

146 FERC ¶ 61,158
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 6, 2014

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP14-392-000

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

Attention: Dari R. Dornan, Esquire
Senior Counsel

Dear Ms. Dornan:

1. On January 24, 2014, Northern Natural Gas Company (Northern) filed a petition for a limited waiver of one provision of the General Terms and Conditions (GT&C) of its FERC Gas Tariff to allow it to forgo collection of the Carlton Resolution penalty from the Metropolitan Utilities District (District) for the gas day January 15, 2014. As discussed below, the Commission grants Northern's request for limited waiver.
2. Section 29(c), Allocation of Capacity, on First Revised Sheet No. 263(D) of Northern Natural's GT&C provides in part as follows:

In the event that any Sourcer fails to comply with Northern's flow requirements to increase or reduce firm receipts at Carlton, for any reasons other than force majeure on an upstream pipeline, such Shipper shall pay a penalty of twenty-five dollars (\$25.00) for each MMBtu that does not comply with Northern's flow requirements to increase or reduce. Penalty revenues shall be credited to Shippers in accordance with Section 57 of the General Terms and Conditions of this Tariff.

According to Northern, for the gas day of January 15, 2014, the District mistakenly read and inadvertently did not nominate its required 50 percent Carlton Resolution obligation, which resulted in a \$25.00 per Dth charge for the District's 7,198 Dth flow obligation. Specifically, states Northern, the gas trader mistakenly read the Northern website posting

to say zero percent Carlton Resolution obligation for gas day January 15, 2014, rather than the 50 percent requirement posted.

3. Northern states that the District consistently met its Carlton Resolution obligation during the 18 years since it became effective and that meeting this obligation is important for pipeline operational reasons. Northern observes, however, that the circumstances on January 15, 2014, did not give rise to any operational problem. Northern explains that Great Lakes Gas Transmission Limited Partnership chose to reduce the balance on its operational balancing agreement with Northern by supplying 39,834 Dth at the Carlton point over and above the volumes supplied by the Carlton Resolution shippers, which more than offset the District's shortfall.

4. Public notice of the filing was issued on January 27, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2013)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2013)), 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. Northern's petition for limited waiver is unopposed.

5. The Commission finds that the District consistently met its Carlton Sourcer obligation since its inception and that the nominating error on January 15, 2014, was entirely inadvertent. Moreover, Northern's system did not experience any harm because another shipper offset the District's shortfall at the Carlton point. Accordingly, for good cause shown, the Commission grants Northern's request for limited waiver of the \$25.00 per Dth penalty established in section 29(c) of its GT&C. This will allow Northern to forgive the penalty billed on the District's January 15, 2014 commodity invoice.

By direction of the Commission.

Kimberly D. Bose,
Secretary.