

Northern Natural Gas Company

Financial Statements (Unaudited) as of and for the Quarterly Period Ended September 30, 2026

Northern Natural Gas Company
Balance Sheets (Unaudited)
(Amounts in thousands, except share data)

	As of	
	September 30, 2026	**December 31, 2025**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 37,823	$ —
Accounts receivable, net	55,960	159,548
Accounts receivable from affiliate	6,644	14,365
Notes receivable from affiliate	455,000	200,000
Transportation and exchange gas receivables	17,812	24,273
Inventories	95,871	108,124
Income tax receivable	58,849	31,546
Other current assets	20,418	32,202
Total current assets	748,377	570,058
Property, plant and equipment, net	6,598,603	6,332,195
Regulatory assets	271,470	234,456
Other assets	51,966	55,578
Total assets	$ 7,670,416	$ 7,192,287
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	$ 125,046	$ 67,852
Accounts payable to affiliates	7,767	7,315
Accrued interest	20,676	34,757
Accrued property, income and other taxes	94,525	82,683
Accrued employee expenses	35,991	19,664
Transportation and exchange gas payables	20,463	25,623
Other current liabilities	82,235	42,075
Total current liabilities	386,703	279,969
Long-term debt	2,084,393	2,084,094
Regulatory liabilities	351,648	362,549
Deferred income taxes, net	865,048	841,434
Asset retirement obligations	16,007	15,884
Other long-term liabilities	60,534	57,097
Total liabilities	3,764,333	3,641,027
Commitments and contingencies (Note 6)		
Shareholder's equity:		
Series A preferred stock - 1,000 shares authorized, $0.01 par value, no shares issued and outstanding	—	—
Common stock - 10,000 shares authorized, $1.00 par value, 1,002 shares issued and outstanding	1	1
Additional paid-in capital	981,868	981,868
Retained earnings	2,924,214	2,569,391
Total shareholder's equity	3,906,083	3,551,260
Total liabilities and shareholder's equity	$ 7,670,416	$ 7,192,287

The accompanying notes are an integral part of these Financial Statements.

Northern Natural Gas Company
Statements of Income (Unaudited)
(Amounts in thousands)

	Nine-Month Periods Ended September 30,	
	2026	**2025**
Operating revenue:		
Transportation	$ 981,306	$ 789,270
Storage	88,601	88,197
Gas, liquids and other sales	56,290	33,939
Total operating revenue	1,126,197	911,406
Operating expenses:		
Operations and maintenance	350,321	339,090
Cost of gas and liquids sales	21,691	16,293
Depreciation and amortization	181,226	163,758
Taxes, other than income taxes	72,278	63,912
Total operating expenses	625,516	583,053
Operating income	500,681	328,353
Other income (expense):		
Interest expense, net	(70,340)	(68,800)
Interest income	18,468	19,533
Other, net	14,995	17,836
Total other income (expense)	(36,877)	(31,431)
Income before income tax expense	463,804	296,922
Income tax expense	108,981	67,310
Net income	$ 354,823	$ 229,612

The accompanying notes are an integral part of these Financial Statements.

Northern Natural Gas Company
Statements of Changes in Shareholder's Equity (Unaudited)
(Amounts in thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance, December 31, 2024	$ 1	$ 981,868	$ 2,199,613	$ 3,181,482
Net income	—	—	229,612	229,612
Balance, September 30, 2025	$ 1	$ 981,868	$ 2,429,225	$ 3,411,094
Balance, December 31, 2025	$ 1	$ 981,868	$ 2,569,391	$ 3,551,260
Net income	—	—	354,823	354,823
Balance, September 30, 2026	$ 1	$ 981,868	$ 2,924,214	$ 3,906,083

The accompanying notes are an integral part of these Financial Statements.

Northern Natural Gas Company
Statements of Cash Flows (Unaudited)
(Amounts in thousands)

	Nine-Month Periods Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income	$ 354,823	$ 229,612
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	181,226	163,758
Amortization of debt issuance costs	334	331
Deferred income taxes	11,951	9,539
Other, net	(7,388)	(6,242)
Changes in other operating assets and liabilities:		
Accounts receivable and other assets	104,127	78,135
Inventories	(11,682)	(10,696)
Accounts payable and other accrued liabilities	18,401	6,345
Accrued property, income and other taxes	(15,461)	(13,045)
Gas balancing activities	30,695	19,315
Net cash flows from operating activities	667,026	477,052
Cash flows from investing activities:		
Capital expenditures	(446,537)	(456,508)
Reimbursement of capital expenditures, net of refunds	59,743	16,589
Issuance of affiliate notes receivable	(500,000)	(355,000)
Proceeds from repayment of affiliate notes receivable	245,000	315,000
Other, net	5,885	4,371
Net cash flows from investing activities	(635,909)	(475,548)
Net change in cash and cash equivalents and restricted cash and cash equivalents	31,117	1,504
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	22,650	48,425
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 53,767	$ 49,929

The accompanying notes are an integral part of these Financial Statements.

Northern Natural Gas Company
Notes to Financial Statements
(Unaudited)

(1) General

Northern Natural Gas Company (the "Company") is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company ("BHE"), a holding company that has investments in a highly diversified portfolio of locally managed and operated businesses principally engaged in the energy industry. BHE is a wholly owned subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway"). The Company owns the largest interstate natural gas pipeline system in the United States, as measured by pipeline miles, which reaches from west Texas to Michigan's Upper Peninsula (the "System"). The Company primarily transports and stores natural gas for utilities, municipalities, gas marketing companies and industrial and commercial users. The System consists of two commercial segments. Its traditional end-use and distribution market area in the northern part of its system, referred to as the Market Area, includes points in Iowa, Nebraska, Minnesota, Wisconsin, South Dakota, Michigan and Illinois. Its natural gas supply and delivery service area in the southern part of its system, referred to as the Field Area, includes points in Kansas, Texas, Oklahoma and New Mexico. The Market Area and Field Area are separated at a Demarcation Point. The System consists of 14,100 miles of natural gas pipelines, including 5,700 miles of mainline transmission pipelines and 8,400 miles of branch and lateral pipelines, with a Market Area design capacity of 6.5 billion cubic feet ("Bcf") per day, a Field Area delivery capacity of 1.7 Bcf per day to the Market Area and 1.5 Bcf per day to the West Texas area and over 95.6 Bcf of working gas capacity in five storage facilities. The System is configured with approximately 2,339 active receipt and delivery points which are integrated with the facilities of local distribution companies ("LDC"). Many of the Company's LDC customers are part of combined utilities that also use natural gas as a fuel source for electric generation. The Company delivered over 1.4 trillion cubic feet of natural gas to its customers in 2025.

The Company has no subsidiaries and does not hold a controlling financial interest in any other entity. The unaudited Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Financial Statements as of September 30, 2026, and for the nine-month periods ended September 30, 2026 and 2025. The results of operations for the nine-month period ended September 30, 2026, are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Financial Statements. Note 2 of Notes to Financial Statements included in the Company's audited Financial Statements for the year ended December 31, 2025, describes the most significant accounting policies used in the preparation of the unaudited Financial Statements. There have been no significant changes in the Company's assumptions regarding significant accounting estimates and policies during the nine-month period ended September 30, 2026.

New Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures Subtopic 220-40, "Disaggregation of Income Statement Expenses" which addresses requests from investors for more detailed information about certain expenses and requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption presented on the income statement. This guidance, as clarified in ASU 2025-01, is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. The Company is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements.

(2) Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, U.S. Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents consist substantially of escrow funds held to provide the Company with protection against customer credit risk. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as of September 30, 2026, and December 31, 2025, as presented on the Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Balance Sheets (in thousands):

	As of	
	September 30, 2026	**December 31, 2025**
Cash and cash equivalents	$ 37,823	$ —
Restricted cash and cash equivalents in other current assets	6,681	14,489
Restricted cash and cash equivalents in other assets	9,263	8,161
Total cash and cash equivalents and restricted cash and cash equivalents	$ 53,767	$ 22,650

(3) Regulatory Matters

In July 2025, the Company filed a general rate case that proposed an overall annual cost-of-service of $1.6 billion. This is an increase of $286 million above the cost-of-service filed in its 2022 rate case of $1.3 billion, largely due to higher depreciation expense and return allowance of $165 million from increased rate base and an increase in depreciation and negative salvage rates, and increased operations and maintenance expenses of $96 million. The Company requested increases in various rates, including transportation and storage reservation rates. In January 2026, the FERC approved the Company's filing to implement interim rates effective January 1, 2026, subject to refund and the outcome of hearing procedures. In March 2026, a settlement agreement ultimately supported by all participating parties was filed with the FERC to resolve all pending issues in the rate case. The settlement agreement provides for increased Market Area transportation reservation rates of 30%, increased Field Area transportation reservation rates of 37%, and increased storage reservation rates of 10% from the rates that were in effect in 2025. The settlement also provides for a moratorium on Section 4 and Section 5 rate actions until July 1, 2027. The settlement rates were implemented on an interim basis effective February 1, 2026. In September 2026, the FERC issued an order approving the uncontested settlement. In September and October 2026, Northern Natural Gas issued refunds of $27.5 million to customers.

(4) Employee Benefit Plans

The Company is a participant in benefit plans sponsored by MidAmerican Energy Company ("MEC"), an indirect wholly owned subsidiary of BHE. The MidAmerican Energy Company Retirement Plan provides pension benefits for eligible employees ("pension plan") and the MidAmerican Energy Company Welfare Benefit Plan provides certain postretirement health care and life insurance benefits for eligible retirees ("other postretirement plan") on behalf of the Company. The Company's contributions to the pension plan and other postretirement plan totaled $1.6 million and $1.5 million for the nine-month periods ended September 30, 2026 and 2025, respectively. The Company recorded in other long-term liabilities its portion of the underfunded status of the pension plan of $26.9 million as of September 30, 2026, and December 31, 2025. The Company recorded in other assets its portion of the overfunded status of the other postretirement plan of $27.7 million and $26.9 million as of September 30, 2026, and December 31, 2025, respectively. Amounts attributable to the Company were allocated from MEC to the Company in accordance with the intercompany administrative service agreement. Offsetting regulatory assets and liabilities have been recorded related to the amounts not yet recognized as a component of net periodic benefit costs that will be included in regulated rates.

(5) Fair Value Measurements

The carrying value of the Company's cash, certain cash equivalents, receivables, payables and accrued liabilities approximates fair value because of the short-term maturity of these instruments. The Company has various financial assets and liabilities that are measured at fair value on the Financial Statements using inputs from the three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 - Unobservable inputs reflect the Company's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. The Company develops these inputs based on the best information available, including its own data.

The following table presents the Company's financial assets and liabilities recognized on the Balance Sheets and measured at fair value on a recurring basis (in thousands):

	Input Levels for Fair Value Measurements				
	Level 1	Level 2	Level 3	Other[1]	Total
As of September 30, 2026:					
Assets:					
Commodity derivatives	$ —	$ 276	$ —	$ (7)	$ 269
Money market mutual funds	17,719	—	—	—	17,719
Investment funds	15,717	—	—	—	15,717
	$ 33,436	$ 276	$ —	$ (7)	$ 33,705
Liabilities:					
Commodity derivatives	$ —	$ (7)	$ —	$ 7	$ —
As of December 31, 2025:					
Assets:					
Commodity derivatives	$ —	$ 727	$ —	$ (242)	$ 485
Money market mutual funds	22,650	—	—	—	22,650
Investment funds	20,870	—	—	—	20,870
	$ 43,520	$ 727	$ —	$ (242)	$ 44,005
Liabilities:					
Commodity derivatives	$ —	$ (256)	$ —	$ 242	$ (14)

(1) Represents netting under master netting arrangements.

Derivative contracts are recorded on the Balance Sheets as either assets or liabilities and are stated at estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. When available, the fair value of derivative contracts is estimated using unadjusted quoted prices for identical contracts in the market in which the Company transacts. When quoted prices for identical contracts are not available, the Company uses forward price curves. Forward price curves represent the Company's estimates of the prices at which a buyer or seller could contract today for delivery or settlement at future dates. The Company bases its forward price curves upon market price quotations, when available, or internally developed and commercial models, with internal and external fundamental data inputs. Market price quotations are obtained from independent energy brokers, exchanges, direct communication with market participants and actual transactions executed by the Company. Market price quotations for certain major natural gas trading hubs are generally readily obtainable for the applicable term of the Company's outstanding derivative contracts; therefore, the Company's forward price curves for those locations and periods reflect observable market quotes. The estimated fair value of these derivative contracts is a function of underlying forward commodity prices, related volatility, counterparty creditworthiness and duration of contracts.

The Company's investments in money market mutual funds and investment funds are stated at fair value. A readily observable quoted market price or net asset value of an identical security in an active market is used to record the fair value.

(6) Commitments and Contingencies

Legal Matters

The Company is party to a variety of legal actions arising out of the normal course of business. The Company does not believe that such normal and routine litigation will have a material impact on its financial results. The Company is also involved in other kinds of legal actions, some of which assert or may assert claims or seek to impose fines, penalties, and other costs in substantial amounts.

(7) Revenue from Contracts with Customers

The following table summarizes the Company's revenue from contracts with customers ("Customer Revenue") and revenue not considered Customer Revenue ("Other Revenue") (in thousands):

	Nine-Month Periods Ended September 30,	
	2026	2025
Customer Revenue:		
Transportation service	$ 981,306	$ 789,270
Storage service	88,601	88,197
Gas, liquids and other sales	50,132	34,086
Total Customer Revenue	1,120,039	911,553
Other Revenue [(1)]	6,158	(147)
Total	$ 1,126,197	$ 911,406

(1) Other Revenue consists of revenue recognized in accordance with Accounting Standards Codification 815, "Derivative and Hedging" and includes net payments to counterparties for the financial settlement of certain derivative contracts.

Remaining Performance Obligations

The following table summarizes the Company's revenue it expects to recognize in future periods related to significant unsatisfied performance obligations for fixed contracts with expected durations in excess of one year as of September 30, 2026 (in thousands):

Less than 12 months	$ 1,195,519
More than 12 months	4,856,524
Total	$ 6,052,043

(8) Subsequent Events

Subsequent events have been evaluated through November 24, 2026, the date the Financial Statements were available to be issued. There were no subsequent events that required adjustment to or disclosure in, the Financial Statements, except as noted below.

In October and November 2026, BHE repaid promissory notes totaling $90.0 million.