January 29, 2016

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

John A. Roscher
Director, Rates, Tariffs, and Certificates

tel 832.320.5675
fax 832.320.6675
email John_Roscher@TransCanada.com
web www.anrpl.com/company_info/

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

via eTariff Filing

Re: ANR Pipeline Company
General Section 4 Rate Filing & Tariff Changes
Docket No. RP16-

Dear Secretary Bose:

Pursuant to section 4(e) of the Natural Gas Act ("NGA"), 15 U.S.C. § 717c(e), and Subpart D of Part 154 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"), 18 C.F.R. §§ 154.301-315, ANR Pipeline Company ("ANR") hereby submits the revised tariff records in Appendix A to be part of its FERC Gas Tariff, Third Revised Volume No. 1 ("Tariff"). The tariff records support a system-wide general increase in ANR's rates, and include changes to ANR's rates, rate schedules, and General Terms and Conditions ("GT&C"). The tariff sections, which constitute ANR's "Primary Case," are proposed to become effective on March 1, 2016. ANR anticipates, however, that the rates proposed herein will be subject to a five-month suspension period and placed into effect on August 1, 2016.

As discussed by ANR witness Jay White, ANR reserves the right to implement a downward management adjustment to the proposed Primary Case rates at or subsequent to the end of the suspension period. ANR proposes to exercise this right if, in its sole discretion, it determines that the parties have made satisfactory progress towards reaching a settlement to resolve this proceeding.

Finally, ANR is filing on a *pro forma* basis the tariff records contained in Appendix B. These tariff records, which constitute ANR's "Preferred Case," reflect a change in ANR's rate zones from the current seven-zone structure included in ANR's Primary Case to a four-zone structure, are proposed to become effective prospectively upon Commission review and approval, subsequent to ANR making all business system modifications necessary for the implementation of a four-zone rate structure. ANR will file the Appendix B *pro forma* tariff records as "live" tariff records following Commission authorization.

Service and Communications

The exact legal name of the entity for whom the filing is made is ANR Pipeline Company, which has its principal place of business at 700 Louisiana Street, Houston, Texas 77002. The names, addresses, and telephone and facsimile numbers of the responsible company officials to whom questions regarding the filing may be addressed, and of the persons upon whom service is to be made, are as follows:

John A. Roscher
Director, Rates, Tariffs, and Certificates
ANR Pipeline Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Tel. (832) 320-5651
Fax (832) 320-6651
E-mail: john_roscher@transcanada.com

Lauri Newton
Director – U.S. Pipelines Law
David R. Hammel
Senior Legal Counsel
ANR Pipeline Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Tel. (832) 320-5861
Fax (832) 320-6861
E-mail: dave_hammel@transcanada.com

Stefan M. Krantz
Kevin M. Downey
Zachary S. Launer
Hogan Lovells US LLP
555 Thirteenth Street, N.W.
Washington, D.C. 20004
Tel. (202) 637-5517
Fax (202) 637-5910
E-mail: stefan.krantz@hoganlovells.com

Each of the foregoing persons has been designated for service in accordance with Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3). ANR respectfully requests that the Commission waive Rule 203(b)(3) to allow more than two persons to be designated to receive service. The foregoing individuals are also designated pursuant to 18 C.F.R. § 154.7(a)(2) of the Commission's regulations.

The materials specified in 18 C.F.R. § 154.208(a) are being served upon ANR's customers and affected state regulatory commissions. In accordance with 18 C.F.R. § 154.208(e), ANR is posting a link to the filing on its Informational Postings website at http://anrebb.transcanada.com, where it may be found by clicking the "Regulatory" link on the left-hand side of the page. Additionally, a complete copy of this filing is available for public inspection during regular business hours in a convenient form and place at ANR's offices in Houston, Texas, in accordance with 18 C.F.R. § 154.2(d) of the Commission's regulations.

Statement of Nature, Reasons and Basis

Overview of ANR's System

The purpose of this filing is to restate ANR's rates for service on its interstate transportation system. ANR's system consists of approximately 9,400 miles of pipeline and nearly 216 billion cubic feet ("Bcf") of storage, and delivers more than 1 trillion cubic feet of natural gas annually, with a peak-day delivery capacity of more than 6 Bcf.

ANR's facilities include two main pipelines: the Southwest Mainline ("SW Mainline"), which extends from ANR's Southwest Area ("SW Area") production zone in Texas, Oklahoma and Kansas north through Missouri, Iowa, Illinois and into Wisconsin, with a segment extending through Indiana and into Michigan; and the Southeast Mainline ("SE Mainline"), which extends from ANR's Southeast Area ("SE Area") in Louisiana north through Arkansas, Mississippi, Tennessee, Kentucky, Indiana, Ohio, and into Michigan. The Tie Line, a segment of pipeline running through northern Indiana, Ohio, and southern Michigan, connects the two main branches.

Broadly speaking, the ANR system is currently divided into five major areas. The SW Area and the SE Area historically were areas of production receipts, although due to changes in the natural gas marketplace that are described more fully below, the SE Area has developed into a net market area. The Northern Area was ANR's traditional market area, and remains ANR's largest market area. The SW Mainline and SE Mainline historically linked the production areas to ANR's Northern Area markets. ANR is also a partial owner (with Texas Eastern Transmission, LP) of the Lebanon Lateral, which extends from Indiana into Ohio. ANR also owns storage facilities located in Michigan and purchases additional storage capacity from third-party storage providers. ANR uses its storage capacity on an integrated basis to provide storage and no-notice services to its customers, and ANR's storage provides important operational benefits to all customers on the ANR system. Six of the storage fields that ANR relies upon are located on its system, but nine of the storage fields are discontiguous to ANR's system. ANR relies upon third party transporters for transportation-by-others ("TBO") services in order to connect the discontiguous storage fields to its system, and the TBOs also provide additional capacity that ANR uses to meet the firm requirements of its shippers.

Basis of Current Rates and Evolution of ANR's Business Environment

ANR's current rates for service were established by a settlement dated October 17, 1997 ("RP94-43 Settlement"), which resolved ANR's last general NGA section 4 rate case filed in Docket No. RP94-43-000.[1] ANR filed that rate case on November 1, 1993, which was the effective date of ANR's commencement of restructured operations pursuant to Order No. 636. At that time, the natural gas industry was undergoing a period of fundamental change, from the era of bundled pipeline sales to the era of unbundled, open-access transportation. However, ANR continued to fulfill its primary historic function of transporting natural gas from traditional supply basins in the Midcontinent and the Gulf of Mexico to Northern Area markets.

[1] *ANR Pipeline Co.*, 82 FERC ¶ 61,145 (1998).

In the nearly twenty years since the RP94-43 Settlement, the natural gas marketplace has undergone a series of transformative changes that have significantly affected where ANR's natural gas supply is sourced and have also resulted in the development of non-traditional market areas. As explained by ANR witness Paul Towne, these changes originally included the introduction of significant new natural gas supply into ANR from non-traditional sources such as Western Canada and the Rocky Mountains, and have now evolved to include Appalachian and other unconventional production areas. This significant development of new geographical sources of supply led originally to the construction of new and expanded pipeline capacity to export supply from the Rockies eastward and has evolved to include substantial pipeline development and expansions into and within ANR's traditional Northern Area markets. Furthermore, changing supply mixes, particularly the introduction of massive shale production from the Marcellus and Utica shale basins, have resulted in areas that traditionally imported gas supply, such as the Northeast, becoming supply-long, while declining offshore production and new demand has resulted in the development of an emerging net market in and near Louisiana, which has traditionally been a supply-long region.

These tremendous industry changes have had profound impacts on ANR's current business and operations. These impacts include, but are not limited to: (1) significant flow changes on ANR's system (including flow reversals on the Lebanon Lateral and SE Mainline); (2) increased pipeline competition in ANR's Northern Area markets resulting in increased transportation service discounting; (3) low transportation values on ANR's SW Mainline as a result of increased production in the Marcellus/Utica regions, coupled with increased exports to Mexico from the Waha Hub; (4) changes to ANR's customer portfolio and how those customers utilize ANR's services; (5) declining use of ANR's long-term storage services and, as a result, a devaluation of its long-term storage rates; (6) disruption of certain long-standing TBO arrangements to the point where those arrangements are no longer viable; and (7) the need for ANR to modernize its system.

As a result of these changes, ANR's operation of its system has likewise evolved and ANR has been required to make large capital expenditures to modernize its system to ensure continued safe and reliable services for its customers. As ANR witness White explains, these market changes and related capital expenditures have resulted in ANR's actual realized return on equity ("ROE") dipping to approximately 3 percent over the last three years.

Of particular significance to this filing, ANR has had to make significant capital expenditures over the last two years to address aging infrastructure, obsolete equipment, engine and compressor reliability, automation upgrades, and line pipe integrity to ensure overall system reliability and compliance with safety regulations as it accommodates increased and changing flows. As ANR witness John J. Hampton explains, ANR incurred $136.7 million in General Plant and Maintenance Capital ("GPMC") costs in 2014, and over the nineteen months of the base period (the twelve months ending October 31, 2015) and the adjustment period (the seven months ending July 31, 2016), ANR expects to place $494.1 million of GPMC projects into service, for an average of $26 million per month. This compares to an annual average of $96.6 million in GPMC expenditures for the years 2011-2013. As Mr. Hampton further explains, significant capital expenditures will continue for at least the next three years.

To date, the bulk of these capital expenditures have been on the SE Mainline, as part of ANR's SE Mainline Reliability and Modernization Program. As ANR witness Hampton explains, while ANR needs to perform modernization work on all segments of its system due to aging infrastructure, ANR has focused its initial modernization work on the SE Mainline in response to changes in operations and service requests, largely resulting from Marcellus/Utica producers seeking market outlets via the ANR system. ANR conducted its Southeast Mainline System Reversal Project in order to meet this demand, and the resulting bi-directional flows on the SE Mainline, which historically flowed south-to-north, have required ANR to prioritize the modernization of that portion of its system in order to assure continued safe, reliable and efficient transportation services.

Summary of Testimony

Included with this filing is Statement P, which contains the prepared direct testimony and exhibits supporting ANR's proposed rate increase and tariff changes. A list of ANR's witnesses is set forth below, along with a brief summary of the principal topics addressed in each witness's testimony.

Witness	**Testimony**
Jay White	Overview of need for, and contents of, filing
John A. Roscher	Proposed change in rate zone structure and other rate design proposals
Paul Towne	Overview of ANR system and operations, assessment of supply and market changes since ANR's last rate case, support for change in rate zone structure
John J. Hampton	Support for capital costs expended and to be expended by ANR for system reliability and modernization, overview of SE Mainline Reliability and Modernization Program
Michael J. Vilbert	Selection of proxy group, range of ROE
Lee Bennett	Commercial environment and business risks faced by ANR
Paul R. Carpenter	Business risk analysis and recommended ROE
Alexander J. Kirk	Gas supply projections to support the economic life of ANR's system

James S. Taylor	Cost analysis of retiring and removing facilities to support net negative salvage rate, and pipeline integrity costs
Patrick R. Crowley	Depreciation and negative salvage
Joseph E. Pollard	TBO costs
Nathaniel A. Brown	Overall cost-of-service consisting of operations and maintenance expenses, depreciation and amortization, return allowance, income taxes and taxes other than income taxes, rate base and return, capital structure, cost of debt, and regulatory assets and liabilities
Gregory S. Barry	Cost allocation, functionalization and rate design
Garrett B. Word	Billing determinants and revenues, including Statement G, discount adjustments
Bruce C. Hopper	Support for discount-type adjustments for negotiated rate contracts
David Burman	Roll-in of expansion facilities
Jeffery D. Keck	Roll-in of fuel, incremental rate for Cold Springs 1 storage facility

Reasons for Proposed Rate Increase

ANR's cost-of-service and rate calculations are based upon the costs and throughput levels for the base period (twelve months ended October 31, 2015) as adjusted for known and measurable changes through the test period ending July 31, 2016. As a result of the changes proposed herein, ANR's maximum recourse rates for service under its various rate schedules will be as set forth on Statement J included with this filing.

For the rates reflected in ANR's Primary Case, ANR's proposed rate design generally attempts to replicate, to the extent practicable, the rate design underlying the rates contained in the RP94-43 Settlement, as it is understood by ANR, including the use of straight-fixed variable rate design. However, as explained by ANR witness John A. Roscher, ANR has made two substantive changes to that rate design. First, ANR has allocated its mileage-related transmission costs across all seven zones, including the SW Area and SE Area zones, using a Dth-mile allocation methodology. Second, ANR has allocated transmission function Account No. 858

costs to all rate zones, including the SW Area and SE Area zones, as part of the system-wide access fee.

In compliance with section 154.7(a)(6) of the Commission's regulations, the following table compares the cost-of-service, rate base, and throughput contained in this filing with the same information underlying ANR's last rates found to be just and reasonable by the Commission:

	This Filing	RP94-43 Rates[2]
Cost-of-Service	$924,950,880	$572,722,739
Total Rate Base	$1,847,291,904	$1,032,416,067
Throughput[3]	~7.4 Dth/d	~5.7 Bcf/d

As explained above, the proposed rate increase is primarily a result of the increased capital expenditures that ANR has begun to make in the last two years, and will continue to make in the future, to address the need to modernize its system. ANR witness Hampton provides a detailed description of these expenditures.

The proposed rate increase also reflects the significantly higher business risk that ANR now faces. ANR witness Paul R. Carpenter demonstrates that ANR has significantly higher business risk relative to the relevant pipeline proxy group. Mr. Carpenter and ANR witness Lee Bennett describes the four principle risks that ANR faces in the current environment: (1) declining basis values on the SW Mainline; (2) declining market area storage values; (3) shipper creditworthiness; and (4) operating risk associated with increased capital maintenance and modernization costs.

SW Mainline Basis Differentials. As ANR witness Bennett explains, ANR's SW Mainline has been significantly affected by the increased production in the Utica/Marcellus basins, which has severely depressed the basis values for transportation on the SW Mainline to the Northern Area. Coupled with increasing demand for exports to Mexico from the Waha Hub, this will further reduce volumes available to the SW Mainline. As a result, ANR will lack production to fill increasing available capacity on the SW Mainline, which will result in further decontracting. Consequently, ANR faces significant business risk from future capacity expirations combined with very low transportation values.

Declining Market Area Storage Values. ANR also faces significant risk with respect to its market area storage, which is increasingly sold on a short-term basis at discounted rates, resulting in a significant devaluation in ANR's long-term storage capacity. As discussed by ANR witnesses Bennett and Carpenter, ANR faces a rapidly increasing amount of unsubscribed storage capacity on its system, with more than half of its currently contracted-for storage capacity expiring in the next several years as a result of the dynamics discussed by ANR witnesses Towne and Bennett. Additionally, the declining intrinsic and extrinsic value of storage results primarily from two concurrent trends: first, increased domestic production that reduces

[2] The RP94-43 Settlement established a stipulated cost-of-service and rate base as shown.

[3] Throughput volumes are approximated due to the complex nature of ANR's system. The volumes for this filing are not discounted-adjusted, and to the best of ANR's present knowledge the volumes for Docket No. RP94-43 are not discount-adjusted.

the need for storage to meet winter peak demand, and second, the significant build in storage inventory capacity. As ANR witness Carpenter explains, ANR faces considerable business risk in its storage market as a result of these market changes coupled with the fact that ANR obtains a greater fraction of operating revenue from storage than any of the proxy group pipelines.

Shipper Creditworthiness. On the SE Mainline, ANR faces significant business risk associated with shipper creditworthiness. A significant majority of contracts associated with ANR's SE Mainline System Reversal Project are with natural gas producers, whose demands, unlike locao distribution company ("LDC") demand, are not seasonally variable. As ANR witness Bennett discusses, the current customer makeup on the SE Mainline for southbound flows is 99.7 percent producers and 0.3 percent LDC/end users. Additionally, as discussed by ANR witnesses Bennett and Carpenter, the recent increase in energy price volatility has affected producers more than others, resulting in an increased risk for ANR due to those shippers' evolving credit challenges. As ANR witness Carpenter demonstrates, ANR has amongst the highest exposure to producer shippers, and given the significant financial pressure shale gas producers are currently facing, ANR has less protection from long-term contracts than other peer pipelines. As a result, ANR faces comparatively higher business risk than its peer pipelines.

Capital Maintenance and Modernization Costs. As described above, and as discussed in greater detail by ANR witness Hampton, ANR needs to make substantial capital investments over the coming years as part of a long-term effort to modernize and/or rebuild critical and aging portions of the system. ANR witness Carpenter explains that ANR's planned capital maintenance expenditures are significantly greater than the historical maintenance capital expenditures of the proxy group, resulting in greater operating risk for ANR than its peer pipelines.

ANR witness Michael J. Vilbert supports an appropriate return on common equity in the range of 7.94 to 30.84 percent, with a median of 13.19. Based upon the significant business risks that are unique to ANR, as detailed in the testimony of ANR witnesses Bennett and Carpenter. ANR witness Carpenter supports a 100 basis point premium above Dr. Vilbert's median, based upon the elevated business risk that ANR faces.

The proposed rates thus incorporate this increase in return on equity, reflecting the increased business and financial risks that ANR now faces. As detailed in the testimony of ANR witness Nathaniel A. Brown, ANR's proposed rates include an overall cost of capital of 14.19 percent. Mr. Brown establishes ANR's overall cost-of-service for the twelve-month base period ending October 31, 2015, adjusted for known and measurable changes for the test period ending July 31, 2016, as approximately $925 million. This cost-of-service is based on ANR's actual capital structure of 35.00 percent debt/65.00 percent equity and the depreciation rates calculated by ANR witness Patrick R. Crowley. ANR witness Brown supports the use of ANR's own capital structure, which conforms to the Commission's policy in that ANR issues its own non-guaranteed debt, has its own debt ratings separate from its parent, and has a common equity ratio in line with others previously approved by the Commission.

The following table summarizes ANR's overall rate of return:

	Capitalization Ratio	Cost	Weighted Cost
Long-Term Debt	35.00%	7.63%	2.67%
Equity	65.00%	14.19%	9.22%
Overall Rate of Return			11.89%

As supported by ANR witnesses Crowley, Alexander J. Kirk and James S. Taylor, ANR's rates also reflect the following: (1) an increase in the depreciation rate of ANR's total transmission plant to 3.18 percent; (2) a decrease in the depreciation rate of ANR's underground storage to 1.91 percent; (3) adjustments to the depreciation rates for other elements of ANR's system; and (4) the establishment of negative salvage rates of 0.70 percent for underground storage and 1.46 percent for transmission.

The proposed rates also reflect the inclusion in ANR's base rates of TBO costs, which historically have been recovered through ANR's Deferred Transportation Cost Adjustment ("DTCA") tracker mechanism (embodied in Section 6.26 of ANR's GT&C). Under the terms of the RP94-43 Settlement, the DTCA was due to expire upon the effectiveness of new rates, whether established in a section 4 or section 5 rate proceeding. ANR and all but one of its customers recently entered into a settlement of several DTCA-related proceedings ("DTCA Settlement"), pursuant to which settlement Section 6.26 of the GT&C will expire upon the effective date of new ANR base rates.[4] As a result, ANR is including its TBO costs in its system access charge, consistent with historic Commission treatment of such costs.[5] ANR witness Joseph E. Pollard describes the TBOs and the numerous system benefits that the TBOs provide to ANR's entire system. Mr. Pollard also describes how certain historic individually-certificated Part 157 TBO arrangements on the Great Lakes Gas Transmission, L.P. ("Great Lakes") system became unworkable, and how ANR entered into new TBO arrangements with Great Lakes under Part 284 contracts to replicate the services historically provided under the Part 157 TBOs.

Other Rate-Related Proposals

Roll-in of Expansion Facilities

ANR has constructed several expansions of its system that have been certificated by the Commission since 1991, and ANR proposes to roll the costs of several of these facilities into its general system rates at this time. The facilities that ANR proposes to roll in are as follows:

1. The Battle Creek Lateral Project (Docket No. CP88-14-000), which was certificated in 1991, permitted ANR to provide sales service to two LDCs in Michigan.

[4] The Commission approved the DTCA Settlement by order dated October 15, 2015, but severed one contesting party and continued hearing procedures in effect with respect to that party. *ANR Pipeline Co.*, 153 FERC ¶ 61,053 (2015).

[5] *See ANR Pipeline Co.*, 82 FERC ¶ 61,145 (1998).

2. The Northeast Project (Docket No. CP89-637-000), which was certificated in 1991, permitted ANR to provide natural gas supply to new cogeneration projects in the Northeast United States.

3. The Blue Lake Storage Header Project (Docket No. CP91-2705-000), which was certificated in 1992, permitted ANR to provide transportation to the Blue Lake Storage Field.

4. The 1997 Wisconsin Facilities Project (Docket No. CP97-765-000), which was certificated in 1998, permitted ANR to provide transportation service into Wisconsin from the then-newly emerging Chicago gas hub.

5. The Wisconsin 2000 Expansion Project (Docket No. CP99-241-000), which was certificated in 2000, permitted ANR to meet the increasing demand for natural gas in the growing Northern Illinois and Wisconsin markets.

6. The Wisconsin 2006 Expansion Project (Docket No. CP05-364-000), which was certificated in 2005, permitted ANR to continue to expand to meet customer needs for natural gas in Wisconsin markets.

7. The Wisconsin 2009 Expansion Project (Docket No. CP08-465-000), which was certificated in 2009, permitted ANR to continue to meet the natural gas needs of LDCs, marketers, power developers, and end-users in Wisconsin.

ANR witness David Burman describes how ANR's proposal to roll in the costs of these facilities meets the "no-subsidization" requirement under the Commission's 1999 Certificate Policy Statement,[6] because the rate impact of rolling these costs into ANR's general system rates will not result in a subsidization of the expansion shippers by existing shippers.

In addition, ANR proposes to roll in the fuel costs associated with the Northeast Project, the Wisconsin 2000 Expansion Project, and the Wisconsin 2006 Expansion Project. ANR witness Jeffery D. Keck provides an analysis supporting the roll-in of the fuel costs associated with these expansions.

ANR is not proposing to roll in the costs associated with the Cold Springs 1 storage facility. Rather, ANR proposes to establish an incremental rate for this project. ANR is also proposing a roll-down mechanism to address Cold Springs 1 and potential future incrementally priced projects. As set forth in proposed Section 6.37 of the GT&C, the highest incremental rate on the system may serve as the maximum recourse rate applicable to new firm shippers taking capacity subsequent to the establishment of an incremental rate. The rate may also apply to shippers exercising rights of first refusal, if the capacity along the path (or within the integrated storage facility) the shipper has contracted is fully subscribed and there is a competing bid above the maximum pre-expansion rate applicable to the existing shipper. The incremental rate, in turn,

[6] *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *order on clarification*, 90 FERC ¶ 61,128 (2000), *order on clarification*, 92 FERC ¶ 61,094 (2000).

will roll down over time as additional new shippers take service at rates that are higher than the otherwise applicable system rate, up to the incremental rate.

Furthermore, ANR is proposing (in Section 6.38 of the GT&C) a roll-down mechanism to address commodity and fuel costs. The Commission required ANR to implement an incremental fuel rate for its Sulphur Springs Expansion Project, and proposed Section 6.38 would address roll-down of fuel rates for that project and other potential projects for which incremental commodity or fuel rates are implemented. Because fuel is a variable cost that is recovered only when gas is transported (or injected and withdrawn from storage), the roll-down mechanism is based upon delivery (or injection/withdrawal) volumes rather than contract demand.

Term-Differentiated Storage Rates

As discussed by ANR witness Roscher, ANR is proposing to implement term-differentiated rates for its FSS storage service, consistent with the Commission's policy governing term-differentiated rates for firm services as set forth in Order No. 637.[7] Specifically, ANR proposes to differentiate among three term groups of FSS contracts: under four years (Group 1); under ten years to and including four years (Group 2); and ten years or more (Group 3). The firm reservation charges applicable to Group 3 shippers are reduced by approximately $1.5 million per year, and the associated revenue reduction is then redistributed to Group 1 shippers, so that the additional revenue collected from Group 1 shippers equals the Group 3 revenue reduction. Group 2 shippers will not be impacted, because their rates will remain equal to the rates derived from the overall system-wide rate design. This mechanism will ensure that application of term-differentiated storage rates will produce ANR's annual revenue requirement.

Discount and Discount-Type Adjustment

ANR's proposed rates reflect a discount adjustment and a discount-type adjustment for service provided at discounted rates and at negotiated rates, respectively. ANR's adjustments are consistent with its Tariff and with Commission policies that allow a pipeline to seek a reduction in the volumes used to design its maximum rates, if it obtained those volumes by offering reduced rates in order to meet competition.[8] ANR witness Roscher describes how ANR effectuates the adjustments.

Rate Schedule ETS

As noted above, ANR's current rates were established by the RP94-43 Settlement, which was a black box settlement. In ANR's Order No. 636 restructuring proceeding, the ETS rate was designed as a derivative of the FTS-1 rate, with ETS receiving a double allocation of mileage reservation costs in the zone of delivery. This double allocation, which was found by the Commission to be just and reasonable, was intended to recognize the cost of the additional

---

[7] *Regulation of Short-Term Natural Gas Transportation Services and Regulation of Interstate Natural Gas Transportation Services*, Order No. 637, 1996-2000 FERC Stats. & Regs. [Regs. Preambles] ¶ 31,093 at 31,293 (2000), *order on clarification*, Order No. 637-A, 1996-2000 FERC Stats. & Regs. [Regs. Preambles] ¶ 31,099 (2000), *order on reh'g*, Order No. 637-B, 92 FERC ¶ 61,062 (2000).

[8] *See Policy for Selective Discounting by Natural Gas Pipelines*, 111 FERC ¶ 61,309 (2005).

capacity required for ETS service flexibility. As ANR witness Roscher explains, however, if that double allocation were continued under the rates proposed herein, it would result in an ETS premium relative to the FTS-1 rates that is far in excess of the premium reflected in current rates. Therefore, ANR proposes to reduce the zone of delivery multiplier from 2x to 1.5x.

Rate Zone Structure

In its Preferred Case, ANR proposes to change its current seven-zone rate structure to a four-zone structure, with the change to become effective prospectively, following a Commission order approving ANR's proposal. ANR simply proposes to eliminate three existing zone boundaries, while the other existing zone boundaries would remain as they are currently located. The zone boundaries that would be eliminated are as follows: the boundary between the SW Area and Southwest Southern Segment (ML-5), the boundary between the Southwest Central Segment (ML-6) and the Northern Area (ML-7), and the boundary between the Southeast Southern Segment (ML-2) and Southeast Central Segment (ML-3). The new zones would consist of: (1) Supply Zone West (the former SW Area and ML-5); (2) Supply Zone East (the former ML-2 and ML-3); (3) Market Zone North (the former ML-6 and ML-7); and (4) Market Zone South (the former SE Area).

As discussed by ANR witnesses Roscher and Towne, the existing seven-zone structure reasonably reflected the historical flow of natural gas across the long lines of the ANR system. Traditionally, gas supply was typically sourced from Gulf Coast and Midcontinent supply areas, transported primarily in a unidirectional fashion from south to north, and delivered to ANR's primary market area in the Northern Area. Thus, the historical zone structure reasonably reflected the distance over which transportation was provided from south to north and from supply to market.

However, as ANR witness Towne explains, gas supplies accessing the ANR system have diversified beyond the traditional Gulf of Mexico and Midcontinent supply regions that were ANR's primary historic sources of supply. Gas is now supplied to the ANR system from a variety of different sources that did not exist at the time ANR filed its last rate case. These sources include shale gas that can enter ANR's system on the southern end of its SE Mainline, Marcellus/Utica shale gas that can enter ANR's system in the middle and on the northern end of its SE Mainline, Rockies supplies that can enter ANR's system near the midpoints of ANR's SW and SE Mainlines, and increased Canadian supplies that can enter ANR's system in ANR's Northern Area. In addition, ANR's SE Area, traditionally a supply area, has now become a net market area on ANR's system, second only to the Northern Area that was the original market ANR's mainlines were constructed to serve. ANR's Southeast Mainline System Reversal Project was undertaken to enable producers to reach this market area.

In light of these changes, ANR is proposing to revise its zone structure to better reflect the current needs of the markets that it serves. As ANR witness Roscher explains, movement to a four-zone structure will allow ANR to effectively separate its system into supply and market zones, thereby reflecting the overall market and operational realities of ANR's system as they exist today. ANR's proposal creates two distinct header systems or zones along components of the traditional SE and SW Mainlines that will allow supplies within those zones to compete on equal footing to serve adjoining markets. The creation of larger, header-type zones will allow

supplies that access these larger zones to compete on the basis of production costs, without regard to transportation rate barriers that are unrelated to the cost of production and that give supplies closer to a market a competitive advantage. Movement to a four-zone structure, therefore, will enhance supply competition on the ANR system.

ANR witness Towne explains the rationale underlying the creation of each zone. ANR witness Roscher explains how the proposed zone structure is consistent with the Commission's rate design policies, because it will: (1) enable ANR to maximize throughput; (2) reflect material variations in the cost of providing service due to the distance over which transportation will occur; and (3) reflect the operational characteristics of ANR's system, including physical configuration, distinct operational areas, and gas flows.

Summary of Proposed Tariff Changes

Primary Case

ANR is proposing to implement the following tariff changes reflected on the revised tariff records in Appendix A, to be effective August 1, 2016:

Revised Base Rates

As explained above, ANR is updating its cost-of-service and proposing to increase its base transportation rates (maximum recourse rates) for Rate Schedules FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS, ITS-3, IPLS, IWS, ETS, STS, NNS, MBS, PTS-2, and PTS-3.[9] As noted, ANR is also proposing to establish term-differentiated rates for firm storage service under Rate Schedule FSS.

Elimination of DTCA

Consistent with the DTCA Settlement, ANR is eliminating from its Tariff the DTCA tracker contained in Section 6.26 of the GT&C, and is eliminating references to Section 6.26 from its Statement of Rates and from relevant rate schedules.

Implementation of Roll-Down Mechanisms

As explained above, ANR is incorporating a mechanism in its Tariff to address roll-down of incremental rates. Proposed Section 6.37 of the GT&C addresses roll-down of reservation rates, and proposed Section 6.38 of the GT&C addresses roll-down of commodity and fuel rates.

[9] ANR is also revising certain of the tariff records in its Statement of Rates to delete stated maximum daily capacity release rates, which are no longer relevant since the Commission eliminated the rate cap on short-term releases of capacity.

Housekeeping Changes

ANR is making certain housekeeping changes to its Tariff as part of this filing. Specifically, ANR is revising the definition of "Transporter's Use" in Section 6.1 of the GT&C to delete language relating to a TBO agreement ANR formerly held on another pipeline that has been terminated. ANR is also revising Section 6.1 of the GT&C to remove obsolete references to facilities that are no longer owned by ANR.

Preferred Case

ANR has included *pro forma* tariff records in Appendix B that include modifications necessary to reflect the proposed four-zone rate structure, including rates and housekeeping changes to the Tariff. ANR proposes to make these changes effective only after a Commission order approving the proposed four-zone structure.

Other Filings Which May Affect This Proceeding

Pursuant to 18 C.F.R. § 154.204(f), ANR states that as of the time of this filing, it has no filings pending before the Commission that may significantly affect the changes proposed herein.

Materials Submitted

In accordance with sections 154.7 and 154.201 of the Commission's regulations and Order No. 714,[10] ANR is submitting an eTariff XML filing package, which includes the following (Volume I of this filing):

1. The tariff records being revised in RTF format with metadata attached;

2. This transmittal letter, which incorporates the Statement of Nature, Reasons and Basis as required by 18 C.F.R. § 154.7(a)(6), in PDF format;

3. Appendix A, a list in PDF format of revised tariff records being filed;

4. Appendix A-1, a clean version of the revised tariff records in PDF format;

5. Appendix A-2, a marked version of the revised tariff records in accordance with the provisions of section 154.201(a) of the Commission's regulations;

6. Appendix B, a list of *pro forma* tariff records related to the four-zone rate proposal;

7. Appendix B-1, a clean version of the *pro forma* tariff records in PDF format related to the four-zone rate proposal;

[10] *Electronic Tariff Filings*, Order No. 714, 2008-2013 FERC Stats. & Regs. [Regs. Preambles] ¶ 31,276 (2008), *final rule*, Order No. 714-A, III FERC Stats. & Regs. [Regs. Preambles] ¶ 31,356 (2014).

8. Appendix B-2, a marked version of the *pro forma* tariff records related to the four-zone rate proposal in accordance with the provisions of section 154.201(a) of the Commission's regulations;

9. Appendix C, a table of contents that associates the statements and schedules included in the filing with the corresponding exhibit number and electronic file name;

10. A representation by ANR's authorized accounting representative, as required by 18 C.F.R. § 154.308;

11. Statements A through P, and related statements, schedules and workpapers in PDF or native format, as required by 18 C.F.R. § 154.312.

12. The necessary documentation to support the revised tariff sections, as required by 18 C.F.R. §§ 154.201 and 154.207; and

13. A statement that all affected customers and state regulatory commissions have received an abbreviated electronic version of this rate filing, as required by 18 C.F.R. § 154.208.

In addition, ANR is submitting as Volume II of this filing one exhibit that contains ANR's most recent Form 567, which constitutes Critical Energy Infrastructure Information. This exhibit is being submitted in a separate electronic file, and is marked "**Contains Critical Energy Infrastructure Information – Do Not Release**" in accordance with Sections 388.112(b) and 388.113 of the Commission's regulations. ANR respectfully requests that this exhibit be treated as confidential pursuant to Order No. 630,[11] and that it not be released to the public.

Proposed Effective Date and Motion to Place Rates Into Effect

The revised tariff sections contained in Appendix A filed herein have a proposed effective date of March 1, 2016. Because this filing reflects a rate increase, however, ANR expects the Commission to suspend the effectiveness of the tariff sections until August 1, 2016. Pursuant to 18 C.F.R. § 154.7(a)(9), ANR hereby moves to place the tariff sections set forth in Appendix A into effect as of March 1, 2016. In the event the Commission elects to accept and suspend the tariff sections, ANR will file a separate motion pursuant to 18 C.F.R. § 154.206 to place the tariff sections into effect at the end of the suspension period.

Requests for Waivers

Pursuant to 18 C.F.R. §§ 154.7(a)(7) and 154.207, ANR respectfully requests that the Commission grant all waivers necessary to allow the tariff sections to become effective as proposed herein, including any necessary waivers of Parts 154, 157, 284 and 385 of the Commission's regulations, as well as any other rule, policy, pronouncement or order.

[11] *Critical Energy Infrastructure Information*, Order No. 630, 2001-2005 FERC Stats. & Regs. [Regs. Preambles] ¶ 31,140 (2003), *order on reh'g*, Order No. 630-A, 104 FERC ¶ 61,106 (2003).

Certificate of Service

In accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010, a copy of this filing, together with all enclosures, is being served upon all jurisdictional customers and interested state regulatory agencies.

Certification

Pursuant to 18 C.F.R. §§ 385.2005 and 385.2011, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing.

Respectfully submitted,

/s/ John A. Roscher

John A. Roscher
Director, Rates, Tariffs, and Certificates

Enclosures

Appendix A

ANR Pipeline Company
FERC Gas Tariff, Third Revised Volume No. 1

List of Proposed Tariff Records
Primary Case

Tariff Section	Version
Part 1 – Table of Contents	v.30.0.9
Part 4 – Statement of Rates	v.1.0.0
4.1 – Statement of Rates, Rate Schedule ETS	v.1.0.0
4.2 – Statement of Rates, Rate Schedule STS, Small Shipper ETS and FTS-1	v.1.0.0
4.3 – Statement of Rates, Rate Schedules FTS-1, FTS-4 & FTS-4L	v.1.0.0
4.4 – Statement of Rates, Reserved for Future Use	v.1.0.0
4.5 – Statement of Rates, Rate Schedule FTS-2	v.1.0.0
4.6 – Statement of Rates, Rate Schedule FTS-3	v.1.0.0
4.7 – Statement of Rates, Rate Schedule ITS	v.1.0.0
4.8 – Statement of Rates, Rate Schedules ITS-3, IPLS & IWS	v.1.0.0
4.9 – Statement of Rates, Rate Schedules FSS & DDS	v.1.0.0
4.10 – Statement of Rates, Rate Schedules FSS & DDS (Cold Springs 1)	v.1.0.0
4.11 – Statement of Rates, Rate Schedules NNS & MBS	v.1.0.0
4.12 – Statement of Rates, Base Rate: FTS-1, FTS-4, FTS-4L, ETS, PTS-2 & FTS-2	v.1.0.0
4.13 – Statement of Rates, Base Rate Components: FTS-3	v.1.0.0
4.14 – Statement of Rates, Base Rate Components: ITS & PTS-3	v.1.0.0

4.16 – Statement of Rates, Statement of Surcharges	v.8.0.0
4.17 – Statement of Rates, Reserved for Future Use	v.8.0.0
4.17.1 – Statement of Rates, Reserved for Future Use	v.3.0.0
4.17.2 – Statement of Rates, Reserved for Future Use	v.2.0.0
5.1.3 – Rate Sch ETS, Charges	v.2.0.0
5.2.3 – Rate Sch STS, Charges	v.1.0.0
5.3.3 – Rate Sch FTS-1, Charges	v.2.0.0
5.4.3 – Rate Sch FTS-2, Charges	v.2.0.0
5.5.3 – Rate Sch FTS-3, Charges	v.2.0.0
5.8 – Rate Schedules, Rate Schedule ITS	v.1.0.0
5.9.3 – Rate Sch IPLS, Charges	v.1.0.0
5.10 – Rate Schedules, Rate Schedule IWS	v.1.0.0
5.11.3 – Rate Sch ITS-3, Charges	v.1.0.0
5.12.3 – Rate Sch FSS, Charges	v.3.0.0
5.13 – Rate Schedules, Rate Schedule DDS	v.1.0.0
5.14 – Rate Schedules, Rate Schedule MBS	v.1.0.0
5.15.3 – Rate Sch NNS, Charges	v.2.0.0
5.19 – Rate Schedules, Southeast Area Gathering Service	v.6.0.0
6.1 – GT&C, Definitions	v.4.0.0
6.26 – GT&C, Reserved for Future Use	v.2.0.0
6.37 – GT&C, Roll-Down Mechanism – Reservation Rates	v.0.0.0
6.38 – GT&C, Roll-Down Mechanism – Commodity and Fuel Rates	v.0.0.0

Appendix B

ANR Pipeline Company
FERC Gas Tariff, Third Revised Volume No. 1

List of Proposed Pro Forma Tariff Records
Preferred Case

Tariff Section

Part 1 – Table of Contents

4.1 – Statement of Rates, Rate Schedule ETS

4.2 – Statement of Rates, Rate Schedule STS, Small Shipper ETS and FTS-1

4.3 – Statement of Rates, Rate Schedules FTS-1, FTS-4 & FTS-4L

4.5 – Statement of Rates, Rate Schedule FTS-2

4.6 – Statement of Rates, Rate Schedule FTS-3

4.7 – Statement of Rates, Rate Schedule ITS

4.8 – Statement of Rates, Rate Schedules ITS-3, IPLS & IWS

4.9 – Statement of Rates, Rate Schedules FSS & DDS

4.10 – Statement of Rates, Rate Schedules FSS & DDS (Cold Springs 1)

4.11 – Statement of Rates, Rate Schedules NNS & MBS

4.12 – Statement of Rates, Base Rate: FTS-1, FTS-4, FTS-4L, ETS, PTS-2 & FTS-2

4.13 – Statement of Rates, Base Rate Components: FTS-3

4.14 – Statement of Rates, Base Rate Components: ITS & PTS-3

4.15 – Statement of Rates, Negotiated Rate Agreements – PTS-3

4.18 – Statement of Rates, Transporter's Use (%)

4.19 – Statement of Rates, EPC Charge

Part 5 – Rate Schedules

5.9.7 – Rate Sch IPLS, Points of Service

5.15.3 – Rate Sch NNS, Charges

5.16 – Rate Sch, Rate Schedule PTS-1

5.17.2 – Rate Sch PTS-2, Applicability and Character of Service

5.17.3 – Rate Sch PTS-2, Charges

5.18.2 – Rate Sch PTS-3, Applicability and Character of Service

5.18.3 – Rate Sch PTS-3, Charges

5.19 – Rate Schedules, Market Zone South Gathering Service

6.1 – GT&C, Definitions

6.6.1 – GT&C, Submission of Nominations

6.11 – GT&C, Pressure at Receipt Point(s) and Delivery Point(s)

6.13 – GT&C, Quality

6.15.1 – GT&C, Cashout of Imbalances

6.16 – GT&C, Spot Price Index

6.20 – GT&C, Capacity Trading

6.21.1.1 – GT&C, Eligibility

Volume I (Public)

Title	FERC Statement/ Schedule	Exhibit Number	Electronic File Name
Letter of Transmittal			Transmittal Letter.pdf
Tariff Sheets			Transmittal Letter.pdf
List of Primary Case Tariff Records – Appendix A			Transmittal Letter.pdf
Primary Case Tariff Records Clean – Appendix A-1			Appendix A-1 Primary Case_Clean.pdf
Primary Case Tariff Records Redline – Appendix A-2			Appendix A-2 Primary Case_Marked.pdf
List of Preferred Case Tariff Records – Appendix B			Transmittal Letter.pdf
Preferred Case Tariff Records Clean – Appendix B-1			Appendix B-1 Preferred Case_Clean.pdf
Preferred Case Tariff Records Redline – Appendix B-2			Appendix B-2 Preferred Case_Marked.pdf
Table of Contents – Appendix C			Transmittal Letter.pdf
Accounting Representations			Transmittal Letter.pdf
Prepared Direct Testimony of Jay White	P	ANR-001	Exhibit No. ANR-001_White Direct Testimony.pdf
Prepared Direct Testimony of John A. Roscher	P	ANR-002	Exhibit No. ANR-002_Roscher Direct Testimony.pdf
Prepared Direct Testimony of Paul Towne	P	ANR-003	Exhibit No. ANR-003_Towne Direct Testimony.pdf
ANR SW Area Map	P	ANR-004	Exhibit No. ANR-004.pdf
ANR SE Area Map	P	ANR-005	Exhibit No. ANR-005.pdf
ANR Northern Area Map	P	ANR-006	Exhibit No. ANR-006.pdf
ANR Mainline Map	P	ANR-007	Exhibit No. ANR-007.pdf
ANR Receipts and Deliveries by Segment Data	P	ANR-008	Exhibit No. ANR-008.pdf
Major Changes in Natural Gas Transportation Capacity 1998-2008	P	ANR-009	Exhibit No. ANR-009.pdf
EIA Natural Gas Gross Withdrawals and Production	P	ANR-010	Exhibit No. ANR-010.pdf
EIA Natural Gas Wellhead Prices	P	ANR-011	Exhibit No. ANR-011.pdf
EIA Additions to Capacity on U.S. Natural Gas Pipeline Network: 2005	P	ANR-012	Exhibit No. ANR-012.pdf
EIA Additions to Capacity on U.S. Natural Gas Pipeline Network: 2007	P	ANR-013	Exhibit No. ANR-013.pdf

EIA Drilling Productivity	P	ANR-014	Exhibit No. ANR-014.pdf
EIA Natural Gas Pipeline Projects	P	ANR-015	Exhibit No. ANR-015.pdf
EIA Northeast and Ohio Consumption; Marcellus/Utica Production	P	ANR-016	Exhibit No. ANR-016.pdf
Natural Gas Annual Respondent Query System EIA-191	P	ANR-017	Exhibit No. ANR-017.pdf
Prepared Direct Testimony of John J. Hampton	P	ANR-018	Exhibit No. ANR-018_Hampton Direct Testimony.pdf
Test Period GPMC Project Costs	P	ANR-019	Exhibit No. ANR-019.pdf
GPMC Expenditures 2011-2014	P	ANR-020	Exhibit No. ANR-020.pdf
GPMC Expenditures 2015-2018	P	ANR-021	Exhibit No. ANR-021.pdf
SE Mainline Monthly Capacity vs. Nominations	P	ANR-022	Exhibit No. ANR-022.pdf
SE Mainline Contract Profile 2014-2025	P	ANR-023	Exhibit No. ANR-023.pdf
SE Mainline Facilities Study – Unit Recommendations	P	ANR-024	Exhibit No. ANR-024.pdf
SE Mainline R&M Program – Analysis Process	P	ANR-025	Exhibit No. ANR-025.pdf
Cost Comparison, SE Mainline Program vs. Replacements	P	ANR-026	Exhibit No. ANR-026.pdf
Prepared Direct Testimony of Michael J. Vilbert	P	ANR-027	Exhibit No. ANR-027_Vilbert Direct Testimony.pdf
Résumé of Dr. Michael J. Vilbert	P	ANR-028	Exhibit No. ANR-028.pdf
DCF Analysis Tables and Workpapers	P	ANR-029	Exhibit No. ANR-029.pdf
Historical Growth Rate Charts and Workpapers	P	ANR-030	Exhibit No. ANR-030.pdf
Prepared Direct Testimony of Lee Bennett	P	ANR-031	Exhibit No. ANR-031_Bennett Direct Testimony.pdf
Prepared Direct Testimony of Paul R. Carpenter	P	ANR-032	Exhibit No. ANR-032_Carpenter Direct Testimony.pdf
Résumé of Dr. Paul R. Carpenter	P	ANR-033	Exhibit No. ANR-033.pdf
Tables, Figures and Workpapers	P	ANR-034	Exhibit No. ANR-034.pdf
Prepared Direct Testimony of Alexander J. Kirk	P	ANR-035	Exhibit No. ANR-035_Kirk Direct Testimony.pdf
Alexander J. Kirk Curriculum Vitae	P	ANR-036	Exhibit No. ANR-036.pdf
Non-Speculative Resources Tabulation	P	ANR-037	Exhibit No. ANR-037.pdf
Production Projections by the EIA	P	ANR-038	Exhibit No. ANR-038.pdf
Total Energy-Related CO_2 Emissions Projections by the EIA	P	ANR-039	Exhibit No. ANR-039.pdf
DOE Strategic Plan and White House Press Briefing	P	ANR-040	Exhibit No. ANR-040.pdf
DOE Methane Factsheet and EPA Methane Measures	P	ANR-041	Exhibit No. ANR-041.pdf
DOE Photovoltaic System Pricing Trends	P	ANR-042	Exhibit No. ANR-042.pdf
DOE 2014 Wind Technologies Market Report	P	ANR-043	Exhibit No. ANR-043.pdf

National Renewable Energy Laboratory Scenario Results	P	ANR-044	Exhibit No. ANR-044.pdf
Prepared Direct Testimony of James S. Taylor	P	ANR-045	Exhibit No. ANR-045_Taylor Direct Testimony.pdf
List of James S. Taylor's Testimonies Before the FERC	P	ANR-046	Exhibit No. ANR-046.pdf
ANR System Map	P	ANR-047	Exhibit No. ANR-047.pdf
ANR Schematic Diagram (CEII)	P	ANR-048	PUBLIC_Exhibit No. ANR-048.pdf
ANR Abandonment Guidelines	P	ANR-049	Exhibit No. ANR-049.pdf
Transmission and Storage TNS Estimate Parameters	P	ANR-050	Exhibit No. ANR-050.pdf
Transmission TNS Estimate - Pipelines	P	ANR-051	Exhibit No. ANR-051.pdf
Transmission TNS Estimate – Compressor Stations	P	ANR-052	Exhibit No. ANR-052.pdf
Transmission TNS Estimate – Meter Stations	P	ANR-053	Exhibit No. ANR-053.pdf
Transmission TNS Estimate Supporting Documents	P	ANR-054	Exhibit No. ANR-054.pdf
Storage TNS Estimate	P	ANR-055	Exhibit No. ANR-055.pdf
Storage TNS Estimate Supporting Documents	P	ANR-056	Exhibit No. ANR-056.pdf
Prepared Direct Testimony of Patrick R. Crowley	P	ANR-057	Exhibit No. ANR-057_Crowley Direct Testimony.pdf
Curriculum Vitae of Patrick R. Crowley	P	ANR-058	Exhibit No. ANR-058.pdf
Depreciation Workpapers	P	ANR-059	Exhibit No. ANR-059.pdf
Storage Survivor Curve Analysis	P	ANR-060	Exhibit No. ANR-060.pdf
Transmission Survivor Curves Analysis	P	ANR-061	Exhibit No. ANR-061.pdf
Prepared Direct Testimony of Joseph E. Pollard	P	ANR-062	Exhibit No. ANR-062_Pollard Direct Testimony.pdf
Summary Description of Current System Integration TBOs	P	ANR-063	Exhibit No. ANR-063.pdf
Copies of Current System Integration TBO Contracts	P	ANR-064	Exhibit No. ANR-064.pdf
Comparison of Capacity With or Without System Integration TBOs	P	ANR-065	Exhibit No. ANR-065.pdf
Summary Description of Historical TBOs	P	ANR-066	Exhibit No. ANR-066.pdf
Summary Description of Other SBOs and TBO Contracts	P	ANR-067	Exhibit No. ANR-067.pdf
Map of Key Locations on ANR's System	P	ANR-068	Exhibit No. ANR-068.pdf
Map Depicting System Integration TBO Functions	P	ANR-069	Exhibit No. ANR-069.pdf
ANR Storage Fields and TBO Routes	P	ANR-070	Exhibit No. ANR-070.pdf
Description of TBO Differences Current and Past	P	ANR-071	Exhibit No. ANR-071.pdf
X-1 Replacement	P	ANR-072	Exhibit No. ANR-072.pdf
Costs of New ANR Construction	P	ANR-073	Exhibit No. ANR-073.pdf
Guardian Option for Storage to Wisconsin	P	ANR-074	Exhibit No. ANR-074.pdf

Cost Estimates for Guardian Expansion Facilities	P	ANR-075	Exhibit No. ANR-075.pdf
DTE Option – Farwell/Deward	P	ANR-076	Exhibit No. ANR-076.pdf
DTE/Vector Option – Muttonville/Farwell	P	ANR-077	Exhibit No. ANR-077.pdf
DTE Option – Muttonville/Farwell	P	ANR-078	Exhibit No. ANR-078.pdf
Prepared Direct Testimony of Nathaniel A. Brown	P	ANR-079	Exhibit No. ANR-079_Brown Direct Testimony.pdf
Prepared Direct Testimony of Gregory S. Barry	P	ANR-080	Exhibit No. ANR-080_Barry Direct Testimony.pdf
Prepared Direct Testimony of Garrett B. Word	P	ANR-081	Exhibit No. ANR-081_Word Direct Testimony.pdf
Discounted FT Contracts	P	ANR-082	Exhibit No. ANR-082.pdf
Discounted IT Contracts	P	ANR-083	Exhibit No. ANR-083.pdf
Discounted Storage Contracts	P	ANR-084	Exhibit No. ANR-084.pdf
FT Contract Turnback During Adjustment Period	P	ANR-085	Exhibit No. ANR-085.pdf
New FT Contracts During Adjustment Period	P	ANR-086	Exhibit No. ANR-086.pdf
Prepared Direct Testimony of Bruce C. Hopper	P	ANR-087	Exhibit No. ANR-087_Hopper Direct Testimony.pdf
Negotiated Rate Contracts for Discount-Type Adjustment	P	ANR-088	Exhibit No. ANR-088.pdf
1999 Wisconsin Public Service Commission Letter	P	ANR-089	Exhibit No. ANR-089.pdf
Interstate Pipeline Deliveries into Wisconsin	P	ANR-090	Exhibit No. ANR-090.pdf
Excerpts from Guardian Certificate Applications	P	ANR-091	Exhibit No. ANR-091.pdf
WPSC Capacity Load Reduction	P	ANR-092	Exhibit No. ANR-092.pdf
UGI Service Territory and Interconnecting Pipelines	P	ANR-093	Exhibit No. ANR-093.pdf
UGI Portfolio Correspondence	P	ANR-094	Exhibit No. ANR-094.pdf
City of Duluth and SWPL Presentation	P	ANR-095	Exhibit No. ANR-095.pdf
Excerpt from Wisconsin 2009 Expansion Application	P	ANR-096	Exhibit No. ANR-096.pdf
Prepared Direct Testimony of David Burman	P	ANR-097	Exhibit No. ANR-097_Burman Direct Testimony.pdf
Battle Creek Lateral Roll-in Analysis and Workpapers	P	ANR-098	Exhibit No. ANR-098.pdf
Northeast Project Roll-in Analysis and Workpapers	P	ANR-099	Exhibit No. ANR-099.pdf
Blue Lake Storage Header Roll-in Analysis and Workpapers	P	ANR-100	Exhibit No. ANR-100.pdf
Wisconsin 1997 Expansion Project Roll-in Analysis and Workpapers	P	ANR-101	Exhibit No. ANR-101.pdf
Wisconsin 2000 Expansion Project Roll-in Analysis and Workpapers	P	ANR-102	Exhibit No. ANR-102.pdf
Wisconsin 2006 Expansion Project Roll-in Analysis and Workpapers	P	ANR-103	Exhibit No. ANR-103.pdf
Wisconsin 2009 Expansion Project Roll-in Analysis and Workpapers	P	ANR-104	Exhibit No. ANR-104.pdf

Prepared Direct Testimony of Jeffery D. Keck	P	ANR-105	Exhibit No. ANR-105_Keck Direct Testimony.pdf
ANR Northeast Filing Fuel Comparison	P	ANR-106	Exhibit No. ANR-106.pdf
Southwest Mainline Fuel Utilization Graph	P	ANR-107	Exhibit No. ANR-107.pdf
ANR ML-7 Fuel Comparison for Wisconsin 2000 Expansion Project	P	ANR-108	Exhibit No. ANR-108.pdf
Wisconsin Actual Fuel Comparison for Wisconsin 2000 Expansion Project	P	ANR-109	Exhibit No. ANR-109.pdf
ANR ML-7 Fuel Comparison for Wisconsin 2006 Expansion Project	P	ANR-110	Exhibit No. ANR-110.pdf
Wisconsin Actual Fuel Comparison for Wisconsin 2006 Expansion Project	P	ANR-111	Exhibit No. ANR-111.pdf
ANR Pipeline Design Requirements for Transport of Storage Volumes via TBOs	P	ANR-112	Exhibit No. ANR-112.pdf
Statements and Schedules			
Overall Cost of Service Summary	A	ANR-113	COS-1.xlsx
Overall Rate Base and Return Summary	B	ANR-114	COS-1.xlsx
Summary of Accumulated Deferred Income Taxes	B-1	ANR-115	COS-1.xlsx
Regulatory Assets	B-2	ANR-116	COS-1.xlsx
Cost of Plant	C	ANR-117	COS-1.xlsx
Gas Plant by Account	C-1	ANR-118	COS-1.xlsx
Gas Plant Additions Claimed in Rate Base	C-2	ANR-119	COS-1.xlsx
Cost of Storage Plant by Major Functions	C-3	ANR-120	COS-1.xlsx
Methods and Procedures Used in Capitalizing Allowance for Fund Used During Construction and Other Construction Overheads	C-4	ANR-121	COS-1.xlsx
Gas Plant in Service Not Being Used in Rendering Gas Service	C-5	ANR-122	COS-1.xlsx
Accumulated Provisions for Depreciation, Depletion, and Amortization	D	ANR-123	COS-1.xlsx
Difference Between Present Book Depreciation Rates and Depreciation Rates Not Yet Approved by FERC	D-1	ANR-124	COS-1.xlsx
Methods and Procedures Followed in Depreciating, Depleting or Amortizing Plant and Recording Abandonment	D-2	ANR-125	COS-1.xlsx
Working Capital	E	ANR-126	COS-1.xlsx
Cash Working Capital Computation - Omitted	E-1	ANR-127	COS-1.xlsx
Materials & Supplies for Prepayment	E-2	ANR-128	COS-1.xlsx
Gas Stored Underground for Resale	E-3	ANR-129	COS-1.xlsx
Claimed Rate of Return on Equity	F-1	ANR-130	COS-1.xlsx
Capitalization and Cost of Capital	F-2	ANR-131	COS-1.xlsx
Long-Term Debt (Debt Capital)	F-3	ANR-132	COS-1.xlsx
Preferred Stock Capital - Omitted	F-4	ANR-133	COS-1.xlsx
Summary of Revenues, Credits, and Billing Determinants – Primary Case	G	ANR-134	COS-2.xlsx

Summary of Revenues, Credits, and Billing Determinants – Preferred Case	G	ANR-135	COS-3.xlsx
Billing Determinants and Revenues	G-1	ANR-136	COS-4.xlsx
Billing Determinants and Revenues – Primary Case	G-2	ANR-137	COS-5.xlsx
Billing Determinants and Revenues – Preferred Case	G-2	ANR-138	COS-6.xlsx
Proposed Adjustments to Base Period Billing Determinants	G-3	ANR-139	COS-7.xlsx
At-Risk Revenue - Omitted	G-4	ANR-140	COS-1.xlsx
Other Revenue	G-5	ANR-141	COS-1.xlsx
Miscellaneous Revenue - Omitted	G-6	ANR-142	COS-1.xlsx
Operation and Maintenance Expenses	H-1	ANR-143	COS-1.xlsx
Summary of System Labor, Materials and Other Expenses	H-1(1)	ANR-144	COS-1.xlsx
Total System Labor Costs	H-1(1)(a)	ANR-145	COS-1.xlsx
Total Material and Other Expenses Excluding Gas Costs	H-1(1)(b)	ANR-146	COS-1.xlsx
Gas Operation and Maintenance Expenses	H-1(1)(c)	ANR-147	COS-1.xlsx
Detail of Administrative and General Expenses – See Schedules H-1(2)(a) through H-1(2)(k)	H-1(2)	ANR-148	COS-1.xlsx
Gas Operation and Maintenance Expenses	H-1(2)(a)	ANR-149	COS-1.xlsx
Advertising Expenses	H-1(2)(b)	ANR-150	COS-1.xlsx
Office Supplies and Expenses	H-1(2)(c)	ANR-151	COS-1.xlsx
Administrative Expenses Transferred Credit	H-1(2)(d)	ANR-152	COS-1.xlsx
Outside Services Employed	H-1(2)(e)	ANR-153	COS-1.xlsx
Employee Pensions and Benefits	H-1(2)(f)	ANR-154	COS-1.xlsx
Regulatory Commission Expenses	H-1(2)(g)	ANR-155	COS-1.xlsx
Duplicate Charges – Credit	H-1(2)(h)	ANR-156	COS-1.xlsx
Miscellaneous General Expenses	H-1(2)(i)	ANR-157	COS-1.xlsx
Intercompany Transactions	H-1(2)(j)	ANR-158	COS-1.xlsx
Lease Expense	H-1(2)(k)	ANR-159	COS-1.xlsx
Depreciation, Depletion, Amortization and Negative Salvage Expenses	H-2	ANR-160	COS-1.xlsx
Reconciliation of Depreciable Plant to Total Gas Plant	H-2(1)	ANR-161	COS-1.xlsx
Federal and State Income Taxes	H-3	ANR-162	COS-1.xlsx
State Income Tax Rates by State	H-3(1)	ANR-163	COS-1.xlsx
Reconciliation of Net Book Plant and Net Tax Plant	H-3(2)	ANR-164	COS-1.xlsx
Summary of Other Taxes	H-4	ANR-165	COS-1.xlsx
Adjustment to Other Taxes	H-4	ANR-166	COS-1.xlsx
Functionalized Cost of Service	I	ANR-167	COS-1.xlsx
Overall Cost of Service	I-1	ANR-168	COS-1.xlsx

Cost of Service by Function	I-1(a)	ANR-169	COS-1.xlsx
Functionalized Cost of Service by Incremental and Non-Incremental	I-1(b)	ANR-170	COS-1.xlsx
Cost of Service by Zone	I-1(c)	ANR-171	COS-1.xlsx
Allocation of Non-Direct Costs to Functions	I-1(d)	ANR-172	COS-1.xlsx
Classification of Cost-of-Service – Primary Case	I-2	ANR-173	COS-8.xlsx
Classification of Cost-of-Service – Preferred Case	I-2	ANR-174	COS-9.xlsx
Allocation of Cost-of-Service – Primary Case	I-3	ANR-175	COS-8.xlsx
Allocation of Cost-of-Service – Preferred Case	I-3	ANR-176	COS-9.xlsx
Summary of Transmission and Compression of Gas by Others	I-4	ANR-177	COS-1.xlsx
Gas Balance	I-5	ANR-178	COS-1.xlsx
Reconciliation of Operating Revenues with Cost-of-Service – Primary Case	J	ANR-179	COS-2.xlsx
Reconciliation of Operating Revenues with Cost-of-Service – Preferred Case	J	ANR-180	COS-3.xlsx
Summary of Billing Determinants – Primary Case	J-1	ANR-181	COS-2.xlsx
Summary of Billing Determinants – Preferred Case	J-1	ANR-182	COS-3.xlsx
Derivation of Transmission and Gathering Base Rates – Primary Case	J-2	ANR-183	COS-2.xlsx
Derivation of Transmission and Gathering Base Rates – Preferred Case	J-2	ANR-184	COS-3.xlsx
Comparative Balance Sheet	L	ANR-185	COS-1.xlsx
Income Statement	M	ANR-186	COS-1.xlsx
Description of Company Operations – System Overview, System Map, Major Expansions and Abandonments, and Design and Operation of ANR's System	O	ANR-187	Exhibit No. ANR-187.pdf

Volume II (CEII)

Title	FERC Statement/ Schedule	Exhibit Number	Electronic File Name
Description of Company Operations – System Overview, System Map, Major Expansions and Abandonments, and Design and Operation of ANR's System		ANR-048	CEII_Exhibit No. ANR-048.pdf

TransCanada
In business to deliver

STATEMENT OF AUTHORIZED ACCOUNTING REPRESENTATIVE

PURSUANT TO 18 C.F.R. § 154.308

RATE FILING OF ANR PIPELINE COMPANY

DATED JANUARY 29, 2016

TO THE FEDERAL ENERGY REGULATORY COMMISSION:

I, Nathaniel A. Brown, Controller, TransCanada USA Services Inc., the company responsible for the operation of ANR Pipeline Company ("ANR"), do hereby represent that the cost statements, supporting data, and workpapers submitted as part of the above mentioned filing by ANR, which purport to represent the books of ANR do, in fact, set forth the results shown by such books.

Nathaniel A. Brown
Controller
TransCanada USA Services Inc.