



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

May 1, 2024

Via eFiling

Ms. Debbie-Anne Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Letter Order Pursuant to § 375.307
Northern Natural Gas Company
Docket No. CP24-60-000

Dear Ms. Reese:

Northern Natural Gas (Northern) hereby submits for filing with the Federal Energy Regulatory Commission (FERC) in the above-referenced docket Northern's responses to the data request issued by FERC staff April 17, 2024. FERC's requests and Northern's responses are attached.

As stated in the section 7 application, Northern recognizes that the first-year cost of service is higher than the first-year revenues associated with the project. However, Northern is not seeking pre-determination of rolled-in rate treatment for the Northern Lights 2025 expansion project (NL2025 Project). As it did in the last two section 4 general rate cases, Northern will seek rolled-in rate treatment based not only on the economics of the NL2025 Project but will use the cumulative benefits of retaining the competitive markets that were at risk of bypass, as well as the benefits Northern's customers have experienced due to all of the Northern Lights projects.¹ If necessary at the time of the next rate case, as it did for the Northern Lights 2019 project in Docket RP22-1033-000, Northern may provide a revenue credit to its overall cost of service to cover any applicable revenue shortfall necessary to ensure that existing customers do not subsidize the NL2025 Project. Therefore, the Certificate Policy Statement's threshold requirement of no-subsidy is satisfied.

¹ *Northern Natural Gas*, 172 FERC ¶ 61,287 (2020); 184 FERC ¶61,149 (2023); In Docket No. RP22-1033, Northern Natural Gas witness Laura Demman provided testimony that the cumulative benefit of the Northern Lights projects at the time of the rate case filing was over \$166 million, see Northern Natural Gas Company submits tariff filing per 154.312: RP22-1033, Exhibit NNG-0001 at 77 (2022).

Kimberly D. Bose, Secretary
Page 2 of 2

Any questions regarding the filing should be directed to the undersigned at (402) 398-7138.

Respectfully submitted,

/signed/ Donna Martens

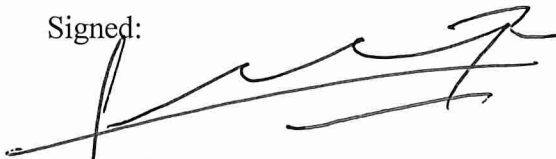
Donna Martens
Senior Regulatory Analyst

cc: Parties of Record

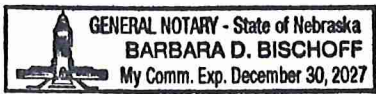
VERIFICATION

STATE OF NEBRASKA)
COUNTY OF DOUGLAS)

Luis Valdvia, being duly sworn, on oath, states that he is Manager, Rates and Tariffs, for Northern Natural Gas and is duly authorized to make this affidavit; that he has read the foregoing Data Response of such Company and is familiar with the contents thereof; that all the facts therein are true and correct to the best of his knowledge, information and belief.

Signed: 
Luis Valdvia
Manager, Rates and Tariffs

SUBSCRIBED AND SWORN TO, before me, this 30 day of April 2024.



Barbara D. Bischoff
Notary Public in and for
Douglas County, Nebraska

My commission expires: *Dec. 30, 2027*

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated this 1st day of May 2024.



Donna Martens
Senior Regulatory Analyst
P.O. Box 3330
Omaha, Nebraska 68103-0330
Telephone: (402) 398-7103

Northern Natural Gas Company
Data Response Form For Docket No. CP24-60-000
Northern Lights 2025 Expansion

Requesting Party: FERC
Reference No: FERC-DR1-01
Requester's Name: Ken Mottice
Subject: Rates and Rate Schedule(s)

Data Request 1:

Please specify what rates Northern intends to charge for the Northern Lights 2025 Expansion project and specify what rate schedule(s) service will be provided under on the Northern Lights 2025 Expansion project.

Response:

Please see attached; as requested a PDF and Microsoft Excel version are attached. The Excel files are separately attached at the end of the data response.

Posted: 05/01/2024

Responsibility: Luis Valdivia

Northern Natural Gas Company
Docket No. CP24-60-000
Northern Lights 2025 Expansion Project
Responses to FERC Staff data request dated April 17, 2024
Data Request No.1

1. Please specify what rates Northern intends to charge for the Northern Lights 2025 Expansion project and specify what rate schedule(s) service will be provided under on the Northern Lights 2025 Expansion project

<u>Line No.</u>	<u>Rate Schedule</u> [a]		<u>MDQ</u>		<u>Rates</u>	
			<u>Winter</u> [b]	<u>Summer</u> [c]	<u>Winter</u> [d]	<u>Summer</u> [e]
1	TFX	Neg.	2,106	2,106	\$ 30.6210	\$ 30.8233
2	TFX	Neg.	1,278	1,278	\$ 33.2906	\$ 33.5258
3	TFX	Neg.	165	165	\$ 35.6009	\$ 35.8645
4	TFX	Neg.	215	215	\$ 56.0252	\$ 56.5400
5	TFX	Neg.	161	161	\$ 78.8383	\$ 79.6337
6	TFX	Neg.	115	115	\$ 83.1629	\$ 84.0155
7	TFX	Neg.	340	-	\$ 91.1095	\$ -
8	TFX	Neg.	134	-	\$ 120.3190	\$ -
9	TFX	Neg.	929	-	\$ 110.8241	\$ -
10	TFX	Disc.	15,000	9,000	\$ 13.7365	\$ 3.9840
11	TFX	Disc.	6,667	6,667	\$ 4.5300	\$ 4.5857
12	TFX	Disc.	3,333	3,333	\$ 5.1340	\$ 5.1971
13	TFX	Disc.	7,169	7,169	\$ 6.1910	\$ 6.2671
14	TFX	Disc.	1,613	1,613	\$ 4.0770	\$ 4.1271
15	TFX	Max	6,839	6,839	\$ 25.7990	\$ 9.6760
16	Total Monthly MDQ		<u>46,064</u>	<u>38,661</u>		

Northern Natural Gas Company
Data Response Form For Docket No. CP24-60-000
Northern Lights 2025 Expansion

Requesting Party: FERC
Reference No: FERC-DR1-02
Requester's Name: Ken Mottice
Subject: Incremental Cost-based Rates

Data Request 2:

Please calculate incremental cost-based rates for the Northern Lights 2025 Expansion project based on Northern's current rate design.

Response:

See attached for Northern's response to Data Request 2 and 3; as requested a PDF and Microsoft Excel version are attached. The Excel file is separately attached at the end of the data response.

Posted: 05/01/2024

Responsibility: Luis Valdvia

Northern Natural Gas Company
Docket No. CP24-60-000
Northern Lights 2025 Expansion Project
Responses to FERC Staff data request dated April 17, 2024

2. Please calculate incremental cost-based rates for the Northern Lights 2025 Expansion project based on Northern's current rate design.

Line No.	Particulars (a)	Reference (b)	Maximum Annual Monthly	Tier Relationship	Year 1
			Units (c) Year 1 and 2	Factors (d)	(e)
1	Estimated Fixed Costs	Exhibit N, Page 1, Line 2			\$ 8,309,625
2	Discount Credit	Response to Staff Data Request No. 5			<u>\$ (2,468,957)</u>
3	First Year Net Estimated Fixed Costs	Lines 1 + 2			<u>\$ 5,840,668</u>
4	TFX Summer (Adjusted for Discounted Units)	Response to Staff Data Request 5	76,153	0.7500	57,115
5	TFX Winter (Adjusted for Discounted Units)	Response to Staff Data Request 5	<u>61,410</u>	<u>2.0000</u>	<u>122,820</u>
6	Annual Monthly TFX Reservation Billing Units (Dth)	Lines 4 + 5	<u>137,563</u>		<u>179,935</u>
7	Base Incremental Unit Rate	Line 3/Line 6			<u>\$ 32.460</u>
8	TFX Incremental Summer Reservation Rate	Line 7*column(d),Line 4			\$ 24.345
9	TFX Incremental Winter Reservation Rate	Line 7*column(d),Line 5			<u>\$ 64.920</u>
10	TFX Average Monthly Maximum Reservaton Rate per Dth				<u>\$ 41.251</u>

3. Provide a comparison of the incremental cost-based rate calculations in response to Question 2 above, and Northern's applicable general system rates, illustrating whether the incremental cost-based rates are greater than or less than the system rates.

11	TFX Incremental Summer Reservation Rate	Line 8			\$ 24.345
12	TFX Incremental Winter Reservation Rate	Line 9			<u>\$ 64.920</u>
13	TFX Average Monthly Maximum Reservaton Rate per Dth				<u>\$ 41.251</u>
14	TFX Summer Reservation Rate	Rate Schedule TFX			\$ 9.676
15	TFX Winter Reservation Rate for Rate Schedule TFX	Rate Schedule TFX			<u>\$ 25.799</u>
16	TFX Average Monthly Maximum Reservaton Rate per Dth				<u>\$ 16.394</u>
15	Variance - Northern's Applicable General System Rate for Rate Schedule TFX Compared to Incremental Cost-Based Rates				<u>\$ (24.857)</u>

Northern Natural Gas Company
Data Response Form For Docket No. CP24-60-000
Northern Lights 2025 Expansion

Requesting Party: FERC
Reference No: FERC-DR1-03
Requester's Name: Ken Mottice
Subject: Comparison of Incremental Cost-
based Rates to General System Rates

Data Request 3:

Provide a comparison of the incremental cost-based rates calculated in response to Question 2 above, and Northern's applicable general system rates, illustrating whether the incremental cost-based rates are greater than or less than the system rates.

Response:

Please see attachments to Data Request 2.

Posted: 05/01/2024

Responsibility: Luis Valdivia

Northern Natural Gas Company
Data Response Form For Docket No. CP24-60-000
Northern Lights 2025 Expansion

Requesting Party: FERC
Reference No: FERC-DR1-04
Requester's Name: Ken Mottice
Subject: Fuel Rates

Data Request 4:

Please specify the fuel rates Northern intends to charge for the Northern Lights 2025 Expansion project.

Response:

Northern proposes to include the changes in fuel consumed and the increased throughput associated with the Northern Lights 2025 Expansion project in the calculation of the Market Area fuel percentages¹. Northern believes this treatment is appropriate as the proposed facilities coupled with the increased throughput from the expansion shippers will result in lower Market Area fuel percentages², and the facilities will be installed and operated as integrated facilities on Northern's mainline system.

¹ Pursuant to Section 53A of the General Terms and Conditions of Northern Natural Gas Company's FERC Gas Tariff (Tariff), Northern is required to file a Periodic Rate Adjustment to the fuel percentage charged to shippers transporting gas in the Market Area by February 1 for the summer rate (April – October) and by May 1 for the winter rate (November – March).

² As shown in the fuel study included at Exhibit Z of the Abbreviate Application Requesting a Certificate of Public Convenience and Necessity, the Market Area fuel percentage is estimated to show a decrease from 0.455% to 0.449%.

Posted: 05/01/2024

Responsibility: Luis Valdivia

Northern Natural Gas Company
Data Response Form For Docket No. CP24-60-000
Northern Lights 2025 Expansion

Requesting Party: FERC
Reference No: FERC-DR1-05
Requester's Name: Ken Mottice
Subject: Exhibit N Incremental Revenues

Data Request 5:

Page 1 of Exhibit N lists incremental revenues for years one, two, three, four and five. Please demonstrate how the incremental revenues generated by the Northern Lights 2025 Expansion project were derived.

Response:

See attached; as requested a PDF and Microsoft Excel version are attached. The Excel format is separately attached at the end of the data response.

Posted: 05/01/2024

Responsibility: Luis Valdvia

Northern Natural Gas Company
Docket No. CP24-60-000
Northern Lights 2025 Expansion Project
Responses to FERC Staff data request dated April 17, 2024
Data Request No.5

5. Page 1 of Exhibit N lists incremental revenues for years one, two, three, four and five. Please demonstrate how the incremental revenues generated by the Northern Lights 2025 Expansion project were derived.

Line No.	Rate Schedule [b]		MDQ		Rates		Year 1 [g]	Year 2 [h]	Year 3 [i]	Year 4 [j]	Year 5 [k]
			Winter [c]	Summer [d]	Winter [e]	Summer [f]					
1	TFX	Neg.	2,106	2,106	\$ 30.6210	\$ 30.8233	\$ 776,836	\$ 776,836	\$ 776,836	\$ 776,836	\$ 776,836
2	TFX	Neg.	1,278	1,278	\$ 33.2906	\$ 33.5258	\$ 512,649	\$ 512,649	\$ 512,649	\$ 512,649	\$ 512,649
3	TFX	Neg.	165	165	\$ 35.6009	\$ 35.8645	\$ 70,794	\$ 70,794	\$ 70,794	\$ 70,794	\$ 70,794
4	TFX	Neg.	215	215	\$ 56.0252	\$ 56.5400	\$ 145,320	\$ 145,320	\$ 145,320	\$ 145,320	\$ 145,320
5	TFX	Neg.	161	161	\$ 78.8383	\$ 79.6337	\$ 153,212	\$ 153,212	\$ 153,212	\$ 153,212	\$ 153,212
6	TFX	Neg.	115	115	\$ 83.1629	\$ 84.0155	\$ 115,451	\$ 115,451	\$ 115,451	\$ 115,451	\$ 115,451
7	TFX	Neg.	340	-	\$ 91.1095	\$ -	\$ 154,886	\$ 154,886	\$ 154,886	\$ 154,886	\$ 154,886
8	TFX	Neg.	134	-	\$ 120.3190	\$ -	\$ 80,614	\$ 80,614	\$ 80,614	\$ 80,614	\$ 80,614
9	TFX	Neg.	929	-	\$ 110.8241	\$ -	\$ 514,778	\$ 514,778	\$ 514,778	\$ 514,778	\$ 514,778
10	TFX	Disc.	15,000	9,000	\$ 13.7365	\$ 3.9840	\$ 1,281,230	\$ 1,281,230	\$ 1,281,230	\$ 1,281,230	\$ 1,281,230
11	TFX	Disc.	6,667	6,667	\$ 4.5300	\$ 4.5857	\$ 365,018	\$ 365,018	\$ 1,311,579	\$ 1,311,579	\$ 1,311,579
12	TFX	Disc.	3,333	3,333	\$ 5.1340	\$ 5.1971	\$ 206,812	\$ 206,812	\$ 655,691	\$ 655,691	\$ 655,691
13	TFX	Disc.	7,169	7,169	\$ 6.1910	\$ 6.2671	\$ 536,418	\$ 536,418	\$ 1,410,336	\$ 1,410,336	\$ 1,410,336
14	TFX	Disc.	1,613	1,613	\$ 4.0770	\$ 4.1271	\$ 79,480	\$ 79,480	\$ 317,321	\$ 317,321	\$ 317,321
15	TFX	Max	6,839	6,839	\$ 25.7990	\$ 9.6760	\$ 1,345,416	\$ 1,345,416	\$ 1,345,416	\$ 1,345,416	\$ 1,345,416
16	Total Monthly MDQ		46,064	38,661			\$ 6,338,913	\$ 6,338,913	\$ 8,846,112	\$ 8,846,112	\$ 8,846,112