

136 FERC ¶ 61,128  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

August 25, 2011

In Reply Refer To:  
Northern Natural Gas Company  
Docket Nos. RP11-1781-000  
RP11-1781-001

Mary Kay Miller  
Vice President, Regulatory and Government Affairs  
Northern Natural Gas Company  
1111 South 103rd Street  
Omaha, Nebraska 68124-1000

Dear Ms. Miller:

1. On July 15, 2011, Northern Natural Gas Company (Northern) filed in the above-referenced proceeding a Stipulation and Agreement of Settlement (Settlement). On July 21, 2011, and July 22, 2011, initial comments were filed by some parties and participants. No party objected to the Settlement.
2. In this proceeding Northern filed tariff provisions seeking from sixty nine customers the return of Kansas *ad valorem* tax payment refunds that Northern had previously flowed through to these customers. The Settlement reflects the parties' agreement to the amounts to be paid to Northern. The nineteen customers intervening in the proceeding are those with the greatest payment obligations, and non-participants' payment obligations under the Settlement are *de minimis*. This Settlement resolves all issues in this proceeding.
3. Article I incorporates Attachment 1, which sets forth the amounts which each customer will refund to Northern. These amounts will be reflected on the monthly customer invoices in the month immediately following the month in which the Settlement becomes effective. When the Settlement becomes effective the joint motion for rehearing or reconsideration filed on April 15, 2011, will be deemed withdrawn. Further, upon the effectiveness of the Settlement, Northern's First Revised Sheet Nos. 56 and 57 will be deemed withdrawn.

4. Article II sets forth the criteria which must be met to make the Settlement effective.
5. Article III provides that the Settlement shall be privileged if it does not become effective. Article III also provides that the Settlement is subject to the just and reasonable standard of review.
6. The Commission finds that the Settlement appears fair, reasonable, and in the public interest. Accordingly, the Commission approves the Settlement. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. Northern must file the requisite tariff sheets within ten (10) days after the date of the approval of this settlement.
7. This order terminates Docket Nos. RP11-1781-000 and RP11-1781-001.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

cc: All Parties and Participants