

121 FERC ¶ 61,123
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 31, 2007

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP07-626-000

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 August 29, 2007, Northern Natural Gas Company (Northern) filed a petition for a limited waiver of section 52 of the General Terms and Conditions (GT&C) of its FERC Gas Tariff to allow Northern to extend the time for execution of three firm Interstate Power and Light Company (IPL) contracts from the period permitted by Northern's tariff. Northern requests that the Commission waive the fifteen-day execution period in section 52 of Northern's tariff to allow IPL to extend its contractual entitlement and avoid the potential harm to IPL of losing its entitlement. The Commission grants Northern's request for limited waiver of section 52 of its GT&C for good cause shown, as further discussed below.

2. Section 52 of Northern's GT&C defines its Right of First Refusal (ROFR) process and provides that where there are no competing bids for capacity during the ROFR process, Northern and the firm Shipper may extend the agreement at agreed upon rates and terms of service. The section further provides that "the original firm Shipper must execute the Service Agreement within fifteen (15) days of Northern's tender thereof." If the executed agreement is not received by Northern at the end of the fifteenth day, the entitlement is abandoned and posted on Northern's website as generally available capacity.

3. Northern states that on May 11, 2007, it posted three individual IPL agreements for bidding in the ROFR process and received no bids. Following the completion of the ROFR process, IPL notified Northern of its intention to extend all three agreements. On July 31, 2007, Northern tendered IPL the three extension amendments, each including a cover letter. Northern states that due to a clerical error, the cover letters attached to the tendered service agreements erroneously stated that Northern would allow IPL thirty days to execute and

return each of the agreements to Northern rather than the fifteen days provided for in section 52 of its GT&C. If the agreements are not executed and returned by the shipper within the fifteen days provided for in its tariff, Northern terminates the agreements and posts the capacity as generally available. However, because the contract execution deadline stated in Northern's letter to IPL was in error, Northern requests a limited waiver of the time period specified in section 52 of its GT&C to allow IPL to timely execute and return the aforementioned service agreements. Northern states that granting the waiver will allow IPL to extend its entitlement as originally intended and will avoid the potential harm to IPL of losing that entitlement. In addition, Northern states that granting the waiver will not impact service to other transportation or storage customers.

4. The Commission noticed Northern's filing on August 31, 2007, with protests due as provided by section 154.210 of the Commission's regulations. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2007), 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.

5. For good cause shown, we grant waiver of the fifteen-day time period for contract execution provided for in section 52 of Northern's GT&C, to allow IPL to execute the contracts within the thirty-day period erroneously communicated by Northern. Granting this waiver is reasonable given the circumstances described above and will permit Northern to extend three firm IPL contracts despite an internal clerical error by Northern.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties

J. Gregory Porter, Vice President and General Counsel
Northern Natural Gas Company
1111 South 103rd Street
Omaha, Nebraska 68124

Frank X. Kelly
Steve Stojic
Gallagher, Boland & Meiburger, LLP
818 18th Street, N.W., Suite 800
Washington, DC 20006-3520