

131 FERC ¶ 61,041
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 16, 2010

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP10-502-000

Northern Natural Gas Company
1111 South 103rd Street
Omaha, NE 68124-1000

Attention: Mary K. Miller, Vice President, Regulatory and Government Affairs

Reference: Miscellaneous Tariff Revisions

Ladies and Gentlemen:

1. On March 17, 2010, Northern Natural Gas Company (Northern) filed revised tariff sheets¹ to reflect several miscellaneous tariff revisions and minor corrections, including, among other things, updating provisions that inadvertently were not corrected in conjunction with other prior tariff changes; updating or eliminating outdated and/or obsolete provisions; minor grammatical changes; adding minor provisions; and clarifying provisions as necessary. Northern requests the Commission to allow the revised tariff sheets to become effective April 17, 2010. We accept the revised tariff sheets effective April 17, 2010, subject to conditions as discussed below.

2. Public notice of Northern's filing was issued on March 18, 2010. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. 154.210 (2009)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2009)), all timely filed motions to intervene and any motion 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 the proceeding or place additional burdens on existing parties.

3. On March 29, 2010, Minnesota Energy Resources Corporation (MERC) filed comments proposing additional language; the Northern Municipal Distributors Group

¹ See the Appendix.

(NMDG) and the Midwest Region Gas Task Force Association (MRGTF) also filed comments seeking minor corrections.

4. MERC states that it generally agrees that the proposed changes are minor and appropriate in nature. However, there is one change, which appears in two places in Section 46, Creditworthiness, for which MERC proposes additional language. On Sheet 285, subsection (a)(ii) and Sheet 285A, subsection (b)(ii), Northern addresses the requirements associated with letters of credit. In both subsections, it proposes to add “from a financial institution acceptable to Northern” after the words “an irrevocable standby letter of credit.” MERC further states that language addressing the financial institution issuing the letter of credit is common in contracts, and it is reasonable to include in a tariff. MERC also states that in a contract, it is typical that the language imposes some limit on the discretion of the party requiring the letter of credit. Such language is equally reasonable in a tariff. MERC proposes that the clause in question be revised to state: “an irrevocable standby letter of credit from a financial institution *reasonably* acceptable to Northern *and Shipper*.” MERC claims that this adds appropriate language to protect Northern in that the shipper may not simply produce a letter of credit from a subpar financial institution, but it also protects the shipper from having a letter from a reputable and strong financial institution rejected as being “unacceptable.”

5. NMDG/MRGTF state that they agree with the updates to Sheet No. 510 as proposed by Northern. However, there are two additional changes that should be made to Sheet No. 510:

1. Current Listing: “Gilmore City, City of” should be revised as follows:
“Gilmore City, City of, dba, Gilmore City Municipal Gas System”

2. Current Listing: “Cedar Falls, City of” should be revised as follows:
“Cedar Falls Municipal Gas Utility”

6. NMDG/MRGTF state that they discussed these two changes with Northern, and Northern has agreed to make them in its compliance filing in this proceeding. Accordingly we direct Northern to make these changes.

7. We find, however, no reason to require Northern to revise its tariff to include MERC’s suggested words of “reasonably” and “and Shipper” into the Creditworthiness Section. MERC’s suggested changes are not necessary to protect the Shipper, because the Shipper in the first instance will seek a letter of credit acceptable to it. Northern’s proposed language is intended to protect Northern from being forced to accept a letter of credit proffered by a Shipper, but obtained from a financial institution not acceptable to Northern. Thus, the institution will necessarily have to be acceptable to both Northern and the Shipper, since the letter will have been obtained by the Shipper in the first instance. Moreover, reasonableness of business practice is already implicit in the parties’

actions and responsibilities under the tariff. We therefore find that there is no compelling reason to interject the additional language proposed by MERC.

8. Accordingly, we accept the tariff sheets listed in the Appendix, subject to Northern filing a revised Sheet No. 510, correcting the names as stated above, within 15 days of this order.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

APPENDIX

**Northern Natural Gas Company
Fifth Revised Volume No. 1
Tariff Sheets Accepted, Effective April, 17, 2010, Subject to Condition**

Second Revised Sheet No. 21	Sixth Revised Sheet No. 256
Third Revised Sheet No. 26	Fifth Revised Sheet No. 260A
Eighth Revised Sheet No. 54A	Tenth Revised Sheet No. 263
Sixth Revised Sheet No. 54B	Eighth Revised Sheet No. 264
Second Revised Sheet No. 66B.16	Tenth Revised Sheet No. 265
Third Revised Sheet No. 100	Second Revised Sheet No. 265A
Seventh Revised Sheet No. 103	Fifth Revised Sheet No. 266
Sixth Revised Sheet No. 104	Ninth Revised Sheet No. 268
Eighth Revised Sheet No. 109	Third Revised Sheet No. 268A
Fourth Revised Sheet No. 111	Fourth Revised Sheet No. 269B
Ninth Revised Sheet No. 115	Third Revised Sheet No. 270
Fifth Revised Sheet No. 116	Seventh Revised Sheet No. 285
Fifth Revised Sheet No. 117	Fourth Revised Sheet No. 285A
Fourth Revised Sheet No. 118	Second Revised Sheet No. 285B
Seventh Revised Sheet No. 119	13 Revised Sheet No. 287
Fifth Revised Sheet No. 125	Fifth Revised Sheet No. 304
Fifth Revised Sheet No. 125C	Fourth Revised Sheet No. 306
Third Revised Sheet No. 125D	Seventh Revised Sheet No. 308
Fourth Revised Sheet No. 125E	Eighth Revised Sheet No. 403
Fourth Revised Sheet No. 125F	Ninth Revised Sheet No. 403A
Fourth Revised Sheet No. 129	Fourth Revised Sheet No. 455
Fourth Revised Sheet No. 133	Fourth Revised Sheet No. 461
Eighth Revised Sheet No. 135A	Third Revised Sheet No. 51
Third Revised Sheet No. 146A	
First Revised Sheet No. 167	
10 Revised Sheet No. 200	
14 Revised Sheet No. 201	
First Revised Sheet No. 208	
Fifth Revised Sheet No. 213	
Fifth Revised Sheet No. 215	
Eighth Revised Sheet No. 219	
Seventh Revised Sheet No. 221	
Eighth Revised Sheet No. 222	
First Revised Sheet No. 222A	
Third Revised Sheet No. 233	
Seventh Revised Sheet No. 251	

