

DEPARTMENT OF ENERGY

Federal Energy Regulatory
Commission

[Docket No. CP99-23-000]

MIGC, Inc.; Notice of Request Under
Blanket Authorization

October 27, 1998.

Take notice that on October 19, 1998, MIGC, Inc. (MIGC), 12200 North Pecos Street, Denver, Colorado 80234, filed in Docket No. CP99-23-000 a request pursuant to Sections 157.205 and 157.216 of the Commission's Regulations under the Natural Gas Act (18 CFR 157.205, 157.216) for authorization to abandon a dehydrator under MIGC's blanket certificate issued in Docket No. CP82-409-000,¹ pursuant to Section 7 of the Natural Gas Act, all as more fully set forth in the request that is on file with the Commission and open to public inspection.

MIGC states that the abandonment of this dehydrator will not adversely impact capacity on the MIGC system since a larger dehydration unit has been installed at the same location to accommodate increased deliveries into MIGC's system. MIGC will remove the dehydrator for use at a new location on the MIGC system.

Any person or the Commission's staff may, within 45 days after issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to Section 157.205) a protest to the request. If no protest is filed within the time allowed therefor, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request shall be treated as an application for authorization pursuant to Section 7 of the Natural Gas Act.

Linwood A. Watson, Jr.

Acting Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory
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[Docket No. CP99-21-000]

Northern Border Pipeline Company;
Notice of Application

October 27, 1998.

Take notice that on October 16, 1998, Northern Border Pipeline Company (Northern Border), 1111 South 103rd Street, Omaha, Nebraska 68124-1000, filed in Docket No. CP99-21-000 an application pursuant to Sections 7(b) and 7(c) of the Natural Gas Act and Part 157 of the Commission's regulations for authorization to abandon and remove compression facilities and for a certificate of public convenience and necessity to construct and operate pipeline and compression facilities, all as more fully set forth in the amendment which is on file with the Commission and open to public inspection.

Specifically, Northern Border seeks to: (1) Abandon and remove the existing 20,000 horsepower (HP) gas turbines at Compressor Station Nos. 2 and 4; (2) install and operate 35,000 gas turbines at Compressor Station Nos. 2 and 4; (3) replace the compressor wheel and uprate the 6,500 HP electric drive compressor at Compressor Station No. 14 to a 15,000 HP electric drive compressor; (4) install and operate a 9,500 HP electric drive compressor at Compressor Station Site No. 16; (5) replace the compressor wheel and internals at Compressor Station No. 17; (6) install and operate a 5,000 HP electric drive compressor at Compressor Station Site No. 18; (7) construct and operate approximately 34.4 miles of 36-inch pipeline from Manhattan, Illinois to North Hayden, Indiana; (8) construct and operate a new meter station; and (9) other appurtenant facilities. Northern Border states that the estimated cost of the proposed facilities is \$189.6 million. The proposed in-service date of the facilities is November 1, 2000.

Northern Border proposes to maintain its cost of service ratemaking methodology and roll-in to Rate Schedule T-1 (Northern Border's Part 284 firm transportation rate schedule) the cost of the new facilities with its existing system costs. Northern Border maintains that the aggregation of the proposed costs with existing facility costs will result in an increase in the unit cost under Rate Schedule T-1 that is less than the 5 percent presumption in the Commission's *Pricing Policy for New and Existing Facilities Constructed by Interstate Natural Gas Pipelines* (68

FERC ¶ 61,140 (1994)). Northern Border also asserts that its proposal will offer system-wide benefits to existing and prospective shippers.

Northern Border also requests a one-time waiver of Subsection 4.83 of Rate Schedule T-1 in Northern Border's FERC Gas Tariff, First Revised Volume No. 1, which details the calculation of an average monthly rate base. Instead of calculating the average monthly rate base using the beginning and end-of-month balances as is currently in the tariff, Northern Border seeks to use a daily weighted average balance for the in-service month of the proposed facilities.

Northern Border states that it intends to sequentially retrofit the units at Compressor Station Nos. 2 and 4 in order to minimize the impact on existing firm shippers. To minimize this impact, Northern Border intends to retrofit one of the units during the winter of 1999-2000 and then place the compressor station back into service at its full rated horsepower during construction of the second unit. After retrofitting the second unit, Northern Border intends to place it in service. Northern Border states that it will record as a regulatory asset the cost of service effect of the new compression facilities offset by the abandonments for the period such facilities are operational prior to the in-service date of the project. Northern Border specifically requests approval to operate Compressor Station Nos. 2 and 4 up to full capability once they are placed into service in order to provide an opportunity to increase interruptible throughput above the level which would have occurred absent the proposed retrofitting. Any increase in interruptible revenue attributable to such operation would be separately identified and credited to the regulatory asset.

Northern Border held an open season during November and December of 1997 and received bids for firm service for all of the project's design capacity. As part of the open season, Northern Border canvassed its existing customers for turnback capacity. One shipper, Numac Energy Inc., will permanently release 9,910 Mcf per day of firm capacity between Ventura, Iowa and Harper, Iowa. According to Northern Border, binding precedent agreements have been executed with seven shippers for the transport of 556,300 Mcf per day from several receipt points on Northern Border's system for delivery to North Hayden, Indiana.¹

¹ There is one delivery of 8,000 Mcf per day that is proposed to be made at Ventura, Iowa.

¹ See, 20 FERC ¶ 62,418 (1982).