

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 31, 2006

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP06-435-000

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

Attention: Dari R. Dorman, Senior Counsel
J. Gregory Porter, Vice President and General Counsel

Reference: Waiver of Tariff Provisions

Ladies and Gentlemen:

1. On July 14, 2006, Northern Natural Gas Company (Northern) filed a petition to waive section 32(F) of its General Terms and Conditions (GT&C) to allow Aquila, Inc., to resolve a portion of its May 2006 imbalance using Northern's imbalance-to-storage mechanism. Section 32(F) provides that shippers have until the twelfth business day of each month following the month an imbalance occurs to access Northern's website and select the imbalance resolution mechanism of the shipper's choice. The provision also requires Northern to cash out all imbalance volumes not designated for another specific resolution mechanism.
2. According to Northern, Aquila's system imbalance for May 2006 was 233,167 dekatherms (Dth). Northern states that Aquila intended to resolve a portion of this imbalance using Northern's imbalance-to-storage mechanism, as it has historically done. Northern asserts, however, that Aquila failed to file a timely request to use the imbalance-to-storage mechanism, and therefore Northern resolved Aquila's entire May 2006 imbalance using its cash-out mechanism, in accordance with section 32(F) of Northern's tariff. On June 22, 2006, Northern received a request from Aquila to retroactively resolve 17,771 Dth of its May 2006 imbalance through imbalance-to-storage. In order to accommodate Aquila's request, Northern seeks to waive section 32(F) of its GT&C for this limited imbalance resolution.
3. The Commission noticed Northern's filing on July 28, 2006, allowing for protests as provided by section 154.210 of the Commission's regulations. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2005), 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 adverse comments or protests were filed.

4. For good cause shown, we grant Northern's unopposed request to waive section 32(F) of its GT&C. This will allow Aquila to retroactively resolve 17,771 Dth of its May 2006 imbalance using Northern's imbalance-to-storage mechanism, as it desires.

By direction of the Commission.

Magalie R. Salas,
Secretary.

Cc: All Parties

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