

168 FERC ¶ 61,108
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

August 22, 2019

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP19-1381-000

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

Re: Petition for Tariff Waiver

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

J. Gregory Porter
Assistant General Counsel and Chief Compliance Officer

Dear Messrs. Lavengood and Porter:

1. On July 10, 2019, Northern Natural Gas Company (Northern) filed a petition requesting a limited waiver of section 32(F) of the General Terms and Conditions (GT&C) of its tariff. Northern requests waiver to facilitate Bushmills Ethanol, Inc.'s (Bushmills Ethanol) resolution of an imbalance by using the imbalance-to-storage mechanism, despite missing a tariff deadline. For the reasons discussed below and for good cause shown, the Commission grants Northern's request for limited waiver.
2. Northern states that, in the event of an imbalance, GT&C section 32(F), Resolution of Imbalances, provides shippers until the 12th business day of the month to elect one or more imbalance resolution mechanism(s) and designate the volumes associated with each mechanism. Northern further states that, unless one of the mechanisms provided for in GT&C section 32(F) is selected before the deadline, undesignated imbalances will be cashed out.
3. Northern states that Bushmills Ethanol is an off-system end-user for a delivery point named Bushmills Ethanol. Northern asserts that the operator of the delivery point provided Northern the measurement volumes for April 2019 on May 9, 2019, which was

two days after the five business day cutoff required by North American Energy Standards Board (NAESB) standard 2.3.7. Accordingly, Northern states that the actual volumes were billed as a prior period adjustment for the subsequent month pursuant to the provisions in Northern's tariff and the NAESB standard 2.3.13. Northern further states that the corrected measured volumes resulted in an imbalance volume of 397 Dekatherms valued at \$924.53 due to Northern. According to Northern, Bushmills Ethanol requested that Northern waive the requirement to treat the corrected volumes as a prior period adjustment and to allow Bushmills Ethanol to resolve the corrected imbalance using the imbalance-to-storage method.

4. Northern submits that waiver of GT&C section 32(F) is necessary to allow Bushmills Ethanol to resolve its April 2019 imbalance volumes using the imbalance-to-storage option. Northern points out that measurement mistakes were due to a third-party oversight and were outside of Bushmills Ethanol's and Northern's control, and that Bushmills Ethanol typically elects the imbalance-to-storage option each month. Northern states that, to minimize the impact to the customer, it plans to bill the imbalance resolution as a current month imbalance-to-storage election consistent with the requested waiver, rather than create a prior period adjustment.¹ Further, Northern asserts that granting the waiver will allow Bushmills Ethanol to resolve its April 2019 imbalance as originally intended and that no party will be harmed by approval of the requested waiver.

5. Public notice of the filing was issued on July 11, 2019. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.² Pursuant to Rule 214,³ all timely filed motions to intervene and any unopposed 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 the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

6. The Commission has reviewed Northern's request for waiver of GT&C section 32(F) and finds that the request is adequately supported. Accordingly, for good cause shown, the Commission grants Northern's request for limited waiver of the imbalance resolution provisions set forth in GT&C section 32(F). The Commission has approved similar limited waivers in the past.⁴ Granting this waiver will allow Bushmills Ethanol to resolve its

¹ Northern states that it commits to making all retroactive billing adjustments as necessary, should the Commission deny its request.

² 18 C.F.R. § 154.210 (2018).

³ *Id.* § 385.214.

⁴ *Northern Natural Gas Co.*, 162 FERC ¶ 61,184 (2018).

April 2019 imbalance consistent with the shipper's preference, and no other transportation or storage customer on Northern's system will be adversely affected.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.