

129 FERC ¶ 61,087  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

October 30, 2009

In Reply Refer To:  
Northern Natural Gas Company  
Docket No. RP09-1068-000

Northern Natural Gas Company  
1111 South 103<sup>rd</sup> Street  
Omaha, NE 68124-1000

Attention: Mary Kay Miller, Vice President  
Regulatory and Government Affairs

Reference: Second Interim Periodic Rate Adjustment  
for Unaccounted For Gas Percentage

Ladies and Gentlemen:

1. On September 23, 2009, Northern Natural Gas Company (Northern) filed revised tariff sheets<sup>1</sup> pursuant to section 53A of its General Terms and Conditions (GT&C) to implement a second interim periodic rate adjustment (PRA) to further lower its unaccounted for (UAF) retention percentage for one month, November 2009. In addition, Northern submitted revised tariff sheets<sup>2</sup> to reinstate its initial interim PRA to be effective December 1, 2009, which will continue through the remainder of the PRA period, or March 31, 2010. Northern requests the Commission grant any waiver to permit the revised tariff sheets to become effective November 1, 2009 and December 1, 2009. The Commission grants waiver of section 53A of the GT&C of Northern's tariff and accepts the revised tariff sheets to become effective November 1, 2009 and December 1, 2009, as proposed.

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<sup>1</sup> 32 Revised Sheet No. 54, 26 Revised Sheet No. 61, and 27 Revised Sheet No. 62 to its FERC Gas Tariff, Fifth Revised Volume No. 1.

<sup>2</sup> 33 Revised Sheet No. 54, 27 Revised Sheet No. 61, and 28 Revised Sheet No. 62 to its FERC Gas Tariff, Fifth Revised Volume No. 1.

2. Public notice of the filing was issued on September 25, 2009. 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 burden on existing parties. No protests or adverse comments were filed.

3. Northern states that the second proposed reduction to the UAF retention percentage of -0.77% will be in addition to the currently effective -0.12% UAF percentage set in the initial interim application,<sup>3</sup> resulting in a total UAF percentage for November 2009 of -0.89%. Northern further states that the UAF percentage for December 2009 will revert back to -0.12% and continue through the remainder of the PRA period, or March 2010.

4. Northern states that it is proposing a second interim PRA because of the continued increase in the over-recovered UAF balance since the interim PRA was filed. Northern states that the large over-recoveries are putting additional pressure on Northern's underground storage fields at a time of high storage inventories for the natural gas industry in general and Northern in particular. Northern asserts that the additional pressure on its underground storage fields is the basis for it proposing to return the incremental UAF over-recoveries for the month of November 2009. Northern believes its action proposed herein will relieve some of the pressure being placed on Northern's underground storage fields during the period of peak storage field inventories.

5. Northern avers that since the initial interim PRA was filed, the annual amount of UAF has decreased by 359,408 MMBtu and the over-recovered balance has increased by 458,931 MMBtu, which in total reflects an incremental change in the amount of UAF recovery needed of 818,339 MMBtu. Northern further states that this amount divided by the 105,738,529 MMBtu of November throughput produces the incremental UAF percentage for November 2009 of -0.77%.

6. In the instant filing, Northern reflects the same accounting mechanism that it proposed in a July 31 Compliance Filing whereby, for those transactions where only UAF is applicable, Northern will issue a volume credit on the shipper's monthly imbalance

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<sup>3</sup> On June 26, 2009, in Docket No. RP09-786-000, Northern filed an initial interim PRA to adjust the UAF retention percentage to be effective August 1, 2009, through March 31, 2010. In the interim PRA, Northern proposed to lower the UAF retention percentage from 0.32% to -0.12% based on the fact that actual UAF data from January 2009 through May 2009 showed a significant over-collected balance.

statement equivalent to the associated -0.89% UAF for November 2009.<sup>4</sup> Northern states that such quantities will be resolved in accordance with the provisions for resolution of imbalances found in section 32 of the GT&C of Northern's tariff.

7. The Commission grants waiver of section 53A of Northern's GT&C to permit Northern to implement a second interim PRA to further lower its UAF retention percentage for November 2009. The revised tariff sheets are accepted to become effective November 1, 2009 and December 1, 2009, as proposed.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>4</sup> On July 23, 2009, the Commission accepted Northern's proposal to lower the UAF retention percentage from 0.32% to -0.12%, subject to Northern filing a revised tariff sheet, detailing an agreed-upon accounting mechanism that points where the overall fuel percentage is negative. *See Northern Natural Gas Co.*, 128 FERC ¶ 61,078 (2009) (July 23 Order). In its July 31 Compliance Filing, Northern filed a revised tariff sheet to comply with the July 23 Order, which the Commission accepted effective August 1, 2009. *See Northern Natural Gas Co.*, Docket No. RP09-786-001, (September 29, 2009) (unpublished letter order).