

153 FERC ¶ 61,110
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

October 29, 2015

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP15-1251-000

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

Attention: Laura Demman, Vice President
Regulatory and Government Affairs

Reference: Pooling Service Revisions

1. On September 2, 2015, Northern Natural Gas Company (Northern) filed revised tariff records¹ proposing to require shippers to make a nomination through a transportation service agreement for gas to be moved between pooling points and associated storage points. As discussed below, the Commission accepts the tariff records, effective November 1, 2015.

2. Public notice of the instant filing was issued on September 3, 2015. Interventions and protests were due on or before September 14, 2015, as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2015)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2015)), 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. On September 14, 2015, Tenaska Marketing Ventures (Tenaska) filed a preliminary protest. On September 16, 2015, Tenaska filed a supplemental protest. On September 21, 2015, Northern filed an answer to the protest.

¹ See Appendix.

While the Commission's Rules of Practice and Procedure generally prohibit answers to protests or answers to answers, pursuant to Rule 213 of the Commission's regulations (18 C.F.R. § 385.213(a)(2) (2015)), the Commission accepts Northern's answer because it assisted in the decision-making process. On October 2, 2015, the Commission staff sent Northern a data request seeking clarification of the facts and circumstances surrounding the proposal. On October 8, 2015, Northern responded to the Commission's data request.

3. In the instant filing, Northern states that it currently provides pooling service for shippers under Rate Schedule MPS.² Northern explains that each pooling point has an associated storage point available for service under an MPS Agreement. Northern further explains that because its pools are paper points, nominations under an MPS Agreement are not included in allocations, and thus, have no impact on system capacity. However, Northern argues that gas physically moves between the pooling area and storage point when the gas is scheduled, and thus, these transactions should be included in allocations. Northern proposes to modify its tariff so that gas nominated between pooling points and associated storage points will require a transportation service agreement and will no longer be allowed under an MPS Agreement. Northern asserts that nominations made under a transportation service agreement will protect system integrity, service to primary firm shippers, and make operational allocation procedures consistent. Northern states that it will continue the practice of not charging transportation commodity and fuel charges for nominations between pooling points and associated storage points.

4. In its protest, Tenaska contends that Northern's proposal to remove all associated storage points from pooling points in Rate Schedule MPS would eviscerate a pooling service that has been in place for nearly seventeen years. Tenaska argues that Northern has not justified its proposed changes to Rate Schedule MPS and that it does not explain why its proposal is necessary. In particular, Tenaska argues that the concept of gas transported between pooling areas and associated storage is merely an accounting construct that exists simultaneously in the same place without moving physically. Tenaska argues that therefore no basis exists to require that a transportation service

² On April 21, 2006, in Docket No. RP06-315-000, Northern filed to remove the Ventura storage point from the Ventura pool under Rate Schedule MPS in order to facilitate allocations. On July 16, 2010, in Docket No. RP10-975-000, Northern filed to remove the MID 17 Market Area storage point from the MID 17 Market Area pool under Rate Schedule MPS for a similar reason. The Commission approved the removal of both associated storage points from their respective pools. Northern currently allows shippers in the Field Area and at Demarc to nominate under an MPS Agreement between a pooling area and a storage point.

agreement be used for such transactions. Tenaska is also concerned that once pooling storage points are disassociated with pools, Northern will be completely free to place the pools and storage points in either new or different allocation groups without any oversight or customer recourse, thus placing customers' storage service at risk of arbitrary allocations. Finally, Tenaska notes that Northern proposes not to assess commodity or fuel charges for transportation transactions but that Northern has not indicated if it intends to assess a reservation charge for those transactions.

5. In its October 8, 2015 response to the data request, Northern addresses the concerns raised by Tenaska's protest and the questions raised by Commission staff's data request. Northern explains that a shipper using its pooling service has the option to inject gas into or withdraw gas from its three underground physical storage facilities (Cunningham, Redfield, and Lyons) for subsequent withdrawal or injection, when needed. Northern clarifies that the virtual storage points associated with the virtual pooling points are for nomination purposes only, but, when used in conjunction with physical storage facilities, can allow shippers to ameliorate gas quantity deficiencies at each pooling point due to imbalances.

6. Northern's response also provides evidence of system constraints referenced in the initial filing. Northern provides annual throughput data showing an approximate 30 percent increase in Field Area deliveries from 2011 to 2015 and citing over 100 occurrences of system constraints within the Field Area for the past three years. Northern asserts that requiring transportation service agreements will assist in tracking and scheduling according to the proper priority of service for primary firm shippers in constrained areas.

7. Northern asserts that a no-cost MPS agreement will continue to be available for pooling from receipt points to pooling points. Northern further asserts that it does not anticipate additional revenue by requiring the use of a transportation service agreement since the proposal allows shippers to continue to use existing transportation agreements. Northern states that if the shipper has no transportation service agreement and wishes to nominate gas between a virtual pooling point and a virtual storage point, the shipper can execute an interruptible transportation service agreement at no charge, or a firm transportation agreement with a reservation charge. Moreover, Northern asserts that it does not anticipate existing shippers will need to enter into new firm transportation agreements as a result of the proposed change.

8. The Commission, having reviewed the filing, the Tenaska protest, and Northern's answer thereto, as well as its data request response, finds Northern has fully addressed the issues raised in the protest and data request. The Commission further finds that Northern's proposal has been adequately supported, and is just and reasonable, as it supports system integrity and service to primary firm shippers under constrained conditions, and makes operational allocation procedures consistent across the system.

Accordingly, the Commission accepts the proposed tariff records listed in the Appendix to this letter, effective November 1, 2015.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

Northern Natural Gas Company
FERC NGA Gas Tariff
Gas Tariffs

Tariff Records Accepted to be Effective November 1, 2015

[Sheet No. 50, Currently Effective Rates TF, 9.0.0](#)

[Sheet No. 51, Currently Effective Rates TFX and LFT, 10.0.0](#)

[Sheet No. 52, Currently Effective Rates TI, 9.0.0](#)

[Sheet No. 53, Currently Effective Rates GS-T and CS-1, 8.0.0](#)

[Sheet No. 54, Effective Rates TF TFX LFT GS-T TI and FDD, 12.0.0](#)

[Sheet No. 135D, Rate Schedule FDD, 7.0.0](#)

[Sheet No. 135E, Rate Schedule FDD, 0.0.0](#)

[Sheet No. 141, Rate Schedule FDD, 1.0.0](#)

[Sheet No. 142C, Rate Schedule PDD, 6.0.0](#)

[Sheet No. 144, Rate Schedule IDD, 6.0.0](#)

[Sheet No. 146A, Rate Schedule IDD, 1.0.0](#)

[Sheet No. 147, Rate Schedule IDD, 1.0.0](#)

[Sheet No. 153, Rate Schedule MPS, 1.0.0](#)

[Sheet No. 154, Rate Schedule MPS, 3.0.0](#)

[Sheet No. 155, Rate Schedule MPS, 3.0.0](#)

[Sheet No. 203, G T and C Definition of Terms, 1.0.0](#)

[Sheet No. 206, G T and C Definition of Terms, 3.0.0](#)