

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 31, 2005

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP05-150-000

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

Attention: Dari R. Doran, Senior Counsel

Reference: Petition for Limited Waiver

Dear Ladies and Gentlemen:

1. On January 10, 2005, Northern Natural Gas Company (Northern) filed a petition for limited waiver of sections 26 and 52 of its FERC Gas Tariff, Fifth Revised Volume No. 1, to allow it to make available certain capacity associated with its Bluff Creek/Tomah expansion project on an interim basis without a right of first refusal (ROFR). Northern states that, following an open season, Wisconsin Gas, L.L.C., contracted for capacity on its system in phased-in increments over a five-year period, beginning on November 1, 2005.¹ Northern requests waiver so it can market the available interim capacity without a ROFR. Northern adds that, in its Docket No. RP03-398-000 proceeding, it plans to modify its tariff to alleviate the need to request similar waivers in the future.²

¹ Under their agreement, Northern will transport 1,115 Dt per day for Wisconsin Gas under Rate Schedule TFX in year one; 1,298 Dt per day in year two; 1,482 Dt per day in year three; 1,663 Dt per day in year four; and, 1,785 Dt per day in year five.

² Northern made its tariff filing on January 31, 2005, in Docket No. RP03-398-012, proposing changes to its General Terms and Conditions that would allow it to market interim capacity without a ROFR under certain conditions. The Commission accepted Northern's tariff filing on March 25, 2005, subject to Northern clarifying in its tariff that the future capacity must be sold through an open season, bids must be evaluated on a net present value basis, and Northern must award the future capacity to the shipper providing the highest net present value bid.

2. The Commission noticed Northern's petition on February 4, 2005, allowing for protests to be filed as provided by 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 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 party filed a protest or adverse comments.

3. We grant Northern's petition for limited waiver of sections 26 and 52 of its FERC Gas Tariff, Fifth Revised Volume No. 1, so that it can market interim capacity associated with its Bluff Creek/Tomah expansion project without a ROFR. Northern marketed the future capacity for the Bluff Creek/Tomah expansion consistent with Commission policy set forth in *GTN*,³ which requires pipelines to follow certain posting and bidding requirements to ensure that the shipper receiving the capacity is the one that places the highest net present value on the capacity. Granting the petition benefits shippers by allowing Northern to most efficiently utilize its system capacity.

By direction of the Commission.

Linda Mitry,
Deputy Secretary.

Cc: All Parties

Frank X. Kelly
Steve Stojic
Gallagher, Boland and Meiburger, L.L.P.
818 18th Street, N.W., Suite 800
Washington, D.C. 20006-3520

³ *Gas Transmission Northwest Corp.*, 109 FERC ¶ 61,141 (2004).