



September 6, 2019

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

**ANR Pipeline Company**  
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Re: ANR Pipeline Company  
Change in FERC Gas Tariff  
Docket No. RP19-\_\_\_-000

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,<sup>1</sup> ANR Pipeline Company (“ANR”) respectfully submits for filing and acceptance revised Section 6.16 – GT&C, Spot Price Index (“Section 6.16”), included herein as Appendix A, to be part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”). ANR respectfully requests that the Commission accept the tariff section included as Appendix A, to become effective November 1, 2019.

### **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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<sup>1</sup> 18 C.F.R. Part 154 (2019).

### **Statement of Nature, Reasons and Basis for Filing**

Section 6.16 of ANR's Tariff provides for the use of the weekly spot prices reported in certain publications to calculate the Louisiana spot price index ("LSPI"), Oklahoma spot price index ("OSPI"), and Canadian spot price index ("CSPI"). Specifically, Section 6.16 currently provides that the LSPI and OSPI will be determined by use of the weekly spot prices published in Energy Intelligence's Natural Gas Week ("EI-NGW") and Natural Gas Intelligence Weekly Gas Price Index ("NGI-WGPI"), and the CSPI will be determined by use of the weekly spot prices published in Btu Weekly and EI-NGW. In the instant filing, ANR proposes revisions to Section 6.16 that (i) replace EI-NGW with S&P Global Platts Gas Daily ("S&P-GD") as one of the two sources of the spot prices used in the calculations of the LSPI, OSPI and CSPI, (ii) replace Btu Weekly and EI-NGW with NGI-WGPI and S&P-GD as the two sources of spot prices used in the calculation of the CSPI, making the calculation of the CSPI consistent with the calculations of the LSPI and OSPI, and (iii) streamline the provisions of Section 6.16, as more fully explained below.

#### *Spot Prices Indices – Louisiana and Oklahoma<sup>2</sup>*

To conform more with industry standards, ANR proposes to revise Section 6.16(a) by replacing EI-NGW with S&P-GD as one of the two sources of published spot prices used to determine the LSPI and OSPI. The S&P-GD trading locations ANR proposes to use are very liquid trading locations that connect directly to the ANR system.<sup>3</sup> A daily index satisfies the Commission's minimum liquidity standards by meeting at least one of the three following conditions, on average, for all non-holiday weekdays within a 90-day period: (1) average daily volume of at least 25,000 MMBtus; (2) average daily number of transactions of five or more; and (3) average daily number of counterparties of five or more.<sup>4</sup> Although the Index Policy only requires that a daily index meet one of three conditions, to verify that the proposed index meets or exceeds the Commission's minimum daily index criteria, ANR has analyzed both the daily volumes traded and number of daily transactions reported by S&P-GD for non-holiday weekdays during the 122-day period of March 1, 2019 through June 30, 2019. As demonstrated in the table below, the levels of activity at S&P-GD's ANR, La. and ANR, Okla. locations exceed the minimum level of activity required by the Commission's Index Policy. Consequently, ANR has determined that the applicable spot prices published by S&P-GD provide a proper measure of the prices at which gas is trading at the applicable Louisiana and Oklahoma locations and has accordingly revised Sections 6.16(a)(1) and (2) to

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<sup>2</sup> ANR proposes to consolidate the current four subsections, (a) through (d), of Section 6.16 into three subsections, (a) through (c). Thus, in the instant filing, Section 6.16(b) has been revised to become Section 6.16(a) ("Section 6.16(a)").

<sup>3</sup> The "ANR, La." and "ANR, Okla." trading locations.

<sup>4</sup> *Price Discovery in Natural Gas and Electric Markets*, 109 FERC ¶61,184, at P 66 (2004) ("Index Policy").

replace EI-NGW with S&P-GD as one of the two specified publications used for the calculation of the LSPI and OSPI.

<b>S&amp;P Global Platts Gas Daily</b>				
	<b>Average Daily Volume Traded</b>		<b>Average Daily No. of Transactions</b>	
	<b>ANR, La.</b>	<b>ANR, Okla.</b>	<b>ANR, La.</b>	<b>ANR, Okla.</b>
	June 2019	37,200	169,300	8
May 2019	60,727	105,636	13	25
April 2019	151,000	147,714	25	32
March 2019	198,571	271,619	37	49
Source: S&P-GD Market View data.				

Furthermore, as ANR proposes to calculate the LSPI and OSPI as the simple weekly averages of the applicable spot prices in S&P-GD and NGI-WGPI, ANR is updating Sections 6.16(a)(1) and (2) to clarify that ANR will convert the daily spot prices published by S&P-GD into a weekly average price comparable to the weekly average price published by NGI-WGPI, by averaging the applicable daily “Midpoint” prices<sup>5</sup> published by S&P-GD over the same calendar days for a given week as the calendar days specified in NGI-WGPI. ANR is not proposing to revise the methodology used to calculate either the LSPI or OSPI, it merely proposes to change one of the publications from which it obtains spot prices. Additionally, ANR is updating Sections 6.16(a)(1) and (2) to clarify that ANR uses the “ANR SE” and “ANR SW” weekly average prices published in NGI-WGPI to calculate the LSPI and OSPI, respectively.

Finally, ANR has consolidated Section 6.16(a)(4), Cessation of Publications, with Section 6.16(a)(3), Material Changes or Cessation of Publication(s) (“MCCP”), and has removed unnecessary and outdated language from Section 6.16(a)(3), as illustrated on the marked version of Section 6.16, included herein as Appendix B.

*Spot Price Index – Canada<sup>6</sup>*

To make the calculation of the CSPI consistent with the calculations of the LSPI and OSPI, ANR proposes to revise Section 6.16(b)(1) by replacing EI-NGW and Btu Weekly with NGI-WGPI and S&P-GD as the specified publications for the spot prices ANR uses to calculate the CSPI. ANR has analyzed

<sup>5</sup> For the LSPI, ANR will average the S&P-GD “ANR, La.” daily midpoint prices, and for the OSPI, ANR will average the S&P-GD “ANR, Okla.” daily midpoint prices.

<sup>6</sup> As part of the proposed consolidation of the subsections of Section 6.16, in the instant filing, Section 6.16(c) has been revised to become Section 6.16(b) (“Section 6.16(b)”).

the average daily volumes traded and the average number of daily transactions reported by NGI-WGPI and S&P-GD at their respective Emerson locations<sup>7</sup> for non-holiday weekdays during the 122-day period of March 1, 2019 through June 30, 2019. The table below illustrates that as with the Louisiana and Oklahoma locations, the level of activity at the S&P-GD location exceeds the minimum level of activity required by the Commission’s Index Policy for daily indices.<sup>8</sup>

Pursuant to the Commission’s Index Policy, a weekly index satisfies the Commission’s minimum liquidity standards by meeting at least one of the three following conditions, on average, for all weeks within a 90-day period: (1) average daily volume of at least 25,000 MMBtus; (2) average daily number of transactions of eight or more per week; and (3) average daily number of counterparties of eight or more per week. As shown on the table below, both the average daily volume and average daily number of transactions at NGI-WGPI’s Emerson location exceed the Commission’s minimum Index Policy requirements.

<b>Activity at Emerson</b>				
	Average Daily Volume Traded		Average Daily No. of Transactions	
	S&P-GD	NGI-WGPI	S&P-GD	NGI-WGPI
June 2019	74,200	164,684	23	51
May 2019	112,636	230,932	28	63
April 2019	136,905	298,842	34	78
March 2019	205,857	415,810	45	101
Sources: S&P-GD Market View data (Emerson, Viking GL) and NGI-WGPI’s weekly publications (Emerson).				

In addition, consistent with the proposed calculations of the LSPI and OSPI described above, ANR is adding language to Section 6.16(b)(1) to clarify that ANR will convert the daily “Emerson, Viking GL” spot prices published by S&P-GD into a weekly average price comparable to the weekly average price published by NGI-WGPI, by averaging the “Emerson, Viking GL” daily “Midpoint” prices published by S&P-GD over the same calendar days for a given week as the calendar days specified in NGI-WGPI.

To make the MCCP provision in Section 6.16(b)(2) consistent with the MCCP provision in Section 6.16(a)(3), ANR proposes to remove from Section 6.16(b)(2) references to the Bloomberg Natural Gas Report as a substitute for the specified publications. Instead, as proposed in the MCCP provision of

<sup>7</sup> NGI-WGPI’s “Emerson” trading location and S&P-GD’s “Emerson, Viking GL” trading location.

<sup>8</sup> For the Commission’s Index Policy regarding daily indices, see the first paragraph of the *Spot Prices Indices – Louisiana and Oklahoma* section on page 2 of the instant letter.

Section 6.16(b)(2), in the event S&P-GD or NGI-WGPI are not published, materially change or are otherwise not available, ANR will use a similar publication that is broadly published and widely accepted within the gas industry as a source for the Emerson gas prices.

#### *Spot Price Index – Mainline*<sup>9</sup>

As part of streamlining Section 6.16, ANR proposes to relocate the language in former Section 6.16(a), Weighting of Spot Prices, which sets forth the calculation of the Mainline spot price index (“MSPI”), to Section 6.16(c), Spot Price Index – Mainline. Furthermore, ANR has updated Section 6.16(c) by setting forth its current practice of using the highest of the weekly Mainline spot price indices as the MSPI for Deficient Quantities and the lowest of the weekly Mainline spot price indices as the MSPI for Excess Quantities.<sup>10</sup>

#### **Effective Date**

ANR respectfully requests that the Commission accept the tariff section included as Appendix A to become effective November 1, 2019.

#### **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, ANR is submitting the following via its electronic tariff filing:

1. This transmittal letter;
2. A clean tariff section (Appendix A);
3. A marked tariff section (Appendix B).

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<sup>9</sup> As part of its proposed consolidation of the subsections of Section 6.16, in the instant filing, Section 6.16(d) has been revised to become Section 6.16(c) (“Section 6.16(c”).

<sup>10</sup> The spot price indices are used to cashout imbalances; the differences between monthly receipts and monthly deliveries are either Excess Quantities (receipts are greater than deliveries) or Deficient Quantities (deliveries are greater than receipts).

**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 upon 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 of the Commission's regulations, 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. Additionally, the undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to David A. Alonzo at (832) 320-5477.

Respectfully submitted,

ANR Pipeline Company

A handwritten signature in black ink that reads "John A. Roscher". The signature is written in a cursive style and extends to the right with a long horizontal flourish. Below the signature is a solid horizontal line.

John A. Roscher  
Director, Rates & Tariffs

Enclosures

# **Appendix A**

***ANR Pipeline Company  
Third Revised Volume No. 1***

## **Clean Tariff**

**Tariff Section**

6.16 – GT&C, Spot Price Index

**Version**

v.1.0.0

## 6.16 SPOT PRICE INDEX

Spot Price Index. The Spot Price Indices shall be determined in accordance with the provisions of this Section 6.16:

(a) Spot Price Indices - Louisiana and Oklahoma.

- (1) Louisiana Spot Price Index. The spot price index for Southeast Receipts shall be the Louisiana Spot Price Index and will be determined each week by use of the following published daily and weekly spot prices: (i) the S&P Global Platts Gas Daily "ANR, La." daily Midpoint prices, averaged each week over the same calendar days for a given week as specified in the publication referenced in (ii), and (ii) the Natural Gas Intelligence (NGI) Weekly Gas Price Index "ANR SE" weekly average price. The Louisiana Spot Price Index for Deficient Quantities will be the highest of the simple weekly averages of the "ANR spot" prices in the two publications. The Louisiana Spot Price Index for Excess Quantities will be the lowest of the simple weekly averages of the "ANR spot" prices in the two publications.
- (2) Oklahoma Spot Price Index. The spot price index for Southwest Receipts shall be the Oklahoma Spot Price Index and will be determined each week by use of the following published daily and weekly spot prices: (i) the S&P Global Platts Gas Daily "ANR, Okla." daily Midpoint prices, averaged each week over the same calendar days for a given week as specified in the publication referenced in (ii), and (ii) the Natural Gas Intelligence (NGI) Weekly Gas Price Index "ANR SW" weekly average price. The Oklahoma Spot Price Index for Deficient Quantities will be the highest of the simple weekly averages of the "ANR spot" prices in the two publications. The Oklahoma Spot Price Index for Excess Quantities will be the lowest of the simple weekly averages of the "ANR spot" prices in the two publications.
- (3) Material Changes or Cessation of Publication(s). In the event the publications referenced above are not published, materially change or are otherwise not available, Transporter shall determine the Louisiana Spot Price Index or Oklahoma Spot Price Index, as applicable, using a similar publication selected by Transporter in its reasonable judgment that is broadly published and widely accepted within the gas industry as a reliable source for the quotation of gas prices.

(b) Spot Price Index - Canada.

- (1) Canadian Spot Price Index. The spot price index for Canadian Receipts shall be the Canadian Spot Price Index and will be determined each week by use of the following published daily and weekly spot prices, stated in U.S. Dollars: (i) the



Natural Gas Intelligence (NGI) Weekly Gas Price Index “Emerson” weekly average price, and (ii) the S&P Global Platts Gas Daily “Emerson, Viking GL” daily Midpoint prices, averaged each week over the same calendar days for a given week as specified in the publication referenced in (i) above. The Canadian Spot Price Index for Deficient Quantities will be the highest of the simple weekly averages of the Emerson spot prices in the two publications plus the variable costs on Viking Gas Transmission Company (“Viking Variable Costs”). The Canadian Spot Price Index for Excess Quantities will be the lowest of the simple weekly averages of the Emerson spot prices in the two publications plus the Viking Variable Costs. The Viking Variable Costs shall be the sum of Viking's firm transportation commodity rate, plus Viking's fuel at the average of the published prices reported in the two publications, plus any Viking surcharge(s).

- (2) Material Changes or Cessation of Publication(s). In the event the publications referenced above are not published, materially change or are otherwise not available, Transporter shall determine the Canadian Spot Price Index using a similar publication selected by Transporter in its reasonable judgment that is broadly published and widely accepted within the gas industry as a reliable source for the quotation of gas prices.

(c) Spot Price Index - Mainline.

- (1) Mainline Spot Price Index. The spot price index for Mainline Receipts shall be the Mainline Spot Price Index and will be determined each week as the weighted average of the Louisiana Spot Price Index, the Oklahoma Spot Price Index and the Canadian Spot Price Index (as determined above). The weighting will be based on the capacity available per Transporter's §260.8 System Flow Diagrams: Format No. FERC 567 at the following points: Jena Compressor Station, Alden Compressor Station and Marshfield Compressor Station. The Mainline Spot Price Index for Deficient Quantities will be the highest of the weekly Mainline Spot Price Indices. The Mainline Spot Price Index for Excess Quantities will be the lowest of the weekly Mainline Spot Price Indices.

# **Appendix B**

***ANR Pipeline Company  
Third Revised Volume No. 1***

## **Marked Tariff**

**Tariff Section**

6.16 – GT&C, Spot Price Index

**Version**

v.1.0.0

## 6.16 SPOT PRICE INDEX

Spot Price Index. The Spot Price ~~Index~~ Indices shall be determined in accordance with the provisions of this Section 6.16:

~~(a) Weighting of Spot Prices. The Spot Price Index shall be the weighted average of the Louisiana Spot Price Index, the Oklahoma Spot Price Index and the Canadian Spot Price Index (as determined below), for the Service Month. The weighting will be based on the capacity available per Transporter's §260.8 System Flow Diagrams: Format No. FERC 567 at the following points: Jena Compressor Station, Alden Compressor Station and Marshfield Compressor Station.~~

~~(b)~~ (a) Spot Price Indices - Louisiana and Oklahoma.

- (1) Louisiana Spot Price Index. The spot price index for Southeast Receipts shall be the Louisiana Spot Price Index and will be determined ~~for each~~ week by use of the following published daily and weekly spot prices: ~~contained in the following two publications:~~ (i) ~~Energy Intelligence's Natural Gas Week~~ the S&P Global Platts Gas Daily "ANR, La." daily Midpoint prices, averaged each week over the same calendar days for a given week as specified in the publication referenced in (ii), ~~for onshore deliveries to Transporter of 5,000 MMBtu or more,~~ and (ii) the Natural Gas Intelligence's (NGI) Weekly Gas Price Index "ANR SE" weekly average price ~~for the onshore deliveries to Transporter~~. The Louisiana Spot Price Index for Deficient Quantities will be the highest of the simple weekly averages of the "ANR spot" prices in the two publications. The Louisiana Spot Price Index for Excess Quantities will be the lowest of the simple weekly averages of the "ANR spot" prices in the two publications.
- (2) Oklahoma Spot Price Index. The spot price index for Southwest Receipts shall be the Oklahoma Spot Price Index and will be determined ~~for each~~ week by use of the following published daily and weekly spot prices: ~~contained in the following two publications:~~ (i) ~~Energy Intelligence's Natural Gas Week~~ the S&P Global Platts Gas Daily "ANR, Okla." daily Midpoint ~~prices~~ Prices, averaged each week over the same calendar days for a given week as specified in the publication referenced in (ii), ~~for deliveries to Transporter of 5,000 MMBtu or more,~~ and (ii) the Natural Gas Intelligence's (NGI) Weekly Gas Price Index "ANR SW" weekly average price ~~for deliveries to Transporter~~. The Oklahoma Spot Price Index for Deficient Quantities will be the highest of the simple weekly averages of the "ANR spot" prices in the two publications. The Oklahoma Spot Price Index for Excess Quantities will be the lowest of the simple weekly averages of the "ANR spot" prices in the two publications.
- (3) ~~Price Reporting and~~ Material Changes or Cessation of Publication(s). ~~The published spot prices used in determining the Louisiana Spot Price Index and~~

~~the Oklahoma Spot Price Index shall be prices for short term contracts, preferably thirty to thirty one Day contracts, on a delivered to interstate pipeline basis. The published spot prices used shall be the Index prices (volume weighted average prices), or, if such a volume weighted average price is not available, an average of the high and low prices reported. If there is a material change by any of the publications to be used in determining the Louisiana Spot Price Index or the Oklahoma Spot Price Index in the definition of how prices are reported for deliveries to Transporter, then the prices for such deliveries in such publication will no longer be used in calculating the Index Price.~~

~~(4) Cessation of Publications. To the extent the reported prices referenced above are not published for the Month required~~In the event the publications referenced above are not published, materially change or are otherwise not available, Transporter shall determine the Louisiana Spot Price Index or Oklahoma Spot Price Index, as applicable, using ~~another~~a similar publication selected by Transporter in its reasonable judgment that is broadly published and widely accepted within the gas industry as a reliable source for the quotation of gas prices.

(eb) Spot Price Index - Canada.

(1) Canadian Spot Price Index. The ~~Spot spot Price price Index index~~ for Canadian Receipts shall be the Canadian Spot Price Index and will be determined ~~for~~for ~~each~~each week by use of the following published daily and weekly spot prices, stated in U.S. Dollars: ~~in the following two publications:~~(i) Btu Weekly under the heading "Btu's Natural Gas Spot Diary, Canadian Export, Emerson, Weekly WACOG;"the Natural Gas Intelligence (NGI) Weekly Gas Price Index "Emerson" weekly average price, and ~~(ii) Natural Gas Week under the heading "Canadian Price Report, Delivered to Pipe U.S.\$, Manitoba, Emerson Border."~~the S&P Global Platts Gas Daily "Emerson, Viking GL" daily Midpoint prices, averaged each week over the same calendar days for a given week as specified in the publication referenced in (i) above. The Canadian Spot Price Index for Deficient Quantities will be the highest of the simple weekly averages of the Emerson spot prices in the two publications plus the variable costs on Viking Gas Transmission Company ("Viking Variable Costs"). The Canadian Spot Price Index for Excess Quantities will be the lowest of the simple weekly averages of the Emerson spot prices in the two publications plus the Viking Variable Costs. The Viking Variable Costs shall be the sum of Viking's firm transportation commodity rate, plus Viking's fuel at the average of the published prices reported in the two publications, plus any ~~Viking surcharge(s) applicable to a five hundred (500) mile haul.~~

(2) Material Changes or Cessation of Publication(s). ~~If there is a material change in the publication to be used in determining the Canadian Spot Price Index or in~~

~~the definition of how prices are reported for deliveries to the interstate pipelines, then the prices for such pipelines in such publications will no longer be used in calculating the Index Price.~~

~~If, at any time, Btu Weekly or Natural Gas Week ceases publication~~In the event the publications referenced above are not published, materially change or are otherwise not available, then the Bloomberg Natural Gas Report shall be substituted. ~~If Bloomberg Natural Gas Report is used, the average of the high and low quote stated in U.S. Dollars in the map titled "Bloomberg Natural Gas/Petroleum Product Prices," under the heading "Emerson, Manitoba," plus the Viking Variable Costs, shall be utilized. To the extent the reported prices referenced above are not published for the Month required,~~ Transporter shall determine the Canadian Spot Price Index using ~~another~~ a similar publication selected by Transporter in its reasonable judgment that is broadly published and widely accepted within the gas industry as a reliable source for the quotation of gas prices.

~~(d)~~ (e) Spot Price Index - Mainline. ~~The Mainline Spot Price Index for the Service Month shall equal the Spot Price Index as determined in Section 6.16(a), above.~~

(1) Mainline Spot Price Index. The spot price index for Mainline Receipts shall be the Mainline Spot Price Index and will be determined each week as the weighted average of the Louisiana Spot Price Index, the Oklahoma Spot Price Index and the Canadian Spot Price Index (as determined above). The weighting will be based on the capacity available per Transporter's §260.8 System Flow Diagrams: Format No. FERC 567 at the following points: Jena Compressor Station, Alden Compressor Station and Marshfield Compressor Station. The Mainline Spot Price Index for Deficient Quantities will be the highest of the weekly Mainline Spot Price Indices. The Mainline Spot Price Index for Excess Quantities will be the lowest of the weekly Mainline Spot Price Indices.