

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF XCEL ENERGY'S
2020-2034 UPPER MIDWEST INTEGRATED RESOURCE PLAN

DOCKET NO. E002-19-368

REPLY COMMENTS OF NORTHERN NATURAL GAS

I. INTRODUCTION

Northern Natural Gas (“Northern”) offers these comments in reply to a statement by the Department of Commerce (“Department”) in its February 11, 2021 initial comments Xcel Energy's (“Xcel”) natural gas transportation risk exposure. As discussed below, the Minnesota Public Utilities Commission (“Commission”) should not have concern with the reliability of Northern's natural gas transportation service to Xcel's system. Northern's interstate natural gas pipeline system remains one of the safest and most reliable in the country and Northern's ongoing investments are making it even more so.

II. DISCUSSION – NORTHERN'S PIPELINE SYSTEM IS SAFE AND RELIABLE

As a part of its comments, the Department explained that it explored any undue risk exposure to Xcel from its interstate natural gas transportation service. One risk it stated is that all of Xcel's natural gas plants draw their natural gas from the same interstate pipeline – i.e., from Northern's system.¹

Given its responsibility to provide the Commission with information on which to make informed decisions, Northern appreciates the Department's thoroughness in reviewing all possible risks to Xcel, and thus risks to its customers. But, as the Department acknowledged, any risk of

¹ Department's February 11, 2021 Initial Comments, at 27.

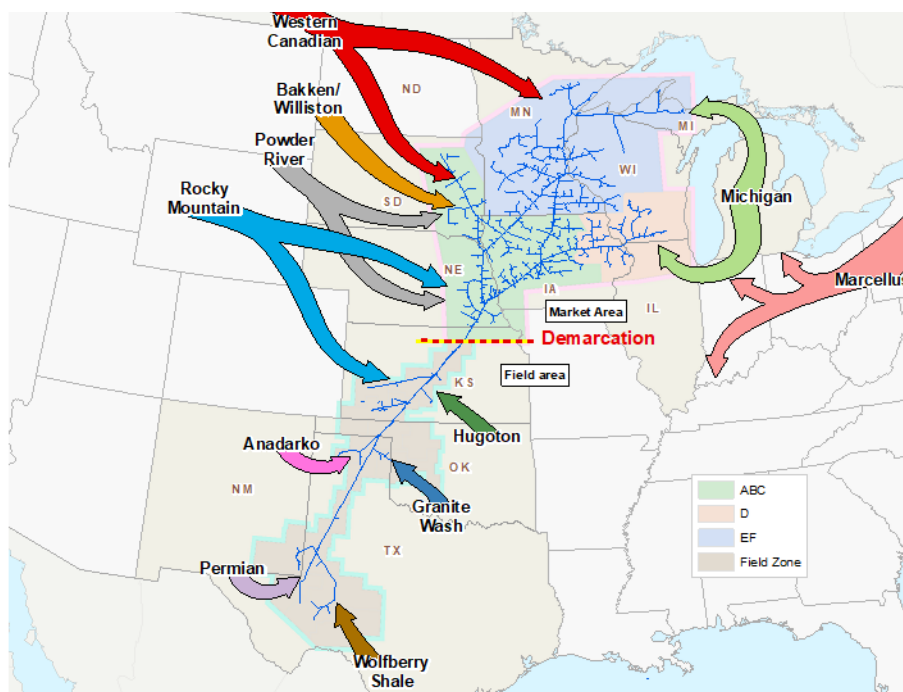
disruption to Xcel and its ratepayers from drawing their natural gas supplies from Northern's system is very low. The Department found that even a catastrophic (and thus low probability) event to Northern's system would not significantly impact Xcel's generation capability. And ultimately the Department did not discover any unknown risks that needed to be reflected in its capacity expansion modeling or otherwise brought to the Commission's attention.²

Northern reassures the Commission that its interstate pipeline is one of the most reliable pipeline systems in the country and its \$1.6 billion, decade-long system modernization program is making the system even safer and more reliable. In fact, rather than a single pipeline, Northern's system operates as a vast integrated network of multiple pipelines with significant pipeline and compression redundancy. Northern's system consists of five large-diameter, high-pressure mainlines that can provide continuous levels of required service even in the event of a single line failure. Many of the Northern branch line pipelines supplying the Twin Cities area are looped and tied together, effectively creating a large diameter, high pressure web-like, networked system used to maintain continuous, reliable service in the event of an operational problem with one component. Northern's 14 Minnesota compressor stations include 28 compressor units that collectively have more than 152,000 horsepower. No other pipeline comes close to matching Northern's operational resiliency.

Also, unlike other pipeline companies operating in Minnesota, Northern provides Xcel and Northern's other customers the ability to supply natural gas from nearly every major supply basin in North America through either direct connections to the supply basin or through significant interconnections with major interstate pipelines. Northern's customers can access gas from the Rocky Mountains through its interconnections with the Trailblazer, CIG, Tallgrass Interstate and

² *Id.*

Rockies Express pipelines; the Permian and Midcontinent gas supplies through the Northern “Demarc” trading hub in Clifton, Kansas (a point that separates Northern's Field (southern) and Market (northern) Areas), as well as numerous other major pipeline systems, including ANR Pipeline, Panhandle Eastern Pipe Line, Cheyenne Plains and Natural Gas Pipeline Company of America ("NGPL"); Michigan and Canadian supplies through Northern interconnections with Northern Border, Viking and Great Lakes Gas Transmission, and also off-system gas storage volumes from interconnects with Northern Border, Great Lakes Gas Transmission and NGPL. This supply diversity not only provides protection against a disruption from a particular pipeline or region, but also allows Northern customers to take advantage of price differentials between the various gas producing basins.



Northern's unparalleled diversity also acts to help ensure Xcel has access to natural gas even in the event of a disruption on an upstream pipeline. Unlike a single point of interconnection, Northern's supply diversity significantly reduces the chances of adverse impacts caused by disruptions on any single point of receipt. In addition, Northern's liquefied natural gas assets

located in Minnesota and Iowa – capable of providing up to 600,000 dekatherms/day of emergency gas into its Market Area – provides even further mitigation in the event of upstream supply disruptions.

And as Xcel made clear in several of its answers to data requests on this topic, the level of transportation disruption from the Northern system remains extremely low. Even during the recent February Texas storm event, Northern's system performed without operational issues and was able to transport to its customers all the gas it received.

Northern's existing facilities serving the Twin Cities metropolitan area provide the capability of additional service through smaller incremental construction requirements compared to a greenfield pipeline. Most of the required incremental facilities would be placed either within, or adjacent to, existing facility rights of way, resulting in fewer disturbances to environmentally sensitive areas and significantly fewer impacted landowners. Northern is able to serve the Sherco plant with lateral lines that are shorter than would be needed for any alternative pipeline, mitigating the risks of environmental, landowner and other opposition.

In short, Northern's extensive interstate pipeline system, including the system serving Xcel, will continue to remain one of the safest and most reliable in the country.

III. CONCLUSION

Northern's system does not operate as a single pipeline. Instead, Northern's pipeline system operates as a vast, looped network consisting of five large-diameter, high-pressure mainlines that are time-tested and capable of providing continuous service, even in the event of a single line failure elsewhere on its system. The Northern system is safe, reliable and continues to represent a highly prudent option for Xcel and its ratepayers.

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Respectfully submitted,

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