

170 FERC ¶ 61,058  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

January 27, 2020

In Reply Refer To:  
Northern Natural Gas Company  
Docket No. RP19-1353-004

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

Attention: Kirk Lavengood, Vice President, General Counsel and Regulatory Affairs

Dear Mr. Lavengood:

1. On December 18, 2019, Northern Natural Gas Company (Northern) filed two sets of tariff records, contemporaneously, in Docket Nos. RP19-1353-003 and RP19-1353-004, both to become effective January 1, 2020, subject to refund. Northern filed, in Docket No. RP19-1353-003, to move its base case rates into effect from its July 1, 2019 Natural Gas Act (NGA) section 4 rate case (July 2019 Filing), including adjustments made to reflect actual cost of gas plant in service by the end of the test period (Base Case Rates).<sup>1</sup> In addition, in Docket No. RP19-1353-004, Northern filed an interim rate decrease (Interim Rates) to supersede its Base Case Rates.<sup>2</sup> Northern states that the Interim Rates constitute, approximately, a 15 percent rate decrease from its Base Case Rates and would be the effective rates until Northern provides the Commission thirty (30) days notice and re-files its Base Case Rates if settlement discussions fail. Northern states that although official settlement proceedings have terminated, a settlement may still be in the parties' best interest. Therefore, Northern is proposing lower Interim Rates as a good faith demonstration of its continued willingness to engage in settlement discussions. Waiver of the Commission's thirty (30) day notice requirement in 18 C.F.R. § 154.207 is granted, as requested, and, for the reasons set forth

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<sup>1</sup> The Base Case Rates were accepted by the Commission on January 15, 2020. *See Northern Natural Gas Co.*, Docket No. RP19-1353-003 (Jan. 15, 2020) (delegated order).

<sup>2</sup> *See* Appendix.

below, we accept the tariff records reflecting the Interim Rates referenced in the Appendix to become effective January 1, 2020, subject to refund.<sup>3</sup>

2. Public notice of the filing was issued on December 19, 2019. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R § 154.210 (2019)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2019)), all timely filed motions to intervene and any unopposed motion to intervene filed out-of-time 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 protests or adverse comments were filed.

3. In the instant filing, Northern states that in the event a settlement is reached and is approved by the Commission, Northern will charge the new settlement rates and pay refunds to shippers to the extent the settlement rates are lower than the Interim Rates. Northern asserts that if it determines that this matter cannot be resolved through settlement, Northern may file to terminate the Interim Rates and place the Base Case Rates into effect on thirty (30) days notice. Northern claims that in that event, it will not seek to retroactively surcharge its shippers for the difference between the Interim Rates and the Base Case Rates for the period the Interim Rates were in effect.<sup>4</sup>

4. Northern seeks various assurances from the Commission: (a) that Northern has the right to, upon thirty (30) days notice, terminate the effectiveness of the Interim Rates; (b) that upon the expiration of such notice period, the Base Case Rates will automatically become effective without Northern having to refile tariff records; and (c) that the instant filing will not affect Northern's right to defend its Base and Prospective Case Rates<sup>5</sup> at hearing.<sup>6</sup>

5. Northern claims its request is in the public interest as it provides shippers with lower interim rates and is intended to foster continued good-faith settlement discussions among parties. Northern states its request is consistent with Commission precedent.<sup>7</sup>

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<sup>3</sup> The accepted tariff records would be subject to refund in the event a settlement is reached and approved by the Commission.

<sup>4</sup> Northern Transmittal at 2.

<sup>5</sup> In the July 2019 Filing, Northern proposed two sets of tariff records, a Base Case and a *pro forma* Prospective Case, that are designed on different rate design principles but use the same overall cost of service. Northern's Base Case Rate issues and entire Prospective Case were sent to hearing.

<sup>6</sup> Northern Transmittal at 2.

<sup>7</sup> Northern Transmittal at 2 (citing *Northwest Pipeline Corp.*, 78 FERC ¶ 61,317

Northern asserts that in *Northwest*, the Commission granted a similar request by a pipeline to put in place interim rates during the pendency of settlement discussions that were lower than the pipeline's suspended rates, subject to the pipeline's right to terminate the interim rates upon thirty (30) days notice and replace them automatically with the suspended rates.<sup>8</sup> Northern continues that the Commission found that the interim rates were subject to refund and that the pipeline had agreed not to impose any surcharge for the period when the interim rates were in effect in the event that the pipeline terminated the interim rates.<sup>9</sup> Northern states that in the event the Commission cannot provide Northern with the above requested assurances, Northern requests permission to withdraw the filing in every respect and that its Base Case Rates be accepted, subject to refund on January 1, 2020, without reference to this filing.<sup>10</sup>

6. The instant filing has not been opposed by any parties and provides customers with an approximate 15 percent rate reduction from the Base Case Rates, which, without the Interim Rates superseding it, would become effective January 1, 2020. In *Northwest* the Commission approved interim rate decreases, while parties involved were in settlement discussions. For these reasons, consistent with *Northwest*, we accept Northern's tariff records referenced in the Appendix, effective January 1, 2020, subject to refund.

7. Consistent with *Northwest*,<sup>11</sup> we acknowledge Northern's right, upon thirty (30) days notice, to terminate the effectiveness of the Interim Rates. However, Northern will need to make a tariff filing to place the superseded tariff records into effect.<sup>12</sup> A superseded tariff record cannot be automatically reactivated as an effective tariff record. Consequently, if Northern wishes to place its superseded tariff records into effect, Northern must file tariff records as required by section 154.7 of the Commission's regulations to supersede the currently effective tariff records.<sup>13</sup>

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(1997) (*Northwest*)).

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 2.

<sup>10</sup> *Id.* at 3.

<sup>11</sup> *Northwest*, 78 FERC ¶ 61,317 at 62,357.

<sup>12</sup> The Commission's eTariff software will not permit a superseded tariff record to become effective automatically. If Northern re-files its Base Case Rates, it should use a type of filing code 580 and ensure the filing is associated with the underlying docket.

<sup>13</sup> 18 C.F.R. § 154.7.

The new tariff records would be made effective prospectively, subject to the same conditions applied to them in previous orders in the docket.<sup>14</sup> Finally, we acknowledge the instant filing will not affect Northern's right to defend its Base and Prospective Case rates at hearing.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>14</sup> See *Paiute Pipeline Co.*, 80 FERC ¶ 61,239, at 61,901 (1997).

**Appendix**

Northern Natural Gas Company  
FERC NGA Gas Tariff  
Gas Tariffs

*Tariff records accepted, subject to refund, effective January 1, 2020:*

[Sheet No. 50, Currently Effective Rates TF, 16.1.0](#)

[Sheet No. 51, Currently Effective Rates TFX and LFT, 19.1.0](#)

[Sheet No. 52, Currently Effective Rates TI, 17.1.0](#)

[Sheet No. 53, Currently Effective Rates GS-T and CS-1, 17.1.0](#)

[Sheet No. 55, Effective Rates FDD PDD IDD and SMS, 3.1.0](#)

[Sheet No. 59, MIDS, 4.1.0](#)

[Sheet No. 59A, MIDS, 4.1.0](#)

[Sheet No. 60, MIDS, 13.1.0](#)

[Sheet No. 60A, MIDS, 13.1.0](#)