

169 FERC ¶ 61,244
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

December 23, 2019

In Reply Refer To:
ANR Pipeline Company
Docket No. RP20-270-000

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

Attention: John A. Roscher
Director, Rates & Tariffs

Dear Mr. Roscher:

1. On November 26, 2019, ANR Pipeline Company (ANR) filed a revised tariff record¹ to establish provisions allowing for the prepayment of reservation charges. As discussed below, we accept the referenced tariff record effective December 27, 2019, subject to conditions.
2. ANR states that Section 6.17 of the General Terms and Conditions (GT&C) of its tariff contains provisions concerning ANR's administration of billing and payment for the services provided pursuant to ANR's tariff. In the instant filing, ANR proposes to add Section 6.17.5 to its GT&C, which would allow ANR to agree to accept, in a not unduly discriminatory manner, a shipper's prepayment of its unpaid reservation charge obligation under an existing or new service agreement for firm service. ANR explains that the prepayment provisions are optional but provide existing or potential shippers the ability to request an alternate payment option.²
3. ANR explains that the option to prepay reservation charges will not change the rates in that shipper's underlying service agreement. Also, ANR states that any

¹ ANR Pipeline Company, FERC NGA Gas Tariff, ANR Tariffs, [6.17 - GT&C, Billing and Payment, 2.0.0](#).

² Transmittal at 2.

prepayments made pursuant to this new provision 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. Furthermore, ANR explains that any prepaid recourse reservation charges will be subject to adjustment if ANR's recourse rates are changed pursuant to section 4 or 5 of the Natural Gas Act during the period for which a shipper has prepaid for service.³

4. Public notice of the filing was issued on November 27, 2019. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁴ Pursuant to Rule 214,⁵ all timely filed motions to intervene and any unopposed motion to intervene out-of-time filed before the issuance date of this order are granted.⁶ Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on the existing parties. On December 9, 2019, Indicated Shippers⁷ filed a request for clarification. On December 13, 2019, ANR filed an answer. Pursuant to Rule 213(a)(2) of the Commission's Rules of Practice and Procedure⁸ answers to protests are prohibited unless otherwise ordered by the decisional authority. The Commission will accept ANR's answer because it provides information that will assist us in our decision-making process.

5. In their request for clarification, Indicated Shippers raise concerns over whether ANR's prepayment proposal will allow ANR to use a prepayment offer in the evaluation of the net present value of a bid.⁹ Indicated Shippers note that, given that a prepayment

³ *Id.*

⁴ 18 C.F.R. § 154.210 (2019).

⁵ 18 C.F.R. § 385.214 (2019).

⁶ Timely motions to intervene were filed by Northern States Power Co. – Minnesota & Northern States Power Co. – Wisconsin; Northern Illinois Gas Co. d/b/a/ Nicor Gas Co.; Atmos Energy Corporation; Duke Energy Indiana, LLC; BP Canada Energy Marketing Corporation; ExxonMobil Upstream Oil & Gas Company; and Antero Resources Corporation.

⁷ For the purposes of this filing, Indicated Shippers consist of BP Canada Energy Marketing Corp., and ExxonMobil Upstream Oil & Gas Company, a division of Exxon Mobil Corporation.

⁸ 18 C.F.R. § 385.213(a)(2) (2019).

⁹ Indicated Shippers Motion at 3.

of dollars would be considered to have a higher net present value than the same dollar amount paid out monthly over the term of an agreement, ANR could deem an offer to prepay reservation charges to be of a higher value than a bid in which the bidder requests to pay reservation charges monthly for the term of the service agreement. Indicated Shippers request that ANR clarify that its tariff proposal applies after capacity has been awarded and not during the bidding process.¹⁰ In its answer, ANR confirms that these prepayments will not be considered in the evaluation of the net present value of a bid and that the proposed option will only apply after capacity has been awarded.¹¹

6. We accept ANR's proposed tariff record to be effective December 27, 2019, subject to conditions. ANR's proposed tariff revision provides existing or potential shippers flexibility to request an alternate payment option depending on individual circumstances. The Commission has previously approved prepayments for capacity if they are limited to giving firm shippers an opportunity to prepay the amounts that they are already obligated to pay under their existing service agreements.¹² ANR is directed to revise its tariff, within 30 days of the date of issuance of this order, to clarify that any prepayment made pursuant to the proposed tariff section may not be used in the evaluation of the net present value of a bid during its bid evaluation process to award capacity.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁰ *Id.*

¹¹ ANR Answer at 2.

¹² *S. Natural Gas Co.*, 128 FERC ¶ 61,211, at P 57 (2009).