

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, Part 154 of the Regulations of the Federal Energy Regulatory Commission (“Commission”) (18 C.F.R. Part 154), hereby tenders an original and five (5) copies of Eighth Revised Sheet No. 69 for inclusion in ANR’s FERC Gas Tariff, Second Revised Volume No. 1 (the “Tariff”). As set forth in greater detail below, this tariff sheet is being submitted to provide FSS shippers who have elected to include the applicable language in their contracts with additional flexibility in adjusting their contracts when ANR makes annual changes to its Fuel Use Percentages. The tariff sheet referenced above is being proposed to be effective November 1, 2005.

Pursuant to Section 154.7(a)(9) of the Commission’s regulations, ANR moves to place this tariff sheet into effect on such date. ANR, however, conditions its motion on the Commission’s acceptance and approval of these proposed tariff modifications without any conditions or modifications. In the event that the Commission conditions or modifies this proposal in any way, ANR reserves its rights to withdraw its motion and not place the tariff sheet into effect.

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

On July 25, 2001, the Commission approved a modification of ANR’s Form of Service Agreement to include various shipper flexibilities, including a provision that allows shippers to change their maximum quantity levels under storage agreements, as well as associated transportation agreements used to inject gas into storage, in order to maintain the Maximum Daily Quantity (“MDQ”) that can be delivered to a shipper’s city gates in the face of a change in ANR’s fuel use percentage.<sup>1</sup> When ANR’s fuel use percentages change, shippers are required to deliver more or less gas to ANR in order to receive the same volume of gas at their delivery point.

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<sup>1</sup> See ANR Pipeline Co., 96 FERC ¶ 61,107 (2001).

Thus under the existing language, if for example, there is an increase in the fuel use percentage, to ensure that the shipper meets its delivery obligations after fuel is deducted, the Base Maximum Daily Withdrawal Quantity (“BMDWQ”) that would be permitted to be withdrawn from storage would need to be adjusted. This BMDWQ is then used to derive the shipper’s Maximum Storage Quantity, which in turn sets the Base Maximum Daily Injection Quantity (“BMDIQ”). Correspondingly, the BMDIQ is used to determine the MDQ of the transportation contract that is used to inject gas into storage.<sup>2</sup> Consequently, this illustrates that shippers are required to adjust the storage and the transportation contracts when faced with a fuel use percentage change.

Shippers today are requesting that they be given other options regarding the adjustments of their associated transportation contract(s). In particular, shippers would like the option of electing not to make changes to the MDQ associated with the injection route(s) of its firm transportation agreements. Their position is that a requirement to change the injection transportation contract is sometimes inefficient. For example, many times there is already more than adequate volume on that contract to account for the fuel change, such that delivery obligations to the city gate are kept whole (i.e. the MDIQ of the FSS contract may not match the MDQ of the transportation contract). One reason this mismatch occurs is that the transportation contract may have multiple purposes, one of which may be to support the winter withdrawal to the city gates.

Another reason shippers would like the option of electing not to make the change on its injection contracts is that shippers have other tools available to them in sourcing gas such that deliveries to the city gate remain whole. For instance, in field storage transfers and interruptible transportation are valuable tools that shippers can use in lieu of firm injection transportation contracts, which depending on the circumstances, provide shippers greater flexibility. Many times these methods prove to be more efficient than unnecessarily changing the injection quantity on the firm transportation contracts.

Therefore, consistent with FSS customers’ requests, ANR is now proposing to implement the shipper’s right to elect not to modify its transportation contract by modifying the existing language as follows:

Shipper desires to maintain the MDQ delivered to the city gate from storage in the event of a change in Transporter’s Use %. Therefore, subject to available capacity, if Transporter’s Use %, as stated in Transporter’s FERC Gas Tariff changes, Transporter shall (a) make corresponding changes to ~~(1a)~~ the MSQ, Base MDWQ and Base MDIQ of Shipper’s FSS Agreement; and (b) if elected below, any necessary changes to the MDQ ~~of associated with~~ the injection route(s) of ~~the a firm~~ transport agreement(s), corresponding to associated with such FSS Agreement.

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<sup>2</sup> ANR provided a mathematical illustration of this example in its explanatory filing on August 9, 2001 in Docket No. RP01-467-000.

Shipper authorizes Transporter to make such quantity changes without formal amendment by providing to Shipper a revised Exhibit for each contract affected.

Shipper elects changes per subpart (a) only.

Shipper elects changes per subpart (a) and (b).

This change only affects the necessary adjustment to a Shipper's transportation injection MDQ and does not alter a Shipper's corresponding fuel adjustment to its storage contracts. To effectuate this modification, ANR is proposing to include an informational posting on its website that provides notice to all existing FSS customers that have the fuel adjustment language in its contracts, along with delivery transportation contracts to the city gate, such that they are allowed to contact their respective marketing representatives to amend the existing contracts to make the modified election stated above.

#### Material Enclosed

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

- (1) The tariff sheet identified above;
- (2) An electronic version of the tariff sheet on a 3 ½-inch diskette;
- (3) A redlined version of the tariff sheet 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.

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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.

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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(\* 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. As stated above, 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

FORM OF AGREEMENT  
(For use under Transporter's Rate Schedules  
ETS, STS, FTS-1, FTS-2, FTS-3, ITS, ITS-3, FSS, DDS, MBS,  
PTS-1, PTS-2, PTS-3, NNS, IPLS and IWS)

Date: \_\_\_\_\_ Contract No. \_\_\_\_\_

SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and \_\_\_\_\_ (Shipper name) or by \_\_\_\_\_ as agent for \_\_\_\_\_ (Shipper name) on \_\_\_\_\_.

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 FERC Gas Tariff constitute the transportation service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE:

\_\_\_\_\_ (284G - Blanket or 284B - Sec. 311)

2. RATE SCHEDULE: \_\_\_\_\_

3. CONTRACT QUANTITIES:

Receipt Points - see Exhibit attached hereto (if applicable).  
Delivery Points - see Exhibit attached hereto (if applicable).  
Primary Routes - see Exhibit attached hereto (if applicable).  
Contract Quantities - see Exhibit attached hereto (if applicable).

Such Contract Quantities shall be reduced for scheduling purposes, but not for billing purposes, by the Contract Quantities that Shipper has released through Transporter's capacity release program for the period of any release.

(Optional for FSS and Transportation Agreements Used for Injection Into Storage)

Shipper desires to maintain the MDQ delivered to the city gate from storage in the event of a change in Transporter's Use %. Therefore, subject to available capacity, if Transporter's Use %, as stated in Transporter's FERC Gas Tariff changes, Transporter shall (a) make corresponding changes to the MSQ, Base MDWQ and Base MDIQ of Shipper's FSS Agreement; and (b) if elected below, any necessary changes to the MDQ of the injection route(s) of a firm transport agreement(s), associated with such FSS Agreement. Shipper authorizes Transporter to make such quantity changes without formal amendment by providing to Shipper a revised Exhibit for each contract affected.

\_\_\_\_\_ Shipper elects changes per subpart (a) only.

\_\_\_\_\_ Shipper elects changes per subpart (a) and (b).

FORM OF AGREEMENT  
(For use under Transporter's Rate Schedules  
ETS, STS, FTS-1, FTS-2, FTS-3, ITS, ITS-3, FSS, DDS, MBS,  
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\_\_\_\_\_ Shipper elects changes per subpart (a) and (b).

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

ANR Pipeline Company

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

Notice of Proposed Changes in FERC Gas Tariff

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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:

Eighth Revised Sheet No. 69

ANR states that the purpose of this filing is to provide FSS shippers who have elected to include the applicable language in their contracts with additional flexibility in adjusting their contracts when ANR makes annual changes to its Fuel Use Percentages. 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