

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 15, 2005

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP05-233-000

Northern Natural Gas Company
P. O. Box 3330
Omaha, NE 68124-0330

Attention: Mary K. Miller, Vice President
Regulatory and Government Affairs

Reference: Removal of Shipper Discount Retention Provisions

Ladies and Gentlemen:

1. On March 18, 2005, Northern Natural Gas Company (Northern) filed Fourth Revised Sheet No. 304 to its Fifth Revised Volume No. 1 to remove tariff provisions that implemented the *CIG/Granite State* discounting policy. Northern proposes to delete the provisions in response to the Commission's Second Order on Remand issued March 3, 2005, in *Williston Basin Interstate Pipeline Co.* (March 3 Order).¹ Among other things, the March 3 Order vacated the requirement that permitted a shipper to retain a service rate discount through a streamlined request process when it moved gas receipts or deliveries to segmented points or secondary points. For the reasons detailed below, we will accept the referenced tariff sheet to become effective April 18, 2005, as requested. Acceptance of this filing benefits the public because Northern's tariff now conforms to the Commission's current discount policies.

2. Notice of the filing was issued on March 25, 2005, with comments, protests, or interventions due on March 30, 2005. Pursuant to Rule of 214 of the Commission's Rules of Practice and Procedure (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

¹ 110 FERC ¶ 61,210 (2005).

order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. On March 30, 2005, ONEOK Field Services Company, ONEOK Bushton Processing, Incorporated and ONEOK Gas Processing, LLC (collectively, ONEOK) filed a protest.

3. As mentioned briefly above, the March 3 Order vacated the Commission's existing policy governing the portability of shipper rate discounts. Specifically, the Commission concluded that it cannot, at this time, satisfy its burden under section 5 of the Natural Gas Act (NGA) to require pipelines to modify their tariffs to incorporate the *CIG/Granite State* policy. The March 3 Order also provided that other pipelines whose tariffs implemented the *CIG/Granite State* policy could file, pursuant to NGA section 4, to remove the tariff provisions implementing the *CIG/Granite State* policy.

4. ONEOK contends that Northern failed to comply with many of the fundamental filing requirements applicable to NGA section 4 filings. Specifically, ONEOK states that section 154.7 (a) (6) (2004) requires that a tariff filing transmittal letter contain a "statement of the nature, the reasons and the basis" for the filing including a "detailed explanation of the need for each change." Further, ONEOK states section 154.204(d) (2004) requires that a change in rate schedules, forms of service agreements or the general terms and conditions of a tariff must include an explanation of the "impact of the proposed revisions on firm and interruptible customers, including any changes in a customer's rights to capacity in the manner in which a customer is able to use such capacity, receipt or delivery point flexibility, nominating and scheduling, curtailment, capacity release."

5. Contrary to ONEOK's assertion that Northern does not provide a statement of the nature, the reasons and a basis for this filing, we find Northern's filing is consistent with the March 3 Order. Northern's reference to the March 3 Order satisfies the need to explain the reason for the change. As noted above, this remand order clearly permits pipelines to remove tariff language implementing the *CIG/Granite State* discounting policy for the reasons given in that order.

6. In addition, ONEOK takes exception to Northern's request that the Commission grant any and all waivers of its regulations that it deems necessary to allow the tariff sheet to become effective on April 18, 2005. ONEOK claims that Northern's filing neither identifies the specific section of the statute, regulations, or company's tariff from which waiver is sought nor demonstrates a justification for the waiver. Thus, ONEOK argues there is no basis on this record to find that good cause exists such that the granting any waiver to Northern would be appropriate. The Commission rejects ONEOK's argument on this issue since we do not grant any waivers to approve Northern's filing.

7. The Commission finds the revised tariff sheet removing the *CIG/Granite State* discount retention language is consistent with the March 3 Order. Therefore, we accept the Fourth Revised Sheet No. 304 to Fifth Revised Volume No. 1 of Northern's FERC Gas Tariff to become effective April 18, 2005, as proposed.

By direction of the Commission.

Linda Mitry,
Deputy Secretary.

cc: Public File
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