

132 FERC ¶ 61,166  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

August 24, 2010

In Reply Refer To:  
Northern Natural Gas Company  
Docket No. RP10-1002-000

Northern Natural Gas Company  
1111 South 103<sup>rd</sup> Street  
Omaha, NE 68124-1000

Attention: Mary Kay Miller  
Vice President, Regulatory and Government Affairs

Reference: Interim Fuel Rate Adjustment and Related Waiver Request

Ladies and Gentlemen:

1. On July 28, 2010, Northern Natural Gas Company (Northern) filed 1 Revised 35 Revised Sheet No. 54 and 1 Revised 30 Revised Sheet No. 62 to its FERC Gas Tariff, Fifth Revised Volume No. 1. Northern requests waiver of section 53A of the General Terms and Conditions (GT&C) of its tariff so that it may base the Summer Season fuel percentage on actual fuel and throughput data from the summer of April 1, 2010, through June 30, 2010, instead of fuel and throughput data from April 2009 through October 2009. Northern requests that the revised tariff sheets be made effective September 1, 2010. Northern also requests that the Commission issue an order by August 27, 2010, to allow Northern and its shippers time to establish the revised fuel percentage in their computer system prior to the timely nomination cycle for September 2010 business.

2. Public notice of Northern's filing was issued on July 29, 2010. Interventions and protests were due August 9, 2010, as provided by section 154.210 of the Commission's regulations (18 C.F.R § 154.210 (2010)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2010)), 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 this proceeding or place additional burdens on existing parties. No protests were filed.

3. Northern states that the revised tariff sheets are being filed as an interim periodic rate adjustment (PRA) to lower the Market Area summer fuel retention percentage from 0.43 percent to 0.16 percent effective September 1, 2010, based on the fact that actual Market Area summer fuel data for the period April 1, 2010 through June 30, 2010, shows fuel being consumed at a much lower percentage than 0.43 percent, resulting in a significant continuing overcollected balance. Northern also states that the current waiver request is intended to address potential storage issues resulting holding large volumes of over-recovered gas.

4. Northern states that similar to other PRA filings, it has attached Schedules 1 through 6 showing the calculations of the base fuel and true-up percentages. Northern further states that these calculations are based on actual data for April 2010 through June 2010, instead of April 2009 through October 2009 data that would ordinarily be used. The proposed Market Area summer fuel percentage, including true-up, is 0.16 percent. The new base fuel retention percentage is 0.75 percent, as calculated on Schedule 3M. The true-up, to be returned to shippers during September and October 2010, based on a projected overrecovered summer balance of 1,216,762 Dth at the end of August, is a negative 0.59 percent, as calculated on Schedule 5M. The projection assumes a monthly reduction in the overrecovered balance in July and August by roughly the same amount as in June. The throughput used to calculate the true-up is the actual throughput for September and October 2009.

5. The Commission finds Northern has shown good cause for its waiver request. Granting the waiver will provide shippers the real time benefit of a reduced Market Area summer fuel percentage and will reduce the potential for storage issues resulting from large over-recovered volumes.

6. Accordingly, the Commission grants waiver of section 53A of Northern's GT&C, and accepts 1 Revised 35 Revised Sheet No. 54 and 1 Revised 30 Revised Sheet No. 62, effective September 1, 2010.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.