



May 13, 2016

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

**ANR Pipeline Company**  
700 Louisiana Street, Suite 700  
Houston, TX 77002-2700

John A. Roscher  
Director, Rates, Tariffs, and Certificates

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Re: ANR Pipeline Company  
Cost and Revenue Report  
Docket No. RP16- \_\_\_\_\_ - \_\_\_\_\_

Dear Ms. Bose:

ANR Pipeline Company (“ANR”), pursuant to Article VII of the Deferred Transportation Cost Adjustment Settlement (“DTCA Settlement”)<sup>1</sup> filed on April 20, 2015, in Docket Nos. RP13-743-000, *et al.*, and approved by the Federal Energy Regulatory Commission (“Commission”) on October 15, 2015,<sup>2</sup> hereby submits for filing its Cost and Revenue Report for the year 2015.

### Correspondence

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

David R. Hammel\*  
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\* Persons designated for official service pursuant to Rule 2010.

<sup>1</sup> *Stipulation and Agreement*, Docket Nos. RP13-473-000, *et al.*, (2015) at P 7.2.

<sup>2</sup> *ANR Pipeline Company*, 153 FERC ¶ 61,053 (2015).

Statement of Nature, Reasons and Basis for Filing

Article VII of the DTCA Settlement directs ANR to submit a cost and revenue report to the Commission as well as the Supporting/Non-Contesting Parties to the DTCA Settlement no later than thirty (30) days after ANR submits its annual FERC Form No. 2 ("Form 2"). To comply with the DTCA Settlement, ANR is submitting herein, as Attachment 1, its Cost and Revenue Report based on ANR's 2015 Form 2 filed with the Commission on April 15, 2016.

Material Enclosed

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

1. This transmittal letter; and
2. Cost and Revenue Report (Attachment 1).

Certificate of Service

As required by Article VII of the DTCA Settlement and Section 154.502(2) of the Commission's regulations, copies of this report are being served on all parties in this proceeding 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,



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John A. Roscher  
Director, Rates and Tariffs

Enclosures

ANR Pipeline Company  
FERC Form No. 2 Cost and Revenue Report

Attachment 1

Line No.	Description	Form No. 2 References	2015 FERC Form No. 2
<b><u>Rate Base</u></b>			
1	Gas Plant in Service	p. 110, ln 2	\$ 3,820,358,763
2	Accumulated Depreciation	p. 110, ln 5	(1,989,209,452)
Gas Stored - Base Gas			
3	Account 117.1 (Base)	p. 220, ln 5, col. B	87,912,896
4	Account 117.2 (System)	p. 220, ln 5, col. C	20,500,749
Working Capital			
5	Prepayments	p. 230a, ln 6	2,434,496
6	Material and Supplies	p. 111, ln 45	33,372,703
<b><u>Accumulated Deferred Income Tax</u></b>			
7	Account 190	p. 235, ln 7, col. K	23,441,917
8	Account 282	p. 275, ln 7, col. K	(455,416,626)
9	Account 283	p. 277, ln 7, col. K	(13,617,339)
10	Regulatory Assets	p. 232, ln 40, col. G	33,991,286 1/
11	Regulatory Liabilities	p. 278, ln 45, col. G	(106,386,118) 1/
12	<b>Total Rate Base</b>		<b>\$ 1,457,383,275</b>
<b><u>Capital Costs</u></b>			
13	Cost of Debt	p. 218a, col. D	8.97%
14	Rate of Return on Equity	p. 218a, col. D	12.25%
<b><u>Capitalization Ratio</u></b>			
15	Debt	p. 218a, col. C	31.26%
16	Equity	p. 218a, col. D	68.74%
17	Weighted Cost of Debt		2.80%
18	Weighted Cost of Equity		8.42%
19	<b>Total Return</b>		11.22%
<b><u>Cost of Service</u></b>			
20	Return	(ln 12 x ln 19)	\$ 163,586,492
21	Composite Income Tax (37.64%)		74,070,351
22	Other Taxes	p. 114, ln 14, col. C	21,800,456
23	Depreciation O&M ( Net of Gas Costs)	p. 337, ln 12, col. H	60,533,262
24	Production & Gathering	p.318, ln 58, col. B	0
25	Net Storage Costs	p. 322, ln 117, col. B (less p.320, ln 106, col.B)	62,263,689
26	Net Transmission Costs	p. 323, ln 201 (less ln 184 and p. 331, ln 5, col. D)	256,129,263
27	A&G Overhead	p. 325, ln 270	107,491,591
28	<b>Total Cost of Service</b>		<b>\$ 745,875,104</b>
<b><u>Transportation and Storage Revenues</u></b>			
29	ACA Revenues	p. 301, ln 10, col. D	\$ 1/
30	489.1 Revenues from Transportation of Gas of Others through Gathering Facilities	p. 301, ln 9 col. F	598,332
31	489.2 Revenues from Transportation of Gas of Others through Transmission Facilities	p. 301, ln 10, col. F	455,429,701
32	489.4 Revenues from Storing Gas of Others	p. 301, ln 12, col. F	121,829,383
32	<b>Total Revenue</b>		<b>\$ 577,857,416</b>
33	Revenues Above/(Below) Indicated COS		\$ (168,017,688)
34	Estimated Return on Equity *		1.79%

\* (12.25% Rate of Return on Equity (\$122,721,145) + Revenues Above/(Below) Ln 28 cost of service, net of income taxes (\$-104,777,510)) / Equity Rate Base (\$1,001,805,263).

1/ Excludes amounts related to the fuel tracker and ACA revenues.