

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ANR Pipeline Company

)

Docket No. RP25-858-000

**MOTION TO INTERVENE, PROTEST, AND
REQUEST FOR SUSPENSION AND EVIDENTIARY HEARING PROCEEDINGS
OF PROCESS GAS CONSUMERS GROUP AND
INDUSTRIAL ENERGY CONSUMERS OF AMERICA**

On April 30, 2025, ANR Pipeline Company (“ANR”) filed revised tariff records to its FERC Gas Tariff to effectuate changes in the rates applicable to ANR’s transportation and storage services pursuant to section 4 of the Natural Gas Act (“NGA”) and Part 154 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”).¹ Pursuant to Rules 211, 212 and 214 of the Commission’s Rules of Practice and Procedure,² and the Commission’s Combined Notice of Filings,³ the Process Gas Consumers Group (“PGC”) and Industrial Energy Consumers of America (“IECA”) hereby submit this motion to intervene and protest in the above-captioned proceeding. In support of this motion, PGC and IECA state as follows:

I. COMMUNICATIONS

All correspondence, communications, pleadings, and other documents relating to this proceeding should be served upon the following:

Andrea J. Chambers DLA Piper LLP (US) 500 Eighth St., NW Washington, DC 20004 (202) 799-4440 andrea.chambers@us.dlapiper.com	Carolyn E. Clarkin DLA Piper LLP (US) 500 Eighth St., NW Washington, DC 20004 (202) 799-5538 carolyn.clarkin@us.dlapiper.com
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¹ Transmittal Letter at 1.

² 18 C.F.R. §§ 385.211, 385.212, 385.214 (2024).

³ See Combined Notice of Filings (April 30, 2025).

II. BACKGROUND

ANR's current rates were established pursuant to the Stipulation and Agreement dated December 14, 2022, in Docket No. RP22-501-000, et al. ("RP22-501 Settlement").⁴ ANR states that under Article V.A. of the RP22-501 Settlement, ANR will not make any filing that would become effective before the expiration of the established moratorium, which ended on November 1, 2025.⁵ In accordance with Article V.A of the RP22-501 Settlement, ANR requests that the Commission suspend the Primary Case tariff sheet sections for the full five-month suspension period so that the sheet sections do not become effective until November 1, 2025.⁶

ANR proposes system-wide rate increases in both its Primary Case and Preferred Case. Under the Primary Case, Rate Schedule FTS-1 services are increasing on average by 109.87%, ranging from 25.68% to 181.07%.⁷ ANR attributes the proposed rate increases to "substantial historical maintenance and non-growth capital expenditures ANR has made" and "significantly higher business risk that ANR now faces."⁸

Underlying the proposed rates are a cost of service of \$1,397,140,629 and rate base of \$4,778,013,929, which are \$271 million and \$1.3 billion more than the cost of service and rate base, respectively that ANR proposed in Docket No. RP22-501.⁹ The proposed rates are also based on a throughput of 9.9 million Dekatherms per day ("Dth/d"), which is 800,000 Dth/d more

⁴ Transmittal at 1 (citing *ANR Pipeline Co.*, 183 FERC ¶ 61,014 (2023)).

⁵ *Id.* at 1.

⁶ *Id.*

⁷ See Marked Tariff.

⁸ Transmittal at 7.

⁹ *Id.* at 6.

than the throughput proposed in Docket No. RP22-501.¹⁰ In addition, ANR proposes to roll in three incremental projects: the Collierville Expansion Project, Grand Chenier Xpress Project, and Alberta Xpress Project.¹¹

III. MOTION TO INTERVENE

PGC is a trade association that represents energy-intensive large industrial and manufacturing natural gas consumers who are typically longstanding, significant employers within their respective communities. PGC members own and operate hundreds of manufacturing plants and facilities in virtually every state in the nation and consume natural gas delivered through interstate natural gas pipeline systems throughout the United States. PGC members hold transportation capacity on numerous interstate pipelines, including ANR.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees. One hundred percent of IECA members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity. IECA's sole mission is to reduce and avoid energy costs and increase energy reliability through advocacy in Congress and regulatory agencies, such as the Commission. IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement. IECA members are served through ANR.

¹⁰ *Id.*

¹¹ *Id.* at 9.

As customers that receive gas delivered over ANR, PGC and IECA members have a direct and substantial interest in this proceeding. PGC and IECA's intervention is in the public interest, and the associations cannot be adequately represented by any other party in this proceeding. Thus, granting this motion would be in the public interest. PGC and IECA request that this intervention be granted with all rights associated with that status.

IV. PROTEST

ANR has not shown that the proposed system wide rate increases are just and reasonable. PGC and IECA submit that there are numerous material issues of fact arising from ANR's filing that warrant full investigation in an evidentiary hearing, including, but not limited to, the following:

Return on Equity – ANR's proposed 14.54% ROE may be unjust and unreasonable as it far exceeds the last litigated ROE of 11.25%.¹² In addition, earlier this year, Commission Trial Staff filed testimony recommending a ROE of 10.6%.¹³

Capital Structure – ANR proposes to use a capital structure of 34% debt and 66% equity, which the pipeline states is its actual capital structure.¹⁴ The Commission applies the following three-prong test to determine if it will use a pipeline's own capital structure for ratemaking purposes: (1) the company must issue its own debt that is not guaranteed by its parent company; (2) the company must have its own credit rating; and (3) the company's equity ratio must not be

¹² *Panhandle E. Pipe Line Co., LP*, Order No. 885, 181 FERC ¶ 61,211, at P 110 (2022), *order on reh'g*, Opinion No. 885-A, 184 FERC ¶ 61,181 (2023) ("*Panhandle*").

¹³ Direct Testimony of Michael O'Connor, Vector Pipeline L.P., Docket No. RP24-971-000, Exhibit S-0059, at 42:14 (March 18, 2025). The proxy group members included DT Midstream, Inc. ("DTM"), Enbridge Inc., Energy Transfer, Kinder Morgan Inc., and The Williams Companies Inc. ANR's core proxy group similarly includes Enbridge Inc. Energy Transfer LP, Kinder Morgan Inc., and The Williams Companies Inc. ANR's core proxy group also includes National Fuel Gas and excludes DTM.

¹⁴ Transmittal at 8.

excessive relative to members of the proxy group and to other recent Commission-approved capital structures.¹⁵

ANR has not shown that it meets the Commission's third prong requiring ANR to demonstrate its 66% equity ratio is not excessive relative to members of the proxy group or other recent Commission-approved capital structures. ANR's witness states "ANR's end-of-Test Period equity ratio will be 66 percent and thus will be in line with capital structures previously approved by the Commission" but provides no support for that claim.¹⁶ Moreover, ANR's equity ratio is excessive relative to the Commission's most recently approved equity ratio of 62.94% in *Panhandle*.¹⁷

Depreciation – ANR proposes increases in its transmission plant depreciation and negative salvage rates over its current approved rates, from 1.91% to 2.40% and 0.60% to 0.44%, respectively.¹⁸ The proposed depreciation and negative salvage increases raise material issues of fact.

Discount and Discount-Type Adjustment – ANR's proposed rates reflect a discount adjustment for service provided at discounted rates, as well as a discount-type adjustment for service provided at negotiated rates.¹⁹ The Commission requires that at a minimum a pipeline seeking discount and discount-type adjustments must "identify all of its long-term discounts and

¹⁵ *Transcontinental Gas Pipe Line Corp.*, Opinion No. 414, 80 FERC ¶ 61,157, at 61,667 (1997), *as modified on reh'g*, Opinion No. 414-A, 84 FERC ¶ 61,084, at 61,415 (1998).

¹⁶ Exhibit No. ANR-005, 13:17-19.

¹⁷ Opinion No. 885, 181 FERC ¶ 61,211 at PP 91, 97-100.

¹⁸ RP22-501 Settlement, at App. C; Transmittal at 9.

¹⁹ Transmittal at 9.

provide some explanation for the basis of its discount in order to meet its initial burden”²⁰ to show its discounts were warranted by competition. Evidentiary proceedings are necessary to determine if ANR has met this burden.

Rate Design – In its Preferred Case, ANR proposes to change its current seven-zone structure included in the Primary Case to a six-zone structure, combining the Southwest Central Segment and the Northern Area rate zones into one new rate zone called “Market Zone North.”²¹ ANR’s proposed rate design change raises material issues of fact requiring an evidentiary hearing before it can be deemed just and reasonable.

V. REQUEST FOR EVIDENTIARY HEARING AND MAXIMUM RATE SUSPENSION

PGC and IECA request that the Commission find that the proposed rates and tariff records have not been shown to be just and reasonable and that they may be unjust, unreasonable, and unduly discriminatory or otherwise unlawful. Based on this finding, the Commission should suspend the effectiveness of the proposed rates and tariff records for the full five-month maximum period permitted by the NGA.

VI. CONCLUSION

For these reasons, PGC and IECA request that the Commission suspend the proposed rate and tariff provisions for the maximum suspension period, subject to refund and the outcome of evidentiary proceedings.

²⁰ *Id.*

²¹ *Id.* 2.

Respectfully submitted,

/s/ Andrea J. Chambers

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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused a copy of the foregoing document to be served upon each person designated on the Service List for this docket compiled by the Secretary in accordance with the Commission's Rules of Practice and Procedure.

Dated at Washington, DC, this 12th day of May 2025.

/s/ Andrea J. Chambers
Andrea J. Chambers