

134 FERC ¶ 61,139
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

February 25, 2011

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP11-1726-000

Northern Natural Gas Company
1111 South 103rd Street
Omaha, NE 68124-1000

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

Reference: Miscellaneous Tariff Changes and Waiver Request

Ladies and Gentlemen:

1. On January 27, 2011, Northern Natural Gas Company (Northern) filed revised tariff records¹ to implement miscellaneous tariff changes, including revisions to fuel/unaccounted-for exemptions, removal of outdated references to Carlton Supplier/Shippers, revisions to the language pertaining to MID 17 Pooling and related request for waiver, changes to capacity release provisions, and the deletion of expired non-conforming negotiated rate contracts. As discussed below, we grant Northern's request for limited waiver and accept Northern's revised tariff records effective February 27, 2011.

2. Northern is submitting Sheet No. 54A to reflect receipt and delivery point name changes, correct typographical errors, and remove sold or abandoned facilities from its list of delivery points that receive certain fuel/unaccounted-for exemptions. In addition, pursuant to an unpublished letter order in Docket No. RP01-382-000, Northern is revising Sheet Nos. 263B, 263C, and 263D to eliminate referencing certain third-party suppliers as Carlton Supplier/Shippers. Northern is also proposing to remove an expired non-

¹ See Appendix.

conforming and negotiated rate contract with Chevron U.S.A. Inc. from Sheet Nos. 67, 67B, and 80B.

3. Northern is proposing to revise the contracting procedures for temporary and permanent capacity releases. Sheet No. 287A clarifies that new contract number(s) will be issued for temporarily acquired capacity, and service will be provided pursuant to the applicable rate schedule, *pro forma* service agreement, and capacity release offer, bid and award. However, a new service agreement will not be issued for a temporary release. Permanently acquired capacity may be added to existing agreements if requested; otherwise, a new service agreement(s) and contract number will be issued.

4. Northern is also revising Sheet No. 289 to clarify the requirements for release of TF5 service for temporary and permanent capacity releases. TF5 service is for the winter months of November through March. Currently, quantities in a TF5 service contract must be no greater than thirty percent of the total aggregate maximum daily quantity (MDQ) of all TF services. Northern proposes that if TF5 quantities exceed the 30 percent limitation, the TF5 entitlement will be converted to winter service under the TFX rate schedule and a TFX service agreement will be issued. Both TF5 and TFX service are firm service with equal scheduling priority and maximum rates; therefore, Northern states that there will not be an economic or service impact to the acquiring shipper.

5. Northern states that it inadvertently omitted from a prior filing made in Docket No. RP10-975-000, accepted by Commission order issued August 13, 2010,² the provision that transportation, fuel, and gas-unaccounted-for (UAF) charges should not apply to transportation from the MID 17 deferred delivery point (POI 71459) to the MID 17 pooling point (POI 71458). Northern asserts that, as originally intended, this provision would place the shippers in the same position as being exempt from such charges as if Northern had not made the tariff change. Additionally, Northern states that, based on the fact that this change should have been made at the same time as the previous tariff changes (effective August 16, 2010), it is requesting waiver of its otherwise applicable tariff provisions such that its billing to shippers from August 16, 2010 forward will reflect that no transportation, fuel, or UAF charges are applicable for any transactions between the MID 17 deferred delivery point and the MID 17 pooling point. Northern submits that good cause exists to grant the waiver to correct its inadvertent oversight.

² *Northern Natural Gas Co.*, 132 FERC ¶ 61,131 (2010) (August 13 Order).

6. Public notice of the filing was issued on January 28, 2011. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.³ Pursuant to Rule 214,⁴ all timely filed motions to intervene and any unopposed 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 the proceeding or place additional burdens on existing parties. No party filed a protest.

7. The majority of Northern's proposed revisions, including others not described above, are miscellaneous corrections that are routine in nature and therefore are accepted without further discussion. However, we shall discuss briefly three of Northern's proposed revisions, as well as its waiver request.

8. We find Northern's proposal to eliminate the requirement of issuing a service agreement applicable to a temporary capacity release to be reasonable. Service under the temporary release will be provided under the applicable rate schedule, *pro forma* service agreement, capacity release offer, bid and award. As a result, the terms of the temporary service to be provided are clearly established. Thus, the requirement of a new contract number should be sufficient to identify and document the new temporary service agreement. Further, Northern's proposal should simplify and speed the contracting process for capacity release which will permit replacement shipper to commence service more quickly, as required by Order No. 637 and the Commission's regulations.⁵

9. We find Northern's proposal to clarify the requirements for release of TF5 service for temporary and permanent capacity releases, described in paragraph four of this order, to be consistent with its tariff. Northern explains that because both TF5 and TFX service are firm service with equal scheduling priority and maximum rates there will not be an economic or service impact to the acquiring shipper. Therefore, we will accept Northern's revised tariff language.

10. In the August 13 Order, the Commission approved, effective August 16, 2010, Northern's request to remove the MID 17 storage point from the MID 17 pooling point and to change its pooling provisions by requiring shippers to use a transportation service agreement to transport gas from Market Area pooling receipt points to the MID 17

³ 18 C.F.R. § 154.210 (2010).

⁴ 18 C.F.R. § 385.214 (2010).

⁵ *Regulation of Short-Term Natural Gas Transportation Services and Regulation of Interstate Natural Gas Transportation Services*, Order No. 637, FERC Stats. & Regs. ¶ 31,091, at 31,297, and 18 C.F.R. §284.12(b)(1)(ii) (2010).

storage point. This allowed Northern to ensure that all primary firm service had the highest scheduling priority and that certain Rate Schedule MPS volumes are not given a “free pass” through capacity constraints. Further, to implement this provision, Northern proposed to clarify in Rate Schedule MPS that all transportation transactions for delivery to the MID 17 storage point will not be assessed a transportation, fuel, or UAF charges. Northern stated that this tariff revision would enable Northern to conduct its allocation processes appropriately and shippers will be allowed to continue to pool their MID 17 storage supplies at the MID 17 pool without a transportation charge, which is similar to how shippers currently operate under Rate Schedule MPS.

11. Northern states that when it made the filing which was accepted by the August 13 Order, it had also intended that transportation, fuel and UAF charges would not apply to transportation from MID 17 deferred point (POI) 71459 to the MID 17 pooling point (POI 71458). We find Northern’s proposal to exclude such points from transportation, fuel, and UAF charges to be consistent with the Commission’s August 13 Order.

12. Further, because of an oversight, Northern is requesting waiver of its otherwise applicable tariff provisions, such that its billings to shippers from August 16, 2010 forward will not reflect transportation, fuel and UAF charges applicable for any transactions between the MID 17 deferred point (POI) 71459 to the MID 17 pooling point (POI 71458). Granting waiver would exempt transportation, fuel and UAF charges from shippers using such points effective August 16, 2010, as Northern originally intended. Therefore, for good cause shown, we grant Northern’s requested waiver.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

Northern Natural Gas Company
Gas Tariffs
FERC NGA Gas Tariff

Tariff Records Accepted, Effective February 27, 2011

- Sheet No. 54A, Fuel Unaccounted-For Exemptions, 1.0.0
 - Sheet No. 67, Negotiated Rates, 3.0.0
 - Sheet No. 67B, Negotiated Rates, 3.0.0
 - Sheet No. 80, Non-conforming Service Agreements, 2.0.0
 - Sheet No. 80A, Non-conforming Service Agreements, 2.0.0
 - Sheet No. 80B, Non-conforming Service Agreements, 5.0.0
 - Sheet No. 111, Rate Schedule TF, 1.0.0
 - Sheet No. 128, Rate Schedule TI, 1.0.0
 - Sheet No. 154, Rate Schedule MPS, 2.0.0
 - Sheet No. 155, Rate Schedule MPS, 2.0.0
 - Sheet No. 263A, G T and C Allocation of Capacity, 1.0.0
 - Sheet No. 263B, G T and C Allocation of Capacity, 1.0.0
 - Sheet No. 263C, G T and C Allocation of Capacity, 1.0.0
 - Sheet No. 263D, G T and C Allocation of Capacity, 1.0.0
 - Sheet No. 287A, G T and C Capacity Release, 2.0.0
 - Sheet No. 289, G T and C Capacity Release, 1.0.0