



November 27, 2019

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

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

John A. Roscher
Director, Rates & Tariffs

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Re: ANR Pipeline Company
Change in FERC Gas Tariff
Docket No. RP20-____-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,¹ ANR Pipeline Company (“ANR”) respectfully submits for filing and acceptance revised Part 6.17 – General Terms & Conditions, Billing and Payment (“Section 6.17”) to be part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”). Section 6.17 is being submitted to establish provisions allowing for the prepayment of reservation charges, as more fully described below. ANR respectfully requests that the Commission accept tariff Section 6.17, included in the instant filing as Appendix A, to become effective December 27, 2019.

Correspondence

The names, titles and mailing address of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

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* Persons designated for official service pursuant to Rule 2010.

¹ 18 C.F.R. Part 154 (2019).

Statement of Nature, Reasons and Basis for Filing

Section 6.17 of ANR's Tariff contains provisions concerning ANR's administration of billing and payment for the services provided pursuant to ANR's Tariff. ANR is proposing in the instant filing to add new paragraph 5 to Section 6.17, which would allow ANR to agree to accept, in a not unduly discriminatory manner, a shipper's prepayment of its unpaid reservation charges obligation under an existing or new service agreement for firm service. The prepayment provisions included in the instant filing are optional, but provide existing or potential shippers with payment flexibility if it is in their best interest when considering individual financial and budgetary situations or access to capital markets.

At such time as ANR agrees to accept such a prepayment, the amount to be prepaid by the shipper will be equivalent to its unpaid reservation charges obligation for the remainder of the term of an existing firm service agreement or the entire term of a new firm service agreement. The amount prepaid would be credited to the shipper's firm service agreement in monthly increments under the ordinary course of ANR's billing process.² The option for a shipper to prepay its unpaid reservation charges will not change the rate(s) in that shipper's underlying service agreement; consequently, for capacity release and posting requirements, the rate to be charged will be the rate(s) specified in the shipper's firm service agreement. Throughout the prepaid service agreement's term, ANR will invoice, and the shipper who prepaid its reservation charges will be responsible for paying, all other applicable charges and surcharges each month.³ A shipper that has prepaid its reservation charges will not be allowed to have any of its prepayment returned after having made such prepayment. Additionally, prepayments received by ANR pursuant to the modifications proposed in the instant filing will not qualify as cash security deposits for purposes of establishing creditworthiness under ANR's Tariff; nor will cash security deposits received by ANR for purposes of establishing creditworthiness be considered as a prepayment of a reservation charge obligation.

Any prepaid recourse reservation charges will be subject to adjustment if ANR's recourse rates are changed pursuant to NGA section 4 or 5 during the period for which a shipper has prepaid for service. Any such changes to ANR's recourse rates will require that the underlying reservation rate(s) of a service agreement for which a shipper has prepaid will be adjusted in the same manner as if the shipper had not

² Existing paragraphs 2 and 3 of Section 6.17 stipulate that ANR shall render a statement of the amount due each month, and the shipper shall pay the amount due each month, respectively. The prepayment proposal contained herein alters the payment schedule to amount to an upfront, lump sum, prepayment by the shipper.

³ Those charges shall include, but not be limited to, reservation charges for secondary points, commodity and usage charges, overrun service charges, penalty charges, fuel and electric power cost reimbursement charges, and other applicable charges and surcharges.

made its prepayment.⁴ If ANR's applicable recourse rate for a service agreement which has been prepaid by a shipper increases due to a section 4 or 5 proceeding during that agreement's term, ANR will be entitled to require a recourse rate shipper to pay a monthly charge equal to the difference between the new maximum recourse rate and the recourse rate at the time the prepayment was made. If, on the other hand, ANR's applicable recourse rate decreases, ANR will provide a maximum recourse rate shipper a monthly credit equal to the difference between the new maximum recourse rate and the recourse rate in effect at the time of the prepayment.

Furthermore, if ANR's maximum rate is in effect subject to refund at any time during the prepayment period and refunds are required, a maximum rate shipper will be entitled to the same refunds as if it had not made its prepayment. Similar adjustments will be made in the rates paid by a discounted rate shipper as necessary to ensure that such shipper's rates remain within the range established by ANR's maximum and minimum recourse rates.⁵

The prepayment provisions proposed in the instant filing allow a shipper and ANR to mutually agree that a shipper may provide a lump sum payment of its aggregate reservation charges obligation under an existing or new firm service agreement, when, at the discretion of the shipper, it is appropriate to make such a prepayment. ANR requests that the Commission accept the prepayment provisions included in Section 6.17, submitted herein as Appendix A, to become effective December 27, 2019.

Effective Date

ANR respectfully requests that the Commission accept the tariff section included as Appendix A to become effective December 27, 2019.

Other Filings Which May Affect This Proceeding

There are no other filings before the Commission that may significantly affect the changes proposed herein.

⁴ This prepayment provision is consistent with a condition imposed by the Commission in accepting a similar prepayment proposal filed by Southern Natural Gas Company. *Southern Natural Gas Company*, 128 FERC ¶ 61,211 (2009) at P 58 ("Southern Order").

⁵ *Id.* at P 59. Refunds and discount adjustments reflect additional discussion points included in the Southern Order.

Contents of Filing

In accordance with Section 154.7 of the Commission’s regulations, ANR is submitting the following via its electronic tariff filing:

1. This transmittal letter;
2. A clean tariff section (Appendix A); and
3. A marked tariff section (Appendix B).

Certificate of Service

As required by Sections 154.7(b) and 154.208 of the Commission’s regulations, a copy of this filing is being served upon all of ANR’s existing customers and interested state regulatory agencies. A copy of this letter, together with any attachments, is available during regular business hours for public inspection at ANR’s principal place of business.

Pursuant to Section 385.2005 of the Commission’s regulations, 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.

Any questions regarding this filing may be directed to David A. Alonzo at (832) 320-5477.

Respectfully submitted,

ANR Pipeline Company

John A. Roscher
Director, Rates & Tariffs

Enclosures

Appendix A

*ANR Pipeline Company
Third Revised Volume No. 1*

Clean Tariff

Tariff Section

6.17 – GT&C, Billing and Payment

Version

v.2.0.0

6.17 BILLING AND PAYMENT

1. **Billing.** On or before the ninth (9th) Business Day of each Month, Transporter shall render (for purposes of this Section 6.17 paragraph 1, "render" shall mean either (a) postmarked or (b) time-stamped and electronically transmitted via EDM to the designated site, whichever is applicable) to Shipper a statement of the amount due for the preceding Month under the applicable Rate Schedule(s). Any charges pursuant to the Cashout provisions of Section 6.15 of these General Terms and Conditions shall be billed by a separate statement rendered to Shipper of the amount due Transporter or Shipper on or before the nineteenth (19th) Business Day of each Month for imbalances incurred during the preceding Month. When information necessary for billing purposes is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the third (3rd) Day of the Month.

Both Transporter and Shipper have the right to examine at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

2. **Payment.** Shipper shall pay Transporter the amount due for the preceding Month on or before the tenth (10th) Day after the Date of the invoice. Payments by Shipper to Transporter shall be made in the form of Wire Transfer directed to a bank account designated by Transporter's Controller for amounts equal to or greater than \$50,000 such that funds are available on the date payment is due. Payments of amounts less than \$50,000 by Shipper to Transporter shall be made at Shipper's election by either Wire Transfer directed to a bank account designated by Transporter's Controller, or by check at Transporter's general office or at such other address as Transporter shall designate such that funds are available on the date payment is due.

Party making payment should submit supporting documentation, party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from the invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case the remittance detail is due within two business days of the payment due date. Interest on the unpaid portion of the bill shall accrue at the current rate as set forth in Section 154.501(d) of the Commission's Rules and Regulations, from the due date until the date of payment. If such failure to pay continues for thirty (30) Days after payment is due, Transporter, in addition to any other remedy it may have hereunder, may upon receipt of the appropriate regulatory approval, if any, suspend further delivery of Gas until such amount is paid. If Shipper in good faith disputes the amount of any such bill or part thereof and pays to Transporter such amounts, if any, as it concedes to be correct and, at any time thereafter within thirty (30) Days of a demand made by Transporter, furnishes a good and sufficient surety bond in an amount and with surety satisfactory to Transporter or other assurance

acceptable to Transporter, guaranteeing payment to Transporter of the unpaid amount, then Transporter shall not be entitled to suspend further delivery of such Gas unless and until default be made in the conditions of such bond.

3. Adjustment of Billing Errors. Subject to the provisions of Sections 6.12.3, 6.12.4 and 6.14.4 of these General Terms and Conditions, if it shall be found that at any time or times a person has been charged an overrun penalty and Shipper shall have actually paid the bills containing such penalty, then within thirty (30) Days after the final determination thereof, either Transporter shall refund the amount of any overcharge or Shipper shall pay the amount of any undercharge. In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be adjusted within thirty (30) Days of the determination thereof, provided that claim therefor shall have been made within thirty (30) Days from the date of discovery of such error, but in any event within six (6) Months from the date of such statement, provided, however, that the party harmed by the adjustment shall have up to three (3) Months to dispute such adjustment. The timing of billing claims and adjustments referenced in the previous sentence shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. If the parties are unable to agree on the adjustment of any claimed error, any resort by either of the parties to legal proceedings shall be commenced within fifteen (15) Months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred.
4. Refunds: Refunds due Shipper from Transporter pursuant to either the terms and conditions of this Tariff or orders of the Commission shall be paid by Wire Transfer to a bank account established by Shipper if: (a) Shipper has made twelve consecutive Monthly payments to Transporter in the form of Wire Transfer preceding the date of the refund; (b) the amount of the refund, including interest, exceeds \$50,000; and (c) Shipper has designated a bank account for the receipt of refunds by Wire Transfer at least thirty (30) Days prior to the date established for refunds by written communication to Transporter's Controller. Refunds of an amount less than \$50,000 will be paid by Transporter to Shipper by check.
5. Prepayment of Reservation Charges. Transporter may, from time to time in a manner not unduly discriminatory, agree to accept a Shipper's prepayment of its Reservation Charges obligation under an existing or new firm Agreement. The amount of the prepayment shall be equivalent to Shipper's unpaid Reservation Charges obligation for the remainder of the term of an existing firm Agreement or the entire term of a new firm Agreement, as applicable.

The prepayment shall be credited to Shipper's Agreement under the ordinary course of Transporter's billing process. Shipper shall not be allowed to withdraw all or part of its prepayment.

Neither this provision nor any solicitation or negotiation by Transporter under this provision shall obligate Transporter to accept any request for prepayment.

A Shipper's Reservation Charges will be subject to adjustments when Transporter's recourse rates are changed pursuant to NGA section 4 or 5 during the period for which Shipper has prepaid for service and Shipper shall understand that any prepayment does not absolve it of such future adjustments to the recourse rates. For capacity release and posting requirements, the rate to be charged will be the rate specified in the applicable firm Agreement.

Prepayments received by Transporter under this section shall not qualify as cash security deposits for purposes of creditworthiness, nor shall cash security deposits for purposes of creditworthiness be considered as prepayments under this section.

Appendix B

*ANR Pipeline Company
Third Revised Volume No. 1*

Marked Tariff

Tariff Section

6.17 – GT&C, Billing and Payment

Version

v.2.0.0

6.17 BILLING AND PAYMENT

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