



Northern Natural Gas Company  
P.O. Box 3330  
Omaha, NE 68103-0330  
402 398-7200

February 2, 2010

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

RE: Northern Natural Gas Company  
Docket No. RP10-\_\_\_\_\_  
Negotiated Rate Transactions

Dear Ms. Bose:

Northern Natural Gas Company (Northern) hereby submits for filing as part of its FERC Gas Tariff, Fifth Revised Volume No. 1, an original and five (5) copies of the following tariff sheet proposed to be effective February 3, 2010:

FIFTH REVISED VOLUME NO. 1  
23 Revised Sheet No. 66B  
Third Revised Sheet No. 66B.06  
16 Revised Sheet No. 66B.35

Reason for Filing

On June 7, 1996 in Docket No. RP96-272-000, Northern filed tariff sheets to give it the ability to negotiate rates in accordance with the Commission's Policy Statement on Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines, issued January 31, 1996 in Docket No. RM95-6-000 (Policy Statement).<sup>1</sup> The Commission accepted the tariff sheets in an order issued July 5, 1996 (July 5 Order).<sup>2</sup> The reason for this filing is to submit negotiated rate transactions with Cima Energy, LTD (Cima) and

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<sup>1</sup> 74 FERC ¶61,076 (1996).

<sup>2</sup> 76 FERC ¶61,026 (1996).

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Northwind Resources, LLC (Northwind), as well as to remove terminated negotiated rate transactions with Northern States Power-Generation (NSP).

Northern previously entered into negotiated rate transactions with Cima and Northwind effective January 9, 2010 through January 15, 2010 as shown in footnotes 92 and 93.<sup>3</sup> Northern has agreed with Cima and Northwind to new transactions effective February 3, 2010 through February 12, 2010.<sup>4</sup> Northern has revised footnotes 92 and 93 on Sheet No. 66B.35 to reflect new transactions.

Northern is also filing to remove two negotiated rate transactions with NSP. The transactions are being removed in accordance with their respective contract terms. Northern also proposes that Sheet No. 66B.06 be reserved for future use.

#### Waivers

In the Policy Statement, the Commission stated that it would “readily grant requests to waive the 30-day notice requirement” for negotiated rate filings.<sup>5</sup> Accordingly, Northern respectfully requests that the Commission grant any and all waivers of its Regulations that it deems necessary to allow this filing to become effective February 3, 2010.

#### Posting

In accordance with Section 154.208 of the Commission’s Regulations, copies of this filing have been served upon all of Northern’s customers and interested State Commissions. A copy of this filing is also available for public inspection in Northern’s offices in Omaha, Nebraska during regular business hours.

#### Marked Version

In accordance with Section 154.201 of the Commission’s Regulations, Northern has submitted a marked version of the proposed tariff changes highlighting new additions and showing deletions by strikeout.

#### Motion

In accordance with Sections 154.7(a)(9) and 154.206(c) of the Commission’s Regulations, Northern hereby moves to place the tariff sheets referenced herein in effect as of the end of any suspension period ordered by the Commission.

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<sup>3</sup> The negotiated rate transactions between Northern and Cima/Northwind are pending Commission approval in Docket No. RP10-302-000.

<sup>4</sup> The new transactions between Northern and Cima/Northwind utilize the same contract number that was previously filed with the Commission in footnotes 92 and 93. Therefore, Northern is revising footnotes 92 and 93 rather than adding new footnotes.

<sup>5</sup> 74 FERC ¶61,076 at 61,241-2 (1996). See NorAm Gas Transmission Company, 77 FERC ¶61,011 at 61,034-5 (1996).

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Data Processing Requirements

Northern has also submitted a disk reflecting the information contained in the above-referenced tariff sheets in compliance with F.E.R.C. Order Nos. 493 and 533.

Communication

It is respectfully requested that all Commission orders and correspondence, as well as pleadings and correspondence from other persons concerning this filing, be served upon each of the following:

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Vice President, Regulatory and Government Affairs  
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Respectfully submitted,



Mary Kay Miller  
Vice President, Regulatory and Government Affairs

Attachments

STATEMENT OF NEGOTIATED RATES 1/						
Shipper Name	Rate Schedule	Negotiated Rate	Other Charges	Volume	Receipt Point(s)	Delivery Point(s)
Verasun Dyersville, LLC Contract 113808	TF	46/		8,624	All Market Area Receipt Points	All Market Area Delivery Points

Issued by: Mary Kay Miller, V.P. Regulatory & Government Affairs

Issued on: February 2, 2010

Effective: February 3, 2010

SHEET NO. 66B.06 IS RESERVED FOR FUTURE USE

91/ For the period 11/01/2009 through 10/31/2019, for the contract MDQ, Shipper shall pay a negotiated reservation rate equal to \$0.40/Dth multiplied by the contract MDQ multiplied by 30.4. In addition, Shipper shall pay a commodity rate equal to the maximum rate provided in Northern's FERC Gas Tariff as revised from time to time. These rates include the applicable Annual Charge Adjustment and electric compression charges.

In addition to the above rate(s), Shipper shall provide any applicable fuel use and unaccounted for.

If the negotiated rate stated herein becomes less than the annual average of the maximum rates set forth in Northern's FERC Gas Tariff, such rate would be applicable only to the receipt and delivery points listed below. If any other points are used either on a primary or alternate basis, the negotiated rate will not be applicable and the annual average of the applicable maximum rates will apply for the entire contract during the month that any points not listed below are used.

Primary Receipt Point - GRLKS/NNG Carlton      Primary Delivery Point - Zone EF-Wisconsin Gas for ultimate redelivery to Grantsburg TBS #1.

In addition to the above rate(s), Shipper shall pay (a) the FERC approved Carlton surcharge, if applicable, and (b) all FERC approved surcharges that are made effective after the effective date of this amendment and applicable to the service provided hereunder.

The MDQ for the period 11/01/2009 through 10/31/2010 is 647 Dth/day.

The MDQ for the period 11/01/2010 through 10/31/2011 is 969 Dth/day.

The MDQ for the period 11/01/2011 through 10/31/2019 is 1,300 Dth/day.

92/ For the period 02/03/2010 through 02/12/2010, Shipper shall pay a volumetric rate equal to \$0.15/DTH multiplied by the daily volumes delivered pursuant to this Agreement up to the total MDQ of the Agreement from receipts at the REX/NNG Gage County (POI #78929) receipt point for deliveries to the Ventura Pooling Point (POI #78623). If any other receipt or delivery points are used on either a primary or alternate basis, Shipper shall pay Northern's maximum reservation and commodity rates for any volume received or delivered at such points.

In addition to the above rate(s), Shipper shall provide any applicable fuel use and unaccounted for.

In addition to the above rate(s), Shipper shall pay (a) the FERC approved Carlton surcharge, if applicable, and (b) all FERC approved surcharges that are made effective after the effective date of this Amendment and applicable to the service provided hereunder.

93/ For the period 02/03/2010 through 02/12/2010, Shipper shall pay a volumetric rate equal to \$0.15/DTH multiplied by the daily volumes delivered pursuant to this Agreement up to the total MDQ of the Agreement from receipts at the REX/NNG Gage County (POI #78929) receipt point for deliveries to the Ventura Pooling Point (POI #78623). If any other receipt or delivery points are used on either a primary or alternate basis, Shipper shall pay Northern's maximum reservation and commodity rates for any volume received or delivered at such points.

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94/ For the period 11/19/2009 through 11/20/2009, Shipper shall pay a volumetric rate equal to \$0.12/DTH multiplied by the daily volumes delivered pursuant to this Agreement up to the total MDQ of the Agreement from receipts at the REX/NNG Gage County (POI #78929) receipt point for deliveries to the Ventura Pooling Point (POI #78623). If any other receipt or delivery points are used on either a primary or alternate basis, Shipper shall pay Northern's maximum reservation and commodity rates for any volume received or delivered at such points.

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Shipper Name	Rate Schedule	Negotiated Rate	Other Charges	Volume	Receipt Point(s)	Delivery Point(s)
<del>Northern States Power Generation Contract 117730</del>	<del>TFX</del>	<del>43/</del>		<del>4,000</del>	<del>All Market Area Receipt Points Except Demarc</del>	<del>Ogden Deferred Delivery Angus C. Anson #1 Mankato Energy Center Blue Lake Power Station Cannon Falls Energy Center Black Dog Power Plant High Bridge Power Plant Riverside Power Plant Zone E/F NSP-Minnesota-Inver Hills Power Plant</del>
<del>Northern States Power Generation Contract 117731</del>	<del>TFX</del>	<del>44/</del>		<del>52,000</del>	<del>All Market Area Receipt Points Except Demarc</del>	<del>Ogden Deferred Delivery Angus C. Anson #1 Mankato Energy Center Blue Lake Power Station Cannon Falls Energy Center Black Dog Power Plant High Bridge Power Plant Riverside Power Plant Zone E/F NSP-Minnesota-Inver Hills Power Plant</del>
Verasun Dyersville, LLC Contract 113808	TF	46/		8,624	All Market Area Receipt Points	All Market Area Delivery Points

~~43/ For the period 04/22/2008 through 10/31/2012, Shipper shall pay a volumetric reservation rate equal to \$0.0800/Dth multiplied by the daily volumes delivered pursuant to this Agreement greater than or equal to 22,001 Dth up to and including 26,000 Dth. Northern shall have the unilateral right with 60 days advance written notice to convert this volumetric entitlement to maximum tariff rates. If Northern provides such notice, Shipper shall have the unilateral right to reduce the volumetric MDQ of this Agreement by up to 4,000 Dth/day by providing Northern written notice within 30 days of Northern's notice, such reduction to be effective at Shipper's election as of the date of Shipper's written notice or 60 days following the date of Northern's notice.~~

~~In addition, Shipper shall (i) pay a commodity rate equal to the maximum commodity rate provided in Northern's FERC Gas Tariff as amended from time to time (these rates include the applicable Annual Charge Adjustment and electric compression charges), (ii) provide any applicable fuel use and unaccounted for, and (iii) pay all FERC approved surcharges applicable to the service provided hereunder.~~

~~44/ For the period 04/22/2008 through 10/31/2012, Shipper shall pay a volumetric reservation rate equal to \$0.0800/Dth multiplied by the daily volumes delivered pursuant to this Agreement greater than or equal to 2,001 Dth up to and including 54,000 Dth. Northern shall have the unilateral right with 60 days advance written notice to convert this volumetric entitlement to maximum tariff rates. If Northern provides such notice, Shipper shall have the unilateral right to reduce the volumetric MDQ of this Agreement by up to 52,000 Dth/day by providing Northern written notice within 30 days of Northern's notice, such reduction to be effective at Shipper's election as of the date of Shipper's written notice or 60 days following the date of Northern's notice.~~

~~In addition, Shipper shall (i) pay a commodity rate equal to the maximum commodity rate provided in Northern's FERC Gas Tariff as amended from time to time (these rates include the applicable Annual Charge Adjustment and electric compression charges), (ii) provide any applicable fuel use and unaccounted for, and (iii) pay all FERC approved surcharges applicable to the service provided hereunder.~~

91/ For the period 11/01/2009 through 10/31/2019, for the contract MDQ, Shipper shall pay a negotiated reservation rate equal to \$0.40/Dth multiplied by the contract MDQ multiplied by 30.4. In addition, Shipper shall pay a commodity rate equal to the maximum rate provided in Northern's FERC Gas Tariff as revised from time to time. These rates include the applicable Annual Charge Adjustment and electric compression charges.

In addition to the above rate(s), Shipper shall provide any applicable fuel use and unaccounted for.

If the negotiated rate stated herein becomes less than the annual average of the maximum rates set forth in Northern's FERC Gas Tariff, such rate would be applicable only to the receipt and delivery points listed below. If any other points are used either on a primary or alternate basis, the negotiated rate will not be applicable and the annual average of the applicable maximum rates will apply for the entire contract during the month that any points not listed below are used.

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The MDQ for the period 11/01/2011 through 10/31/2019 is 1,300 Dth/day.

92/ For the period ~~01/0902/03/2010~~ through ~~01/1502/12/2010~~, Shipper shall pay a volumetric rate equal to \$0.15/DTH multiplied by the daily volumes delivered pursuant to this Agreement up to the total MDQ of the Agreement from receipts at the REX/NNG Gage County (POI #78929) receipt point for deliveries to the Ventura Pooling Point (POI #78623). If any other receipt or delivery points are used on either a primary or alternate basis, Shipper shall pay Northern's maximum reservation and commodity rates for any volume received or delivered at such points.

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