

September 30, 2005

Ms. Magalie R. Salas, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

Re: ANR Pipeline Company  
Tariff Filing  
Docket No. RP05-\_\_\_\_-\_\_\_\_

Dear Ms. Salas:

ANR Pipeline Company (“ANR”), pursuant to Section 4 of the Natural Gas Act (“NGA”), 15 U.S.C. § 717c, and Part 154 of the Regulations of the Federal Energy Regulatory Commission (“Commission”) (18 C.F.R. Part 154), hereby tenders an original and five copies of Fifth Revised Sheet No. 162.01 and First Revised Sheet No. 162.02 for inclusion in ANR’s FERC Gas Tariff, Second Revised Volume No. 1 (the “Tariff”). The submitted revised tariff sheets are proposed to be effective November 1, 2005.

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

On October 31, 2002, the Commission issued an order in Docket No. RM98-10-011, in response to the U.S. Court of Appeals for the District of Columbia remand in Interstate Natural Gas Association of America v. FERC, 285 F.3d 18 (D.C. Cir. 2002) on certain issues related to Order No. 637 (“Order on Remand”)<sup>1</sup>. In particular, the Court reversed and remanded the Order No. 637 policy that shippers that are exercising their Right of First Refusal (“ROFR”) to retain capacity need only match contract term lengths up to five years. As a result, the Commission in its Order on Remand removed the 5-year term matching cap for the ROFR.

On September 23, 2003, the Commission accepted an amendment to a Stipulation & Agreement previously approved by the Commission between ANR and other settling parties that resolved all issues of the Order 637 proceeding.<sup>2</sup> As some of ANR’s

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<sup>1</sup> See *Regulation of Short-Term Natural Gas Transportation Services, and Regulation of Interstate Natural Gas Transportation Services*, 101 FERC ¶ 61,127, (2002).

<sup>2</sup> See ANR Pipeline Company, 97 FERC ¶ 61,323 (2001), as modified, ANR Pipeline Company, 104 FERC ¶ 61,320 (2003). Included in the Amendment to the Stipulation and Agreement is a provision that restricts ANR for three years from proposing changes to very limited aspects of the settlement tariff sheets regarding 1) ANR’s agreement not to inhibit access to third party storage and imbalance management service providers and 2) Shippers’ rights to three additional intra-day nomination opportunities for points located in the Northern segment on ANR’s pipeline system. There is no such restriction, however, on any other aspects of ANR’s Tariff sheets including the ROFR provisions detailed on the attached sheets.

customers have expressed a desire to maintain a cap relating to matching contract term lengths when exercising ROFR options, ANR is not proposing a total relinquishment of the cap for matching term lengths in exercising shippers' ROFR options as the Commission has approved in response to filings of other pipelines.<sup>3</sup> In deference to the desires of certain of its customers, ANR is simply extending the matching cap from 5 years to 10 years. Therefore, taking into consideration the Order on Remand, ANR hereby submits its proposed revised tariff sheets to extend the five year term matching cap to a ten year term matching cap in its Tariff.

### Material Enclosed

In accordance with 18 C.F.R. § 154.7, included with this transmittal letter are the following items:

- (1) The tariff sheets identified above;
- (2) An electronic version of the tariff sheets on a 3 ½-inch diskette;
- (3) A redlined version of the tariff sheets pursuant to 18 C.F.R. § 154.201(a) showing the changes made relative to the currently effective tariff sheets;
- (4) A form of notice suitable for publication in the Federal Register in accordance with 18 C.F.R. § 154.209; and
- (5) An electronic version of the Federal Register Notice on a 3 ½-inch diskette.

### Service and Correspondence

The undersigned certifies that a copy of this filing has been mailed to each of ANR's customers and affected state regulatory commissions. In addition, a copy of this filing is available for public inspection during regular business hours in ANR's offices at 1001 Louisiana Street, Houston, Texas 77002.

Pursuant to 18 C.F.R. Section 385.2011 of the Commission's regulations, the undersigned states that the paper copy of the attached tariff sheet contains the same information as is contained on the electronic media, that the undersigned knows the contents of the paper copy and the electronic media, and that the contents as stated in the copy and the electronic media are true to the best knowledge and belief of the undersigned.

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<sup>3</sup> See Destin Pipeline Company, L.L.C., Docket No. RP05-123-000, where on January 6, 2005, the Commission accepted tariff sheets reflecting the discontinuation of the Commission's policy regarding the five-year matching cap from the ROFR process.

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

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Vice-President of Rates & Reg. Affairs  
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Director of Rates and Reg. Affairs  
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\*Michael D. Moore  
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El Paso Corporation  
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Washington, DC 20004  
Tel. (202) 637-3537  
Fax (202) 637-3501

(\* Persons designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 395.203. ANR requests that the Commission waive Rule 203(b)(3) to allow four persons to be designated to receive service.)

Effective Date

ANR respectfully requests that the Commission grant all waivers of its regulations necessary to accept this filing and approve the revised tariff sheets to be effective November 1, 2005. ANR conditions its request on the Commission's acceptance of this filing without condition or modification.

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Any questions regarding this filing may be directed to the undersigned at (713)  
420-5503.

Respectfully submitted,

ANR PIPELINE COMPANY

/s/ Dawn A. McGuire

Dawn A. McGuire

Its Attorney

GENERAL TERMS AND CONDITIONS  
(Continued)

22.2 Eligibility. Any Shipper with an Agreement under Rate Schedules ETS, STS, FTS-1, FTS-2, FTS-3, PTS-2, FSS, or NNS, which is: (a) executed prior to March 26, 2000 with an initial term of one (1) year or more; or (b) after March 26, 2000, for a term of twelve (12) consecutive months or more and is at the maximum applicable tariff rate (including maximum rate Agreements of one year or more where service is not available for twelve consecutive months), may exercise a right to continue to receive Service thereunder from Transporter at the expiration of its Agreement provided that Shipper gives notice to Transporter that it desires to continue its Agreement and will match (a) the longest term, up to a maximum of ten (10) years, and (b) the highest rate for such Service, up to the maximum rate, that is offered by any other person desiring such capacity; provided, however, that Transporter shall not be obligated to provide service at less than the maximum applicable rate(s). If a Shipper's Agreement does not qualify for the right of first refusal under this Section 22, then Transporter in a not unduly discriminatory manner may agree otherwise with any such Shipper. However, capacity that is sold on an interim basis in accordance with Section 3.2, Capacity Reserved for Expansion Projects, of these General Terms and Conditions shall not be eligible for a right of first refusal unless Transporter and Shipper agree to a conditional contractual ROFR that would take effect upon a determination that the proposed project will not go forward.

Also, the right of first refusal will not be applicable to interim service agreements for entitlement associated with capacity that is already under contract for a future period subject to the following conditions and in accordance with Section 2.10 (i):

- (a) The future capacity must have been sold through an open season bidding process permitting bids for capacity for service to start immediately or anytime in the future;
- (b) The bids must have been evaluated on a net present value basis; and
- (c) The future capacity must have been awarded to the Shipper providing the highest net present value bid.

The Shipper may exercise its right to retain a portion of its firm service entitlement subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of its Agreement.

22.3 Procedure.

- (a) Except as to expiring Capacity that is the subject of the provisions of subsection (b) below, Transporter shall notify Shipper no earlier than eight (8) Months, nor later than seven (7) Months, prior to the expiration of the Capacity whether there exists any acceptable bona fide offers for Transporter's Capacity that could be satisfied by the relinquishment of Shipper's Capacity. If Transporter has received any such offers, Transporter shall inform Shipper of the rate and the term that has been offered for Shipper's

GENERAL TERMS AND CONDITIONS  
(Continued)

Capacity and, if requested, shall provide to Shipper a copy of the acceptable, bona fide, offer (except that Transporter may redact the identity of the offering Shipper, unless the offering Shipper is an affiliate of Transporter, in which case the identity of the offering Shipper shall not be redacted). Shipper shall notify Transporter within thirty (30) days after notification whether it desires to match the offered rate, up to the applicable maximum rate, and term, up to a maximum of ten (10) years. If Shipper elects to match the bona fide offer, Transporter shall provide Shipper with an executable contract within ten (10) days after receipt of Shipper's election, and Shipper shall have twenty (20) days after receipt of the contract to execute and return the contract to Transporter.

If Transporter notifies Shipper that there are no acceptable, bona fide, offers for Shipper's capacity under Section 22.3(a), Transporter and Shipper shall have sixty (60) days after notification to negotiate the terms and conditions of a new or amended Agreement; provided, however, that in no event shall Shipper have any automatic right to renew service at a discounted rate; provided further, however, Shipper may select the term of the Agreement after agreeing to pay maximum rates, and all applicable surcharges.

If Shipper does not execute a new or amended Agreement within either of these sixty (60) day periods, whichever is applicable, Shipper's rights to such Capacity shall terminate and Transporter shall at such time post the Capacity as becoming generally available at the expiration of its term.

- (b) For expiring Capacity (1) in Agreements that have a remaining term greater than thirteen (13) months (except where such Capacity expires less than thirteen (13) months from the beginning of the Agreement's term); (2) where the Capacity under one or more Agreements terminating the same day is equal to or greater than a Maximum Daily Quantity ("MDQ") of 100,000 Dth/d or a Maximum Storage Quantity ("MSQ") of 9 MMdth; and (3) where Transporter does not have sufficient available capacity to meet a then-pending request for transportation service, and Shipper's Capacity could be utilized to satisfy such request, Transporter shall notify Shipper no earlier than thirteen (13) Months, nor later than eleven (11) Months, prior to the expiration of the Capacity that Shipper must notify Transporter within thirty (30) days thereafter whether it wishes to (i) terminate the Capacity; (ii) extend the term of the Capacity; or (iii) exercise a right of first refusal for the Capacity. The remaining portion of Shipper's subject Capacity that is not required to satisfy a then-pending request for transportation service will be subject to the provisions of subsection (a) above.

If Shipper elects to terminate the Capacity, or if it elects to extend the term of the Capacity but does not execute a new or amended Agreement within sixty (60) days from said election, Shipper's right to such Capacity shall terminate and Transporter shall post the Capacity as becoming generally available at the expiration of its term.

If Shipper notifies Transporter that it wishes to exercise its right of first refusal, Transporter shall notify Shipper no earlier than ten (10) months, nor later than nine (9) months, prior to the expiration of the Capacity, whether there exists any acceptable bona fide offers for Transporter's Capacity which could be satisfied by the relinquishment of Shipper's Capacity, and if requested, shall provide to Shipper a copy of the acceptable, bona fide offer (except that Transporter may redact the identity of the offering Shipper, unless the offering Shipper is an affiliate of Transporter, in which case the identity of the offering Shipper shall not be redacted). If there is such an offer, Shipper shall have thirty (30) days to notify Transporter whether it desires to match the offered rate, up to the applicable maximum rate, and term, up to a maximum of ten (10) years. If Shipper elects to match the bona fide offer, Transporter shall provide Shipper with an executable contract within ten (10) days after receipt of Shipper's election, and Shipper shall have twenty (20) days after receipt of the contract to execute and return the contract to Transporter.

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UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

ANR Pipeline Company

Docket No. RP05-\_\_\_\_-\_\_\_\_

Notice of Proposed Changes in FERC Gas Tariff

( )

Take notice that on September 30, 2005, ANR Pipeline Company (“ANR”) tendered for filing as part of its FERC Gas Tariff, Second Revised Volume No. 1, the following tariff sheet, to become effective on November 1, 2005:

Fifth Revised Sheet No. 162.01

First Revised Sheet No. 162.02

ANR states that the purpose of this filing is to extend the ROFR matching cap from 5 years to 10 years. The tariff sheet referenced above is being proposed to be effective November 1, 2005.

Any person desiring to protest this filing must file in accordance with Rule 211 of the Commission’s Rules of Practice and Procedure (18 CFR 385.211). Protests to this filing will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Such protests must be filed in accordance with the provisions of Section 154.210 of the Commission’s regulations (18 CFR 154.210). Anyone filing a protest must serve a copy of that document on all the parties to the proceeding.

The Commission encourages electronic submission of protests in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, D.C. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Magalie R. Salas  
Secretary