



August 2, 2011

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

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

Robert D. Jackson
Director, Certificates & Regulatory Administration

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Via Electronic Filing

Dear Ms. Bose:

Pursuant to Section 7(b) of the Natural Gas Act and Sections 157.7 and 157.18 of the Federal Energy Regulatory Commission's ("Commission") regulations, ANR Pipeline Company ("ANR") hereby eFiles an abbreviated application to abandon its obligation to provide transportation service through approximately 7.5 miles of 20-inch pipeline from High Island Block A-571 to High Island Block A-546, and other related facilities as further described herein, located in federal waters, offshore Texas.

The Abbreviated Application is being filed as follows:

Volume I Public Information consisting of the Abbreviated Application and Exhibits.

ANR is e-filing this request in accordance with the Commission's Order No. 703, *Filing Via the Internet* guidelines, issued in Docket No. RM07-16-000 on November 15, 2007.

Questions regarding this request should be directed to Rene Staeb at (832) 320-5215 or fax (832) 320-6215 or rene_staeb@transcanada.com.

Respectfully submitted,

_____/s/_____
Robert D. Jackson
Director, Certificates & Regulatory Administration

Attachments

PUBLIC
VOLUME I

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

In the Matter of
ANR PIPELINE COMPANY

§
§

Docket No. CP11-__-000

ABBREVIATED APPLICATION FOR AN ORDER
PERMITTING AND APPROVING ABANDONMENT OF SERVICE

Filed: August 2, 2011

**UNITED STATES OF AMERICA
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Docket No. CP11-__-000

**ABBREVIATED APPLICATION FOR AN ORDER
PERMITTING AND APPROVING ABANDONMENT OF SERVICE**

Pursuant to Section 7(b) of the Natural Gas Act (“NGA”) and Sections 157.7 and 157.18 of the Federal Energy Regulatory Commission's ("Commission") regulations, ANR Pipeline Company (“ANR”) hereby eFiles an application in abbreviated form for an order permitting and approving the abandonment of its obligation to provide transportation service through certain natural gas facilities, as more fully described herein (“Application”). In support of this Application, ANR respectfully submits the following information.

I.

GENERAL INFORMATION

The exact legal name of ANR is ANR Pipeline Company. ANR is a corporation organized and existing under the laws of the State of Delaware with its principal place of business located at 717 Texas Street, Houston, Texas 77002-2761. ANR is a wholly owned indirect subsidiary of TransCanada American Investments Ltd. ANR operates approximately 10,600 miles of interstate pipeline extending from Texas and Oklahoma, as well as the producing areas in the Gulf Coast, to points in Wisconsin and Michigan. ANR provides storage, transportation, and various capacity related services on an open access basis to qualifying shippers.

The names, titles, and mailing addresses of the persons to whom correspondence and communications concerning this application are to be addressed are as follows:

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II.

REQUESTED AUTHORIZATIONS AND SERVICE TO BE ABANDONED

ANR is requesting authorization pursuant to Section 7(b) of the NGA to abandon its present and any future obligation to perform transportation service through approximately 7.5 miles of 20-inch pipeline from the producer platform located in High Island Block A-571 to a sub sea connection in the High Island Offshore System in High Island Block A-546, and other appurtenant and metering facilities, all located in federal waters, offshore Texas (“Facilities”).¹ ANR’s capacity ownership interest in the Facilities is dis-contiguous to the ANR mainline transmission system; the Facilities are not connected directly to the ANR mainline transmission system but rather tie into High Island Offshore System’s 30-inch gathering system in High Island Block A-546. The proposed abandonment of ANR’s regulatory obligation to provide transportation service through the Facilities will allow ANR to cease paying operating expenses associated with the Facilities that exceed the revenue received. ANR does recognize that the elimination of its service obligation does not relieve it of any further obligations related to any agreements it has with the remaining co-owners of the Facilities.

¹ See Michigan Wisconsin Pipe Line Company, 12 FERC ¶ 61,214 (1980) - Currently ANR is a 15.626% percent stakeholder in the Facilities. Other co-owners in the Facilities are Pisces Energy LLC (12.495%) and Black Elk Energy Offshore Operations, LLC (71.879%).

ANR has notified the co-owners of the Facilities of its intention to exercise its rights to cease participation in the Facilities effective the latter of (i) July 13, 2011 (ninety (90) days after delivery thereof) or (ii) the date of receipt of authorization from the Commission to abandon service, after which ANR shall no longer bear any responsibility for any operating or maintenance costs of such facilities.

ANR continues to provide interruptible transportation service for minimal volumes being tendered by the Shipper. ANR notes that its average monthly transportation revenue from service provided through the Facilities has been only approximately \$700 during the first six months of 2011. For the 12 month period from July 2010 thru June 2011, ANR's transportation revenues from service provided through the Facilities were approximately \$18,000, however ANR has been paying approximately \$49,000 annually in operating expenses. ANR's anticipated future annual operating expenses associated with the Facilities will be approximately \$51,000 per year, however because of the inherent risks associated with operation of an offshore subsea lateral that was originally constructed thirty years ago, actual future operating costs could be much higher, and with ANR receiving revenue far less than the annual operating costs, the result could be an ever worsening operating loss situation. ANR does not propose any facility removal or construction in connection with the proposed abandonment of its service obligations.

ANR has notified its sole shipper Black Elk Energy Offshore Operations, LLC ("Black Elk") of its intent to seek authorization from the Commission to abandon its transportation service obligation through its capacity on the Facilities via letter dated April 12, 2011. ANR would have also advised Black Elk that it would consider conveying its 15.626% ownership interest in this lateral to Black Elk or its designated affiliate at ANR's net book value plus the assumption of ANR's obligations pursuant to the construction, ownership and operating agreement for these facilities. However, in this case, since Black Elk was already a 71.879% co-owner in the line and should therefore be able to transport its volumes within its own capacity

interest in the lateral without acquiring ANR's interest, ANR did not offer to convey its ownership interest to Black Elk. Additionally, Black Elk did not indicate to ANR any objection to the abandonment of ANR's service obligation proposed herein.

ANR has no firm transportation agreements currently utilizing any of its capacity interest in the Facilities. ANR's sole shipper is currently receiving interruptible transportation service under ANR's Rate Schedule ITS. Since ANR's interruptible transportation agreements are not receipt point or delivery point-specific, but rather allow shippers to access all active receipt and delivery points on the ANR system, ANR will not terminate its interruptible transportation agreement with Black Elk under which it has transported volumes for shipper through its capacity interests in the Facilities as a result of the proposed abandonment of its service obligations through its Facilities. Upon Commission approval of the instant Application, ANR will revise its list of interconnects to delete the points of service related to the Facilities. Thereafter, those points will no longer be available for service to transportation shippers.

III.

PUBLIC CONVENIENCE AND NECESSITY

ANR's proposed abandonment of its obligation to provide transportation service through the Facilities represents public convenience and necessity as it removes the need for ANR to incur additional capital and/or operating expenditures while providing minimal or no transportation service through the Facilities which potentially results in an increased net operating loss as time goes on. The Facilities will remain in-service and would be available to shippers who wish to transport gas; ANR's proposed abandonment of its obligation to transport gas through the Facilities in the future will not reduce the capacity that is currently available to the current shipper; or the co-owners. ANR notes that the current shipper is also the majority interest owner of the capacity and as such can likely transport its volumes within its own capacity interest in the lateral. Therefore, ANR respectfully submits that the abandonment of ANR's obligation to provide transportation service through the Facilities is appropriate.

IV.

ENVIRONMENTAL MATTERS

In the instant filing, ANR is only proposing to abandon its obligation to provide transportation service through certain natural gas facilities. No construction or removal of facilities will result from the proposed abandonment. Therefore, ANR has not included an environmental report, and submits that the instant Application is excluded from the preparation of an environmental assessment or an environmental impact statement.

V.

FORM OF NOTICE

A form of notice suitable for publication in the Federal Register is attached.

VI.

DESCRIPTION OF EXHIBITS

The exhibits required for this abandonment application pursuant to 18 C.F.R. § 157.18 are attached. Because this is an abbreviated application filed in accordance with 18 C.F.R. § 157.7, certain exhibits are attached or omitted for the stated reasons.

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|-----------|---|
| Exhibit T | <u>Related Applications</u>
The facilities through which ANR seeks abandonment authorization of its service obligations herein were certificated at Docket No. CP80-375. |
| Exhibit U | <u>Contracts and Other Agreements</u>
Omitted. ANR has not entered into any agreements that will have an effect on the proposed abandonment of service requested herein. |
| Exhibit V | <u>Flow Diagrams Showing Daily Design Capacity and Reflecting Operations of Applicant's System After Abandonment</u>
Omitted. There will be no impact to the existing capacity of ANR's system by this proposal. |
| Exhibit W | <u>Impact on Customers Whose Service Will Be Terminated</u>
Omitted. Existing shipper may negotiate with the remaining co-owner for transportation service on the Facilities or transport its volumes within its own capacity interest in the lateral. |
| Exhibit X | <u>Effect of the Abandonment on Existing Tariffs</u>
Omitted. The proposed abandonment of service will have no effect on ANR's existing FERC Gas Tariff. |

Exhibit Y Accounting Treatment
Omitted. ANR is not proposing to abandon any physical facilities.

Exhibit Z Location of Facilities
Submitted herewith.

VII.

CONCLUSION

For the above reasons ANR respectfully requests that the Commission issue an order permitting and approving the requested abandonment of service requested herein.

Respectfully submitted,

ANR Pipeline Company

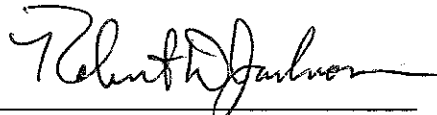
_____/s/_____
Robert D. Jackson
Director, Certificates & Regulatory Administration
(832) 320-5487
(832) 320-6487 (Fax)

VERIFICATION

STATE OF TEXAS)

COUNTY OF HARRIS)

Robert D. Jackson, being duly sworn on his oath, states that he is Director, Certificates & Regulatory Administration for ANR Pipeline Company, that he is authorized to execute this Verification, that he has read the above and foregoing Section 7(b) Abbreviated Application and is familiar with the content thereof, and that all allegations and facts contained therein are true and correct to the best of his knowledge, information, and belief, and that the activities proposed therein comply with the requirements of Section 7(b) of the Natural Gas Act, and Sections 157.7 and 157.18 of the Federal Energy Regulatory Commission's regulations.



Robert D. Jackson
Director, Certificates & Regulatory Administration

SWORN TO AND SUBSCRIBED before me on the 2ND day of August, 2011.



Carol R. Tanoos
Notary Public in and for
State of Texas

My Commission expires: 01/17/2015

EXHIBIT Z

DOCKET NO. CP11- -000

LOCATION OF FACILITIES

Project Location Map – Exhibit Z

