



Northern Natural Gas Company
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March 12, 2019

Via eFiling

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

Re: Northern Natural Gas Company
Northern Lights 2019 Expansion Project and Rochester Project
Docket No. CP18-534-000
Supplemental Response

Dear Ms. Bose:

Northern Natural Gas Company (Northern) hereby submits for filing with the Federal Energy Regulatory Commission (FERC) in the above-referenced docket Northern's responses to comments

In conjunction with calls with Federal Energy Regulatory Commission staff on March 8, 2019, Northern was invited to provide information regarding the independent utility of the proposed additional units at Northern's existing compressor stations at Faribault and Owatonna, and Northern's proposed Carver compressor station, all located in Minnesota. The three project components are part of the Northern Lights 2019 Expansion project authorized February 21, 2019, in Docket No. CP18-534-000. The information provided herein is intended to supplement the information on the docket and to respond to staff inquiries.

Northern, in its Implementation Plan filed in the docket February 27, 2019, among other items, requested that the Director of the Office of Energy Projects issue written authorization to proceed (NTP) with construction on various components of the project, noting that Northern had "satisfied conditions 1 through 9 and condition 12 as they relate to the New Prague branch line loop, the new Carver compressor station, and installation of additional horsepower at the Faribault and Owatonna compressor stations."

In consultation, first with the project manager, and second, on a conference call with the project manager and the branch manager, Northern was asked to explain the

independent utility of each of the project components for which Northern seeks an NTP. In support of Northern's NTP request, Northern states the following.

Northern notes that the issuance of separate NTPs on project components of an authorized project has been standard practice and that NTPs are issued only when the project component has met all of the prerequisites for such an issuance, namely, the acquisition of all necessary federal and state permits and the concurrence of the landowners affected by the project component. Northern has received all necessary federal and state permits and landowner agreement – not only for the three compressor project components, but also for the New Prague branch line loop.

In support of Northern's NTP request, Northern notes that the Commission has issued component NTPs and has explicitly asserted its right to do so. For example, in an order issued by the Commission December 21, 2017, in *Algonquin Gas Transmission, LLC*, the Commission noted in its review on rehearing on the issuance of a NTP for a component of the Algonquin's Atlantic Bridge Projects, "... in issuing the notices to proceed, the Branch Chief simply found that the facilities Algonquin sought to construct in Connecticut 'may provide independent utility' towards the purpose of the Atlantic Bridge Project" (Order issued December 21, 2017, *Algonquin Gas Transmission, LLC*, FERC Docket Nos. CP16-9-003 *et al.*, at para 29). The order reflects that the Commission has customarily issued NTP authority for project components. In fact, the order in *Algonquin* goes on further to state,

Even while rehearing is pending, a pipeline company can request authorization to proceed with construction of discrete segments of the overall project once it has complied with all environmental conditions relevant to that particular section of the approved route. (*Algonquin*, at para. 34)

The rationale for issuing separate component NTP is both sound and simple: once a project component has all of the necessary federal and state permits, as well as all landowner concurrences, construction on a duly authorized project component should be allowed to commence to take advantage of construction efficiencies and ensure that project construction is completed in time to meet customer demand. As recently as February 27, 2017, a NTP was issued to Northern for individual project components for its Northern Lights 2017 Expansion project (see, Director's Letter issued February 27, 2017, FERC Docket No. CP16-472).

The Commission staff asked Northern to explain whether the compressor components have an individual utility that would lend itself to an issuance of an NTP by the Director of Office of Energy Projects. In support of Northern's contention that each of the projects separately has independent utility, Northern states the following, which has been verified by Northern's facility planning and engineering subject-matter experts.

The Northern Lights 2019 project includes installation of pipeline, additional compressor units at the existing Owatonna and Faribault compressor stations and construction of a new Carver compressor station. The Owatonna and Faribault compressors increase Northern's mainline capacity in the Ventura, Iowa, to Farmington, Minnesota, corridor. The Carver compressor increases capacity on Northern's Willmar branch line system. Useful capacity is created through the

installation of these compressors even without the Northern Lights 2019 pipeline installation projects.

Owatonna and Faribault compressor units

On a standalone basis, the installation of the proposed Owatonna compressor unit increases capacity in the Ventura-Farmington mainline corridor by 30,000 Dth/day, and the proposed Faribault compressor unit increases capacity in the Ventura-Farmington mainline corridor by 18,900 Dth/day. The combination of the two compressor units allows Northern to fulfill the mainline component of the 101,411 Dth/day contracted in Northern Lights 2019 and 37,093 Dth/day contracted in the Rochester Phase 2. No pipeline installation is required to fulfill 62,697 Dth/day of the 101,411 Dth/day contracted for the Northern Lights 2019 project. The remaining 38,714 Dth/day would be available for customers to utilize as alternate and/or interruptible capacity to delivery points north of Ventura or to offset receipts from interconnects with Northern Border Pipeline at Marshall, Viking Gas Transmission at Chisago, Pierz and Polk, and Great Lakes Gas Transmission at Carlton, Grand Rapids and Wakefield. Installation of the Owatonna and Faribault compressors also increases operational flexibility for Northern during proximate compressor outages or pipeline maintenance.

Carver (Minn.) compressor station

Installation of the Carver compressor station, Willmar pipeline and Rockford pipeline creates 47,368 Dth/day of incremental capacity for Northern Lights 2019 plus an additional 1,500 Dth/day of short-term capacity on the Willmar branch line system. The Willmar and Rockford pipelines allow 43,602 Dth/day to flow from the Willmar branch line system to Northern's St. Cloud branch line system. Without the Willmar and Rockford pipelines, installation of the Carver compressor fulfills 3,766 Dth/day of the 47,368 Dth/day contracted in Northern Lights 2019 project and 1,500 Dth/day of short-term capacity, for a total of 5,266 Dth/day. The remaining 43,602 Dth/day would be available for customers to utilize as alternate and/or interruptible capacity to delivery points on the Willmar branch line system or to offset receipts from the Northern Border Pipeline Marshall interconnect. Installation of the Carver compressor station also increases operational flexibility for Northern during upstream compressor outages or pipeline maintenance. As an example, during the current heating season, an unplanned outage at the Farmington compressor station caused a reduced pressure profile on the Willmar system; the Carver compressor would have increased the pressure profile.

The engineering analysis confirms that each of the compressor station components of the Northern Lights 2019 project provides independent utility. Northern respectfully requests that the Director of the Office of Energy Projects issue a NTP for the three compressor components of the Northern Lights project. Northern further renews its request for a NTP to start construction on the New Prague branch line. The branch line, as a standalone facility, would provide independent utility to the shipper proposing to transport on the line. Northern has the necessary federal permits and landowner concurrences for the construction and operation of the New Prague branch line.

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Any questions regarding the filing should be directed to the undersigned at (402) 398-7103.

Respectfully submitted,

/signed/ Michael T. Loeffler

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Senior Director, Certificates and External Affairs