

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Northern Natural Gas Company

)

Docket No. RP25-989-000

**MOTION TO INTERVENE, PROTEST, AND
REQUEST FOR SUSPENSION AND EVIDENTIARY HEARING PROCEEDINGS
OF INDUSTRIAL ENERGY CONSUMERS OF AMERICA AND
PROCESS GAS CONSUMERS GROUP**

On July 1, 2025, Northern Natural Gas Company (“Northern”) filed revised tariff records to its FERC Gas Tariff to effectuate changes in the rates applicable to Northern’s transportation and storage services pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”).¹ Pursuant to Rules 211, 212 and 214 of the Commission’s Rules of Practice and Procedure,² and the Commission’s Combined Notice of Filings,³ the Industrial Energy Consumers of America (“IECA”) and Process Gas Consumers Group (“PGC”) (jointly, “IP”) hereby submit this motion to intervene and protest in the above-captioned proceeding. In support of this motion, (“IP”) states as follows:

I. COMMUNICATIONS

All correspondence, communications, pleadings, and other documents relating to this proceeding should be served upon the following:

Andrea J. Chambers DLA Piper LLP (US) 500 Eighth St., NW Washington, DC 20004 (202) 799-4440 andrea.chambers@us.dlapiper.com	Carolyn E. Clarkin DLA Piper LLP (US) 500 Eighth St., NW Washington, DC 20004 (202) 799-4538 carolyn.clarkin@us.dlapiper.com
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¹ Transmittal Letter at 1.

² 18 C.F.R. §§ 385.211, 385.212, 385.214 (2024).

³ See Combined Notice of Filings July 1, 2025.

II. BACKGROUND

Northern's current rates were established pursuant to a settlement filed in Docket No. RP22-1033 that was approved by the Commission on September 7, 2023 ("RP22-1033 Settlement").⁴ Northern is making this general NGA Section 4 rate case filing to increase its storage and transportation rates to recover costs that it alleges it incurred since the RP22-1033 settlement, and Northern states that it anticipates that the rates proposed in Appendix A will be subject to a five-month suspension period and placed into effect January 1, 2026.⁵

Northern is also filing on a *pro forma* basis the Tariff Sections contained in Appendix B. These Tariff Sections contain Northern's "Prospective Case." Northern's Prospective Case reflects changes to Northern's rate design and certain rate schedules, changes to modify certain charges, and other changes.⁶ Northern indicates that the *pro forma* Tariff Sections are proposed to become effective prospectively upon Commission review and approval. Northern requests that the Commission set the issues in the *pro forma* Prospective Case for hearing in this matter.⁷ Northern will file the Appendix B *pro forma* Tariff Sections as official Tariff Sections following Commission authorization of the changes set forth therein.⁸

⁴ Transmittal at 3 (citing *N. Nat. Gas Co.*, 184 FERC ¶ 61,149 (2023) (accepting the stipulation and agreement filed by Northern on June 23, 2023)).

⁵ *Id.* at 1-2

⁶ *Id.* at 2.

⁷ *Id.*

⁸ *Id.*

Under Northern’s Prospective Case, the proposed Reservation Rate for TF Base Rates more than double, as follows: Winter- increases from \$17.417 to \$32.225 and Summer- increases from \$9.676 to \$17.903.⁹

Northern proposes a cost of service of \$1,614 million and states that this is an increase of \$286 million above the cost of service of \$1,328 million filed in Docket No. RP22-1033.¹⁰ As discussed below, out of this total annual cost of service amount, \$535 million is attributable to return.

Northern also proposes a rate base of \$5,240 million.¹¹ Northern states that its filing reflects a \$1.1 billion increase in the rate base of \$4,129 million proposed in the Docket No. RP22-1033 rate case filing, which it claims is primarily due to the \$1.6 billion asset modernization and maintenance capital Northern has invested *or will invest* by the end of the nine-month adjustment period ending on December 31, 2025, to modernize and maintain its pipeline system and comply with pipeline safety requirements.¹² The proposed rates are also based on an increase in throughput from 81.0 million Dekatherms (“Dth”) proposed in the Docket No. RP22-1033 rate case filing to 84.5 million Dth.¹³ Northern proposes to roll-in the costs of two incremental expansions, the 2023 Northern Lights expansion project (“Northern Lights 2023”) and the 2025 Northern Lights expansion project (“Northern Lights 2025”).¹⁴

⁹ See Marked Tariff Sheets at 1.

¹⁰ Transmittal at 4-5.

¹¹ *Id.* at 4.

¹² *Id.* at 3.

¹³ *Id.* at 4.

¹⁴ *Id.* at 8.

III. MOTION TO INTERVENE

IECA is an association of manufacturing companies with \$1.1 trillion in annual sales, over 4,200 facilities nationwide, and with more than 1.8 million employees. IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, independent oil refining, and cement. IECA members are served through Northern.

PGC is a trade association that represents energy-intensive large industrial and manufacturing natural gas consumers who are typically longstanding, significant employers within their respective communities. PGC members own and operate hundreds of manufacturing plants and facilities in virtually every state in the nation and consume natural gas delivered through interstate natural gas pipeline systems throughout the United States. PGC members hold transportation capacity on numerous interstate pipelines, including Northern.

As customers that receive gas delivered over Northern, IP members have a direct and substantial interest in this proceeding. IP's intervention is in the public interest, and the group cannot be adequately represented by any other party in this proceeding. Thus, granting this motion would be in the public interest. IP requests that this intervention be granted with all rights associated with that status.

IV. PROTEST

Northern has not shown that the proposed system-wide rate increases are just and reasonable. IP submits that there are numerous material issues of fact arising from Northern's filing that warrant full investigation in an evidentiary hearing, including, but not limited to, the following:

Return on Equity (“ROE”) – Northern’s cost of service includes a total return of \$535 million, which is based on an ROE of 13.63 percent.¹⁵ Northern’s proposed 13.63% ROE may be unjust and unreasonable as it far exceeds the last litigated ROE of 11.25%.¹⁶ In addition, earlier this year, Commission Trial Staff filed testimony calculating a median ROE of 11.1%.¹⁷

Capital Structure – Northern proposes to use its own expected capital structure at the end of the test period of 62.44 percent equity and 37.56 percent debt.¹⁸ The Commission uses a three-prong test to determine if it will use a pipeline’s own capital structure for ratemaking purposes: (1) the company must issue its own debt that is not guaranteed by its parent company; (2) the company must have its own credit rating; and (3) the company’s equity ratio must not be excessive relative to members of the proxy group and to other recent Commission-approved capital structures.¹⁹ Northern has not shown that it meets the Commission’s three-prong test.

Depreciation –Northern proposes depreciation rates of 3.66 percent for onshore transmission plant, 3.27 percent for underground storage plant, and 2.81 percent for LNG storage plant.²⁰ Northern states that its proposed depreciation rates are based upon a 28-year Economic Life.²¹ Northern also proposes a negative salvage rate of 1.16 percent for onshore transmission

¹⁵ *Id.* at 6.

¹⁶ *Panhandle E. Pipe Line Co., LP*, Order No. 885, 181 FERC ¶ 61,211, at P 110 (2022), *order on reh’g*, Opinion No. 885-A, 184 FERC ¶ 61,181 (2023) (*Panhandle*).

¹⁷ *See* Direct Testimony of Michael O’Conor, Vector Pipeline L.P., Docket No. RP24-971-000, Exhibit S-0059, at 42:14 (March 18, 2025).

¹⁸ Transmittal at 6.

¹⁹ *Transcontinental Gas Pipe Line Corp.*, Opinion No. 414, 80 FERC ¶ 61,157, at 61,667 (1997), *as modified on reh’g*, Opinion No. 414-A, 84 FERC ¶ 61,084, at 61,415 (1998).

²⁰ Transmittal at 6.

²¹ *Id.* at 3.

plant, 0.75 percent for underground storage plant, and 0.83 percent for LNG storage plant, and notes that Northern's existing rates do not include any amount for negative salvage for underground storage plant and LNG storage plant.²² The proposed depreciation and negative salvage rates raise material issues of fact.

Discount and Discount Adjustments – Northern's proposed rates reflect a discount adjustment for service provided at discounted rates.²³ The Commission requires that a minimum pipeline seeking discount adjustments must "identify all of its long-term discounts and provide some explanation for the basis of its discounts in order to meet its initial burden"²⁴ that discounts were warranted by competition.

Rate Design – In its Prospective Case, Northern proposes implementing system-wide rates whereby a postage-stamp reservation rate will be implemented for the entirety of Northern's system, thereby replacing the current cost allocation associated with its Market Area and Field Area.²⁵ Northern's proposed rate design change raises material issues of fact requiring an evidentiary hearing before it can be deemed just and reasonable.

V. REQUEST FOR EVIDENTIARY HEARING AND MAXIMUM RATE SUSPENSION

IP requests that the Commission find that the proposed rates and tariff records have not been shown to be just and reasonable and that they may be unjust, unreasonable, and unduly discriminatory or otherwise unlawful. Based on this finding, the Commission should suspend the

²² *Id.* at 6.

²³ *Id.* at 7.

²⁴ *Panhandle*, 184 FERC ¶ 61,181 at P 247.

²⁵ Transmittal at 7.

effectiveness of the proposed rates and tariff records for the full five-month maximum period permitted by the NGA.

VI. CONCLUSION

For these reasons, IP requests that the Commission suspend the proposed rate and tariff provisions for the maximum suspension period, subject to refund and the outcome of evidentiary proceedings.

Respectfully submitted,

/s/ Andrea J. Chambers

Andrea J. Chambers

Carolyn E. Clarkin

DLA Piper LLP (US)

500 Eighth Street, NW

Washington, DC 20004

(202) 799-4440

andrea.chambers@us.dlapiper.com

Dated July 14, 2025

Attorneys for IECA and PGC

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused a copy of the foregoing document to be served upon each person designated on the Service List for this docket compiled by the Secretary in accordance with the Commission's Rules of Practice and Procedure.

Dated at Washington, DC, this 14th day of July 2025.

/s/ Carolyn E. Clarkin