakes for 506,500 Dth per day to meet these firm requirements.⁶ During the period covered by the instant annual tracker filing (May 2012 to April 2013), ANR will pay to Great Lakes under this Part 284 firm transportation agreement \$19.3 million in monthly reservation charges and another projected \$447,349 in usage charges. The inclusion of these amounts results in total Qualifying Transportation Costs in excess of the ten percent threshold.

Consistent with Section 6.26(c) of ANR's Tariff, the calculation of the DTCA surcharge is based on (i) Deferred Transportation Costs for the 12-month period ending April 30, 2013, reflecting actual experience for the period May 1, 2012, through January 31, 2013, and a good-faith estimate for the period February 1, 2013, through April 30, 2013, and (ii) the same rate design method and design determinants underlying ANR's currently effective rates pursuant to the Stipulation in Docket No. RP94-43-016.⁷

Pursuant to Sections 6.26(b) and (e) of ANR's Tariff, ANR has calculated a net Deferred Transportation Cost of \$11.325 million for the period May 1, 2012, through April 30, 2013, as compared to a credit of \$7.75 million for the previous year. ANR's proposed DTCA is comprised of: (i) an approximate \$11.135 million difference between actual Qualifying Transportation Costs incurred during the 12-month period ending April 30, 2013, and the amount

⁶ Because the X-1 Agreement is a no-fee service, and TransCanada can continue to flow some volume of gas on the Great Lakes system, ANR continues to utilize the X-1 Agreement up to TransCanada's contract demand of 100,000 Dth per day to the extent such gas flows and is available to be exchanged, and receives the remainder of its needs under the Part 284 contract. To the extent ANR receives gas under the X-1 Agreement, it saves ANR usage charges that would otherwise apply under the Part 284 agreement. Thus, while ANR can no longer rely on the X-1 Agreement to meet its firm obligations, ANR continues to use the X-1 Agreement to take advantage of these cost savings.

⁷ Id.

included in base rates; (ii) an approximate \$0.004 million credit for the true-up to actuals of estimated Qualifying Transportation Costs for the months of February through April 2012 originally included in the March 31, 2012, DTCA filing;⁸ and (iii) approximately \$0.194 million of related carrying charges computed in accordance with Section 154.501 of the Commission's regulations. As a result, ANR proposes to implement a DTCA surcharge for the period May 1, 2013, through April 30, 2014. The DTCA surcharge for each impacted rate schedule is set forth in Section 4.17, included in Appendix A. Workpapers in support of the revised DTCA surcharge are included in Appendix C as follows: Exhibit A (Deferred Transportation Costs), Exhibit B (Carrying Charges), Exhibit C (True-up to Actuals) and Exhibit D (DTCA Surcharge Derivation).

Pursuant to Section 154.7(a)(8) of the Commission's regulations, ANR states that the DTCA surcharge set forth in this filing supersedes the currently effective negative DTCA surcharge approved by the Commission in Docket No. RP12-551-000.⁹

Waivers and Effective Date

ANR respectfully requests that the proposed tariff section, included in Appendix A, be approved without addition, modification, or deletion, and be placed into effect on May 1, 2013. Apart from the foregoing, ANR reserves its right under Section 154.7(a) to file a motion to place the proposed revised tariff sheets into effect at the end of any suspension period ordered by the Commission.

Other Filings Which May Affect This Proceeding

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

⁸ ANR Pipeline Company, Docket No. RP12-551-000 (April 27, 2012) (unpublished letter order).

⁹ Id. Page 2.

Material Enclosed

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

1. This transmittal letter;
2. The clean tariff section (Appendix A);
3. A marked version of the tariff section (Appendix B); and
4. Associated workpapers in support of the proposed changes pursuant to Section 154.201(b) of the Commission's regulations (Appendix C).

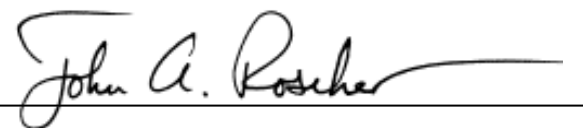
Certificate of Service

As required by Section 154.7(b) and Section 154.208 of the Commission's regulations, copies of this filing are being served on all of ANR's existing customers and upon and interested state regulatory agencies. A copy of this letter, together with 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,

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 and Tariffs

Enclosures

Appendix A

Clean Tariff

| <u>Section</u> | <u>Description</u> | <u>Version</u> |
|----------------|---|----------------|
| 4.17 | Statement of Rates, Deferred Transportation Cost Adjustment | v.3.0.0 |

STATEMENT OF DEFERRED TRANSPORTATION COST ADJUSTMENT (1)

| RATE SCHEDULE | RATE ADJUSTMENTS PER DTH (2) |
|---|--|
| ----- | |
| <u>MAINLINE - ACCESS RATE ADJUSTMENTS FOR ETS, FTS-1, FTS-2, FTS-4, FTS-4L AND ITS SERVICES</u> | |
| FTS-1, FTS-4, FTS-4L & ETS | Reservation \$0.1200 Commodity \$0.0002 |
| FTS-2 | Reservation \$0.0790 Commodity \$0.0015 |
| ITS | Commodity \$0.0041 |
| <u>RATE ADJUSTMENTS FOR FTS-3 AND ITS-3 SERVICES</u> | |
| FTS-3 | Deliverability \$0.0600 Capacity \$0.0020 Commodity \$0.0002 |
| FTS-3 (Enhancement Service Option) | Deliverability \$0.0350 Capacity \$0.0012 Commodity \$0.0001 |
| FTS-3 (2-Hour Notice Service Option) | Deliverability \$0.0325 Capacity \$0.0011 Commodity \$0.0004 |
| ITS-3 | Commodity \$0.0218 |
| <u>RATE ADJUSTMENTS FOR MBS AND NNS SERVICES</u> | |
| MBS | Daily Delivery (All Segments) \$0.0036 Capacity \$0.0006 Commodity (All Segments) \$0.0005 Overrun \$0.0071 |
| NNS | Reservation \$0.1350 Commodity \$0.0005 Overrun \$0.0071 |
| <u>RATE ADJUSTMENTS FOR IPLS AND IWS SERVICES</u> | |
| IPLS | Commodity \$0.0041 |
| IWS | Commodity \$0.0041 |

RATE ADJUSTMENTS FOR STS,
STS (ETS) & STS (FTS) SERVICES

| | |
|--------------------------|----------|
| STS (All Segments) | \$0.0153 |
| STS (ETS) (All Segments) | \$0.0122 |
| STS (FTS) (All Segments) | \$0.0122 |

RATE ADJUSTMENTS FOR FSS AND DDS SERVICES

| | | |
|----------------------|----------------|----------|
| FSS Without Ratchets | | |
| | Deliverability | \$0.0480 |
| | Capacity | \$0.0073 |
| | Commodity | \$0.0004 |
| FSS With Ratchets | | |
| | Deliverability | \$0.0390 |
| | Capacity | \$0.0073 |
| | Commodity | \$0.0004 |
| DDS | | |
| | Commodity | \$0.0016 |

- (1) Deferred Transportation Cost Adjustment pursuant to Section 6.26 of General Terms and Conditions of this Tariff.
- (2) Minimum rates per Dth continue to apply following application of rate adjustments.

Appendix B

Marked Tariff

| <u>Section</u> | <u>Description</u> | <u>Version</u> |
|-----------------------|---|-----------------------|
| 4.17 | Statement of Rates, Deferred Transportation Cost Adjustment | v.3.0.0 |

STATEMENT OF DEFERRED TRANSPORTATION COST ADJUSTMENT (1)

| RATE SCHEDULE | | RATE ADJUSTMENTS PER DTH (2) |
|---|-------------------------------|---------------------------------|
| ----- | | ----- |
| <u>MAINLINE - ACCESS RATE ADJUSTMENTS FOR ETS, FTS-1, FTS-2, FTS-4, FTS-4L AND ITS SERVICES</u> | | |
| FTS-1, FTS-4, FTS-4L & ETS | Reservation | (\$0.12000800) |
| | Commodity | (\$0.00024) |
| FTS-2 | Reservation | (\$0.0790530) |
| | Commodity | (\$0.00153) |
| ITS | Commodity | (\$0.004130) |
| <u>RATE ADJUSTMENTS FOR FTS-3 AND ITS-3 SERVICES</u> | | |
| FTS-3 | Deliverability | (\$0.06400) |
| | Capacity | (\$0.002013) |
| | Commodity | (\$0.00024) |
| FTS-3 (Enhancement Service Option) | Deliverability | (\$0.0350235) |
| | Capacity | (\$0.001208) |
| | Commodity | (\$0.00012) |
| FTS-3 (2-Hour Notice Service Option) | Deliverability | (\$0.0325215) |
| | Capacity | (\$0.001107) |
| | Commodity | (\$0.00046) |
| ITS-3 | Commodity | (\$0.0218152) |
| <u>RATE ADJUSTMENTS FOR MBS AND NNS SERVICES</u> | | |
| MBS | Daily Delivery (All Segments) | (\$0.003623) |
| | Capacity | (\$0.00064) |
| | Commodity (All Segments) | (\$0.00058) |
| | Overrun | (\$0.007152) |
| NNS | Reservation | (\$0.13500900) |
| | Commodity | (\$0.00058) |
| | Overrun | (\$0.007152) |
| <u>RATE ADJUSTMENTS FOR IPLS AND IWS SERVICES</u> | | |
| IPLS | Commodity | (\$0.004130) |
| IWS | Commodity | (\$0.004130) |

RATE ADJUSTMENTS FOR STS,
STS (ETS) & STS (FTS) SERVICES

| | |
|--------------------------|--------------------------|
| STS (All Segments) | (\$0.015309) |
| STS (ETS) (All Segments) | (\$0.0122084) |
| STS (FTS) (All Segments) | (\$0.0122084) |

RATE ADJUSTMENTS FOR FSS AND DDS SERVICES

| | | |
|----------------------|----------------|--------------------------|
| FSS Without Ratchets | | |
| | Deliverability | (\$0.0480320) |
| | Capacity | (\$0.007348) |
| | Commodity | (\$0.00046) |
| FSS With Ratchets | | |
| | Deliverability | (\$0.0390260) |
| | Capacity | (\$0.007348) |
| | Commodity | (\$0.00046) |
| DDS | | |
| | Commodity | (\$0.00161) |

- (1) Deferred Transportation Cost Adjustment pursuant to Section 6.26 of General Terms and Conditions of this Tariff.
- (2) Minimum rates per Dth continue to apply following application of rate adjustments.

Appendix C

ANR Pipeline Company
Docket No. RP13-____-000
Deferred Transportation Cost Summary

| Line No. | Description <i>Col (1)</i> | Total <i>Col (2)</i> |
|----------|--|-------------------------|
| 1 | Qualifying Transportation Costs | (1) \$ 51,867,585 |
| 2 | Base Trackable Amount per RP94-43 Settlement | 40,732,091 |
| 3 | Difference (Line 1 - Line 2) | <u>\$ 11,135,494</u> |
| 4 | True-up of Docket No. RP12-551-000 Estimates | (2) <u>(4,069)</u> |
| 5 | Total (Line 3 + Line 4) | <u>\$ 11,131,425</u> |
| 6 | DTCA Adjustment Trigger (10% x Line 2) | <u>\$ 4,073,209</u> |
| 7 | DTCA Amount (Line 5) | (3) \$ 11,131,425 |
| 8 | Carrying Charges | (4) <u>193,575</u> |
| 9 | Total DTCA Amount (Line 7 + Line 8) | <u>\$ 11,325,000</u> |

- (1) For 12-month period ending April 30, 2013. Refer to Exhibit A, Page 2, Column 15, Line 11.
- (2) Refer to Exhibit C, Column 4, Line 12.
- (3) The Deferred Transportation Cost Adjustment provision is triggered and a filing is required when the variance between actual Qualifying Transportation Costs for any 12-month period ending April 30 and Base Trackable Amount exceeds the 10% DCTA Adjustment Trigger of \$4,073,209. If the resulting rate change is less than \$.01 per dth of MDQ for Reservation charges or less than one mill for Commodity charges, no change in rates is required.
- (4) Refer to Exhibit B, Column 8, Line 30.

ANR Pipeline Company
Docket No. RP13-____-000
Qualifying Transportation Costs by Service and by Month

TOTAL COSTS

| Line No. | Contracts | Rate Schedule | Actuals (1) | | | | | | | | | | Estimates (1) | | | | Total |
|----------|---|---------------|--------------|--------------|--------------|--------------|----------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|--|-------|
| | | | May 2012 | June 2012 | July 2012 | August 2012 | September 2012 | October 2012 | November 2012 | December 2012 | January 2013 | February 2013 | March 2013 | April 2013 | | | |
| | (Col.1) | (Col.2) | (Col.3) | (Col.4) | (Col.5) | (Col.6) | (Col.7) | (Col.8) | (Col.9) | (Col.10) | (Col.11) | (Col.12) | (Col.13) | (Col.14) | (Col.15) | | |
| 1 | Great Lakes Gas Trans. | T-6 (2) | \$ 412,828 | \$ 346,161 | \$ 363,389 | \$ 362,376 | \$ 357,685 | \$ 358,771 | \$ 185,894 | \$ 182,168 | \$ 182,168 | \$ 183,469 | \$ 198,558 | \$ 356,015 | \$ 3,489,482 | | |
| 2 | Great Lakes Gas Trans. | T-8 | - | - | - | - | - | - | - | - | - | - | 163,703 | - | 163,703 | | |
| 3 | Great Lakes Gas Trans. | T-9 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 1,501,032 | | |
| 4 | Great Lakes Gas Trans. | T-10 | - | - | - | - | - | - | - | - | 8,536 | 6,041 | - | - | 14,577 | | |
| 5 | Great Lakes Gas Trans. | IT/FT | 106 | - | 12,908 | 5,719 | 203 | 1,435 | - | - | - | - | - | - | 20,371 | | |
| 6 | Great Lakes Gas Trans. | FT (5) | - | - | - | - | - | - | 3,551,075 | 3,584,967 | 3,611,709 | 3,595,285 | 3,538,442 | 1,878,020 | 19,759,498 | | |
| 7 | Michigan Consolidated Gas Co. | FT | 755,950 | 755,950 | 755,950 | 755,950 | 755,950 | 755,950 | 1,055,950 | 1,055,950 | 1,055,950 | 1,055,950 | 1,055,950 | 755,950 | 10,571,400 | | |
| 8 | Michigan Consolidated Gas Co. | FT | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 6,798,000 | | |
| 9 | Centerpoint | FT | 644,480 | 645,640 | 647,670 | 648,250 | 638,970 | 632,590 | 638,680 | 648,250 | 632,822 | 626,790 | 648,250 | 647,130 | 7,699,522 | | |
| 10 | Consumers Energy Company | | - | - | - | - | - | - | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | - | 1,850,000 | | |
| 11 | Total Services | | \$ 2,504,950 | \$ 2,439,337 | \$ 2,471,503 | \$ 2,463,881 | \$ 2,444,394 | \$ 2,440,332 | \$ 6,493,185 | \$ 6,532,921 | \$ 6,552,771 | \$ 6,529,121 | \$ 6,666,489 | \$ 4,328,701 | \$ 51,867,585 | | |
| 12 | Base Trackable Amount per RP94-43 Settlement (3) | | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,341 | \$ 3,394,340 | \$ 40,732,091 | | |
| 13 | Difference (Ln 10 - Ln 11) | | \$ (889,391) | \$ (955,004) | \$ (922,838) | \$ (930,460) | \$ (949,947) | \$ (954,009) | \$ 3,098,844 | \$ 3,138,580 | \$ 3,158,430 | \$ 3,134,780 | \$ 3,272,148 | \$ 934,361 | \$ 11,135,494 | | |
| 14 | True-up of Docket No. RP12-551-000 Estimates (4) | | | | | | | | | | | | | | \$ (4,069) | | |
| 15 | Total Qualifying Transportation Costs (Ln 12 + Ln 13) | | | | | | | | | | | | | | \$ 11,131,425 | | |

- (1) Based on actuals for period 5/1/12 through 1/31/13 and good faith estimates for period 2/1/13 through 4/30/13.
(2) T-6 replaced by Great Lakes Gas Transmission contracts FT9141 and FT9158.
(3) Monthly amounts are equal to 1/12 of the annual base trackable amount.
(4) Refer to Exhibit C, Column 4, Line 12.
(5) FT 17593 is the replacement contract for service provided under Great Lakes Rate Schedule X-1.

ANR Pipeline Company
Docket No. RP13-____-000
Qualifying Transportation Costs by Service and by Month

RESERVATION COSTS

| Line No. | Contracts | Rate Schedule | Actuals (1) | | | | | | | | | | Estimates (1) | | | | Total |
|----------|--------------------------------|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|--|-------|
| | | | May 2012 | June 2012 | July 2012 | August 2012 | September 2012 | October 2012 | November 2012 | December 2012 | January 2013 | February 2013 | March 2013 | April 2013 | | | |
| | (Col.1) | (Col.2) | (Col.3) | (Col.4) | (Col.5) | (Col.6) | (Col.7) | (Col.8) | (Col.9) | (Col.10) | (Col.11) | (Col.12) | (Col.13) | (Col.14) | (Col.15) | | |
| 1 | Great Lakes Gas Trans. | T-6 (2) | \$ 325,300 | \$ 325,300 | \$ 327,732 | \$ 325,300 | \$ 325,300 | \$ 325,300 | \$ 182,168 | \$ 182,168 | \$ 182,168 | \$ 182,168 | \$ 182,168 | \$ 325,300 | \$ 3,190,372 | | |
| 2 | Great Lakes Gas Trans. | T-8 | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| 3 | Great Lakes Gas Trans. | T-9 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 125,086 | 1,501,032 | | |
| 4 | Great Lakes Gas Trans. | T-10 | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| 5 | Great Lakes Gas Trans. | IT/FT | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| 6 | Great Lakes Gas Trans. | FT (3) | - | - | - | - | - | - | 3,490,292 | 3,490,292 | 3,490,292 | 3,490,292 | 3,490,292 | 1,860,690 | 19,312,150 | | |
| 7 | Michigan Consolidated Gas Co. | FT | 755,950 | 755,950 | 755,950 | 755,950 | 755,950 | 755,950 | 1,055,950 | 1,055,950 | 1,055,950 | 1,055,950 | 1,055,950 | 755,950 | 10,571,400 | | |
| 8 | Michigan Consolidated Gas Co. | FT | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 566,500 | 6,798,000 | | |
| 9 | Centerpoint | FT | 612,290 | 612,290 | 612,290 | 612,290 | 612,290 | 612,290 | 612,290 | 612,290 | 612,290 | 612,290 | 612,290 | 612,290 | 7,347,480 | | |
| 10 | Consumers Energy Company | | - | - | - | - | - | - | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | - | 1,850,000 | | |
| 11 | Total Reservation Costs | | \$ 2,385,126 | \$ 2,385,126 | \$ 2,387,558 | \$ 2,385,126 | \$ 2,385,126 | \$ 2,385,126 | \$ 6,402,286 | \$ 6,402,286 | \$ 6,402,286 | \$ 6,402,286 | \$ 6,402,286 | \$ 4,245,816 | \$ 50,570,434 | | |

- (1) Based on actuals for period 5/1/12 through 1/31/13 and good faith estimates for period 2/1/13 through 4/30/13.
(2) T-6 replaced by Great Lakes Gas Transmission contracts FT9141 and FT9158.
(3) FT 17593 is the replacement contract for service provided under Great Lakes Rate Schedule X-1.

ANR Pipeline Company
Docket No. RP13-____-000
Qualifying Transportation Costs by Service and by Month

COMMODITY COSTS

| Line No. | Contracts | Rate Schedule | Actuals (1) | | | | | | | | | | Estimates (1) | | Total |
|----------|-------------------------------|---------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| | | | May 2012 | June 2012 | July 2012 | August 2012 | September 2012 | October 2012 | November 2012 | December 2012 | January 2013 | February 2013 | March 2013 | April 2013 | |
| | (Col.1) | (Col.2) | (Col.3) | (Col.4) | (Col.5) | (Col.6) | (Col.7) | (Col.8) | (Col.9) | (Col.10) | (Col.11) | (Col.12) | (Col.13) | (Col.14) | (Col.15) |
| 1 | Great Lakes Gas Trans. | T-6 (2) | \$ 87,528 | \$ 20,861 | \$ 35,657 | \$ 37,076 | \$ 32,385 | \$ 33,471 | \$ 3,726 | \$ - | \$ - | \$ 1,301 | \$ 16,390 | \$ 30,715 | \$ 299,110 |
| 2 | Great Lakes Gas Trans. | T-8 | - | - | - | - | - | - | - | - | - | - | 163,703 | - | 163,703 |
| 3 | Great Lakes Gas Trans. | T-9 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Great Lakes Gas Trans. | T-10 | - | - | - | - | - | - | - | - | 8,536 | 6,041 | - | - | 14,577 |
| 5 | Great Lakes Gas Trans. | IT/FT | 106 | - | 12,908 | 5,719 | 203 | 1,435 | - | - | - | - | - | - | 20,371 |
| 6 | Great Lakes Gas Trans. | FT (3) | - | - | - | - | - | - | 60,783 | 94,676 | 121,417 | 104,993 | 48,150 | 17,330 | 447,349 |
| 7 | Michigan Consolidated Gas Co. | FT | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Michigan Consolidated Gas Co. | FT | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Centerpoint | FT | 32,190 | 33,350 | 35,380 | 35,960 | 26,680 | 20,300 | 26,390 | 35,960 | 20,532 | 14,500 | 35,960 | 34,840 | 352,042 |
| 10 | Consumers Energy Company | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Commodity Costs | | \$ 119,824 | \$ 54,211 | \$ 83,945 | \$ 78,755 | \$ 59,268 | \$ 55,206 | \$ 90,899 | \$ 130,636 | \$ 150,485 | \$ 126,835 | \$ 264,203 | \$ 82,885 | \$ 1,297,152 |

- (1) Based on actuals for period 5/1/12 through 1/31/13 and good faith estimates for period 2/1/13 through 4/30/13.
(2) T-6 replaced by Great Lakes Gas Transmission contracts FT9141 and FT9158.
(3) FT 17593 is the replacement contract for service provided under Great Lakes Rate Schedule X-1.

ANR Pipeline Company
Docket No. RP13-____-000
Reconciliation of Estimated Qualifying Transportation Costs to Actuals (1)

| <u>Line No.</u> | <u>Monthly Activity</u> (Col. 1) | <u>Demand</u> (Col. 2) | <u>Commodity</u> (Col. 3) | <u>Total</u> (Col. 4) |
|-----------------------|-------------------------------------|---------------------------|------------------------------|--------------------------|
| <u>February 2012</u> | | | | |
| 1 | Actual Cost | \$ 2,954,469 | \$ 295,147 | \$ 3,249,616 |
| 2 | As-Filed Estimated Cost | 2,954,469 | 295,062 | 3,249,531 |
| 3 | Deferral Difference | - | 85 | 85 |
| <u>March 2012</u> | | | | |
| 4 | Actual Cost | \$ 2,942,834 | \$ 99,001 | \$ 3,041,835 |
| 5 | As-Filed Estimated Cost | 2,942,834 | 240,783 | 3,183,617 |
| 6 | Deferral Difference | - | (141,782) | (141,782) |
| <u>April 2012</u> | | | | |
| 7 | Actual Cost | \$ 2,385,126 | \$ 224,652 | \$ 2,609,778 |
| 8 | As-Filed Estimated Cost | 2,385,126 | 87,024 | 2,472,150 |
| 9 | Deferral Difference | - | 137,628 | 137,628 |
| <u>Total</u> | | | | |
| 10 | Actual Cost | \$ 8,282,429 | \$ 618,800 | \$ 8,901,229 |
| 11 | As-Filed Estimated Cost | 8,282,429 | 622,869 | 8,905,298 |
| 12 | Deferral Difference | <u>\$ -</u> | <u>\$ (4,069)</u> | <u>\$ (4,069)</u> |

(1) True-up of Docket No. RP12-551-000 Estimates.

ANR Pipeline Company
Docket No. RP13-____-000
Derivation of Deferred Transportation Cost Adjustment
for FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ETS, ITS, IPLS, IWS, STS & ITS-3

| Line No. | Particulars (COL. 1) | Demand (COL. 2) | Commodity (COL. 3) | Total (COL. 4) |
|----------|--|---------------------|-----------------------|---------------------|
| 1 | DTCA Amount | \$ 11,041,875 | \$ 283,125 | \$ 11,325,000 |
| 2 | Allocated to Storage (1) | (2,710,781) | (69,507) | (2,780,288) |
| 3 | Balance: Allocated to Transportation | <u>\$ 8,331,094</u> | <u>\$ 213,618</u> | <u>\$ 8,544,712</u> |
| 4 | Long Term Services Allocation Factor: % (2) | 91.0287% | 85.5079% | |
| 5 | Allocated to LT Transportation | <u>\$ 7,583,687</u> | <u>\$ 182,660</u> | <u>\$ 7,766,347</u> |
| 6 | DTCA Amount Allocated to LT Transportation | \$ 7,583,687 | \$ 182,660 | \$ 7,766,347 |
| 7 | LT Transportation Determinants (Dth/d - Dth) (2) | 5,343,492 | 823,431,266 | |
| 8 | FTS-1/ FTS-4/ FTS-4L: Rate per Dth | \$ 0.120 | \$ 0.0002 | |
| 9 | FTS-2: Rate per Dth (3) | \$ 0.079 | \$ 0.0015 | |
| 10 | ETS: Rate per Dth (4) | \$ 0.120 | \$ 0.0002 | |
| 11 | ITS: Rate per Dth (5) | | | \$ 0.0041 |
| 12 | IPLS/ IWS: Rate per Dth (6) | | | \$ 0.0041 |
| 13 | STS: Rate per Dth (7) | | | \$ 0.0153 |
| 14 | STS (ETS): Rate per Dth (8) | | | \$ 0.0122 |
| 15 | STS (FTS):Rate per Dth (8) | | | \$ 0.0122 |
| 16 | FTS-3: Rate per Dth (9) | \$ 0.0600 | \$ 0.0020 | \$ 0.0002 |
| 17 | FTS-3 Enhancement Service Option (10) | \$ 0.0350 | \$ 0.0012 | \$ 0.0001 |
| 18 | FTS-3 2-Hour Notice Service (11) | \$ 0.0325 | \$ 0.0011 | \$ 0.0004 |
| 19 | ITS-3: Rate per Dth (12) | | | \$ 0.0218 |

- (1) DTCA cost allocation to storage per Docket No. RP94-43 Settlement (i.e. \$10 million of the \$40.732 million of 858 costs allocated to storage).
Per RP94-43 Settlement.
- (2) FTS-2 reflects FTS-1 demand adjusted by 65.75% (20/(365/12)) to reflect a service which is subject to interruption for up to 10 days per month.
- (3) ETS surcharge is equal to the FTS-1 surcharge.
- (4) ITS surcharge is equal to the 100% load factor FTS-1 surcharge.
- (5) IPLS/ IWS surcharge equal to the ITS surcharge.
- (6) Refer to Exhibit D, Page 5, Column 5, Line 21.
- (7) STS(ETS) & STS(FTS) are equal to the ETS and FTS-1 surcharge at a 33% LF.
- (8) FTS-3 service per Docket No. RP03-581-000.
- (9) FTS-3 Enhancement service option is derived from NNS transport surcharge.
- (10) FTS-3 2-Hour Notice service is derived from NNS storage surcharge.
- (11) ITS-3 based on FTS-3 service adjusted for 6 hour service.

ANR Pipeline Company
Docket No. RP13-____-000
Derivation of Deferred Transportation Cost Adjustment
for FSS, MBS, DDS & NNS

| Line No. | Particulars <i>(COL. 1)</i> | | Total | Deliverability <i>(COL. 2)</i> | Capacity <i>(COL. 3)</i> | Injection/ Withdrawal <i>(COL. 4)</i> |
|----------|--|-----|--------------|-----------------------------------|-----------------------------|---|
| 1 | DTCA Amount Allocated to Storage | (1) | \$ 2,780,288 | \$ 1,355,391 | \$ 1,355,391 | \$ 69,507 |
| 2 | Total Storage Determinants (Dth/d - Dth) | (2) | | 2,338,268 | 186,681,821 | 194,695,134 |
| 3 | NNS Determinants (Dth/d - Dth) | (2) | | 178,665 | 5,000,000 | |
| 4 | FSS Surcharge without Ratchets (Line 1 / Line 2) | | | \$ 0.048 | \$ 0.0073 | \$ 0.0004 |
| 5 | Ratcheted Storage Deliverability Factor | | | 80.0% | 100.0% | 100.0% |
| 6 | FSS Surcharge with Ratchets (Line 4 x Line 5) | | | \$ 0.039 | \$ 0.0073 | \$ 0.0004 |
| 7 | MBS Storage Component | (3) | | \$ 0.0016 | \$ 0.0006 | \$ 0.0004 |
| 8 | MBS Transport Component | (4) | | \$ 0.0020 | | \$ 0.0001 |
| 9 | MBS Surcharge (Line 7 + Line 8) | | | \$ 0.0036 | \$ 0.0006 | \$ 0.0005 |
| 10 | MBS Overrun | (5) | | | | \$ 0.0071 |
| 11 | DDS Surcharge | (6) | | \$ 0.0116 | \$ 0.0073 | \$ 0.0008 |
| 12 | DDS Commodity | | | | | \$ 0.0016 |
| 13 | NNS Storage Component | (7) | | 27.99 \$ 0.065 | | \$ 0.0004 |
| 14 | NNS Transport Component | (8) | | \$ 0.070 | | \$ 0.0001 |
| 15 | NNS Surcharge (Line 13 + Line 14) | | | \$ 0.135 | | \$ 0.0005 |
| 16 | NNS Overrun | (5) | | | | \$ 0.0071 |

- (1) Refer to Exhibit D, Page 1, Line 2, Column 4.
(2) Design determinants per Docket No. RP94-43-016 Settlement.
(3) MBS storage component based on the FSS Surcharge without ratchets (Line 4) adjusted by 30.42 days and 12 months, respectively, for Deliverability and Capacity.
(4) Refer to Exhibit D, Page 3, Line 3.
(5) NNS Overrun rate = Reservation Rate x 150% x 12/365 + Commodity Rate. MBS Overrun Rate is equal to NNS Overrun Rate.
(6) DDS surcharge based on the FSS Surcharge without ratchets (Line 4) adjusted for 50 day service.
(7) NNS Storage component based on the FSS Surcharge without ratchets (Line 4) and on the NNS design determinants (Line 3).
(8) Refer to Exhibit D, Page 4, Line 3.

ANR Pipeline Company
Docket No. RP13-____-000
Derivation of Deferred Transportation Cost Adjustment
Transportation Component of
Market Balancing Service (MBS)

| Line No. | Mainline Segment Delivery <i>(COL. 1)</i> | Daily Delivery Rate (Based on ITS) <i>(COL.2)</i> | Less: Variable Cost <i>(COL. 3)</i> | Inj./With. Rate <i>(COL. 4)</i> |
|-----------------|---|---|---|---|
| 1 | Average M/L Segment ITS Rate | \$(-0.0041) x 50% | \$ 0.0021 | |
| 2 | Less Variable Rate (Line 3, Col 4) | | \$ 0.0001 | |
| 3 | MBS Transportation Component | | \$(-0.0002) x 50% | \$ 0.0001 |

**ANR Pipeline Company
Docket No. RP13-____-000
Derivation of Deferred Transportation Cost Adjustment
Transportation Component of
No Notice Service (NNS)**

| Line No. | Description <i>(COL. 1)</i> | Reservation <i>(COL. 2)</i> | Commodity <i>(COL. 3)</i> |
|---------------------|---------------------------------------|---------------------------------------|-------------------------------------|
| 1 | FTS-1 | \$ 0.120 | \$ 0.0002 |
| 2 | Multiplied By (1) | <u>7/12</u> | <u>7/12</u> |
| 3 | NNS Transportation Component | <u>\$ 0.070</u> | <u>\$ 0.0001</u> |

(1) Reflects the annual transportation costs for reinjecting the gas into storage (FTS-1 surcharge x 7/12).

ANR Pipeline Company
Docket No. RP13-____-000
Derivation Of Deferred Transportation Cost Adjustment
Small Transportation Service (STS)

| Line No. | Description <i>(COL. 1)</i> | Determinants <i>(COL. 2)</i> | Rate <i>(COL. 3)</i> | Revenue <i>(COL. 4)</i> | Rate Per Dth On Delivered Volumes At 33% L.F. <i>(COL. 5)</i> |
|--|--|---------------------------------|-------------------------|----------------------------|--|
| Storage Service Component (Ratcheted) | | | | | |
| 1 | Deliverability | 5,500 | \$ 0.038 | \$ 2,508 | |
| 2 | Capacity | 275,000 | \$ 0.0073 | \$ 2,008 | |
| 3 | Injection/Withdrawal | 550,000 | \$ 0.0004 | <u>\$ 220</u> | |
| 4 | Total Storage (Sum of Line 1 to Line 3) | | | <u>\$ 4,736</u> | <u>\$ 0.0039</u> |
| Transportation Component (ETS) | | | | | |
| Reservation | | | | | |
| | | (1) | | | |
| 5 | Winter Supply To City Gate | 4,500 | \$ 0.120 | \$ 2,700 | |
| 6 | Summer Supply To City Gate | 1,380 | \$ 0.120 | \$ 1,159 | |
| 7 | Summer Supply To Storage | 1,570 | \$ 0.120 | \$ 1,319 | |
| 8 | Storage To City Gate | 5,500 | \$ 0.120 | <u>\$ 3,300</u> | |
| 9 | Total Reservation (Sum of Line 5 to Line 8) | 10,000 | | <u>\$ 8,478</u> | <u>\$ 0.0070</u> |
| Commodity | | | | | |
| | | (1) | | | |
| 10 | Winter Supply To City Gate | 650,650 | \$ 0.0002 | \$ 130 | |
| 11 | Summer Supply To City Gate | 278,850 | \$ 0.0002 | \$ 56 | |
| 12 | Summer Supply To Storage | 275,000 | \$ 0.0002 | \$ 55 | |
| 13 | Storage To City Gate | 275,000 | \$ 0.0002 | <u>\$ 55</u> | |
| 14 | Total Commodity (Sum of Line 10 to Line 13) | 1,204,500 | | <u>\$ 296</u> | <u>\$ 0.0002</u> |
| 15 | Total Transportation (Sum of Line 9 and Line 14) | | | <u>\$ 8,774</u> | <u>\$ 0.0072</u> |
| No Notice Service Component | | | | | |
| Reservation | | | | | |
| 16 | NNS | 2,000 | \$ 0.135 | \$ 3,240 | |
| 17 | Summer Supply To City Gate | 2,000 | \$ 0.1200 | <u>\$ 1,680</u> | |
| 18 | Total Reservation (Sum of Line 16 to Line 17) | | | <u>\$ 4,920</u> | <u>\$ 0.0041</u> |
| 19 | Commodity | 240,900 | \$ 0.0005 | <u>\$ 120</u> | <u>\$ 0.0001</u> |
| 20 | Total No Notice (Sum of Line 18 and Line 19) | | | <u>\$ 5,040</u> | <u>\$ 0.0042</u> |
| 21 | Total STS Surcharge (Sum of Line 4, 15 and 20) | | | <u><u>\$ 18,550</u></u> | <u><u>\$ 0.0153</u></u> |

(1) Design determinants per Docket No. RP94-43 Settlement (10,000 Dth/d Winter MDQ and 1,204,500 of commodity volumes).
1,204,500 = 10,000 x 365 x 33% LF.