

145 FERC ¶ 61,190
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 3, 2013

In Reply Refer To:
NorthWestern Corporation
Docket Nos. PR13-54-000
PR13-54-001
PR14-4-000

NorthWestern Corporation
Attention: M. Andrew McLain
Corporate Counsel & FERC Compliance Officer
208 N. Montana Avenue, #205
Helena, MT 59601

Dear Mr. McLain:

1. On June 27, 2013,¹ and October 18, 2013,² pursuant to sections 284.123(e) and 284.224 of the Commission's regulations³ and the Order Issuing Blanket Certificate of Limited Jurisdiction in Docket No. CP91-312-000,⁴ NorthWestern Corporation (NorthWestern) filed both a rate election for transportation and storage services and interim and final rate schedules⁵ to update NorthWestern's rates for interstate service to

¹ NorthWestern Corporation, FERC NGPA Gas Tariff, NorthWestern Corporation, [Schedule No. T-FTG-1, Firm Transportation Rate Schedule, 5.0.0](#); [Schedule No. T-ITG-1, Interruptible Transportation Rate Schedule, 5.0.0](#); and [Schedule No. T-FSG-1, Firm Storage Rate Schedule, 5.0.0](#).

² The tariff records filed on October 18, 2013 in Docket No. PR14-4-000 inadvertently replaced the tariff records made on June 27, 2013 in Docket Nos. PR13-54-000 and PR13-54-001.

³ 18 C.F.R. §§ 284.123(e) and 284.224 (2013).

⁴ *Montana Power Co.*, 53 FERC ¶ 62,237 (1990).

⁵ NorthWestern Corporation, FERC NGPA Gas Tariff, NorthWestern Corporation, [Schedule No. T-FTG-1, Firm Transportation Rate Schedule, 5.5.0](#); [Schedule No. T-ITG-1, Interruptible Transportation Rate Schedule, 5.5.0](#); and [Schedule No. T-FSG-1, Firm Storage Rate Schedule, 5.5.0](#).

match the rates for comparable intrastate service approved by the Montana Public Service Commission (Montana PSC). NorthWestern's state-approved rates and the referenced tariff records are accepted, effective June 1, 2013 and September 20, 2013, as proposed, subject to the conditions discussed below.

2. NorthWestern is a Hinshaw pipeline company that has been granted a section 284.224 limited jurisdiction blanket certificate by the Commission to perform interstate service.⁶ NorthWestern has elected under section 284.123(b) of the Commission's regulations to establish the same rates for interstate service as those contained in its currently effective rate schedules for comparable intrastate service on file with the Montana PSC.

3. NorthWestern states that, on September 28, 2012, it submitted to the Montana PSC an "Application for Authority to Establish Increased Natural Gas Delivery Service Rates and Allocated Cost of Service Rates and Allocated Cost of Service and Rate Design."⁷ On May 8, 2013, the Montana PSC adopted interim and final rates in its Final Order, Order No. 7249e.⁸ NorthWestern reflected the Montana PSC approved interim rates in tariff records filed in Docket Nos. PR13-54-000 and PR13-54-001 on June 27, 2013 with a requested effective date of June 1, 2013. On October 18, 2013, in Docket No. PR14-4-000, NorthWestern filed tariff records to reflect the final rates approved by the Montana PSC with a requested effective date of September 20, 2013.

4. Public notices of the filings were issued on July 2, 2013 for Docket Nos. PR13-54-000 and PR13-54-001 and October 24, 2013 for Docket No. PR14-4-000. Interventions and protests were due on or before July 17, 2013 and November 8, 2013. Pursuant to Rule 214,⁹ all timely filed motions to intervene and any unopposed 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 protests or adverse comments were filed.

5. With regard to NorthWestern's state rate election filed pursuant to section 284.123(b)(1) of the Commission's regulations, in Docket Nos. PR13-54-000 and PR13-54-001, we find that the interim rates NorthWestern has elected correspond to the rates

⁶ NorthWestern is otherwise exempt from the Commission's Natural Gas Act (NGA) jurisdiction pursuant to section 1(c) of the NGA.

⁷ NorthWestern Filing at 2.

⁸ NorthWestern Filing Attachment – Montana PSC Order No. 7249e in Docket No. D2012.9.94 (issued May 8, 2013).

⁹ 18 C.F.R. § 385.214 (2013).

on file with the Montana PSC for intrastate service. Specifically, NorthWestern's proposed T-TFG-1, T-ITG-1, and T-FSG-1 Hinshaw rates are based upon the currently effective TBU Firm Transportation, TBU Interruptible Transportation, and Storage intrastate rate schedules on file with the Montana PSC. Accordingly, the Commission accepts the rates contained in the tariff records filed on June 27, 2013 in Docket No. PR13-54-001 and referenced in Footnote No. 1, effective June 1, 2013. However, NorthWestern inadvertently replaced those tariff records in eTariff with the tariff records it filed in Docket No. PR14-4-000. Therefore, within 15 days of the date of this order, NorthWestern is required to refile tariff records that contain the rates set forth in Docket No. PR13-54-001 with an effective date of June 1, 2013.¹⁰

6. With regards to Docket No. PR14-4-000, NorthWestern has filed tariff records to reflect the final rates approved by the Montana PSC, effective September 20, 2013. As mentioned above, the rates that NorthWestern has elected in this petition correspond to the rates on file with the Montana PSC for intrastate service. Accordingly, the tariff records referenced in Footnote No. 5 are accepted, effective September 20, 2013.

7. In Order No. 735, the Commission stated that Hinshaw and section 311 pipelines are required to file a rate review on a five year basis either by filing a cost and revenue study or by filing an application for rate approval with the Commission.¹¹ Recently, Order No. 781 modified that policy to permit section 311 and Hinshaw pipelines using state-approved rate elections to meet the five-year review requirement by certifying that those state-approved rates are unchanged and thus continue to meet the requirements of section 284.123(b)(1).¹² However, the Commission requires that, if the state-approved rate used for the rate election is changed at any time, the pipeline must file a new application for rate approval pursuant to section 284.123(b) or (g) for its interstate rates not later than 30 days after the changed rate becomes effective.

8. Accordingly, the Commission accepts NorthWestern's interim and final rates effective June 1, 2013 and September 20, 2013, respectively, subject to the following additional condition. If the state-approved rates used for the instant rate elections are

¹⁰ When it makes its compliance filing, NorthWestern should use a Type of Filing Code (TOFC) of 790.

¹¹ *Contract Reporting Requirements of Intrastate Natural Gas Companies*, Order No. 735, FERC Stats. & Regs. ¶ 31,310, at P 92, *order on reh'g*, Order No. 735-A, FERC Stats. & Regs. ¶ 31,318 (2010). *See also Hattiesburg Industrial Gas Sales, L.L.C.*, 134 FERC ¶ 61,236 (2011) (imposing a five-year rate review requirement on the pipeline in an order approving multiple revisions to its SOC).

¹² *See Revisions to Procedural Regulations Governing Transportation by Intrastate Pipelines*, Order No. 781, 144 FERC ¶ 61,034, at PP 56-64 (2013).

changed at any time, NorthWestern must file within 30 days a new rate application pursuant to section 284.123(b) or (g). If its rates have not changed by September 20, 2018, NorthWestern must file on or before that date to certify that its rates continue to meet the requirements of section 284.123(b)(1) on the same basis on which they were approved, or else to submit a new rate petition under 284.123.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.