

155 FERC ¶ 61,050  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

April 21, 2016

In Reply Refer To:  
ANR Pipeline Company  
Great Lakes Gas Transmission Limited  
Partnership  
Docket Nos. RP13-743-004  
RP15-138-002  
RP15-139-002  
(Consolidated)  
RP14-650-000  
RP14-650-001  
RP15-785-000  
(Not Consolidated)

Greenberg Traurig, LLP  
2101 L Street NW, Suite 1000  
Washington, DC 20037

Attention: Howard L. Nelson

Dear Mr. Nelson:

1. On February 5, 2016, you filed on behalf of ANR Pipeline Company (ANR), Great Lakes Gas Transmission Limited Partnership (Great Lakes), and DTE Gas Company (DTE Gas), a proposed settlement agreement in the above-referenced proceedings. On February 25, 2016, Federal Energy Regulatory Commission (Commission) Trial Staff filed comments not opposing the settlement. No other comments were filed. On March 15, 2016, the Settlement Judge certified the settlement to the Commission as an uncontested settlement.<sup>1</sup>

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<sup>1</sup> *ANR Pipeline Company*, 154 FERC ¶ 63,022 (2016).

2. Under the settlement, DTE Gas will become a supporting/non-contesting party to the settlement agreement the Commission previously approved in these proceedings on October 15, 2015.<sup>2</sup> In addition, four contracts under which Blue Lake Storage Company (Blue Lake), an affiliate of both ANR and DTE Gas, provides firm storage service to ANR will be extended by three years. ANR will permanently release to DTE Gas 12 Bcf of Maximum Storage Quantity held on Blue Lake, effective April 1, 2018. Furthermore, starting November 1, 2016, the rates under the four contracts mentioned above will be discounted and the contracts amended to include a right of first refusal. Starting April 1, 2018, the rate for service provided to DTE Gas mentioned above will be similarly discounted and the contract amended to include a right of first refusal. An associated transportation service contract will also be amended to align the ANR receipt and delivery points to the Blue Lake storage service.

3. Lastly, for the period April 1, 2016, through October 31, 2016, two firm transportation service agreements between ANR and DTE Gas will be amended to discount the monthly reservation rate.

4. Section 11 of the settlement provides that to the extent the Commission considers any changes to the terms of this settlement during the term of the agreement the standard of review for such changes shall be the most stringent standard permissible under applicable law.

5. Because the settlement provides that the standard of review for any changes to the terms of the settlement shall be the most stringent standard permissible under applicable law, we clarify the framework that would apply if the Commission were required to determine the standard of review in a later challenge to the settlement.

6. The *United Gas Pipe Line Co., v. Mobile Gas Serv. Corp.*<sup>3</sup> “public interest” presumption applies to an agreement only if the agreement has certain characteristics that justify the presumption. In ruling on whether the characteristics necessary to justify a *Mobile-Sierra* presumption are present, the Commission must determine whether the agreement at issue embodies either (1) individualized rates, terms, or conditions that apply only to sophisticated parties who negotiated them freely at arm’s length; or (2) rates, terms, or conditions that are generally applicable or that arose in circumstances that do not provide the assurance of justness and reasonableness associated with arm’s-length negotiations. Unlike the latter, the former constitute contract rates, terms, or conditions that necessarily qualify for a *Mobile-Sierra* presumption. In *New England*

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<sup>2</sup> *Great Lakes Gas Transmission Ltd. P’ship*, 153 FERC ¶ 61,053 (2015).

<sup>3</sup> 350 U.S. 332 (1956); *FPC v. Sierra Pac. Power Co.*, 350 U.S. 348 (1956) (*Mobile-Sierra*).

*Power Generators Ass'n, Inc. v. FERC*,<sup>4</sup> however, the D.C. Circuit determined that the Commission is legally authorized to impose a more rigorous application of the statutory “just and reasonable” standard of review on future changes to agreements that fall within the second category described above.

7. The settlement appears fair and reasonable and in the public interest and is hereby approved. The Commission’s approval of the settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings.

8. This letter terminates the consolidated Docket Nos. RP13-743-004, RP15-138-002, and RP15-139-002, as well as the unconsolidated Docket Nos. RP14-650-000, RP14-650-001, and RP15-785-000.<sup>5</sup>

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>4</sup> 707 F.3d 364, 370-71 (D.C. Cir. 2013).

<sup>5</sup> The filings in these latter dockets were subject to the final resolution of the consolidated proceedings, which are now finally resolved by the subject settlement.