

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

August 13, 2010

In Reply Refer To:  
Northern Natural Gas Company  
Docket No. RP10-975-000

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

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

Reference: Revisions to Pooling Provisions

Ladies and Gentlemen:

1. On July 16, 2010, Northern Natural Gas Company (Northern) filed revised tariff sheets<sup>1</sup> to modify the pooling provisions set forth in section 2 of Rate Schedule MPS. As discussed below, we accept the tariff sheets effective August 16, 2010, subject to a compliance filing.
2. Northern currently provides pooling service under Rate Schedule MPS. Northern states that its MID 17 pool allows shippers to aggregate supplies from all Market Area receipt points, and once this gas is aggregated, it can either be delivered to markets in the Market Area via a transportation service agreement or delivered directly in the MID 17 storage point via the shipper's MPS agreement. According to Northern, pursuant to its tariff, when the aggregated gas is delivered directly into the MID 17 storage point under the Rate Schedule MPS agreement, such nominations are not evaluated as part of Northern's Market Area constraints and are not subject to possible allocation. Northern states that, as a result, certain shippers using transportation service agreements to

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<sup>1</sup> Ninth Revised Sheet No. 154 and Fourth Revised Sheet No. 155 to its FERC Gas Tariff, Fifth Revised Volume No. 1.

nominate through a constraint in the Market Area may be cut deeper than necessary, and certain shippers nominating through the MID 17 storage point on a Rate Schedule MPS service agreement may be inappropriately allowed through a constraint.

3. To clarify and resolve this inconsistency, Northern proposes certain changes to its pooling provisions. First, it proposes to require making shippers use a transportation service agreement to transport gas from Market Area pooling receipt points to the MID 17 storage point. Northern asserts that this will ensure that all primary firm service has the highest scheduling priority and that certain MPS volumes are not given a “free pass” through capacity constraints. Further, to implement this provision, Northern proposes to clarify in Rate Schedule MPS that all transportation transactions for delivery to the MID 17 storage point will not be assessed a transportation, fuel, or unaccounted for charge. Northern states that, as a result, Northern will be able to conduct its allocation processes appropriately and shippers will be allowed to continue to pool their MID 17 storage supplies at the MID 17 pool without a transportation charge, which is similar to how shippers currently operate under Rate Schedule MPS.

4. Public notice of the filing was issued on July 16, 2010. Interventions and protests were due on or before July 26, 2010, as provided in section 154.210 of the Commission’s regulations.<sup>2</sup> Pursuant to Rule 214,<sup>3</sup> 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. No party filed a protest. Tenaska Ventures filed comments, which we discuss below.

5. Northern’s proposal to require shippers moving pooled gas to the MID 17 storage point to operate under a transportation service agreement will put all Market Area shippers on equal footing with regard to constraints by ensuring that all shippers moving gas through a constraint be subject to Northern’s allocation process, including shippers operating under Rate Schedule MPS. This will allow Northern to conduct its allocation process in a fair and non-discriminatory manner. Also, we accept Northern’s proposal to clarify in Rate Schedule MPS that all transportation transactions for delivery to the MID 17 storage point not be assessed a transportation, fuel, or unaccounted for charge. This will ensure that Northern’s assessment of fees remains unchanged, since these transactions are currently implemented under Rate Schedule MPS without a fee assessment. Pursuant to Northern’s tariff, Northern will continue to assess transportation

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<sup>2</sup> 18 C.F.R. § 154.210 (2010).

<sup>3</sup> 18 C.F.R. § 385.214 (2010).

service fees, including fuel charges, for gas moved from the MID 17 storage point to downstream delivery points within the Market Area.

6. In its comments, Tenaska notes that Northern proposes not to assess transportation, fuel, or unaccounted for charges for transportation transactions into the MID 17 storage point. Tenaska contends however, that Northern has not indicated if it intends to assess a demand charge for those transactions. Tenaska requests that the Commission direct Northern to clarify whether demand charges will be waived when transporting Market Area pooling supplies to the MID 17 storage point under a firm transportation service agreement. We direct Northern to file revised tariff sheets, within 15 days of the date this order issues, making the requested clarification in Rate Schedule MPS.

7. Further, section 2(i) of Rate Schedule MPS provides that “Associated with each MID pooling area, with the exception of the MID-17-192 pool, as listed below, is a MID storage point available for service on an interruptible or firm basis in accordance with Rate Schedule IDD, PDD or FDD, respectively.” Since Northern is proposing to remove the MID 17 storage point from its MID 17 pool (i.e., requiring shippers to use a transportation agreement to move gas to the storage point from the pool instead of allowing them to move the gas under an MPS agreement), it appears that Northern should also include MID 17 in the above provision as a MID not having an associated storage point. We direct Northern to file revised tariff sheets, within 15 days of the date this order issues, making the tariff revision.

8. Northern’s tariff sheets referenced in footnote 1 are accepted, subject to its making the revisions required by this order.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

cc: All Parties

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