

149 FERC ¶ 61,175
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 26, 2014

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP15-137-000

Northern Natural Gas Company
1111 South 103rd Street
Omaha, NE 68124-1000

Attention: Laura Demman, Vice President
Regulatory and Government Affairs

Dear Ms. Demman:

1. On October 31, 2014, Northern Natural Gas Company (Northern) filed to modify the Operational Zone Boundary for Northern's Stacyville Town Border Station (TBS) and to request a waiver of the definition of "Delivery Point" in its tariff. The Operational Zone Boundary modification is the result of a request submitted by Northern's shipper, Interstate Power & Light Company (Interstate Power). Interstate Power requested that Northern take certain actions with respect to its delivery points (i.e. Stacyville TBS) due to Interstate Power's plans to sell certain of its assets to Minnesota Energy Resources Corporation (Minnesota Energy).¹ As discussed in the body of this order, the Commission approves the Operational Zone Boundary modification and waiver request.

¹ On September 29, 2014, in Docket No. RP14-1286-000, Interstate Power and Minnesota Energy filed a Joint Petition for Temporary Waiver of Commission Policies, Capacity Release Regulations and Related Tariff Provisions and Request for Expedited Action. Northern states that it understands that the waiver is to enable Interstate Power to sell its existing natural gas distribution business to Minnesota Energy and transfer any associated transportation, storage and balancing agreements in an orderly and efficient manner.

2. On April 28, 2006, in Docket No. RP06-332-000, Northern filed to move the Operational Zone Boundaries ABC and EF to the border between Iowa and Minnesota. As a result of this proposal, certain delivery points in northern Iowa would move from Operational Zone EF to Operational Zone ABC, and certain delivery points in southwestern Minnesota would move from Operational Zone ABC to Operational Zone EF. Following the filing of the original proposal, Northern and its shippers ultimately agreed that certain points could remain in the original zone. For example, the Stacyville TBS that is located in Iowa would remain in Operational Zone EF, the southern border of which is the Iowa border. On August 25, 2006, in Docket No. RP06-332-002, Northern filed to reflect this agreement and the proposed tariff language modifications to Operational Zone Boundary changes.²

3. In the instant filing, Interstate Power has requested that Northern transfer Stacyville TBS back to Operational Zone ABC. During the initial boundary move, Stacyville TBS remained in Operational Zone EF which primarily includes delivery points in southwestern Minnesota. Stacyville TBS is located in Mitchell County, Iowa and physically located in Operational Zone ABC. Northern states that Interstate Power's business will be in the state of Iowa.

4. In *Northern*, the Commission established a procedure for changing or moving currently effective Operational Zone boundaries.³ Northern states that it has evaluated Interstate Power's request based on its established tariff procedure and concluded that Interstate Power's request satisfies the approved procedure.

5. Additionally, Minnesota Energy has requested that Northern establish a delivery point to be used by Minnesota Energy for nomination and scheduling purposes for delivery to its Minnesota markets downstream of Interstate Power's distribution system and include the delivery point within Minnesota Energy's Zone EF delivery point (POI 3054). The new delivery point would be located behind the Stacyville TBS on Interstate Power's local distribution system and Minnesota Energy and Interstate Power will install a new delivery point between their two systems on the Iowa/Minnesota border to account for deliveries from Interstate Power to Minnesota Energy. Northern would

² *Northern Natural Gas Co.*, 116 FERC ¶ 61,305 (2006) (*Northern*). The Commission approved Northern's proposed tariff language revisions as final resolution of all the issues presented in the original April 28, 2006 Operational Zone Boundary Modification filing in Docket No. RP06-332-000.

³ *Id.* P 4 and Northern's Tariff Sheet No. 259A.

deliver gas to Interstate Power at Stacyville TBS and Interstate Power would redeliver the natural gas from its delivery point to Minnesota Energy at the new delivery point.⁴

6. Northern's tariff defines "Delivery Point" or "Point of Delivery" to mean the point, which may or may not be a physical point, at which Northern delivers natural gas to the Shipper. Northern will not deliver the natural gas to Minnesota Energy. Rather, Interstate Power will perform such redelivery of natural gas to Minnesota Energy. Therefore, Northern requests waiver to allow it to establish a non-contiguous delivery point for Minnesota Energy that would be included in Minnesota Energy's Zone EF POI 3054 for nomination, scheduling, and billing purposes. Northern confirms that no physical change will be made regarding how natural gas will be delivered to the markets behind the Stacyville TBS and the new NNG delivery point. Northern therefore contends that allowing this non-physical, non-contiguous delivery point for Minnesota Energy will not negatively impact Northern's operations in either Zone ABC or Zone EF.

7. Public notice of the joint petition was issued on November 3, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁵ Pursuant to Rule 214,⁶ all timely motions to intervene and any unopposed motions 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 this proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

8. Due to the unique circumstances surrounding Northern's Operational Zone Boundaries and the sale of assets from one Northern shipper to another with no negative impact surrounding Northern's operations in the two Operational Zones in question, the Commission will grant waiver of Northern's definition of "Delivery Point" as it applies to the proposed new NNG delivery point in order to establish a non-contiguous delivery point between Northern, Interstate Power and Minnesota Energy. The waiver will allow Northern to establish the new NNG delivery point to be used by Minnesota Energy for nomination, scheduling and billing purposes, and to maintain operational ease across transporter and shipper distribution systems.

⁴ Minnesota Gas requested that Northern establish a point of interest or delivery point, labeled NNG, to be used by Minnesota Energy for nominating and scheduling purposes.

⁵ 18 C.F.R. § 154.210 (2014).

⁶ 18 C.F.R. § 385.214 (2014).

9. Given the circumstances presented, the Commission finds good cause to permit the proposed Operational Zone Boundary modification and grant the related waiver request, to be effective on the first day of the month on or after the closing date of the Interstate Power and Minnesota Energy sale agreement, estimated to be December 1, 2014.

By direction of the Commission.

Kimberly D. Bose,
Secretary.