



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 31, 1970

The Department of Justice filed a civil antitrust suit today charging Northern Natural Gas Company of Omaha, Nebraska with monopolizing the sale of natural gas to industrial customers in the iron ore-producing areas of northern Minnesota and the upper peninsula of Michigan, and with having entered into unlawful contracts for the sale of natural gas to industrial customers in those regions.

Attorney General John N. Mitchell said the complaint charging violation of Sections 1 and 2 of the Sherman Act and a proposed consent decree that would terminate the case were filed in the United States District Court at St. Paul, Minnesota.

The complaint alleged that beginning in 1964 Northern entered into contracts with United States Steel Corporation, Hanna Mining Company, Erie Mining Company, Eveleth Taconite Company, and Cleveland-Cliffs Iron Company, granting Northern first option (or prior right) to contract for and to supply any volumes of natural gas in excess of the maximum initial volumes specified in the contracts, with the result that Northern has been able to preserve and enhance its monopoly position.

The suit charged that these contracts prevent the taconite producers from purchasing their incremental needs of natural gas from other sources and prevent other gas transmission companies

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and gas distributors from having an opportunity to compete with Northern to supply the incremental demand.

Assistant Attorney General Richard McLaren, head of the Antitrust Division, said the proposed decree, which will be entered in 30 days unless the government withdraws its consent, will enjoin Northern from directly or indirectly entering into, renewing, or enforcing any prior rights, contractual provision or agreement with any industrial customer pursuant to which Northern has or will have the prior right to sell or contract to sell any additional volumes of natural gas in excess of the maximum daily contract demand specified in any existing contract between Northern and such industrial customer.

The proposed decree will also enjoin Northern from directly or indirectly selling natural gas to any natural gas distribution company in the iron ore-producing areas on condition that the gas will not be resold to industrial customers in the region, or to anyone who may become such an industrial customer.

For the year ending June 30, 1968, Northern derived approximately \$275 million from gas sales.