

140 FERC ¶ 61,173
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

August 31, 2012

In Reply Refer To:
NorthWestern Corporation
Docket No. PR12-20-000

NorthWestern Corporation
208 N. Montana Avenue #205
Helena, MT 59601

Attention: M. Andrew McLain
Corporate Counsel

Reference: Letter Order on Rate Election and
Revised Statement of Operating Conditions

Dear Mr. McLain:

1. On April 2, 2012, pursuant to section 284.123(e) of the Commission's regulations,¹ and the Order Issuing Blanket Certificate of Limited Jurisdiction in Docket No. CP11-76-000,² NorthWestern Corporation (NorthWestern) filed both a rate election for transportation service and a revised Statement of Operating Conditions (SOC)³ to reflect its currently effective rates for interstate service for comparable intrastate service approved by the South Dakota Public Utilities Commission (South Dakota PUC).⁴

¹ 18 C.F.R. § 284.123(e) (2012).

² *NorthWestern Corporation*, 134 FERC ¶ 62,299 (March 31, 2011).

³ NorthWestern Corporation, FERC NGPA Gas Tariff, Baseline Tariff of SOC, [SOC, Second Supplement to Statement of Operating Conditions, 5.0.0.](#)

⁴ See Attachment C- Order Granting Joint Motion for Approval of Settlement Stipulation, Docket No. NG-11-003 (November 30, 2011).

NorthWestern's state-approved rates and its revised SOC are accepted, effective December 1, 2011, as proposed, subject to the condition discussed below.

2. NorthWestern is a local distribution company and has been granted a section 284.224 limited jurisdiction blanket certificate by the Commission to perform interstate service.⁵ Since its application for a blanket certificate, NorthWestern has elected under section 284.123(b) of the Commission's regulation, to establish the same rates for interstate service as those contained in its currently effective rate schedules for comparable intrastate service on file with the South Dakota PUC. On November 30, 2011, the South Dakota PUC approved the following Firm Transportation rates: (1) Demand Charge - \$0.800 per therm per month for use of Milbank Line or \$1.08 per therm per month for use of Milbank Line and distribution system; (2) Commodity Charge - \$0.0335 per therm; (3) Customer Charge - \$350.00 per Meter-mo; (4) Fuel Retention Percentage – 1.97 percent. In addition, NorthWestern has added a clause in its Rate No. 87 Schedule, assessing a \$0.017 per therm charge for instances when customers transport volumes in excess of the stated contract quantities.

3. Public notice of NorthWestern's Filing was issued on April 4, 2012. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁶ Pursuant to Rule 214,⁷ all timely filed motions to intervene and any unopposed 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. No protests or adverse comments were filed.

4. NorthWestern requests waiver to allow an effective date of December 1, 2011 for its rates and SOC revisions. Waiver is granted and NorthWestern's state-approved rates and its revised SOC are accepted, effective December 1, 2011, as proposed, subject to the condition discussed below.

⁵ NorthWestern is otherwise exempt from the Commission's Natural Gas Act (NGA) jurisdiction pursuant to section 1(c) of the NGA.

⁶ 18 C.F.R. § 154.210 (2012).

⁷ 18 C.F.R. § 385.214 (2012).

5. On or before December 1, 2016,⁸ NorthWestern must file with the Commission either: (a) an application pursuant to 18 C.F.R. § 284.123(b)(1) seeking to establish its cost-based South Dakota PUC-approved transportation rates as it rates for interstate transportation services provided under its Order No. 63 blanket certificate; or (b) a filing with cost, throughput, revenue and other data, in the form specified in section 154.313 of the Commission's regulations,⁹ to allow the Commission to determine whether any change in NorthWestern's interstate transportation rates is required pursuant to section 5 of the Natural Gas Act. NorthWestern may file a petition for rate approval under section 284.123(b)(2) of the Commission's regulations to establish new maximum rates at any time within the five-year period to fulfill this periodic rate review requirement.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁸ *Contract Reporting Requirements of Intrastate Natural Gas Companies*, Order No. 735, FERC Stats. & Regs. ¶ 31,310, *order on reh'g*, Order No. 735-A, FERC Stats. & Regs. ¶ 31,318 (2010); *see also Hattiesburg Industrial Gas Sales, L.L.C.*, 134 FERC ¶ 61,236 (2011) (here the Commission imposed the five year rate review requirement on Hattiesburg Industrial Gas Sales, L.L.C. in an order approving Hattiesburg's multiple revisions to its SOC).

⁹ 18 C.F.R. § 154.313 (2012).