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February 2, 2016

Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426
Attention: Kimberly D. Bose, Secretary

**Re: Alliance Pipeline L.P.
Proposed Revisions to FERC Gas Tariff
Docket No. RP16 – ____**

Dear Secretary Bose:

Pursuant to Section 4 of the Natural Gas Act (15 U.S.C. § 717c), and Part 154 of the Commission's regulations (18 C.F.R. §§ 154.1 et seq.), Alliance Pipeline L.P. ("Alliance") hereby tenders for filing as part of its FERC Gas Tariff, Volume No. 1, the following revised Tariff Sheets, proposed to be effective March 1, 2016.

Fifth Revised Sheet No. 80
Fifth Revised Sheet No. 90
Third Revised Sheet No. 202
Fifth Revised Sheet No. 205
Third Revised Sheet No. 237
Substitute Second Revised Sheet No. 251

Statement of Nature, Reasons, and Basis

Alliance is an open-access interstate natural gas pipeline that commenced service on December 1, 2000. Alliance extends from (a) an interconnection with Alliance Pipeline Limited Partnership ("Alliance Canada") at the U.S.-Canadian border at Renville County, North Dakota and two additional receipt points in North Dakota to (b) two ethanol plants in Richmond County, North Dakota, a third ethanol plant in Mitchell County, Iowa, and eight delivery points in the competitive Chicago, Illinois market area.

Alliance is a unique transmission system within the North American natural gas pipeline grid in that it is a high-pressure, dense-phase system, capable of transporting rich natural gas that can then be processed at the Aux Sable Liquid Products LP extraction and fractionation plant (Aux Sable Plant) located near the terminus of the Alliance pipeline system in Joliet, Illinois, prior to further delivery via downstream interconnecting pipeline to the Chicago market.



The Aux Sable Plant is presently the only processing facility connected to Alliance that is capable of processing natural gas in order to meet downstream transporters' gas quality specifications, and Alliance's current Tariff reflects this reality.

Nevertheless, Alliance is proposing tariff revisions to accommodate the future potential for additional processing plants connecting to the Alliance system, replacing references to the Aux Sable Plant with the more generic term "Processing Plant."

In addition, Alliance respectfully submits that the proposed tariff provisions filed herein fully respond to concerns raised by Badlands NGL's, LLC ("Badlands") within the Docket No. RP15-1022-000 proceeding, wherein Badlands stated:

"Thus, Badlands desires to clarify that its concern in this proceeding is only with revised GT&C Section 20.1. There is simply no legitimate reason, certainly none that Alliance has offered, for such a provision. And, by contesting revised GT&C Section 20.1, Badlands is not seeking to expand the scope of the instant tariff proceeding."¹

The specific change to Section 20.1 of the General Terms and Conditions of Alliance's Tariff on Tariff Sheet No. 237 and the other related tariff provisions filed herein remove all language from Alliance's FERC Gas Tariff requiring Aux Sable Liquid Products LP to be the exclusive processor for gas transported on Alliance's system.

This filing addresses and resolves the only non-rate issue raised in protests and included in the matters set for hearing by the Commission in its November 19, 2015 order issued in Docket No. RP15-1022-001.²

Motion to Place Tariff Sheets into Effect and Waiver Request

In compliance with 18 C.F.R. § 154.7(a)(9), Alliance hereby moves to place the referenced tariff sheets into effect as of March 1, 2016. In addition, Alliance respectfully requests that the Commission allow the referenced tariff sheets to go into effect without suspension. Alliance also requests that the Commission waive the notice requirements of 18 C.F.R. § Section 154.207 and allow the referenced tariff sheets to become effective on March 1, 2016. In addition, Alliance respectfully requests that the Commission grant any additional waivers that it may deem necessary to permit the referenced tariff sheets to become effective as of March 1, 2016.

Components of the Filing

In compliance with Section 154.7(a)(1) of the Commission's regulations, Alliance provides the following list of the materials enclosed with the instant filing.

- ◆ The proposed tariff sheets in RTF format with metadata attached

¹ Motion For Leave to Answer And Answer Of Badlands NGL's, LLC, Page 8, filed in Docket No. RP15-1022-000 on August 21, 2015.

² *Alliance Pipeline L.P.*, 153 FERC ¶ 61,195 (2015).



- ◆ A clean copy of the tariff sheets in PDF format
- ◆ A redlined copy of the tariff sheets in PDF format
- ◆ Transmittal letter in PDF format

Service

It is requested that all correspondence and communications concerning this filing be directed to the following persons:

Brian Troicuk
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On behalf of Alliance Pipeline Inc.
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In compliance with Section 154.7(a)(2) of the Commission's Regulations, Alliance states that Mr. Troicuk is the responsible company official to whom questions regarding the instant filing may be addressed.

Pursuant to Section 154.208 of the Commission's Regulations, copies of this filing will be served on Alliance's customers, state commissions, and other interested persons. Copies of the instant filing are also available for public inspection during regular business hours in Alliance's offices in Eden Prairie, MN and Calgary, Alberta, Canada.

The undersigned, having full power and authority to execute this filing, states that he has read this filing and knows its contents, that the contents are true to the best of his knowledge and belief, and that the paper copies and electronic media contain the same information.

Respectfully submitted,

Alliance Pipeline L.P.

Brian Troicuk
Director, Regulatory Affairs
Alliance Pipeline Ltd.
on behalf of Alliance Pipeline Inc.
Managing General Partner of Alliance Pipeline L.P.

RATE SCHEDULE FT-1

FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party, hereinafter called "Shipper", which has (i) entered into a Firm Transportation Agreement with Transporter for Firm Transportation Service under this Rate Schedule; (ii) made arrangements acceptable to Transporter for Transportation service on upstream and downstream transporters; (iii) made arrangements acceptable to Transporter for the processing of natural gas to meet downstream transporters' gas quality specifications, which acceptance shall not be unreasonably withheld, and (iv) satisfied the requirements of Section 22 of the GTC of Transporter's Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 On each Day during the term of a Firm Transportation Agreement the Shipper shall be entitled to request service hereunder subject to this Rate Schedule and the GTC. Nominations for service shall be made pursuant to Section 11 of the GTC. Service hereunder shall not be subject to curtailment or interruption except as provided for herein and in Section 15 of the GTC.
- 2.2 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Agreement with Transporter, or under the GTC.
- 2.3 Transporter will receive for Shipper's account for Transportation hereunder daily quantities of Gas up to Shipper's Contracted Capacity, plus any scheduled quantities of Authorized Overrun Service, plus an amount reflecting a Fuel Requirement as determined in Section 14 of the GTC, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's Firm Transportation Agreement and the GTC. Such Contracted Capacity shall be specified in Shipper's Firm Transportation Agreement. Transporter will deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper from the Delivery Points listed on Sheet No. 290 of Transporter's Tariff, Dths equivalent to the amount of Dths received by Transporter, less associated Fuel Requirement, at the Receipt Point(s). If Shipper so directs Transporter, Transporter will transport Shipper's Gas to ~~the~~ a designated Processing Delivery Point for processing and, after processing, transport, for the Shipper's account, to nominated downstream Delivery Point(s), Dths equivalent to the lesser of: (i) the amount of Dths received for Shipper's account at the Receipt Point(s), less associated Fuel Requirement, or (ii) the amount of Dths received for Shipper's account at the outlet of the designated Processing Plant.

RATE SCHEDULE IT-1

INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party, hereinafter called "Shipper", which has requested Interruptible Transportation Service pursuant to Section 10 of the GTC of Transporter's Tariff and, after review and acceptance of such request by Transporter, has entered into an Interruptible Transportation Agreement with Transporter for Interruptible Transportation Service under this Rate Schedule, and made arrangements acceptable to Transporter for the processing of natural gas to meet downstream transporters' gas quality specifications, which acceptance shall not be unreasonably withheld, and which has satisfied the requirements of Section 22 of the GTC.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Service hereunder is available on any Day during a Year, and will be interruptible, as provided herein, and pursuant to Shipper's Interruptible Transportation Agreement and the GTC.
- 2.2 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Agreement with Transporter, or under the GTC.
- 2.3 Shipper hereunder shall be subject to curtailment or interruption at any time that deliveries hereunder would in any way interfere with or restrict Transporter's ability to make deliveries within Shippers' Contracted Capacities under Rate Schedule FT-1.
- 2.4 Transporter will receive for Shipper's account for Transportation hereunder daily quantities of Gas up to Shipper's Maximum Daily Transportation Quantity ("MDTQ"), as set forth in its Interruptible Transportation Agreement, plus an amount reflecting the Fuel Requirement as determined under Section 14 of the GTC, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's Interruptible Transportation Agreement and the GTC. Such MDTQ shall be specified in Shipper's Interruptible Transportation Agreement. Transporter will deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper from the Delivery Points listed on Sheet No. 290 to Transporter's Tariff, Dths equivalent to the amount of Dths received by Transporter, less the associated Fuel Requirement, at the Receipt Point(s). If Shipper so directs Transporter, Transporter will transport Shipper's Gas to ~~the a~~ designated Processing Delivery Point for processing and, after processing, transport, for the Shipper's account, to nominated downstream Delivery Point(s), Dths equivalent to the lesser of: (i) the amount of Dths received for Shipper's account at the Receipt Point(s), less associated Fuel Requirement or (ii) the amount of Dths received for Shipper's account at the outlet of the designated Processing Plant.

Alliance Pipeline L.P.
FERC Gas Tariff
FERC Gas Tariff Volume No. 1

Fifth Revised Sheet No. 90
Superseding
Fourth Revised Sheet No. 90

"Extraction Agreement" means a contract executed between a Shipper and ~~Aux-Sable~~ Processing Plant whereby Shipper grants to ~~Aux-Sable~~ the designated Processing Plant the sole and exclusive right to extract and take title to any non-methane hydrocarbon constituents contained in Shipper's Gas and which obligates Shipper to require any temporary or permanent assignment of capacity to be made expressly subject to such contract.

"Firm Transportation Agreement" means an agreement, in the form provided in this Tariff, pursuant to which Transporter is obligated to provide Firm Transportation Service to a Shipper.

"Firm Transportation Service" means Transportation service provided by Transporter pursuant to Transporter's Rate Schedule FT-1.

"Force Majeure" means any act of God, war, civil insurrection or disobedience, acts of public enemy, strikes, lockouts, or other industrial disturbances, accidents, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, explosions, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, breakage or accidents to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of lines of pipe, inability to obtain materials, supplies, permits or labor, or other cause whether of the kind enumerated or otherwise which is beyond the control of any applicable Party and which by the exercise of due diligence such Party is unable to prevent or overcome. The settlement of strikes, lockouts or other labor disputes shall be entirely within the discretion of the Party having the difficulty. The following shall not be events of Force Majeure: (i) insufficiency of Shipper's Natural Gas supplies; (ii) inadequate or uneconomic markets for Shipper's Natural Gas; (iii) Shipper's lack of funds, (iv) curtailment or disruption of service, for any reason whatsoever, on facilities upstream of Receipt Points on Transporter, or downstream of Delivery Points on Transporter; (v) curtailment or disruption of service, for any reason whatsoever, on facilities which are not part of Transporter's jurisdictional Natural Gas transmission system, provided however that a curtailment or disruption of service on facilities operated by Alliance Pipeline Limited Partnership shall constitute an event of Force Majeure on Transporter's system; or (vi) when, at Shipper's instruction, Gas is not within Transporter's custody. As used in this definition, "upstream of Receipt Points" shall mean upstream of the inlet side of Transporter's point of interconnection with systems delivering Gas to Transporter, and "downstream of Delivery Points" shall mean downstream of the outlet side of Transporter's Delivery Point measuring stations.

"North American Energy Standards Board Wholesale Gas Quadrant" or "NAESB WGO" or "NAESB" means the Wholesale Gas Quadrant of the North American Energy Standards Board, as the accredited organization established to set standards for certain natural gas business practices and procedures.

"Operator" means a Person retained by Transporter to operate its pipeline systems pursuant to Section 38 of the GTC.

"PAL Quantity" means the Shipper's scheduled quantity in a nomination cycle for the Auto PAL service option under Rate Schedule PAL in the ACE Hub as stated in the applicable Schedule of a PAL Service Agreement.

"PAL Service Agreement" means an agreement, in the form contained in this Tariff, for Park and Loan service pursuant to Rate Schedule PAL under which Term PAL or Auto PAL service options may be rendered within the ACE Hub.

"Person" means an individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.

"Pre-Approved Bidders List" means the list of those parties eligible to bid for Released Capacity, as provided for at Section 22.2 of the GTC.

"Pre-Arranged Release" means a Capacity Release transaction pursuant to Section 23 of the GTC wherein the terms of the release are agreed to between the Releasing Shipper and the Replacement Shipper in advance of notifying Transporter or posting the Release on Transporter's Customer Activities Web Site.

"Pre-Arranged Replacement Shipper" means a Person acquiring Capacity through a Pre-Arranged Release under Section 23 of the GTC.

"Primary Delivery Point" means those physical Delivery Points identified in Shipper's Firm Transportation Agreement where Transporter delivers Gas to Shipper or for Shipper's account, to the extent of the capacity entitlement identified in Shipper's Firm Transportation Agreement.

"Primary Delivery Point Capacity" means Shippers capacity entitlement at the Primary Delivery Point(s) identified in Shipper's Firm Transportation Agreement.

"Primary Path" means the portion of capacity physically located between a Shipper's designated Primary Receipt Point and Primary Delivery Point.

“Primary Receipt Point” means those physical Receipt Points identified in Shipper’s Firm Transportation Agreement where Transporter receives Gas from Shipper or for Shipper’s account, to the extent of the capacity entitlement identified in Shipper’s Firm Transportation Agreement.

“Primary Receipt Point Capacity” means Shipper’s capacity entitlement at the Primary Receipt Point(s) identified in Shipper’s Firm Transportation Agreement.

“Processing Delivery Point” means ~~the a~~ Delivery Point identified on Sheet No. 290 where Transporter delivers gas for processing at the ~~Aux Sable~~ facilities of a designated Processing Plant for Shippers who have entered into an Extraction Agreement with ~~Aux Sable~~that Processing Plant.

“Processing Plant” means ~~that a~~ natural gas processing plant ~~located in Grundy County, Illinois owned by Aux Sable~~that is connected to Transporter’s system at a Processing Delivery Point.

“Psia” or “psia” means pounds per square inch absolute.

20. WARRANTY OF TITLE

- 20.1 Shipper warrants to Transporter that it will at the time of delivery have title to all Gas delivered by it to Transporter for Transportation or other services by Transporter, free and clear of liens and encumbrances and adverse claims of every kind, except that if Shipper relinquishes the right to process its Gas to a third party, such relinquishment shall not constitute an encumbrance or adverse claim hereunder. Shipper warrants to Transporter that for all Shipper's Gas that is received by Transporter from Shipper at the Interconnect with Alliance Pipeline Limited Partnership Receipt Point and that is subject to a grant to ~~Aux-Sable Liquid Products Lpa Processing Plant~~ of an option to extract and take title to all non-methane hydrocarbon constituents contained in such Gas, Shipper will be party to an Extraction Agreement that acknowledges such grant. Shipper further warrants that it has all governmental, regulatory and other authorizations required to permit its Gas to be transported hereunder, including but not limited to, Canadian export authorizations and U.S. import authorizations.
- 20.2 Transporter warrants that at the time of delivery of such Gas to Shipper such Gas will be free and clear of all liens and encumbrances, arising as part of Transporter's activities.
- 20.3 Transporter and Shipper will each indemnify the other and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses, arising out of the adverse claim of any person with respect to such Gas, including any claims for taxes, licenses, fees, royalties, or charges, which claims arise with respect to such Gas prior to the time of delivery of such Gas to such other party.

- (xi) Whether the Capacity to be released is contingent on the release of other Capacity; whether volumes transported under such Capacity are subject to an Extraction Agreement executed by Releasing Shipper, in which case Replacement Shipper shall also execute an Extraction Agreement; or whether the release of such capacity is contingent on certain other terms and conditions and, if so, the terms and/or conditions upon which the release is contingent. If Releasing Shipper has executed an Extraction Agreement, Replacement Shipper shall request Transporter to transport Replacement Shipper's Gas to the designated Processing Delivery Point and make Replacement Shipper's Gas available to ~~Aux-Sable~~ the designated Processing Plant, pursuant to Section 2.3 of Rate Schedule FT-1.
- (xii) The terms and conditions under which Releasing Shipper will accept contingent bids, including bids that are contingent upon the Replacement Shipper acquiring transportation on a pipeline interconnected to Transporter, the method for evaluating contingent bids, what level of proof is required by the contingent bidder to demonstrate that the contingency did not occur, and for what time period the next highest bidder will be obligated to acquire the Capacity if the winning contingent bidder declines the release.
- (xiii) For the capacity release business process timing model, only the following methodologies are required to be supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue, and 3) present value. For Index-based capacity release transactions, the Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology.
- Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the Transporter. However, the Transporter is not required to offer other choices or similar timeline treatment for other choices, nor, is the Transporter held to the timeline should the Releasing Shipper elect another method of evaluation. [NAESB 5.3.3]
- (xiv) The Transporter shall allow re-releases on the same terms and basis as the primary release (except as prohibited by regulations) [NAESB 5.3.19]
- (xv) Any other additional information that Transporter deems necessary, from time to time, to effectuate releases hereunder, as posted on Transporter's Customer Activities Web Site and or the Informational Posting Site.

- (i) Transporter shall not be liable for the accuracy or completeness of any information provided to Transporter, including any such information that is posted on Transporter's Customer Activities Web Site.