

December 1, 2011

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

Re: ANR Pipeline Company

Negotiated Rate Agreement Docket No. RP12-

Dear Ms. Bose:

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

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/

Pursuant to Section 4 of the Natural Gas Act ("NGA") and Part 154 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations, ANR Pipeline Company ("ANR") respectfully submits for filing and acceptance the tariff section listed in Appendix A to be part of its FERC Gas Tariff, Third Revised Volume No. 1 ("Tariff"), and the tariff record listed in Appendix B, which includes a Rate Schedule ITS ("ITS") negotiated rate service agreement ("Agreement") ANR has entered into with Dynamic Offshore Resources, LLC ("Dynamic"). ANR requests that the Commission approve the tariff section and tariff record to be effective December 1, 2011.

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

¹ 18 C.F.R. Part 154 (2011).

² Part 1 – Table of Contents.

John A. Roscher Director, Rates and Tariffs

* Joan F. Collins Manager, Tariffs and Compliance ANR Pipeline Company 717 Texas Street, Suite 2400 Houston, Texas 77002-2761 Tel. (832) 320-5651

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ANR Pipeline Company
717 Texas Street, Suite 2400
Houston, Texas 77002-2761
Tel. (832) 320-5509
Fax (832) 320-5555
E-mail: catharine davis@transcanada.com

* Persons designated for official service pursuant to Rule 2010.

Statement of the Nature, Reasons and Basis for Filing

On May 28, 1999, in Docket No. RP99-301-000,³ the Commission approved, subject to conditions, General Terms and Conditions Section 6.27, which authorized ANR to enter into negotiated rate agreements with its customers.

In accordance with Tariff Section 6.27, paragraph 2, ANR is submitting for filing the Agreement that ANR has entered into with Dynamic,⁴ wherein Dynamic shall be subject to the following negotiated rate terms:

For all gas quantities transported from High Island Block A-309 C and High Island Block A-309 to High Island Block A-332 Del ("High Island Lateral"), Shipper shall pay a Fixed Commodity Rate of \$0.3000 per Dth. This rate shall be inclusive of any other fees or surcharges under ANR's FERC Gas Tariff. In addition, Shipper shall be charged any applicable ACA, Transporter's Use (Fuel %) and EPC Charge (Electric Power Cost) in accordance with ANR's FERC Gas Tariff.

Dynamic has agreed to pay ANR the negotiated interruptible transportation rate included in the Agreement in order to assure that ANR's transportation service through the High Island Lateral can be rendered on an economic basis in the face of substantial, and potentially rising, operation and maintenance costs and declining throughput; trends that are expected to continue over the term of the Agreement. Alternatively, ANR would be forced to consider other options to

³ ANR Pipeline Company, 87 FERC ¶ 61,241 (1999).

⁴ ANR has elected to report the Agreement by filing it in accordance with Section 6.27 of the General Terms and Conditions of its Tariff. The Agreement provides all of the information required by Section 6.27: (1) the exact legal name of the shipper; (2) the negotiated rate; (3) the applicable rate schedule; (4) receipt and delivery points; and (5) the contract quantities.

maintain economic viability in such circumstances, including a possible filing with the Commission for authority to abandon service through the High Island Lateral. The Commission previously accepted similar negotiated rate language for interruptible transportation service on ANR's High Island Lateral.⁵

ANR advises that no undisclosed agreements, etc., are linked to the Agreement, which is included herein in Appendix B as tariff record 8.23. Additionally, the Agreement does not contain any provision that is either non-conforming or a material deviation from the ITS Form of Service Agreement in ANR's Tariff. ANR respectfully requests that the Commission approve the Agreement to be effective December 1, 2011.

Effective Date

ANR is requesting that the Commission approve the tariff section and tariff record to be effective December 1, 2011.

Other Filings Which May Affect This Proceeding

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

Contents of Filing

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

- 1) This transmittal letter;
- 2) A clean tariff section (Appendix A);
- 3) One (1) tariff record (Appendix B); and
- 4) A marked tariff section (Appendix C).

⁵ ANR Pipeline Company, Docket No. RP11-2088-000 (May 31, 2011) (unpublished Director's letter order).

Certificate of Service

As required by Sections 154.7(b) and 154.208 of the Commission's regulations, copies of this

filing are being served on all of ANR's existing customers and interested state regulatory

agencies. A copy of this letter, together with the other attachments, is available during regular

business hours for public inspection at ANR's principal place of business.

Pursuant to Section 385.2005 and Section 385.2011(c) (5), the undersigned has read this filing

and knows its contents, and the contents are true as stated, to the best of his knowledge and

belief. The undersigned possesses full power and authority to sign such filing.

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

Respectfully submitted,

ANR PIPELINE COMPANY

John a. Roscher

John A. Roscher

Director, Rates & Tariffs

Enclosures

Appendix A

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

Clean Tariff

<u>Tariff Section</u> <u>Version</u>

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Issued: December 1, 2011 Docket No. Effective: December 1, 2011 Accepted:

Appendix B

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

<u>Tariff Record</u> <u>Version</u>

8.23 – Negotiated Rate Agreement Dynamic Offshore Resources, LLC ITS Agmt (#119503) v.0.0.0

ANR Pipeline Company FERC Gas Tariff Third Revised Volume No. 1 PART 8.23 8.23 – Neg Rate Agmt Dynamic Offshore Resources, LLC ITS Agmt (#119503) v.0.0.0

Interruptible Transportation Service Agreement Rate Schedule ITS

Dynamic Offshore Resources, LLC (#119503)

Agreement Effective Date: December 1, 2011

Issued: December 1, 2011 (Option Code A) Effective: December 1, 2011

Date: November 28, 2011 Contract No.: 119503

ITS SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and DYNAMIC OFFSHORE RESOURCES, LLC (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE: (284B = Section 311; 284G = Blanket)

284G

- 2. RATE SCHEDULE: Interruptible Transportation Service (ITS)
- 3. CONTRACT QUANTITIES:

Not Applicable.

4. TERM OF AGREEMENT:

December 01, 2011 to April 30, 2013, and month to month thereafter, until terminated by either party upon thirty (30) days written notice.

5. RATES:

Maximum rates, charges, and fees shall be applicable for the entitlements and quantities delivered pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as referenced in the Further Agreement Section of this Agreement.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission

Date: November 28, 2011 Contract No.: 119503

order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.

6. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through GEMS_{tm}. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

TRANSPORTER:

ANR Pipeline Company 717 Texas Street, Suite 2500 Houston, Texas 77002-2761 Attention: Commercial Services

SHIPPER:

DYNAMIC OFFSHORE RESOURCES, LLC 1301 MCKINNEY SUITE 900 HOUSTON, TX 77010 Attention: JERRY BAILEY

Telephone: 713-423-8082

Fax: 713-423-8030

Date: November 28, 2011 Contract No.: 119503

INVOICES AND STATEMENTS:

DYNAMIC OFFSHORE RESOURCES, LLC 1301 MCKINNEY, SUITE 900 HOUSTON, TX 77010

Attention:

JANIS VOLLMER

Telephone:

713-423-8122

Fax:

713-423-8020

8. FURTHER AGREEMENT:

For all gas quantities transported from High Island Block A-309 C (703206) and High Island Block A-309 (33423) to High Island Block A-332 Del (33431), Shipper shall pay a Fixed Commodity Rate of \$0.3000. This rate shall be inclusive of any other fees or surcharges under Transporter's FERC Gas Tariff. In addition, Shipper shall be charged any applicable ACA, Transporter's Use (Fuel %) and EPC Charge (Electric Power Cost) in accordance with Transporter's FERC Gas Tariff.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized to be effective as of the date stated above.

		•
SHIP	PER: DYNAMIC OFFEHORE RESOURCES, LLC	Lahi
By:	hu sala	MB upolu
Title:	IV. P. Profection	
Date:	11-29-11	
TRAN	SPORTER: ANR PIPELINE COMPANY	02 11/29/1
Ву:	Just Folland	20 11/29/11/29/11/29/11
Title:	Agent and Attorney-in-Fact	00
Date:	11/29/11	

Appendix C

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

Marked Tariff

<u>Tariff Section</u> <u>Version</u>

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