

153 FERC ¶ 61,078
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 22, 2015

In Reply Refer To:
ANR Pipeline Company
Docket No. RP15-1257-000

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

Attention: John A. Roscher
Director, Rates and Tariffs

Dear Mr. Roscher:

1. On September 4, 2015, ANR Pipeline Company (ANR) filed a revised tariff record¹ to comply with the Commission's December 2, 2014 order issuing certificate in Docket No. CP14-514-000² and the Commission's July 7, 2015, order denying rehearing in Docket No. CP14-514-001,³ regarding the rate treatment for the fuel associated with ANR's Sulphur Springs Compression Project (Project). The Commission accepts the filed tariff record, effective on the Project's in-service date, directs ANR to respond to comments on the filing, and denies ANR's related request for waiver, as misplaced in this compliance filing.

2. On July 2, 2014, ANR filed an application for authorization to construct and operate a compressor unit at ANR's existing Sulphur Springs compressor station. ANR sought to recover the fuel and lost and unaccounted for (L&U) volumes on a rolled-in basis in its application. In the subsequent Certificate Order, the Commission denied the

¹ ANR Pipeline Company, FERC NGA Gas Tariff, ANR Tariffs, [4.18 - Statement of Rates, Transporter's Use \(%\), 6.0.0](#).

² ANR Pipeline Company, 149 FERC ¶ 61,197 (2014) (Certificate Order).

³ ANR Pipeline Company, 152 FERC ¶ 61,021 (2015) (Rehearing Order).

request for a predetermination of rolled-in treatment, and directed ANR to charge an incremental fuel rate for the Project and separately identify the incremental fuel associated with the Project.⁴ On rehearing, the Commission suggested that ANR determine the initial incremental fuel rate by dividing the projected fuel usage of the Project by the incremental capacity created by the Project.⁵

3. In the instant filing, ANR proposes to comply with the Certificate Order and Rehearing Order by revising section 4.18 of its tariff to add an incremental Transporter's Use (%) of 1.30% for the Project. ANR states the proposed Sulphur Springs Transporter's Use (%) includes the incremental fuel rate of 0.97%⁶ and ANR's currently stated L&U of 0.33%.⁷ ANR explains the Sulphur Springs Transporter's Use (%) serves as a minimum fuel charge assessed to project shippers entering ANR's system at Sulphur Springs and no additional fuel charge will be assessed to project shippers for services provided solely within ANR's Southeast Central segment, ML-3 (ML-3 zone incremental rate).⁸

4. ANR explains, however, in the event a Project Shipper transports gas outside of ML-3 on a forward haul basis, a fuel charge for each additional zone traversed will be assessed (additional zone charge). The additional zone charge will be determined using the applicable fuel charges for each zone in ANR's most recently approved Annual Re-determination of Transporter's Use (%) and EPC Charges (Fuel Filing), and will be applied consistent with the methodology set forth in the ANR's Fuel Filing rate matrix.⁹ ANR maintains project shippers transporting gas to ANR's Southeast Area, ML-2, on a backhaul basis will not be assessed an additional zone charge.

⁴ Certificate Order, 149 FERC ¶ 61,197 at P 23.

⁵ Rehearing Order, 152 FERC ¶ 61,021 at P 12 stating "projected fuel usage of 1,300 MMcf/d divided by the incremental capacity created by the project of 13,641 MMcf/d results in an initial incremental fuel rate of 0.97 percent."

⁶ See ANR's August 28, 2014 response to FERC August 18, 2014, Data Request No. 2, in Docket No. CP14-514 *et al.*

⁷ See ANR's 2015 Fuel Filing in Docket No. RP15-533-000, approved March 24, 2015.

⁸ Project shippers will not be assessed an additional ML-3 to ML-3 Transporter's Use (%) of 0.46% as approved in ANR's 2015 Fuel Filing.

⁹ See ANR's 2015 Fuel Filing, Attachment 1, Page 1 of 15.

5. ANR further states, to comply with the Commission's Certificate Order, it will separately set forth calculations as part of its prospective annual Fuel Filings to revise the incremental Sulphur Springs Transporter's Use (%), including actual fuel costs associated with the Project. ANR states the recovery of such actual costs from the Sulphur Springs project shippers and the associated tracker/true-up mechanism for determining the Sulphur Springs Transporter's Use (%) shall be consistent with ANR's tracker/true-up mechanism described in sections 6.1.86 and 6.34 of ANR's Tariff, General Terms and Conditions (GT&C).

6. ANR also requests waiver of its annual 2016 Fuel Filing requirement for Sulphur Springs Transporter's Use (%), as set forth in section 6.34(a) of its GT&C, which requires that the fuel filing be submitted 30 days prior to April 1, 2016, and reflect costs for the prior calendar year. ANR explains that the Sulphur Springs Transporter's Use (%) would include less than three months of actual data, which is insufficient for purposes of re-determining the incremental fuel rate. ANR proposes to instead defer the redetermination of the incremental Sulphur Springs fuel rate to ANR's annual Fuel Filing to become effective April 1, 2017. Accordingly, ANR requests the Commission grant all waivers necessary to permit ANR to consolidate the 2015 and 2016 actual usage to determine the incremental Sulphur Springs fuel rate for the annual 2017 Fuel Filing, effective April 1, 2017.

7. ANR states, pursuant to the Commission's implementation guide for electronic tariff filing, and for administrative ease, that it is reflecting an effective date of December 31, 9998, as a placeholder until the actual in-service date of the Project is known, and will notify the Commission of the actual in-service date upon its determination. The in-service date is anticipated on or about mid-October 2015.

8. Public notice of the filing was issued on September 4, 2015. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2015)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2015)), all timely filed motions to intervene and any unopposed motions to intervene out-of-time filed 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. Wisconsin Electric Power Company, Wisconsin Gas LLC, The Peoples Gas Light and Coke Company, North Shore Gas Company, Michigan Gas Utilities Corporation and Wisconsin Public Service Corporation (collectively, the WEC LDCs) filed comments discussed below.

9. The WEC LDCs state that, while the filing generally meet the terms of ANR's tariff, ANR's methodology to calculate the incremental rate appears to omit the existing fuel use rate of 0.46%, and ANR does not explain the omission.¹⁰ The WEC LDCs state that they are not seeking a correction or changed calculation at this time, but wish to bring their issues to the Commission's attention.

10. Further, the WEC LDCs argue that the ML-3 zone incremental rate is a minimum rate and by establishing a minimum rate, calculation of rates for forward-haul transportation can only result in an increased rate to shippers, which does not allow project shippers to benefit from any fuel savings ANR achieves in other zones. Although the WEC LDCs contend that ANR should be required to justify the use of a minimum rate, they also state this filing will have little, if any, effect on non-project shippers. The WEC LDC's comments reflect their concern that the methodology underlying this filing might disadvantage such shippers in a *future* filing.

11. The Commission takes note of the WEC LDC's concerns, and accordingly the Commission's acceptance of ANR's tariff record is subject to ANR's filing within 30 days of this order a complete response to WEC LDC's comments.

12. Finally, the Commission will deny ANR's request for a waiver of the tariff provisions concerning its upcoming 2016 Fuel Filing requirement, as such a waiver request is misplaced in this compliance filing. If ANR wishes to seek such a waiver, it may file its request based on insufficiency of data when it makes its 2016 Fuel Filing.

13. When ANR files in compliance with section 157.20(c)(2), it should also make this informational filing with the Commission through the eTariff portal using a Type of Filing Code 620.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁰ WEC LDC Comments at 4.