

147 FERC ¶ 61,155  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

May 28, 2014

In Reply Refer To:  
ANR Pipeline Company  
Docket No. RP14-787-000

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

Attention: Mr. John A. Roscher  
Director, Rates & Tariffs

Dear Mr. Roscher:

1. On April 30, 2014, ANR Pipeline Company (ANR) filed revised tariff records with two different proposals<sup>1</sup> to revise its currently effective Cashout Price Surcharge (Surcharge). Both proposals increase the current Surcharge of \$0.2905 per Dekatherm (Dth) in order to recover the negative 2013 Net Cashout Activity Balance of approximately \$1.77 million. ANR's primary proposal requires waiver of its tariff<sup>2</sup> to increase the Surcharge to \$0.4500/Dth, less than the amount it could be raised thereunder, while reserving the right to recover the remaining portion of the total amount in future periods. ANR's alternate proposal applies section 6.15.5 of its tariff to raise the Surcharge to \$0.6091/Dth. As discussed below, the Commission accepts the alternate tariff record listed in Appendix B, to be effective June 1, 2014, as proposed. The revised tariff record for ANR's primary proposal listed in Appendix A is rejected as moot.

2. Section 6.15.5 of ANR's tariff sets forth the System Cashout Mechanism, which provides for an annual calculation, on a system-wide basis, of a cashout surcharge

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<sup>1</sup> See Appendix A and B.

<sup>2</sup> To become effective, ANR's primary proposal would require waiver of the cashout provision in section 6.15.5 of the General Terms and Conditions of its tariff.

(positive or negative) reflecting annual cashout activity. Under section 6.15.5, Net Cashout Activity is the sum of: (a) actual net revenues attributable to the operation of the Cashout program for the preceding calendar year; (b) any prior negative balance from any previous redeterminations, pursuant to section 6.15.5(b); and (c) any prior positive balance(s) from previous redeterminations, pursuant to section 6.15.5(c). Section 6.15.5(b) provides that any Net Cashout that is a negative balance shall be divided by the total of all Cashout volumes bought and sold during the preceding calendar year to derive a Surcharge. Section 6.15.5(c) provides that any Net Cashout Activity that is a positive balance shall be divided by the throughput actually experienced for the applicable year reported in Transporter's FERC Form No. 2 to calculate a negative surcharge per Dekatherm.

3. ANR states that the 2013 Net Cashout Activity Balance of approximately \$1.77 million consists of the following: (a) the remaining 2012 negative cashout balance (costs in excess of revenue) of approximately \$1.13 million; (b) the calendar year 2013 net negative cashout activity of \$583,992; and (c) carrying charges. ANR explains that the 2013 negative cashout activity is the result of gas purchased at substantially higher prices in January and February of 2014 to make up for deficient shipper cashout imbalances, or sales to shippers, in the months of November and December 2013. To generate the \$0.6091/Dth Surcharge, ANR divided the \$1.77 million total negative balance by approximately 2.9 million Dth of 2013 Cashout volumes.

4. ANR recognizes the significance of this \$0.30/Dth Surcharge increase, and therefore offers a lower Surcharge in its primary proposal. According to ANR, the primary proposal Surcharge of \$0.4500/Dth approximately splits the difference for the current period, though it does not preclude ANR's right to the prudent recovery in future periods of costs incurred in association with cashout activities during the 2013 period. The alternative proposal applies the \$0.6091/Dth Surcharge in accordance with section 6.15.5 of its tariff.

5. Public notice of the filing was issued on April 30, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>3</sup> Pursuant to Rule 214,<sup>4</sup> all timely filed motions to intervene and any unopposed motions to intervene out-of-time before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties.

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<sup>3</sup> 18 C.F.R. § 154.210 (2013).

<sup>4</sup> 18 C.F.R. § 385.214 (2013).

6. Integrys Gas Group (Gas Group) filed comments in support of ANR's alternative proposal to raise the Surcharge to \$0.6091/Dth. The Gas Group argues that delaying cost recovery may create the same concerns next year, as storage refill, gas-fired generation, and weather for 2014 are yet unknown. The Gas Group points out that those subject to the Surcharge will understand the harsh winter conditions that gave rise to the increase, and calculating the Surcharge consistent with the tariff will reflect all costs at a time more proximate to when ANR incurred them, while ANR's primary proposal will not.

7. The Commission finds ANR's alternate proposal to increase the Surcharge from \$0.2905/Dth to \$0.6091/Dth is properly calculated in accordance with the System Cashout Mechanism set forth in section 6.15.5 of ANR's tariff and does not find good cause to waive this tariff provision in the circumstances. The Commission therefore accepts ANR's alternate revised tariff record to become effective June 1, 2014. The primary revised tariff record is rejected as moot.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

Appendix A

ANR Pipeline Company  
FERC NGA Gas Tariff  
ANR Tariffs  
*Tariff Records Rejected as Moot:*

[4.16 - Statement of Rates, Statement of Surcharges, 6.0.0 A.](#)

Appendix B

ANR Pipeline Company  
FERC NGA Gas Tariff  
ANR Tariffs

*Tariff Records to Become Effective June 1, 2014*

[4.16 - Statement of Rates, Statement of Surcharges, 6.0.0 B.](#)