

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 7, 2004

In Reply Refer To:
Northern Border Pipeline Company
Docket No. RP04-211-000

Northern Border Pipeline Company
P.O. Box 542500
Omaha, NE 68154-8500

Attention: Raymond D. Nepl, Vice President
Regulatory Affairs & Marketing Services

Reference: Revisions to Discount Provisions

Dear Mr. Nepl:

1. On March 8, 2004, Northern Border Pipeline Company (Northern Border) filed revised tariff sheets¹ to modify the discounting provisions set forth in section 42 of its General Terms and Conditions (GT&C). Specifically, Northern Border revises section 42.1 to permit it to offer discounted rates based on published index price point differentials or arrived at by formula. Northern Border also specifies that any service agreement entered into for an index price-based discount must: (1) define the rate component(s) to be discounted; (2) not change the underlying rate design; and, (3) not include any minimum bill or minimum take provision that would have the effect of guaranteeing revenue. Finally, Northern Border makes attendant changes to its pro forma service agreements for Rate Schedules T-1, T-1B, and IT-1. Northern Border requests an April 7, 2004, effective date for its tariff sheets.

2. Northern Border's revised tariff sheets are consistent with the Commission's policy on published index price-based discounts, and are accepted effective April 7, 2004, as proposed. This acceptance benefits the public by promoting transportation and

¹ Second Revised Sheet No. 302, Second Revised Sheet No. 303, Original Sheet No. 303.01, Fourth Revised Sheet No. 406, Fourth Revised Sheet No. 429B, and Fourth Revised Sheet No. 435 to its FERC Gas Tariff, First Revised Volume No. 1.

storage service flexibility for Northern Border's customers and stimulating competition in the marketplace.

3. The Commission noticed Northern Border's filing on March 11, 2004, permitting comments, protests, or interventions as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214 (18 C.F.R. § 385.214) all timely filed motions to intervene and any motions to intervene out-of-time filed before the date this order issues are granted. No party protests or opposes Northern Border's filing.

By direction of the Commission.

Linda Mitry,
Acting Secretary.

Cc: All Parties

Janet K. Place
Vice President and General Counsel
Northern Plains Natural Gas Company
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