

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

110 FERC ¶61,291

March 17, 2005

In Reply Refer To:  
Midwestern Gas Transmission Company  
Docket No. RP05-186-000

Midwestern Gas Transmission Company  
P.O. Box 542500  
Omaha, NE 68154-8500

Attention: Raymond D. Neppel  
Vice President, Regulatory Affairs & Market Services

Reference: New OBA Policy Provisions

Ladies and Gentlemen:

1. On February 15, 2005, Midwestern Gas Transmission Company (Midwestern) filed tariff sheets<sup>1</sup> to add an Operational Balancing Agreement (OBA) Policy to its General Terms and Conditions (GT&C) to coincide with the tariff's four existing forms of *pro forma* OBA's. Midwestern also proposes a minor housekeeping edit to update its Master Electronic Transaction Agreement. Midwestern requests that the proposed tariff sheets become effective March 17, 2005.

2. We accept the tariff sheets to become effective March 17, 2005, as proposed. Our acceptance of these revised tariff sheets benefits the shipper because establishing an OBA Policy helps ensure consistent gas balancing practices and procedures among shippers, and facilitates more efficient system management by Midwestern.

3. Notice of Midwestern's filing was issued on February 17, 2005. Interventions and protests were due as provided in § 154.210 of the Commission's regulations, 18 C.F.R. § 385.210. Pursuant to Rule 214, 18 C.F.R. § 385.214, all timely filed motions to

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<sup>1</sup> Seventh Revised Sheet No. 201, Original Sheet No. 276, Sheet Nos. 277-399, and Second Revised Sheet No. 510 to its FERC Gas Tariff, Third Revised Volume No. 1.

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.

4. Midwestern proposes to add a new OBA policy at section 36 to its GT&C. This declaration of Midwestern's OBA policy will govern the use of its four currently effective *pro forma* OBA agreements.<sup>2</sup> Specifically, Midwestern states that the pipeline's policy is to negotiate and execute, if possible, the pipeline's form of OBA at all points of interconnection.<sup>3</sup> The policy requires Midwestern to base any OBA upon the North America Energy Standards Board (NAESB) Model OBA found in NAESB Standard 6.5.2 (v1.4). NAESB requires pipelines to execute an OBA at all pipeline-to-pipeline (interstate and intrastate) interconnects under Standard 2.3.29. If Midwestern is unable to use its *pro forma* OBA for an interstate pipeline interconnection, an acceptable OBA must include, at a minimum, the policy provisions detailed in new subsection 36.2 of Midwestern's GT&C.

5. Subsection 36.2 requires an acceptable OBA to include the following provisions:

- (a) The OBA must be in energy terms with stated bases;
- (b) The OBA parties intend that the quantity actually received/delivered each day at the interconnection will equal the scheduled nominations;
- (c) Any differences between the metered quantity and the scheduled nomination is treated as an OBA imbalance and exists solely between the OBA parties;
- (d) The OBA parties will take the necessary steps to ensure that the cumulative daily OBA imbalance is maintained at or tends towards a zero imbalance. No imbalance penalty shall be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty [2.3.31/v1.1];

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<sup>2</sup> "OBA for Use at Receipt Points;" "OBA for Use at Delivery Points;" "OBA for Aggregator at Delivery Points;" and "OBA for Pipelines for Use at Interconnections with Interstate Pipelines."

<sup>3</sup> Midwestern states that it's the responsibility of the shipper(s) out of balance to pay all the imbalance charges, cash-outs, or penalties if an OBA does not exist.

- (e) The OBA parties will regularly reconcile scheduled nominations during a given Production Month. A mutually agreed upon scheduled nomination summary must be completed as soon as practical after each Production Month end;
- (f) The monthly metered flow data for such interconnection will be determined and communicated by the Measurement Party in writing as soon as possible to the other OBA party;
- (g) The OBA parties at such interconnection may temporarily suspend the OBA in accordance with the terms thereof if either party discovers or anticipates extraordinary circumstances, such as significant interruption of transportation service, severe weather, or some other event which affects the gas supplies available for delivery at the interconnection; and
- (h) A mutually agreeable commencement date, termination date, and cancellation clause.

An operational imbalance at a given point of interconnection is subject to resolution under Rate Schedule LMS-MA and Rate Schedule LMS-PA, if applicable, as set forth in the form of OBA.

6. Our review shows that language contained in these provisions is similar to provisions previously accepted by the Commission.<sup>4</sup> Accordingly, the Commission accepts the revised tariffs sheets listed in footnote No. 1 to become effective March 17, 2005, as proposed.

By direction of the Commission.

Linda Mitry,  
Deputy Secretary.

cc: All Parties

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<sup>4</sup> See Northern Border Pipeline Company, Sixth Revised Sheet No. 299 and Original Sheet No. 299A to its FERC Gas Tariff, First Revised Volume No. 1.