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TSP Name: Northern Natural Gas Company	Post Date/Time: 06/19/2020 11:45 AM
TSP: 784158214	Notice Effective Date/Time: 06/19/2020 11:45 AM
Notice ID: 055177	Notice End Date/Time: 08/01/2020 08:59 AM
Notice Type: Rates and Charges	For Gas Day(s): 06/19/2020 - 07/31/2020
Subject: NORTHERN FILES UNCONTESTED RATE SETTLEMENT WITH FERC	Notice Status: Initiate
Critical: N	Required Response Indicator Description: 5-No response required

Notice Text:

On June 19, 2020, Northern Natural Gas filed an uncontested settlement with the Federal Energy Regulatory Commission to resolve the pending section 4 and section 5 rate cases. The settlement agreement results in increased service rates to cover Northern's capital maintenance investment required to modernize its system and maintain reliability and pipeline integrity, as well as higher depreciation rates that are more aligned with pipeline industry standards. Since Northern's last rate case in 2004, Northern's rate base more than doubled, having increased \$1.6 billion. Northern has invested \$1.2 billion in maintenance capital in excess of its depreciation expense during that time. Increasing transmission depreciation rates from 1.5%, established in 2005, to 2.3% better aligns the annual depreciation expense with continued maintenance capital requirements.

In the settlement, Northern and its customers agreed to a rate case moratorium to June 30, 2022, subject to certain conditions, including a change in the federal income tax rate, which could result in a suspension of the moratorium. Northern and its customers also agreed to create a working group to consider an alternative to the current Carlton operational flow order and to address daily imbalance management issues.

Northern implemented the settlement rates effective May 1, 2020. Northern requested commission approval by September 30, 2020, in order to return refunds to customers as soon as possible.

Northern filed a section 4 rate case July 1, 2019, in response to the commission's issuance of a section 5 rate investigation on January 16, 2019, that followed the industry review of the impact of the federal income tax rate reduction provided by the Tax Cuts and Jobs Act of 2017.

If you have any questions, please contact your marketing representative.