

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

January 3, 2007

In Reply Refer To:  
Northern Natural Gas Company  
Docket No. RP07-61-000

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

Attention: Dari R. Dornan, Senior Counsel

Reference: Waiver Requests

Ladies and Gentlemen:

1. On November 9, 2006, Northern Natural Gas Company (Northern) filed a petition to waive certain provisions in its General Terms and Conditions (GT&C) to facilitate three separate imbalance resolutions. First, section 32(L)(iii) of Northern's GT&C provides that shippers have until the close of the 17<sup>th</sup> business day of each month following the month the imbalance occurred to complete any imbalance trade. The provision requires shippers to notify Northern at or prior to the 17<sup>th</sup> business day regarding any volumes traded, and Northern must then confirm any trade. According to Northern, WPS Energy Services (WPS) arranged to trade 2,076 Dth to Wisconsin Gas, L.L.C., to resolve a September 2006 imbalance. Northern states that WPS completed its Request for Imbalance Trade form with Wisconsin Gas, but inadvertently failed to provide Northern with notification of its intended imbalance trade within the 17<sup>th</sup> business day, and thus Northern could not confirm the trade. Accordingly, Northern initiated the cash-out procedures for WPS's imbalance in accordance with section 32(L)(vii) of its GT&C. Northern states that since it is now aware of WPS's desire to trade its September 2006 imbalance with Wisconsin Gas, Northern requests authorization to waive the notification deadline set forth in section 32(L)(iii) of its GT&C to allow the trade.

2. Second, section 30(E) of Northern's GT&C provides that a receiving party may choose to provide the measured volumes for parties receiving gas downstream of the

Point of Delivery. Under this option, the receiving party would furnish Northern with the end user's measurement data for billing purposes, and the end user would be responsible for the resulting daily delivery variance charges, imbalances, and all other applicable charges resulting from the measured volumes. Northern states that on September 1, 2006, it established three new end-users downstream of a delivery point operated by the City of Duluth. According to Northern, because of an error in its billing system due to inputting the three new end users, it mistakenly billed the City of Duluth for a September 2006 imbalance of 1,844 Dth instead of the appropriate imbalance of 308 Dth. Northern requests waivers of any provisions necessary to correct its September 2006 imbalance with the City of Duluth.

3. Third, section 32(D) of Northern's GT&C sets forth its tier system for cashing out imbalances. The cash-out prices are based on Market Index Prices (MIP) for the Market Area, Field Area, and Gulf Coast, and the amount of each tier is based on the level of monthly imbalance. According to Northern, on September 24, 2006, a lightning strike at its Tivoli, Texas, stabilization facility forced it to shut down deliveries immediately. As a result, Northern states that one of its shippers, Anglo Suissee Texas Offshore Partners, L.L.C. (Anglo Suissee), incurred an imbalance of 4,369 Dth. According to its tariff, Northern would have to cash out this imbalance at one of its higher tiers. However, Northern states that since this imbalance was the result of a force majeure event, it requests waiver of section 32(D) so that it can cash out Anglo Suissee's entire imbalance at the lowest tier without assessing any premium penalties for the imbalance.

4. The Commission noticed Northern's filing on December 5, 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 (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. WPS filed comments in support of granting the waiver requests.

5. For good cause shown, we grant Northern's waiver requests. Granting these waivers will allow Northern to complete its imbalance resolutions with certain shippers, and will in each case benefit the shipper.

By direction of the Commission.

Magalie R. Salas,  
Secretary.

cc: All Parties

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