

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 4, 2007

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP07-309-000

Northern Natural Gas Company
1111 South 103rd Street
Omaha, NE 68124

Attention: Dari R. Dornan
Senior Counsel

Reference: Limited Waiver Request

Ladies and Gentlemen:

1. On February 26, 2007, Northern Natural Gas Company (Northern) filed a petition to waive section 32 (D) of its General Terms and Conditions (GT&C) to resolve a prior-period imbalance with OXY USA Inc. (OXY). Northern states that, under section 32 (D), it tiers its Monthly Index Price (MIP) based on the shipper's monthly imbalance level. In a situation where the shipper takes less gas than scheduled, Northern cashes out the imbalance using the low MIP, employing the respective tier. Northern states that on December 29, 2006, an ice storm left most of southwest Kansas without electrical service for approximately two weeks. As a result, OXY did not receive its scheduled volumes for three days, resulting in a 107,115 Dth imbalance. Northern states that because circumstances beyond OXY's control caused the imbalance, it requests waiver of section 32 (D) so it can cash out OXY's imbalance at the Tier 1 level rather than the Tier 2 and 3 levels. Northern states that this billing adjustment would save OXY \$21,000.35 in imbalance fees.

2. The Commission noticed Northern's filing on February 28, 2007, allowing for protests as provided by section 154.210 of the Commission's regulations. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2006), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted.

Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. No party filed a protest or adverse comments.

3. For good cause shown, we grant Northern's waiver request. Granting this waiver will allow Northern and OXY to resolve a prior-period imbalance at the Tier 1 level, which is reasonable given the circumstances.

By direction of the Commission.

Philis J. Posey,
Acting Secretary.

cc: All Parties

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