

157 FERC ¶ 61,038
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, and Colette D. Honorable.

ANR Pipeline Company

Docket No. CP16-80-000

ORDER APPROVING ABANDONMENT

(Issued October 20, 2016)

1. On February 29, 2016, ANR Pipeline Company (ANR) filed an application under section 7(b) of the Natural Gas Act (NGA)¹ and Part 157 of the Commission's regulations² for approval to abandon in place one compressor unit at each of its Delhi, Brownsville, and Shelbyville Compressor Stations, and two compressor units at its Sardis Compressor station. Additionally, ANR requests authority to abandon 36 million cubic feet per day (MMcf/d) of short-haul capacity on the segment of its SE Mainline³ from the Eunice Compressor Station in Acadia Parish, Louisiana, to the Celestine Compressor station in Celestine, Indiana.
2. As discussed in this order, the Commission grants the requested abandonment authorizations.

¹ 15 U.S.C. § 717f (b) (2012).

² 18 C.F.R. § 157 (2016).

³ The SE Mainline system starts at the Eunice Compressor Station ("Eunice") in Acadia Parish, Louisiana, and runs approximately 895 miles north-northeast to the Defiance Compressor Station ("Defiance") in Defiance, Ohio. There are 13 SE Mainline compressor stations located in the states of Louisiana, Mississippi, Tennessee, Kentucky, Indiana, and Ohio

I. Background and Proposal

3. ANR,⁴ a Delaware corporation with its principal place of business in Houston, Texas, is a natural gas pipeline company⁵ engaged in the transportation of natural gas in interstate commerce, subject to the Commission's jurisdiction. ANR operates approximately 9,400 miles of pipeline facilities extending from Texas and Oklahoma to points in Wisconsin and Michigan.

4. ANR requests authorization to abandon in place one unit at each of the Delhi, Brownsville, and Shelbyville Compressor Stations, and two compressor units at its Sardis Compressor Station and related appurtenant facilities. ANR asserts that abandoning these units will have no adverse effects on ANR's ability to meet its firm transportation commitments. ANR states that it selected the five units for abandonment following a review and evaluation of ANR's SE Mainline compressor fleet. ANR notes that the SE Mainline facilities were originally constructed in the late 1950s and that the last major compressor station was added in the early 1970s. According to ANR, the compressor units are in poor condition and unreliable, and abandonment will benefit ratepayers by saving an estimated \$43 million that ANR would have otherwise spent toward repair and refurbishment of the compressor units.

5. The following chart shows the amount of horsepower (HP) being abandoned at each station:

Station	State	County/Parish	Unit	Description
Delhi	LA	Richland	207	1 gas turbine 9,100 HP
Sardis	MS	Panola	402	1 gas recip. 2,500 HP
Sardis	MS	Panola	406	1 gas turbine 9,100 HP
Brownsville	TN	Haywood	507	1 gas turbine 9,100 HP
Shelbyville	IN	Shelby	906	1 gas recip. 2,000 HP

6. After the abandonment, the Delhi compressor station will consist of six 2,000 HP reciprocating units and one 11,000 HP turbine-driven unit, totaling 23,000 HP. The Sardis Compressor Station will have four 2,500 HP turbine-driven units and one 11,000 HP reciprocating unit, totaling 21,000 HP. The Brownsville Compressor Station will consist of five 2,000 HP reciprocating units and one 13,000 HP turbine-driven unit, totaling 23,000 HP. The Shelbyville Compressor Station will consist of six 2,000 HP reciprocating units, one 7,300 HP reciprocating unit, and one 11,000 HP turbine-driven

⁴ ANR is a wholly owned subsidiary of TransCanada Investments Ltd.

⁵ 15 U.S.C. § 717a(6) (2012).

unit, totaling 30,300 HP. ANR states that the horsepower at each station will be sufficient to meet its certificated obligations.

II. Notice, Interventions, and Protests

7. Notice of ANR's application was published in the *Federal Register* on March 8, 2016.⁶ The parties listed in Appendix A of this order filed timely, unopposed motions to intervene.⁷

8. On March 29, 2016, Rice Energy Marketing LLC (Rice) submitted a motion to intervene and protest. On September 23, 2016 Rice withdrew its protest, but did not withdraw its motion to intervene.

III. Discussion

9. Since the subject facilities are used to transport natural gas in interstate commerce subject to the Commission's jurisdiction, the proposed abandonment of the facilities are subject to the requirements of section 7(b) of the NGA.⁸ Section 7(b) of the NGA provides that an interstate pipeline company may abandon jurisdictional facilities or services only if the Commission finds the abandonment is permitted by the present or future public convenience or necessity. Continuity and stability of existing service are the primary considerations in assessing the public convenience and necessity of a permanent cessation of service under section 7(b) of the NGA.⁹ The applicant has the burden of providing evidence to show that the abandonment is permitted under this standard. The Commission examines abandonment applications on a case-by-case basis.¹⁰

10. We find that ANR's abandonment is permitted by the public convenience and necessity. A review of the ANR's flow diagrams filed with its application as Exhibit V,

⁶ 81 Fed. Reg. 12,094 (2016).

⁷ Timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.214(c) (2016).

⁸ 15 U.S.C. § 717f(b) (2012).

⁹ See *Michigan Consolidated Gas Co. v. F.P.C.*, 283 F.2d 204, 214 (D.C. Cir. 1960); *Transcontinental Gas Pipe Line Corp. v. F.P.C.*, 488 F.2d 1325, 1328 (D.C. Cir. 1973).

¹⁰ *Transwestern Pipeline Co. L.L.C.*, 140 FERC ¶ 61,147, at P 12 (2012).

and the hydraulic models ANR submitted in support of the flow diagrams, show that the proposed abandonment will have no adverse effect on ANR's ability to meet its existing firm contractual commitments.¹¹ The flow models also show that the compressor units to be abandoned are located at stations toward the middle of the system, not near the northern (between Portland and Defiance Compressor Stations) or southern (between Jena and Eunice Compressor Stations) constrained segments of the SE Mainline system. As a result, the abandonment of these units will have no effect on either northbound or southbound long-haul capacity through the constrained segments.

11. Further, the abandonment will allow ANR to address issues related to its aging infrastructure, which could ultimately impact service to its customers. The abandonment will also enable ANR to avoid costly repairs. As mentioned above, ANR estimates that the abandonment of these compressor units will save ratepayers an estimated \$43 million that ANR would have otherwise spent toward repair and refurbishment of the compressor units.

12. We also find that the abandonment of 36 MMcf per day of short-haul capacity on the segment northbound from Eunice and Celestine Compressor Stations will not have any effect on ANR's ability to meet the current contractual firm transportation commitments on its SE Mainline system. After the abandonment of this short-haul capacity, available unsubscribed capacity will remain along this segment to move the certificated volumes.

13. We find that the proposed abandonment of the subject compressor units will not result in any disruption to the continuity and stability of ANR's existing firm transportation service. Given the above, we find that the proposed abandonment is permitted by the public convenience and necessity.

Environmental Analysis

14. Environmental review of ANR's requests under section 380.4 concludes that the proposed abandonments are qualified as a categorical exclusion under section 380.4(a)(36).

IV. Conclusion

15. At a hearing held on October 20, 2016, the Commission on its own motion received and made a part of the record in this proceeding all evidence, including the

¹¹ See Application at Exhibit V; see also ANR's June 13, 2016 Response to Commission Staff's June 8, 2016 Data Request.

application, and exhibits thereto, and all comments submitted, and upon consideration of the record,

The Commission orders:

(A) ANR's request to abandon facilities, as described in this order and the application, is granted.

(B) ANR shall notify the Commission within 10 days of the date(s) of its abandonment(s) of facilities as authorized by this order. ANR shall complete authorized abandonment within one year from the date of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

Appendix A

Timely Intervenors

1. ANR Municipal Customer Group
2. Antero Resources Corporation
3. Atmos Energy Corporation
4. Atmos Energy Marketing LLC
5. Consumers Energy Company
6. Duke Energy Indiana, LLC
7. Indiana Gas Company, Inc.
8. NJR Energy Services Company
9. Northern Indiana Public Service Company
10. Northern States Power Company - Minnesota and Northern States Power
Company - Wisconsin
11. Rice Energy Marketing LLC
12. Tennessee Valley Authority
13. Wisconsin Electric Power Company