

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

July 28, 2003

In Reply Refer To:  
ANR Pipeline Company  
Docket No. RP03-465-001

ANR Pipeline Company  
9 E Greenway Plaza, Suite 1828  
Houston, TX 77046

Attention: Howard L. Nelson  
Senior Counsel-Pipelines

Reference: Compliance Filing

Dear Mr. Nelson:

1. On June 13, 2003, ANR Pipeline Company (ANR), filed a revised tariff sheet <sup>1</sup> to comply with the Commission's order issued May 30, 2003 <sup>2</sup>. The revised tariff sheet reflects a Cashout Price Negative Surcharge equal to \$0.0004 per Dth. ANR's proposed negative surcharge complies with the May 30 order and ANR's effective tariff and is accepted effective June 1, 2003. Indicated Shippers' protest is rejected, for the reasons discussed below.

2. Public notice of the filing was issued on June 19, 2003, with interventions and protests due on or before June 25, 2003. Pursuant to Rule 214 (18 C.F.R. §385.214 (2003)), all timely filed motions to intervene are granted and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceedings will not disrupt the proceedings or place undue additional

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<sup>1</sup>Thirty-Sixth Revised Sheet No. 17 to FERC Gas Tariff, Second Revised Volume No. 1.

<sup>2</sup>ANR Pipeline Company, Docket No. RP03-465-000, 103 FERC ¶ 61,252 (2003). The May 30 order rejected ANR's proposal to change its existing imbalance cashout mechanism, and directed ANR to file revised tariff sheets to implement a cashout surcharge that conforms to its currently effective tariff. The May 30 order also directed ANR to continue with the hearing procedures in Docket No. RP02-335.

burdens on existing parties. Comments were filed by Michigan Consolidated Gas Company and a protest was filed by Indicated Shippers.

3. ANR's instant filing shows that the shipper cashout activity during calendar year 2002, when added to the balances from last year's cashout report proceeding in Docket No. RP02-335-000, results in a net cashout overrecovery of \$3,109,244, and a net volumetric underrecovery of 4,166,831 Dth. After adding carrying charges, subtracting gross receipts, and dividing by 2002 system throughput, ANR computes a negative cashout surcharge of \$0.0004. Pursuant to Section 15.5(c)(2), ANR proposes to credit the negative surcharge to all transportation services subject to surcharges.

4. Indicated Shippers request that the Commission reject ANR's proposed negative surcharge. Indicated Shippers assert, *inter alia*, that ANR should not be refunding cash overrecoveries when ANR still claims the need to purchase a significant volume of replacement gas to make up for its volumetric underrecovery. Instead, Indicated Shippers urge the Commission to allow ANR to retain the cashout overrecoveries pending the determination of the net amount to be refunded or assessed against all transportation customers in Docket No. RP02-335. Indicated Shippers also object to the provisions of ANR's tariff that require it to assess cashout surcharges for undercollected cashout costs only against those parties who have incurred imbalances, while crediting negative surcharges to all transportation customers.

5. As ANR has complied with our direction in the May 30 order and has computed the negative surcharge in accordance with the terms of its tariff, we must reject the Indicated Shippers' protest. Our action here is without prejudice to Indicated Shippers' ability to raise its concerns regarding the functioning of ANR's imbalance cashout mechanism in the ongoing proceedings in Docket No. RP02-335-000.

6. This acceptance for filing shall not be construed as a waiver of the requirements of Section 7 of the Natural Gas Act, as amended; nor shall it be construed as constituting approval of the reference filing or of any rate, charge, classification, or any rule,

regulation, or practice affecting such rate or service contained in your tariff; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

By direction of the Commission.

Magalie R. Salas,  
Secretary.

cc: All Parties