

150 FERC ¶ 61,059
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 29, 2015

In Reply Refer To:
ANR Pipeline Company
Docket No. RP15-274-000

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

Attention: John A. Roscher, Director
Rates & Tariffs

Dear Mr. Roscher:

1. On December 22, 2014, ANR Pipeline Company (ANR) filed revised tariff records¹ to modify certain sections of the General Terms and Conditions (GT&C) of its tariff as well as certain *pro forma* service agreements. The Commission accepts ANR's revised tariff records to become effective February 1, 2015, subject to the conditions set forth below.
2. In its filing, ANR proposes revisions to section 6.2.10(c) of its GT&C providing that if a party submits a valid request for long-term capacity, ANR may either grant the request or hold an open season for the capacity. Under this proposal, if ANR decides to conduct an open season, the initial service request will be included as a bid in the open season. The original requesting party may submit a bid with greater economic value during the open season, but once the open season has concluded, the original requesting party will not be permitted to obtain the capacity by matching the highest bid.
3. ANR proposes a separate provision in section 6.2.10(j)(2) of its GT&C providing for prearranged sales for six months or more in advance of the service commencement date. The sale of such capacity is subject to an open season in which other parties may bid on the capacity. Unlike capacity sales for more immediate service, the prearranged shipper is given the opportunity to retain the capacity by matching the highest bid submitted in the open season.

¹ See Appendix.

4. ANR also proposes to modify section 6.2.5 of its GT&C to reduce the time period within which a shipper must execute and return a tendered service agreement from 30 days to 15 days. ANR states that this proposed modification is intended to ensure the expeditious completion of capacity sales. Additional aspects of ANR's proposal (1) clarify that service under Rate Schedule FDD of at least 12 consecutive months must end on March 31 of each year; (2) modify section 6.2.12(b) to broaden ANR's and a shipper's ability to negotiate contract extensions; (3) simplify procedures related to prior period adjustments; (4) clarify the right of first refusal provisions related to the sales of interim capacity; and (5) modify its service request form so a shipper may specify whether it will accept less than the requested MDQ if the full amount of the requested capacity is unavailable. ANR also proposes certain tariff changes it categorizes as housekeeping in nature.

5. Public notice of ANR's filing was issued on December 23, 2014. Interventions and protests were due as provided by section 154.210 (18 C.F.R. § 154.210 (2014)) of the Commission's regulations. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2014), all timely motions to intervene and any unopposed motions to intervene out-of-time filed before the 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.

6. On January 5, 2015, Integrys Gas Group (Integrys) filed a protest and the Wisconsin Distributor Group (WDG) filed adverse comments. On January 13, 2015, ANR filed an answer, and on January 15, 2015, Integrys filed an answer in response to ANR. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.213(a)(2) (2014)) prohibits answers to protests or answers unless otherwise ordered by the decisional authority. In this case, the Commission will accept ANR's and Integrys' answers because they assisted the Commission in its decision-making process.

7. In its protest, Integrys argues that it is inconsistent for ANR to (a) allow a pre-arranged shipper to match any bid submitted during an open season while (b) not similarly allowing shippers requesting more immediate service the option to match the highest open season bid. Integrys asserts that difference between prearranged-deal shippers and other shippers does not warrant different rights. Integrys requests that the Commission direct ANR to revise section 6.2.10(c) to afford the shipper originally requesting service the right to match any higher bid.

8. In its comments, WDG asserts that gas distribution utilities in the State of Wisconsin will face difficulties satisfying the proposed 15-day requirement to return a tendered service agreement. WDG explains that the Public Service Commission of Wisconsin (PSCW) requires Wisconsin utilities to seek advance approval for any changes to a utility's approved capacity portfolio, and WDG explains that the PSCW has 21 business days to review the request. WDG contends that, due to the PSCW's 21-business day review period, Wisconsin utilities may be unable to satisfy the 15-day

deadline. WDG urges modification to the proposed tariff language to give shippers that must comply with a state regulatory process up to 30 days to execute and return the service agreement.

9. In its answer, ANR acknowledges WDG's concern that, for a shipper whose service agreements are subject to state regulatory commission approval, 15 days may not be sufficient time for the shipper to obtain the required approval and execute the service agreement. Accordingly, ANR proposes to modify section 6.2.5 of its GT&C to state:

Shipper's Request for Service shall be considered null and void if Transporter has tendered an Agreement for execution to Shipper and Shipper fails to execute the Agreement within fifteen (15) Days thereafter; provided, however, that if Shipper's execution of an Agreement is dependent upon prior state regulatory approval, then Shipper's Request for Service shall be considered null and void, if Transporter has tendered an Agreement within thirty (30) Days thereafter; provided further, however, that Transporter and Shipper may mutually agree to extend the foregoing deadlines.

10. In response to Integrys, ANR claims that it is reasonable to allow a prearranged shipper to match the highest open season bid while denying a similar opportunity for shippers seeking more immediate service subject to section 6.2.10(c) of the GT&C. ANR states that the prearranged shipper provision frequently applies to shippers which are seeking capacity as a part of the development process for future projects, such as planned electric generation. Thus, ANR argues that pre-arranged shippers are differently situated from shippers seeking more immediate service.

11. In its answer, Integrys counters that a shipper's need for certainty or the value a shipper places on a service is unrelated to whether a shipper requests immediate service or a prearranged deal for service in the future. Absent a matching right, Integrys argues that ANR's proposal will cause shippers to overpay for capacity in order to ensure that they prevail in the open season.

12. The Commission accepts ANR's revised tariff records to become effective February 1, 2015, subject to conditions. In its answer, ANR proposed tariff modifications to adjust the 15-day requirement to accommodate WDG's concerns. ANR must file revised tariff records, within 21 days of the date this order issues, incorporating these revisions into its proposed tariff records.

13. The Commission also dismisses the concerns raised by Integrys' protest. To the extent that ANR's proposal initiates an open season in response to a shipper request for service commencing within 6-months, Integrys cites no Commission policy that requires the pipeline to give the original requesting shipper the right to match the highest bid

submitted in the open season. Because the parties that value the capacity most will submit the highest valued bids in the open season, ANR's proposal is consistent with the Commission's policy awarding capacity to the party that values it the most.² Furthermore, ANR has sufficiently supported its different treatment of pre-arranged deals. Pre-arranged deals often relate to complex projects involving extensive planning processes before requesting pipeline service, and not allowing the pre-arranged deal shipper to retain its requested capacity by matching the highest bid could impede project development. Given that the pre-arranged deal shippers are not similarly situated to those seeking more immediate service, the Commission upholds ANR's proposal.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

² The Commission seeks to ensure that pipeline capacity is sold to those customers that value it the most, and as a general matter, the Commission assumes that the pipeline will act in its own economic interest and seek the highest possible rate from non-affiliated shippers. *Tennessee Gas Pipeline Co.*, 135 FERC ¶ 61,208, at P 13 (2011) (citation omitted).

Appendix

ANR Pipeline Company
FERC NGA Gas Tariff
ANR Tariffs

Tariff Records Accepted Effective February 1, 2015

[Tariff, Third Revised Volume No. 1, 1.0.0](#)
[6.2.2 - GT&C, Request for Transportation, 1.0.0](#)
[6.2.3 - GT&C, Subsequent Information, 1.0.0](#)
[6.2.5 - GT&C, Request Validity, 1.0.0](#)
[6.2.10 - GT&C, Sale of Service, 2.0.0](#)
[6.2.12 - GT&C, Extension of Service Agreements, 1.0.0](#)
[6.14.2 - GT&C, Allocation of Receipts, 1.0.0](#)
[6.14.4 - GT&C, Prior Period Adjustments, 1.0.0](#)
[6.22.2 - GT&C, Eligibility and Interim Sales, 2.0.0](#)
[7.1 - Service Agmts, Transporter's Firm Rate Schedules, 4.0.0](#)
[7.2 - Service Agmts, Master Service Agreement, 2.0.0](#)
[7.3 - Service Agmts, Associated Liquefiabiles Agreement, 2.0.0](#)
[7.4 - Service Agmts, Transportation Service Request Form, 3.0.0](#)
[7.5 - Service Agmts, Transporter's Interruptible Rate Schedules, 2.0.0](#)