



July 1, 2010

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

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Re: ANR Pipeline Company
Change in FERC Gas Tariff
Docket No. RP10- ____ - ____

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act and Section 154.204 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") Regulations,¹ ANR Pipeline Company ("ANR") respectfully submits for filing the tariff sheets listed in Appendix A to be part of its FERC Gas Tariff, Original Volume No. 1 ("Tariff"). As described below, ANR is submitting the instant tariff filing to remove obsolete provisions concerning liquids handling and transportation from ANR's Tariff. ANR requests that the Commission accept the tariff sheets listed in Appendix A to become effective August 1, 2010.

Correspondence

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

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¹ 18 C.F.R. § 154.204 (2009).

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Statement of Nature, Reasons and Basis for Filing

The purpose of this filing is to remove obsolete provisions concerning liquids handling and transportation from ANR's Tariff. In 1982, the Commission required several pipelines, including Michigan Wisconsin Pipeline Company ("Mich-Wis"), ANR's predecessor, to negotiate and present a settlement proposal regarding the allocation of the cost of providing transportation of liquids and liquefiabiles.² Ultimately, each of these pipelines agreed to a Liquids and Liquefiabiles Settlement Agreement ("Settlement"). The Settlements included nearly identical terms and were filed in the pipelines' individual rate case dockets. In addition to resolving cost allocation issues, the Settlements set forth rates for liquids and liquefiabiles transportation for the period January 1, 1982, through December 31, 1991, for wells connected before 1982, and rates through 1986 for wells connected after January 1, 1982. The Settlements were approved for Mich-Wis and other pipelines in 1983.³

The Mich-Wis Settlement resolved issues in several of ANR's then-pending rate proceedings, and rates for what ANR referred to as Associated Liquids and Liquids transportation Charges⁴ were added to ANR's Tariff, along with rates for the transportation of liquefiable hydrocarbons, in ANR's Docket No. RP86-105-000.⁵ Specifically, Sheet No. 18 of ANR's Tariff states that an Associated Liquids Charge applicable to several of ANR's transportation rate schedules shall be stated in an exhibit to the service agreements under such rate schedules. The tariff sheet also states that a charge for liquids transportation will be based on the Settlement filed in specified rate proceedings dating back to 1979-1982 "or such other charges as may from time to time be applicable."

² *Tennessee Gas Pipeline Co., et al.*, 20 FERC ¶ 61,096 (1982).

³ *Tennessee Gas Pipeline Co., et al.*, 23 FERC ¶ 61,233 (1983).

⁴ The Associated Liquids Charge covers certain liquids handling fees applicable to services provided at ANR's Patterson compressor station, which are in addition to charges for liquids transportation.

⁵ *ANR Pipeline Co.*, 35 FERC ¶ 61,400 at 61,900 (1986).

The provisions relating to Associated Liquids Charges and liquids transportation have remained in ANR's Tariff even though the Settlement has long since terminated. ANR no longer includes Associated Liquids Charges in exhibits to its transportation service agreements. Instead, these charges are assessed to producers of liquids transported and/or handled on the ANR system pursuant to separate agreements the producers have entered into directly with ANR. Moreover, this Commission has no jurisdiction over the rates for the handling and transportation of liquids.⁶ In *Mobil Oil Corp. v. FPC*, 483 F.2d 1238 (D.C. Cir. 1973), the United States Court of Appeals for the District of Columbia Circuit ruled that the Federal Power Commission lacked jurisdiction over the rates for liquids transportation. Thus, while the Commission can allocate costs to liquids transportation for purpose of setting natural gas transportation rates, it cannot set the rates for the liquids transportation. Consequently, rates for liquids handling and transportation should not be included in ANR's Tariff.

In addition to removing Sheet No. 18 from the Tariff, ANR proposes to remove other references to Associated Liquids within the Tariff. Specifically, ANR proposes to delete a part of Section 5.4 of the General Terms and Conditions ("GT&C") of its Tariff that permits it to charge the owner of Associated Liquids an equivalent rate under Rate Schedule ITS if the owner did not have a separate Associated Liquids contract. If an owner transports liquids without a separate contract, pursuant to the remaining portion of GT&C Section 5.4, ANR is entitled to reject nominations to transport the gas produced with the liquids. ANR additionally proposes to delete references to Associated Liquids in GT&C Sections 18.1 and 18.2 addressing Responsibility for Gas and Warranty. Since the handling and transportation of liquids will not be performed pursuant to the Tariff, these tariff provisions are superfluous.

Effective Date

ANR requests that the Commission accept the tariff sheets listed in Appendix A to become effective August 1, 2010.

Other Filings Which May Affect This Proceeding

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

⁶ The Commission does retain jurisdiction over the transportation of liquefiabiles which remain in a gaseous state. ANR has a separate IT liquefiabiles *pro forma* service agreement covering this service, and ANR is not proposing any changes to its tariff pertaining to this service.

Material Enclosed

In accordance with 18 C.F.R. Section 154.7, ANR is submitting the following, including an Original and five (5) copies of items 1-3:

1. This transmittal letter;
2. The revised tariff sheets listed in Appendix A;
3. A redlined version of the tariff sheets in Appendix B; and
4. An electronic version of the tariff sheets on a 3 ½-inch diskette.

Certificate of Service

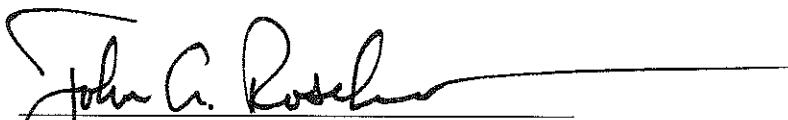
Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R Section 385.2010, a copy of this filing, together with all enclosures except for the computer diskette is being served upon all jurisdictional customers and interested state regulatory agencies.

In accordance with 18 C.F.R. Section 154.4 and Rule 2011(c)(5) of the Commission's Rules of Practice and Procedure, 18 C.F.R. Section 385.2011(c)(5), the undersigned states that the paper copies of this filing and electronic medium enclosed herewith contain the same information; that the undersigned knows the contents of the paper copies and the electronic medium; that the contents as stated in the copies and the electronic medium are true to the best knowledge and belief of the undersigned; and that the undersigned possesses the full power and authority to sign this filing.

Please confirm receipt of this filing by so indicating on the enclosed copy of this filing and returning it to me in the envelope provided.

Any questions regarding this filing may be directed to Joan Collins at (832) 320-5651.

Respectfully submitted,



John A. Roscher
Director, Rates and Tariffs

Enclosures

Appendix A

Seventy-Second Revised Sheet No. 18

Seventh Revised Sheet No. 108

Second Revised Sheet No. 146

Reserved for Future Use.

GENERAL TERMS AND CONDITIONS
(Continued)

separation equipment, including low temperature wellhead separation units, prior to the Tender of Gas to Transporter hereunder. If any party with the rights to Associated Liquids has such Associated Liquids transported to a liquid handling facility on Transporter's Pipeline System, such transportation shall be performed pursuant to an Associated Liquids contract. If such party causes Associated Liquids to be transported without a valid Associated Liquids contract, Transporter shall be entitled to reject nominations for receiving Gas produced with the Associated Liquids.

- 5.5 Nothing in this Tariff is intended to preclude any owner of liquids or liquefiabiles from entering into any in-kind replacement arrangements with the operator of any processing facility that are consistent with Transporter's obligation to redeliver Equivalent Quantities. Further, reimbursement to the owner of liquids (Section 5.4), above, or to the owner of liquefiabiles (Section 5.2), above, shall be determined by the plant operator and the respective owners of the extracted products.

6. NOMINATIONS

Transporter shall accept nominations twenty-four (24) hours a Day via GEMStm or the EDM that is authorized by the Commission. All nominations submitted to and accepted by Transporter must contain, at a minimum, the mandatory data elements included in the NAESB standards and any additional business-conditional or mutually agreeable data elements. In addition, nominations must be stated in Dths, and specify a begin and an end date, which dates must be for a minimum period of one (1) Day, and must be within the term of Shipper's Agreement. At the end of each Day, Transporter shall provide the final scheduled quantities for the just completed Day. With respect to the implementation of this process via NAESB Standards Version 1.5 scheduled quantity related standards, Transporter shall send an end of Day Scheduled Quantity document, provided that receivers of the end of Day Scheduled Quantity documents can waive this requirement.

GENERAL TERMS AND CONDITIONS
(Continued)

parties are unable to agree on the adjustment of any claimed error, any resort by either of the parties to legal proceedings shall be commenced within fifteen (15) Months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred.

- 17.4 Refunds: Refunds due Shipper from Transporter pursuant to either the terms and conditions of this Tariff or orders of the Commission shall be paid by Wire Transfer to a bank account established by Shipper if: (a) Shipper has made twelve consecutive Monthly payments to Transporter in the form of Wire Transfer preceding the date of the refund; (b) the amount of the refund, including interest, exceeds \$50,000; and (c) Shipper has designated a bank account for the receipt of refunds by Wire Transfer at least thirty (30) Days prior to the date established for refunds by written communication to Transporter's Controller. Refunds of an amount less than \$50,000 will be paid by Transporter to Shipper by check.

18. MISCELLANEOUS

- 18.1 Responsibility for Gas. Upon receiving delivery of Gas to be transported at the Receipt Point(s), Transporter shall be in exclusive control and possession of such Gas and responsible for any loss thereof, or any and all injury or damage caused thereby, until the Equivalent Quantities of Gas have been delivered for the account of Shipper at the Delivery Point(s) after which Shipper shall be in exclusive control and possession of such Gas and responsible for any and all injury or damage caused thereby.
- 18.2 Warranty. Shipper warrants for itself, its successors, and assigns, that it has, or will have, at the time of delivery of the Gas for transportation hereunder good title to such Gas and/or good right to cause the Gas to be delivered to Transporter for Transportation. Shipper warrants for itself, its successors, and assigns, that the Gas it warrants hereunder shall be free and clear of all liens, encumbrances or claims, that it will indemnify and save Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any adverse claims of any and

Appendix B

~~STATEMENT OF SURCHARGES~~
~~(Continued)~~

~~General Terms
and Conditions~~

Section	Particulars	Maximum Rate per Dth
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Other	Associated Liquids Charge applicable to ETS, FTS 1, FTS 2, STS and ITS service.	As stated as an Exhibit to the Agreement. 1/
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- ~~1. Charges for Liquids transportation will be based on Article III of Appendix E of the Settlement Agreement in Docket Nos. RP79-39, RP80-100, RP81-61 and RP82-80, or such other charges as may from time to time be applicable.~~

Reserved for Future Use.

GENERAL TERMS AND CONDITIONS
(Continued)

separation equipment, including low temperature wellhead separation units, prior to the Tender of Gas to Transporter hereunder. If any party with the rights to Associated Liquids has such Associated Liquids transported to a liquid handling facility on Transporter's Pipeline System, such transportation shall be performed pursuant to an Associated Liquids contract. If such party causes Associated Liquids to be transported without a valid Associated Liquids contract, Transporter shall be entitled to reject nominations for receiving Gas produced with the Associated Liquids, ~~and/or to charge the owner of the Associated Liquids a rate equal to the maximum rate pursuant to Rate Schedule ITS for each Dekatherm equivalent (assumed to be 5.8 Dth/barrel) of the transported Associated Liquids.~~

- 5.5 Nothing in this Tariff is intended to preclude any owner of liquids or liquefiabiles from entering into any in-kind replacement arrangements with the operator of any processing facility that are consistent with Transporter's obligation to redeliver Equivalent Quantities. Further, reimbursement to the owner of liquids (Section 5.4), above, or to the owner of liquefiabiles (Section 5.2), above, shall be determined by the plant operator and the respective owners of the extracted products.

6. NOMINATIONS

Transporter shall accept nominations twenty-four (24) hours a Day via GEMStm or the EDM that is authorized by the Commission. All nominations submitted to and accepted by Transporter must contain, at a minimum, the mandatory data elements included in the NAESB standards and any additional business-conditional or mutually agreeable data elements. In addition, nominations must be stated in Dths, and specify a begin and an end date, which dates must be for a minimum period of one (1) Day, and must be within the term of Shipper's Agreement. At the end of each Day, Transporter shall provide the final scheduled quantities for the just completed Day. With respect to the implementation of this process via NAESB Standards Version 1.5 scheduled quantity related standards, Transporter shall send an end of Day Scheduled Quantity document, provided that receivers of the end of Day Scheduled Quantity documents can waive this requirement.

GENERAL TERMS AND CONDITIONS
(Continued)

parties are unable to agree on the adjustment of any claimed error, any resort by either of the parties to legal proceedings shall be commenced within fifteen (15) Months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred.

- 17.4 Refunds: Refunds due Shipper from Transporter pursuant to either the terms and conditions of this Tariff or orders of the Commission shall be paid by Wire Transfer to a bank account established by Shipper if: (a) Shipper has made twelve consecutive Monthly payments to Transporter in the form of Wire Transfer preceding the date of the refund; (b) the amount of the refund, including interest, exceeds \$50,000; and (c) Shipper has designated a bank account for the receipt of refunds by Wire Transfer at least thirty (30) Days prior to the date established for refunds by written communication to Transporter's Controller. Refunds of an amount less than \$50,000 will be paid by Transporter to Shipper by check.

18. MISCELLANEOUS

- 18.1 Responsibility for Gas. Upon receiving delivery of Gas ~~and Associated Liquids~~ to be transported at the Receipt Point(s), Transporter shall be in exclusive control and possession of such Gas ~~and Associated Liquids~~ and responsible for any loss thereof, or any and all injury or damage caused thereby, until the Equivalent Quantities of Gas ~~and the Associated Liquids~~ have been delivered for the account of Shipper at the Delivery Point(s) after which Shipper shall be in exclusive control and possession of such Gas ~~and Associated Liquids~~ and responsible for any and all injury or damage caused thereby.
- 18.2 Warranty. Shipper warrants for itself, its successors, and assigns, that it has, or will have, at the time of delivery of the Gas ~~and Associated Liquids~~ for transportation hereunder good title to such Gas ~~and Associated Liquids~~ and/or good right to cause the Gas ~~and Associated Liquids~~ to be delivered to Transporter for Transportation. Shipper warrants for itself, its successors, and assigns, that the Gas it warrants hereunder shall be free and clear of all liens, encumbrances or claims, that it will indemnify and save Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any adverse claims of any and