

149 FERC ¶ 61,016
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 3, 2014

In Reply Refer To:
ANR Pipeline Company
Docket No. RP14-830-000

John A. Roscher
ANR Pipeline Company
717 Texas Street
Suite 2400
Houston, TX 77002-2761

Dear Mr. Roscher:

1. On May 1, 2014, ANR Pipeline Company (ANR) filed an annual Operational Purchases and Sales report pursuant to section 6.35 of the General Terms and Conditions of ANR's FERC Gas Tariff. The report reflects operational purchases and sales activity during the twelve-month period ending December 31, 2013, resulting in Total Operational Purchases and Sales of negative \$4,172,404.71, indicating a net sale of gas. The report is accepted, effective the date of issuance of this order.

2. The Total Operational Purchases and Sales in the current report are composed of: (a) Excess Storage Gas Sale to Integrys Energy Services, Inc., in the amount of negative \$4,250,998.41; (b) PD Gas Purchases and Sales of positive \$59,302.95; and (c) Work Order Purchases of positive \$19,290.75. The negative \$4,172,404.71 of Total Operational Purchases and Sales is higher than that of previous reports. The 2011 Operational Purchases and Sales¹ totaled negative \$704,253.42, and the 2012 Operational Purchases and Sales² totaled negative \$254,422.12.

¹ *ANR Pipeline Co.*, ANR Pipeline Company Annual Operational Purchases and Sales Report for 2011, Docket No. RP12-629-000 (filed Apr. 24, 2012).

² *ANR Pipeline Co.*, ANR Pipeline Company Operational Purchases and Sales Report for 12 Months Ending December 31, 2012, Docket No. RP13-824-000 (filed Apr. 29, 2013).

3. Public notice of the filing was issued on May 5, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.³ Pursuant to Rule 214 of the Commission's regulations,⁴ 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.

4. On May 13, 2014, the Wisconsin Distributor Group (WDG), composed of City Gas Company, Madison Gas and Electric Company, Wisconsin Electric Power Company and Wisconsin Gas LLC, Wisconsin Power and Light Company, and Wisconsin Public Service Corporation, filed comments on the ANR report. WDG states that the "Excess Storage Gas Sale" section of ANR's report raises questions that warrant further examination to ascertain whether shippers should receive credits for those revenues. WDG states that it has not been able to formulate a position on whether the revenues belong to ANR or ANR's shippers.

5. On August 27, 2014, Commission staff issued a data request in which it sought additional information regarding ANR's report for 2013, as well as ANR's responses to the comments on its report. In its answer, ANR states that the excess storage gas was the result of the relative Btu enrichment that has occurred over time. ANR asserts that the overall Btu content of gas in storage has increased above the Btu levels of gas delivered by shippers for injection due to the presence of ANR-owned residual liquids within ANR's storage fields, which originally contained oil, condensate, or retrograde condensate. ANR notes that, under its storage agreements, ANR re-delivers to shippers from storage the same quantities of gas in dekatherms as were originally delivered by shippers to ANR for injection into storage. ANR states that it should not be required to refund revenues that are the product of residual liquids that ANR owns. ANR points out that the Commission previously found that, to the extent ANR does not have a mechanism to recover the costs of operational purchases and ANR is willing to absorb the costs of operational purchases, ANR should not be required to credit the revenues associated with operational sales.⁵

³ 18 C.F.R. § 154.210 (2014).

⁴ 18 C.F.R. § 385.214 (2014).

⁵ *ANR Pipeline Co.*, 111 FERC ¶ 61,290 (2005).

6. The Commission finds that ANR has provided an adequate explanation for the sale of excess gas by ANR, and has adequately responded to the customer comments on its report. Accordingly, ANR's report is accepted to be effective as of the date of issuance of this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.