

THIS FILING IS

Item 1: ☒ An Initial (Original)
Submission

OR ☐ Resubmission No. _____

Form 2 Approved
OMB No.1902-0028
(Expires 10/31/2014)

Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Northern Natural Gas Company

Year/Period of Report

End of 2012/Q4

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Partners of
Northern Natural Gas Company
Omaha, Nebraska

We have audited the accompanying financial statements of Northern Natural Gas Company (the "Company"), which comprise the balance sheets — regulatory basis as of December 31, 2012 and 2011, and the related statements of income — regulatory basis, retained earnings — regulatory basis and cash flows — regulatory basis for the years then ended, and the related notes to the financial statements — regulatory basis, included on pages 110 through 122 of the accompanying Federal Energy Regulatory Commission Form 2.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the assets, liabilities and proprietary capital of Northern Natural Gas Company as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Basis of Accounting

As discussed in Note 2 to the financial statements, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restricted Use

This report is intended solely for the information and use of the board of directors and management of the Company and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

April 18, 2013

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES


IDENTIFICATION

01 Exact Legal Name of Respondent Northern Natural Gas Company		Year/Period of Report End of <u>2012/Q4</u>	
03 Previous Name and Date of Change (If name changed during year)			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1111 South 103rd Street, Omaha, NE 68124			
05 Name of Contact Person Thomas P. Tosoni		06 Title of Contact Person Director - Accounting and Reporting	
07 Address of Contact Person (Street, City, State, Zip Code) 1111 South 103rd Street, Omaha, NE 68124			
08 Telephone of Contact Person, Including Area Code 402-398-7993		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	
		10 Date of Report (Mo, Da, Yr)	

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Joseph M. Lillo	12 Title Vice President - Finance
13 Signature /s/ Joseph M. Lillo 	14 Date Signed 04/18/2013

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
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List of Schedules (Natural Gas Company) (continued)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
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72	Shipper Supplied Gas for the Current Quarter	521		
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74	Footnote Reference	551		
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76	Stockholder's Reports (check appropriate box)			
	<input type="checkbox"/> Four copies will be submitted <input checked="" type="checkbox"/> No annual report to stockholders is prepared			

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General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Joseph M. Lillo, Vice President Finance
1111 South 103rd Street, Omaha, NE 68124

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Delaware, 7/14/1986

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

NA

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

The Respondent owns and operates a natural gas pipeline system and engages in transportation and storage of gas for others in interstate commerce in Illinois, Iowa, Kansas, Louisiana-Offshore, Michigan, Minnesota, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Texas-Offshore, and Wisconsin.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) ☐ Yes... Enter the date when such independent accountant was initially engaged:

(2) ☒ No

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.

2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.

3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Berkshire Hathaway Inc.	M	DE	89.80
2	MidAmerican Energy Holdings Company	I	IA	100.00
3	NNGC Acquisition, LLC	D	DE	100.00
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Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date): 08/14/2012			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	1,002	1,002		
6	TOTAL number of security holders	1	1		
7	TOTAL votes of security holders listed below	1,002	1,002		
8					
9	NNGC Acquisition, LLC	1,002	1,002		
10	666 Grand Avenue, Suite 500, Des Moines, IA 50309-2580				
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
Important Changes During the Quarter/Year			

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
 2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
 3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
 4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
 5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
- Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
 7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
 8. State the estimated annual effect and nature of any important wage scale changes during the year.
 9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
 10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
 11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
 12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
 13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None

2. None

3. Transmission Facilities Sold

Savanna Iowa Branch Line - On January 30, 2012, Respondent sold to Jo Carroll Energy Inc. (NFP), an Illinois not-for-profit corporation, its Savanna, Iowa branch line consisting of 1.3 miles of 8-inch pipeline located in Jackson County, Iowa, beginning at (but not including) the station outlet in Respondent's Savanna TBS Yard in the NE1/4 of Section 13, Township 84 North, Range 6 East, and ending at the below-grade custody transfer point adjacent to the east right of way of U.S. Highway 52 and Iowa State Highway 64 in the NW1/4 of Section 17, Township 84 North, Range 7 East.

Respondent constructed the Savanna branch line in 1961 and abandoned the facilities in 2012 by sale under Respondent's blanket certificate CP82-401. Therefore, specific Commission approval to sell the facilities was not required. Respondent filed the proposed accounting entries with the Commission on July 13, 2012 and then filed amended entries on July 24, 2012, which the Commission approved on August 3, 2012.

4. Refer to Note 11 included in the Notes to the Financial Statements on page 122 for information on Cunningham storage leases.

5. CP12-157-000

By Commission order issued August 2, 2012, Respondent was granted approval to abandon the Matagorda Offshore Pipeline System (MOPS) Phase III facilities. The MOPS facilities were jointly-owned⁽¹⁾ and consisted of approximately 16.8

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Northern Natural Gas Company			2012/Q4
Important Changes During the Quarter/Year			

miles of 24-inch-diameter pipeline (TOS82131) extending from a platform in Mustang Island Block 758 to a subsea tie-in with the MOPS 24-inch-diameter pipeline in Matagorda Island Block 686. The facilities were abandoned effective November 8, 2012.

(1) Respondent, as majority owner and operator of the MOPS Phase III facilities (45.4546 per cent), filed the Section 7 application on behalf of and with the approval of the other owners: Florida Gas Transmission Company, LLC (6.0606 per cent); Transcontinental Gas Pipe Line Company, LLC (37.8787 per cent); and Enterprise Field Services, LLC (10.6061 per cent).

BLANKET CERTIFICATE ACTIVITIES

Pursuant to Respondent's blanket authority granted September 1, 1982, in Docket No. CP82-401-000, Northern constructed approximately 9.6 miles of 12-inch-diameter pipeline in Hemphill County, Texas, to connect a new receipt interconnect for Penn Virginia Resource Partners, L.P.'s Antelope Hills plant. The interconnect facilities, which were constructed to provide contracted volumes of 90,000 Dth/day, were ready for service May 25, 2012.

§311 FACILITIES

No important extensions or reductions of the Respondent's transmission system occurred pursuant to §311(a) of the Natural Gas Policy Act of 1978 from January 1 through December 31, 2012.

NONJURISDICTION GATHERING FACILITIES

Respondent abandoned approximately 3.1 miles of the 10-inch-diameter Texas Offshore (TOS) 83041 pipeline extending from Mustang Island Block 739 to the subsea tie-in with Respondent's 24-inch-diameter pipeline in Mustang Island Block 738. The abandonment was effective October 30, 2012.

Respondent abandoned 1.3 miles of the 6-inch-diameter Seadrift TXG85801 pipeline. The abandonment was effective December 20, 2012.

SOURCES OF GAS

As of December 31, 2012 the Respondent has added incremental receipt capacity of 565,000 Dth/day from the Granite Wash tight sands play in the Texas Panhandle and 230,000 Dth/day from the Wolfberry shale play in West Texas.

6. None

7. None

8. None

9. Refer to Note 11 included in the Notes to the Financial Statements on page 122.

10. None

11. None

12. Adam Wright resigned as Vice President January 5, 2012. Tom Halpin was elected Vice President August 4, 2012.

13. Not applicable

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Comparative Balance Sheet (Assets and Other Debits)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	UTILITY PLANT				
2	Utility Plant (101-106, 114)	200-201	3,398,086,015	3,337,995,599	
3	Construction Work in Progress (107)	200-201	17,394,595	9,533,862	
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	3,415,480,610	3,347,529,461	
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,225,436,543	1,192,560,023	
6	Net Utility Plant (Total of line 4 less 5)		2,190,044,067	2,154,969,438	
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0	
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0	
9	Nuclear Fuel (Total of line 7 less 8)		0	0	
10	Net Utility Plant (Total of lines 6 and 9)		2,190,044,067	2,154,969,438	
11	Utility Plant Adjustments (116)	122	0	0	
12	Gas Stored-Base Gas (117.1)	220	28,429,396	27,903,863	
13	System Balancing Gas (117.2)	220	41,211,532	41,211,532	
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0	
15	Gas Owed to System Gas (117.4)	220	(3,247,568)	(207,581)	
16	OTHER PROPERTY AND INVESTMENTS				
17	Nonutility Property (121)		0	0	
18	(Less) Accum. Provision for Depreciation and Amortization (122)		0	0	
19	Investments in Associated Companies (123)	222-223	0	0	
20	Investments in Subsidiary Companies (123.1)	224-225	0	0	
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)				
22	Noncurrent Portion of Allowances		0	0	
23	Other Investments (124)	222-223	0	0	
24	Sinking Funds (125)		0	0	
25	Depreciation Fund (126)		0	0	
26	Amortization Fund - Federal (127)		0	0	
27	Other Special Funds (128)		31,637,469	28,831,292	
28	Long-Term Portion of Derivative Assets (175)		0	0	
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0	
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		31,637,469	28,831,292	
31	CURRENT AND ACCRUED ASSETS				
32	Cash (131)		(7,597,540)	10,890,758	
33	Special Deposits (132-134)		2,151,752	2,090,720	
34	Working Funds (135)		24,400	24,534	
35	Temporary Cash Investments (136)	222-223	90,335,329	50,000,240	
36	Notes Receivable (141)		0	0	
37	Customer Accounts Receivable (142)		64,846,504	60,017,312	
38	Other Accounts Receivable (143)		403,792	3,313,926	
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		0	0	
40	Notes Receivable from Associated Companies (145)		230,000,000	230,000,000	
41	Accounts Receivable from Associated Companies (146)		7,376,301	7,429,914	
42	Fuel Stock (151)		0	0	
43	Fuel Stock Expenses Undistributed (152)		0	0	

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Comparative Balance Sheet (Assets and Other Debits)(continued)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0	
45	Plant Materials and Operating Supplies (154)		23,207,818	24,401,956	
46	Merchandise (155)		0	0	
47	Other Materials and Supplies (156)		0	0	
48	Nuclear Materials Held for Sale (157)		0	0	
49	Allowances (158.1 and 158.2)		0	0	
50	(Less) Noncurrent Portion of Allowances		0	0	
51	Stores Expense Undistributed (163)		0	0	
52	Gas Stored Underground-Current (164.1)	220	0	0	
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0	
54	Prepayments (165)	230	3,951,669	5,589,173	
55	Advances for Gas (166 thru 167)		0	0	
56	Interest and Dividends Receivable (171)		0	0	
57	Rents Receivable (172)		0	0	
58	Accrued Utility Revenues (173)		0	0	
59	Miscellaneous Current and Accrued Assets (174)		9,602,450	12,452,098	
60	Derivative Instrument Assets (175)		224,366	1,910,093	
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0	
62	Derivative Instrument Assets - Hedges (176)		0	5,979	
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0	
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		424,526,841	408,126,703	
65	DEFERRED DEBITS				
66	Unamortized Debt Expense (181)		5,923,461	4,591,171	
67	Extraordinary Property Losses (182.1)	230	0	0	
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0	
69	Other Regulatory Assets (182.3)	232	150,091,677	142,459,731	
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0	
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		405,699	103,498	
72	Clearing Accounts (184)		0	0	
73	Temporary Facilities (185)		0	0	
74	Miscellaneous Deferred Debits (186)	233	4,481,297	5,012,045	
75	Deferred Losses from Disposition of Utility Plant (187)		0	0	
76	Research, Development, and Demonstration Expend. (188)		0	0	
77	Unamortized Loss on Reacquired Debt (189)		0	0	
78	Accumulated Deferred Income Taxes (190)	234-235	220,430,469	255,510,325	
79	Unrecovered Purchased Gas Costs (191)		0	0	
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		381,332,603	407,676,770	
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		3,093,934,340	3,068,512,017	

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Statement of Income

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	587,768,266	617,133,847	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	156,129,236	183,520,004	0	0
5	Maintenance Expenses (402)	317-325	49,755,863	43,806,942	0	0
6	Depreciation Expense (403)	336-338	57,033,321	56,399,248	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	7,089,750	6,981,968	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	0	0	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		0	7,863,638	0	0
13	(Less) Regulatory Credits (407.4)		0	0	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	51,684,519	49,883,161	0	0
15	Income Taxes-Federal (409.1)	262-263	37,826,855	9,885,892	0	0
16	Income Taxes-Other (409.1)	262-263	9,529,350	6,516,154	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	79,902,133	99,175,706	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	39,560,152	27,386,493	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		0	0	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		0	0	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		409,390,875	436,646,220	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		178,377,391	180,487,627	0	0

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Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	0	0	587,768,266	617,133,847	0	0
3						
4	0	0	156,129,236	183,520,004	0	0
5	0	0	49,755,863	43,806,942	0	0
6	0	0	57,033,321	56,399,248	0	0
7	0	0	0	0	0	0
8	0	0	7,089,750	6,981,968	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	0	7,863,638	0	0
13	0	0	0	0	0	0
14	0	0	51,684,519	49,883,161	0	0
15	0	0	37,826,855	9,885,892	0	0
16	0	0	9,529,350	6,516,154	0	0
17	0	0	79,902,133	99,175,706	0	0
18	0	0	39,560,152	27,386,493	0	0
19	0	0	0	0	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	0	0	409,390,875	436,646,220	0	0
26	0	0	178,377,391	180,487,627	0	0

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		178,377,391	180,487,627	0	0
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		0	0	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		0	0	0	0
33	Revenues from Nonutility Operations (417)		0	0	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		0	0	0	0
35	Nonoperating Rental Income (418)		0	0	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	0	0	0	0
37	Interest and Dividend Income (419)		1,751,207	1,816,573	0	0
38	Allowance for Other Funds Used During Construction (419.1)		1,184,948	954,977	0	0
39	Miscellaneous Nonoperating Income (421)		7,573,344	1,383,350	0	0
40	Gain on Disposition of Property (421.1)		500,558	1,217,092	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		11,010,057	5,371,992	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	2,361	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	343,155	368,065	0	0
46	Life Insurance (426.2)		0	0	0	0
47	Penalties (426.3)		255	0	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		59,412	169,785	0	0
49	Other Deductions (426.5)		583,274	868,732	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	986,096	1,408,943	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	0	0	0	0
53	Income Taxes-Federal (409.2)	262-263	(20,489,375)	(24,217,137)	0	0
54	Income Taxes-Other (409.2)	262-263	(3,997,849)	(5,979,762)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	55,031,287	29,282,272	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	28,093,267	0	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		2,450,796	(914,627)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		7,573,165	4,877,676	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		50,793,055	54,668,056	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	800,502	894,829	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		0	0	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	0	0	0	0
68	Other Interest Expense (431)	340	46,013	40,542	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		404,433	391,781	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		51,235,137	55,211,646	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		134,715,419	130,153,657	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		134,715,419	130,153,657	0	0

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Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Quarter/Year				
6	Balance of Account 219 at Beginning of Current Year				
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				
10	Balance of Account 219 at End of Current Quarter/Year				

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Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		294,132,010	232,978,353
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		134,715,419	130,153,657
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)	131	121,000,000	69,000,000
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		307,847,429	294,132,010
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		307,847,429	294,132,010
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

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Statement of Cash Flows

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 72(c) on page 116)	134,715,419	130,153,657
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	64,123,071	63,381,216
5	Amortization of (Specify)	13,107,125	21,336,073
6	Deferred Income Taxes (Net)	67,280,001	101,071,485
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	(4,157,574)	876,470
9	Net (Increase) Decrease in Inventory	1,194,138	(482,172)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	36,936,537	4,535,540
12	Net (Increase) Decrease in Other Regulatory Assets	(19,565,432)	(32,474,522)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(55,156)	(30,572)
14	(Less) Allowance for Other Funds Used During Construction	1,184,948	954,977
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other:	11,353,452	(1,691,407)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16.)	303,746,633	285,720,791
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(112,347,152)	(93,293,415)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(1,184,948)	(954,977)
27	Other:	2,817,500	(6,541,481)
28	Cash Outflows for Plant (Total of lines 22 thru 27.)	(108,344,704)	(98,879,919)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	72,200	4,500,000
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowance Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other: Cost from disposal of asset		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47.?)	(108,272,504)	(94,379,919)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	249,565,000	199,956,000
54	Preferred Stock		
55	Common Stock		
56	Other: Debt issuance costs	(2,192,472)	(2,020,426)
57	Net Increase in Short-Term Debt (c)		
58	Other: Loans to MEHC		(80,000,000)
59	Cash Provided by Outside Sources (Total of lines 53 thru 58.?)	247,372,528	117,935,574
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(300,000,000)	(250,000,000)
63	Preferred Stock		
64	Common Stock		
65	Other:		
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(121,000,000)	(69,000,000)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(173,627,472)	(201,064,426)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of Line 18, 49 and 71)	21,846,657	(9,723,554)
75			
76	Cash and Cash Equivalents at Beginning of Year	60,915,532	70,639,086
77			
78	Cash and Cash Equivalents at End of Year	82,762,189	60,915,532

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
Notes to Financial Statements			

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

(1) Organization and Operations

Northern Natural Gas Company (the "Respondent") is an indirect wholly owned subsidiary of MidAmerican Energy Holdings Company ("MEHC"), a holding company that owns subsidiaries principally engaged in the energy business. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway"). The Respondent owns the largest interstate natural gas pipeline system in the United States, as measured by pipeline miles, which reaches from southern Texas to Michigan's Upper Peninsula (the "System"). The System, which is interconnected with many interstate and intrastate pipelines in the national grid system, consists of two operationally integrated systems. 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 Respondent primarily transports and stores natural gas for utilities, municipalities, other pipeline companies, gas marketing companies, industrial and commercial users and other end-users. The System consists of 14,900 miles of natural gas pipelines, including 6,500 miles of mainline transmission pipelines and 8,400 miles of branch and lateral pipelines, with a Market Area design capacity of 5.5 billion cubic feet ("Bcf") per day and a Field Area delivery capacity of 2.0 Bcf per day to the

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Market Area. Additionally, the Respondent has three underground natural gas storage facilities and two liquefied natural gas storage peaking units that have a total firm service and operational storage cycle capacity of over 73 Bcf and over 2.0 Bcf per day of peak delivery capability. The System is configured with approximately 2,300 active receipt and delivery points which are integrated with the facilities of local distribution companies ("LDC"). Many of the Respondent's LDC customers are part of combined utilities that also use natural gas as a fuel source for electric generation. The Respondent delivers over 0.9 trillion cubic feet of natural gas to its customers annually.

(2) Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates in Preparation of Financial Statements

The Respondent has no subsidiaries. The financial statements and supporting schedules were prepared in accordance with the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission ("FERC"). The FERC-approved tariff establishes rates, terms and conditions under which the Respondent provides services to its customers. The Uniform System of Accounts is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). Financial accounting and reporting differences between FERC and GAAP for the Respondent are principally related to account classifications such as but not limited to: Costs incurred and revenues collected for future plant retirement costs are classified as a regulatory liability for GAAP and as accumulated provision for depreciation for FERC; and deferred tax assets and liabilities are presented as gross assets and liabilities for FERC purposes, but are netted for GAAP. The preparation of the Financial Statements in conformity with FERC guidelines requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates include, but are not limited to, the effects of regulation; unbilled revenue; income taxes; valuation of certain financial assets and liabilities, including derivative contracts; long-lived asset recovery; asset retirement obligations ("AROs"); and accounting for contingencies. Actual results may differ from the estimates used in preparing the Financial Statements. The Respondent has evaluated subsequent events through April 18, 2013, which is the date the audited Financial Statements were available to be issued.

Accounting for the Effects of Certain Types of Regulation

The Respondent prepares its financial statements in accordance with authoritative guidance for regulated operations, which recognizes the economic effects of regulation. Accordingly, the Respondent is required to defer the recognition of certain costs or income if it is probable that, through the ratemaking process, there will be a corresponding increase or decrease in future regulated rates. Regulatory assets and liabilities are established to reflect the impacts of these deferrals.

The Respondent continually evaluates the applicability of the guidance for regulated operations and whether its regulatory assets and liabilities are probable of inclusion in future regulated rates by considering factors such as a change in the regulator's approach to setting regulated rates from cost-based ratemaking to another form of regulation, other regulatory actions or the impact of competition that could limit the Respondent's ability to recover its costs. The Respondent believes the application of the guidance for regulated operations is appropriate and its existing regulatory assets and liabilities are probable of inclusion in future regulated rates. The evaluation reflects the current political and regulatory climate at the federal level. If it becomes no longer probable that the deferred costs or income will be included in future regulated rates, the related regulatory assets and liabilities will be written-off to net income, returned to customers or re-established as accumulated other comprehensive income (loss) ("AOI").

Fair Value Measurements

As defined under GAAP, fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants in the principal market or in the most advantageous market when no principal market exists. Adjustments to transaction prices or quoted market prices may be required in illiquid or disorderly markets in order to estimate fair value. Different valuation techniques may be appropriate under the circumstances to determine the value that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Market participants are assumed to be independent, knowledgeable, able and willing to transact an exchange and not under duress. Nonperformance or credit risk is considered in determining fair value. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

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Cash Equivalents and Restricted Cash

Cash equivalents consist of funds invested in money market mutual funds with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements or other contractual provisions. Restricted amounts are included in special deposits and other special funds on the Balance Sheets.

Allowance for Doubtful Accounts

Accounts receivable are stated at the outstanding principal amount, net of an estimated allowance for doubtful accounts. The allowance for doubtful accounts is based on the Respondent's assessment of the collectibility of amounts owed to the Respondent by its customers. This assessment requires judgment regarding the ability of customers to pay or the outcome of any pending disputes. As of December 31, 2012 and 2011, the allowance for doubtful accounts totaled \$0.7 million and \$0.8 million, respectively, and is included in customer accounts receivable and other accounts receivable on the Balance Sheets.

Transportation Imbalances

Shippers schedule their volumes into the Respondent's System with subsequent deliveries to various markets. Imbalance receivables from and payables to shippers are created when receipts to the System from shippers vary from deliveries off the System, excluding quantities retained by the pipeline for fuel. Receipts and deliveries from third parties in connection with balancing and other gas service contracts also result in imbalances. Such imbalances are valued at contractual or market rates and recorded as miscellaneous current and accrued assets or liabilities on the Balance Sheets with offsetting entries to operating expenses on the Statements of Income. The imbalances cause offsetting changes in the volumes of system balancing gas, which are priced at contractual or market rates, and are recorded as adjustments to system gas balances in the gas owed to system gas utility account on the Balance Sheets and to operating expenses on the Statements of Income. Settlement of imbalances occurs in accordance with the contractual terms of the agreements and timing of delivery of gas based on operational conditions.

Inventories

Inventories consist primarily of materials and supplies, which mainly include replacement parts used in the periodic overhaul of gas compressor units and materials for construction, operation and maintenance and are stated at average cost.

Derivatives

The Respondent employs a number of different derivative contracts, including forward gas purchase and gas sale contracts and gas price commodity and basis swaps to manage price risk for natural gas. 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. Derivative balances reflect offsetting permitted under master netting agreements with counterparties.

Commodity derivatives used in normal business operations that are settled by physical delivery, among other criteria, are eligible for and may be designated as normal purchases or normal sales. Normal purchases or normal sales contracts are not marked-to-market and settled amounts are recognized as gas operating revenues, operating expenses and other income and deductions on the Statements of Income.

For the Respondent's derivatives not designated as hedging contracts, the settled amount is generally includable in regulated rates. Accordingly, the net unrealized gains and losses associated with interim price movements on contracts that are accounted for as derivatives and probable of inclusion in regulated rates are recorded as regulatory assets and liabilities. For the Respondent's derivatives not designated as hedging contracts and for which changes in fair value are not recorded as regulatory assets and liabilities, unrealized gains and losses are recognized on the Statements of Income as gas operating revenues for sales contracts and operating expenses or other income and deductions for purchase contracts and natural gas and fuel swap contracts.

For the Respondent's derivatives designated as hedging contracts, the Respondent formally assesses, at inception and thereafter, whether the hedging contract is highly effective in offsetting changes in the hedged item. The Respondent formally documents hedging

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activity by transaction type and risk management strategy.

Changes in the estimated fair value of a derivative contract designated and qualified as a cash flow hedge, to the extent effective, are included on the Statement of Accumulated Comprehensive Income and Hedging Activities as AOCI, net of tax, until the contract settles and the hedged item is recognized in earnings. The Respondent discontinues hedge accounting prospectively when it has determined that a derivative contract no longer qualifies as an effective hedge, or when it is no longer probable that the hedged forecasted transaction will occur. When hedge accounting is discontinued because the derivative contract no longer qualifies as an effective hedge, future changes in the estimated fair value of the derivative contract are charged to earnings. Gains and losses related to discontinued hedges that were previously recorded in AOCI will remain in AOCI until the contract settles and the hedged item is recognized in earnings, unless it becomes probable that the hedged forecasted transaction will not occur at which time associated deferred amounts in AOCI are immediately recognized in earnings.

Utility Plant, Net

General

Additions to utility plant are recorded at cost. The Respondent capitalizes all construction-related material, direct labor and contract services, as well as indirect construction costs, which include debt and equity allowance for funds used during construction ("AFUDC") on rate base assets. The cost of additions and betterments is capitalized, while costs incurred that do not improve or extend the useful lives of the related assets are generally expensed. The Respondent is permitted to earn a return on the cost of its rate base assets as well as recover these costs through depreciation expense over the useful lives of the assets.

Depreciation and amortization are computed by applying the composite or straight-line method based on either estimated useful lives or mandated recovery periods as prescribed by the FERC. Depreciation studies are completed by the Respondent to determine the appropriate group lives, net salvage and group depreciation rates. These studies are reviewed and rates are ultimately approved by the FERC. Under the composite method when utility plant is retired, the original cost of the property retired is charged to accumulated depreciation and amortization, net of salvage and removal costs. For general plant, the original cost of the property retired is charged to accumulated depreciation and amortization at the end of the depreciable lives of the asset vintages. Retirement gains or losses are not included in income except in the case of sales of operating units.

The Respondent capitalizes debt and equity AFUDC, which represents the cost of debt and equity funds necessary to finance the construction of regulated facilities, as a component of utility plant, with offsetting credits to the Statements of Income. AFUDC is computed based on guidelines set forth by the FERC.

AFUDC on borrowed funds totaled \$0.4 million for each of the years ended December 31, 2012 and 2011, and is included in interest charges on the Statements of Income. AFUDC on equity funds totaled \$1.2 million and \$1.0 million for the years ended December 31, 2012 and 2011, respectively, and is included in other income on the Statements of Income.

System Gas

Storage base gas and system balancing gas are accounted for utilizing the fixed asset accounting method as prescribed by the FERC. Under this approach, system gas volumes are classified as utility plant and valued at cost. Temporary encroachments upon system gas are valued at contractual or current market prices.

Asset Retirement Obligations

The Respondent recognizes AROs when it has a legal obligation to remove or abandon-in-place an asset upon retirement. The Respondent's AROs are related to the decommissioning of all offshore Gulf Coast facilities. The fair value of an ARO liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made, and is added to the carrying amount of the associated asset, which is then depreciated over the remaining useful life of the asset. Subsequent to the initial recognition, the ARO liability is adjusted for any revisions to the original estimate of undiscounted cash flows (with corresponding adjustments to utility plant) and for accretion of the ARO liability due to the passage of time. The difference between the ARO liability, the corresponding ARO asset included in utility plant and amounts recovered in regulated rates to satisfy such liabilities is recorded as a

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regulatory asset or liability. When an ARO is settled, the related ARO asset net of accumulated depreciation and the ARO regulatory asset are cleared against the ARO liability. ARO settlement costs are charged to the accumulated depreciation reserve and are collected from the Respondent's customers through a provision in the Respondent's rates.

Impairment

The Respondent evaluates long-lived assets for impairment, including utility plant, when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable, or the assets are being held for sale. Upon the occurrence of a triggering event, the asset is reviewed to assess whether the estimated undiscounted cash flows expected from the use of the asset plus the residual value from the ultimate disposal exceeds the carrying value of the asset. If the carrying value exceeds the estimated recoverable amounts, the asset is written down to the estimated fair value. The impacts of regulation are considered when evaluating the carrying value of rate base assets. For non-rate base assets, any resulting impairment loss is reflected on the Statements of Income.

Revenue Recognition

Revenue from customers is recognized as natural gas is delivered or services are provided. Revenue recognized includes billed and unbilled amounts. As of December 31, 2012 and 2011, unbilled revenue was \$9.8 million and \$5.0 million, respectively, and is included in customer accounts receivables on the Balance Sheets. The Respondent's transportation and storage revenue is primarily derived from fixed reservation charges based on contractual quantities and regulated rates. The remaining revenue, consisting primarily of commodity charges, is based on contractual rates and estimated usage based on scheduled quantities. Differences between scheduled quantities and actual measured quantities are reflected in revenue during the following month and historically have been immaterial.

The Respondent is subject to FERC regulations and, accordingly, certain revenue collected may be subject to possible refund upon final FERC orders in pending regulated rate proceedings. The Respondent may record revenue that is subject to refund based on its best estimates of the final outcomes of such proceedings and other third party regulatory proceedings, advice of counsel and estimated total exposure, as well as collection and other risks. The Respondent had no earned revenue subject to refund for the years ended December 31, 2012 and 2011.

Income Taxes

Berkshire Hathaway includes MEHC and its subsidiaries in its United States federal income tax return. Consistent with established regulatory practice, the Respondent's provision for income tax expense has been computed on a stand-alone basis, and substantially all of its respective currently payable or receivable income taxes are remitted to or received from MEHC.

Deferred income tax assets and liabilities are based on differences between the financial statement and income tax basis of assets and liabilities using estimated income tax rates expected to be in effect for the year in which the differences are expected to reverse. Changes in deferred income tax assets and liabilities that are associated with components of other comprehensive income ("OCI") are charged or credited directly to OCI. Other changes in deferred income tax assets and liabilities are included as a component of income tax expense. Valuation allowances are established for certain deferred income tax assets where realization is not likely.

In determining the Respondent's income taxes, management is required to interpret complex income tax laws and regulations, which includes consideration of regulatory implications imposed by the FERC. The Respondent's income tax returns are subject to continuous examinations by federal, state and local income tax authorities that may give rise to different interpretations of these complex laws and regulations. Due to the nature of the examination process, it generally takes years before these examinations are completed and these matters are resolved. The Respondent recognizes the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the Financial Statements from such a position are measured based on the largest benefit that is more-likely-than-not of being realized upon ultimate settlement. Although the ultimate resolution of the Respondent's federal, state and local income tax examinations is uncertain, the Respondent believes it has made adequate provisions for these income tax positions. The aggregate amount of any additional income tax liabilities that may result from these examinations, if any, is not expected to have a material adverse impact on the Respondent's financial results.

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New Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-02, which amends FASB Accounting Standards Codification ("ASC") Topic 220, "Comprehensive Income." The amendments in this guidance require an entity to provide information about the amounts reclassified out of AOCI by component. In addition, an entity is required to present, either on the face of the financial statements or in the notes, significant amounts reclassified out of AOCI by the respective line items of net income if the amount reclassified is required under GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required by GAAP that provide additional detail about those amounts. This guidance is effective prospectively for annual reporting periods beginning after December 15, 2013. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements.

In December 2011, the FASB issued ASU No. 2011-11, which amends FASB ASC Topic 210, "Balance Sheet." The amendments in this guidance require an entity to provide quantitative disclosures about offsetting financial instruments and derivative instruments. Additionally, this guidance requires qualitative and quantitative disclosures about master netting agreements or similar agreements when the financial instruments and derivative instruments are not offset. This guidance is effective for fiscal years beginning on or after January 1, 2013, and for interim periods within those fiscal years. In January 2013, the FASB issued ASU No. 2013-01, which also amends FASB ASC Topic 210 to clarify that the scope of ASU No. 2011-11 only applies to derivative instruments, repurchase agreements, reverse purchase agreements and securities borrowing and securities lending transactions that are either being offset or are subject to an enforceable master netting arrangement or similar agreement. ASU No. 2013-01 is also effective for fiscal years beginning on or after January 1, 2013, and for interim periods within those fiscal years. The Respondent is currently evaluating the impact of adopting this guidance on its disclosures included within Notes to Financial Statements.

In May 2011, the FASB issued ASU No. 2011-04, which amends FASB ASC Topic 820, "Fair Value Measurements and Disclosures." The amendments in this guidance are not intended to result in a change in current accounting. ASU No. 2011-04 requires additional disclosures relating to fair value measurements categorized within Level 3 of the fair value hierarchy, including quantitative information about unobservable inputs, the valuation process used by the entity and the sensitivity of unobservable input measurements. Additionally, entities are required to disclose the level of the fair value hierarchy for assets and liabilities that are not measured at fair value in the balance sheet, but for which disclosure of the fair value is required. This guidance is effective for interim and annual reporting periods beginning after December 15, 2011. The Respondent adopted ASU No. 2011-04 on January 1, 2012. The adoption of this guidance did not have a material impact on the Respondent's disclosures included within Notes to Financial Statements.

(3) Utility Plant

Utility plant consists of the following as of December 31 (in thousands):

	Depreciation Rates	2012	2011
Transmission and other plant	1.5% to 10.0%	\$ 2,696,889	\$ 2,656,259
Storage plant ⁽¹⁾	1.25% to 2.34%	471,554	447,292
Intangible plant ⁽²⁾	4.4% to 20.0%	118,990	121,623
General plant and buildings	2.75% to 10.0%	<u>110,653</u>	<u>112,821</u>
Utility plant		3,398,086	3,337,995
Construction in progress		<u>17,395</u>	<u>9,534</u>
Total utility plant		3,415,481	3,347,529
Accumulated depreciation and amortization		<u>(1,225,437)</u>	<u>(1,192,560)</u>
Net utility plant		2,190,044	2,154,969
System gas		<u>66,393</u>	<u>68,908</u>
Total utility plant, net		<u>\$ 2,256,437</u>	<u>\$ 2,223,877</u>

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- (1) Includes market-based underground storage facilities.
- (2) Includes costs for capitalized software development, contributions in aid of construction, organization and leasehold improvements.

The Respondent had gross costs for capitalized software development of \$99.9 million and \$99.7 million and accumulated amortization of \$38.8 million and \$38.3 million as of December 31, 2012 and 2011, respectively, which is included in intangible plant and reflected in utility plant on the Balance Sheets. Capitalized software development costs are amortized at a rate of 4.4%.

The Respondent had gross costs for capitalized right of use or right of way of \$100.3 million and \$102.5 million and accumulated amortization of \$28.2 million and \$26.8 million as of December 31, 2012 and 2011, respectively, which is included in transmission and other plant and storage plant and reflected in utility plant on the Balance Sheets. Capitalized right of use or right of way costs are amortized at rates ranging from 1.25% to 10.00%.

For the years ended December 31, 2012 and 2011, depreciation expense of \$57.0 million and \$56.4 million, respectively, and amortization expense of \$7.1 million and \$6.9 million, respectively, were included in depreciation and amortization on the Statements of Income. The Respondent expects amortization expense to be \$7.0 million for 2013, \$7.0 million for 2014, \$7.0 million for 2015, \$7.0 million for 2016 and \$6.8 million for 2017.

(4) Regulatory Matters

Regulatory assets represent costs that are expected to be recovered in future regulated rates. The Respondent's regulatory assets reflected on the Balance Sheets consist of the following as of December 31 (in thousands):

	Weighted Average Remaining Life	2012	2011
Unrealized loss on regulated derivative contracts	10 years	\$ 68,825	\$ 63,907
AROs	8 years	20,202	14,072
Smart pigging and hydrostatic testing costs	7 years	29,823	25,047
Deferred income taxes associated with equity AFUDC ⁽¹⁾	67 years	15,502	14,980
Migration and system upgrade costs	2 years	2,181	3,370
Employee benefit plan ⁽²⁾	12 years	3,462	5,119
Fuel and unaccounted for gas	1 year	5,011	6,466
Other	Various	5,086	9,499
Total regulatory assets		<u>\$ 150,092</u>	<u>\$ 142,460</u>

- (1) Amortized at the same rate as onshore transmission plant.
- (2) Represents amounts not yet recognized as a component of net periodic benefit cost that are expected to be included in regulated rates when recognized.

The Respondent had regulatory assets not earning a return on investment of \$110.7 million and \$110.5 million as of December 31, 2012 and 2011, respectively.

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The fuel and unaccounted for gas regulatory asset (liability) is a periodic rate adjustment ("PRA") tracker, which is comprised of trackers for fuel and storage, unaccounted for gas and electric compression charges. The PRA surcharges, when approved, are added to the firm and interruptible transportation rates and storage rates. The fuel and unaccounted for gas regulatory asset (liability) consists of the following as of December 31 (in thousands):

	<u>2012</u>	<u>2011</u>
Electric compression tracker:		
Balance, January 1	\$ (153)	\$ 32
Gas operating revenue	(205)	(447)
Operating expenses	<u>158</u>	<u>262</u>
Balance, December 31	<u>(200)</u>	<u>(153)</u>
Fuel and storage volumetric tracker:		
Balance, January 1	(65)	(4,733)
Gas used (1)	33,004	46,486
Gas retained (1)	<u>(31,427)</u>	<u>(41,818)</u>
Balance, December 31	<u>1,512</u>	<u>(65)</u>
Unaccounted for gas volumetric tracker:		
Balance, January 1	6,684	3,671
Unaccounted for activity (1)	6,175	4,103
Gas retained (1)	<u>(9,160)</u>	<u>(1,090)</u>
Balance, December 31	<u>3,699</u>	<u>6,684</u>
Total	<u>\$ 5,011</u>	<u>\$ 6,466</u>

(1) Represents amounts recorded to the gas owed to system gas on the Balance Sheets.

Regulatory liabilities represent income to be recognized or amounts to be returned to customers in future periods. The Respondent's regulatory liabilities reflected on the Balance Sheets consist of the following as of December 31 (in thousands):

	<u>Weighted Average Remaining Life</u>	<u>2012</u>	<u>2011</u>
Employee benefit plan ⁽¹⁾	12 years	\$ 18,128	\$ 15,445
Interest rate lock gain	3 years	491	685
Encroachment revaluation	1 year	48	-
Other	Various	<u>1,410</u>	<u>1,466</u>
Total regulatory liabilities		<u>\$ 20,077</u>	<u>\$ 17,596</u>

(1) Represents amounts not yet recognized as a component of net periodic benefit cost that are to be returned to customers in future periods when recognized.

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Other regulatory liabilities include Carlton surcharge revenue and daily delivery variance charge ("DDVC") and penalty trackers. Pursuant to the tariff, the Respondent is allowed to collect Carlton surcharge revenues and DDVC and penalty revenues from the customers during the year. The amounts collected from customers earn interest. The customers are reimbursed each year with interest based on a weighted value proration. Other regulatory liabilities consist of the following as of December 31 (in thousands):

	<u>2012</u>	<u>2011</u>
DDVC and penalty revenue tracker:		
Balance, January 1	\$ 664	\$ 735
Revenue collected (1)	410	596
Interest expense	12	19
Customer reimbursements	<u>(588)</u>	<u>(686)</u>
Balance, December 31	<u>498</u>	<u>664</u>
Carlton surcharge revenue tracker:		
Balance, January 1	802	795
Revenue collected (2)	2,413	2,196
Interest expense	20	20
Customer reimbursements	<u>(2,323)</u>	<u>(2,209)</u>
Balance, December 31	<u>\$ 912</u>	<u>\$ 802</u>

(1) Represents amounts collected from customers and recorded to other revenue with offsetting amounts recorded to operating expenses in the Statements of Income.

(2) Represents amounts collected from customers and recorded to gas transportation revenue with offsetting amounts recorded to operating expenses in the Statements of Income.

(5) Fair Value Measurements

The carrying value of the Respondent's cash, certain cash equivalents, receivables, payables and accrued liabilities approximates fair value because of the short-term maturity of these instruments. The Respondent 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 Respondent 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 Respondent's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. The Respondent develops these inputs based on the best information available, including its own data.

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The following table presents the Respondent's 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				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u> ⁽¹⁾	<u>Total</u>
As of December 31, 2012					
Assets:					
Commodity derivatives	\$ -	\$ 870	\$ -	\$ (654)	\$ 216
Money market mutual funds ⁽²⁾	<u>103,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,323</u>
	<u>\$ 103,323</u>	<u>\$ 870</u>	<u>\$ -</u>	<u>\$ (654)</u>	<u>\$ 103,539</u>
Liabilities - commodity derivatives	<u>\$ -</u>	<u>\$ (69,703)</u>	<u>\$ -</u>	<u>\$ 654</u>	<u>\$ (69,049)</u>
As of December 31, 2011⁽³⁾					
Commodity derivatives	\$ -	\$ 4,331	\$ -	\$ (2,415)	\$ 1,916
Money market mutual funds ⁽²⁾	<u>65,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,013</u>
	<u>\$ 65,013</u>	<u>\$ 4,331</u>	<u>\$ -</u>	<u>\$ (2,415)</u>	<u>\$ 66,929</u>
Liabilities - commodity derivatives	<u>\$ -</u>	<u>\$ (71,043)</u>	<u>\$ -</u>	<u>\$ 2,415</u>	<u>\$ (68,628)</u>

(1) Represents netting under master netting arrangements.

(2) Amounts are included in cash, temporary cash investments and other special funds on the Balance Sheets. The fair value of these money market mutual funds approximates cost.

(3) Prior year amounts have been reclassified to conform to current year presentation.

Derivative contracts are recorded on the Balance Sheets as either assets or liabilities and are stated at 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 Respondent transacts. When quoted prices for identical contracts are not available, the Respondent uses forward price curves. Forward price curves represent the Respondent's estimates of the prices at which a buyer or seller could contract today for delivery or settlement at future dates. The Respondent 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 Respondent. Market price quotations for certain major natural gas trading hubs are generally readily obtainable for the applicable term of the Respondent's outstanding derivative contracts; therefore, the Respondent'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. Refer to Note 6 for further discussion regarding the Respondent's risk management and hedging activities.

The Respondent's investments in money market mutual funds are accounted for as available-for-sale securities and 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.

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The Respondent's long-term debt is carried at cost on the Financial Statements. The fair value of the Respondent's long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The following table presents the carrying value and estimated fair value of the Respondent's long-term debt as of December 31 (in thousands):

	2012		2011	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Long-term debt	\$ <u>899,367</u>	\$ <u>1,022,999</u>	\$ <u>949,729</u>	\$ <u>1,078,876</u>

(6) Risk Management and Hedging Activities

The Respondent is exposed to the impact of market fluctuations in natural gas prices as supply and demand are impacted by, among many other unpredictable items, weather, market liquidity, customer usage, storage and transportation constraints. The Respondent does not engage in a material amount of proprietary trading activities.

The Respondent has established a risk management process that is designed to identify, assess, monitor, report, manage and mitigate each of the various types of risk involved in its business. To mitigate a portion of its natural gas price risk, the Respondent uses commodity derivative contracts generally at fixed prices to hedge natural gas for operational and preferred deferred delivery ("PDD") storage, storage losses, fuel requirements and other transactions. The Respondent uses natural gas commodity swaps to hedge the margin on forecasted gas sales and purchases required for operational storage balancing purposes, to hedge the margin on anticipated future PDD storage contracts and to hedge the cost of replacing forecasted storage losses.

For certain designated markets, certain customers pay a fixed price of \$.09 per decatherm ("dth") of volumes delivered to purchase compressor fuel and system use gas from the Respondent. The Respondent estimates it will be required to purchase an annual average of 1.0 Bcf of natural gas through October 2022 to meet these requirements based on a projected average system requirements factor of 1.2% of volumes delivered. The Respondent's contracts with these customers provide service through October 2019, with annual renewal options for one customer to continue service through October 2022. As of December 31, 2012, the Respondent had purchased gas and entered into swap agreements covering more than the expected contractual requirements through October 2022.

Interest rate risk exists on future debt issuances. The Respondent manages its interest rate risk by limiting its exposure to variable interest rates primarily through the issuance of fixed-rate long-term debt and by monitoring market changes in interest rates. Additionally, the Respondent may from time to time enter into interest rate derivative contracts, such as interest rate swaps or locks, to mitigate the Respondent's exposure to interest rate risk. The Respondent does not hedge all of its commodity price and interest rate risks, thereby exposing the unhedged portion to changes in market prices.

There have been no significant changes in the Respondent's accounting policies related to derivatives. Refer to Notes 2 and 5 for additional information on derivative contracts.

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The following table, which reflects master netting arrangements and excludes contracts that have been designated as normal under the normal purchases or normal sales exception afforded by GAAP, summarizes the fair value of the Respondent's derivative contracts, on a gross basis, and reconciles those amounts to the amounts presented on a net basis on the Balance Sheets (in thousands):

	Derivative Assets ⁽¹⁾		Derivative Liabilities ⁽¹⁾		
	Current	Noncurrent	Current	Noncurrent	Total
As of December 31, 2012					
Not designated as hedging contracts⁽²⁾:					
Commodity assets	\$ 226	\$ -	\$ 148	\$ -	\$ 374
Commodity liabilities	(2)	-	(8,230)	(60,967)	(69,199)
Total	224	-	(8,082)	(60,967)	(68,825)
Designated as cash flow hedging contracts:					
Commodity assets	-	-	496	-	496
Commodity liabilities	-	-	(504)	-	(504)
Total	-	-	(8)	-	(8)
Total derivatives - net basis⁽³⁾	\$ 224	\$ -	\$ (8,090)	\$ (60,967)	\$ (68,833)
As of December 31, 2011⁽⁴⁾					
Not designated as hedging contracts⁽²⁾:					
Commodity assets	\$ 2,773	\$ -	\$ 1,240	\$ -	\$ 4,013
Commodity liabilities	(863)	-	(8,970)	(58,087)	(67,920)
Total	1,910	-	(7,730)	(58,087)	(63,907)
Designated as cash flow hedging contracts:					
Commodity assets	6	-	-	312	318
Commodity liabilities	-	-	(2,786)	(337)	(3,123)
Total	6	-	(2,786)	(25)	(2,805)
Total derivatives - net basis⁽³⁾	\$ 1,916	\$ -	\$ (10,516)	\$ (58,112)	\$ (66,712)

- (1) Derivative assets are included in current and accrued assets on the Balance Sheets. Derivative liabilities are included in current and accrued liabilities on the Balance Sheets.
- (2) The Respondent's commodity derivatives not designated as hedging contracts are generally included in regulated rates, and as of December 31, 2012 and 2011, a regulatory asset of \$68.8 million and \$63.9 million, respectively, was recorded related to the net derivative liability of \$68.8 million and \$63.9 million, respectively.
- (3) The net notional amounts of outstanding commodity derivative contracts with fixed price terms that comprise the mark-to-market values included above is 19 million dth and 21 million dth of natural gas purchases as of December 31, 2012 and 2011, respectively.
- (4) Prior year amounts have been reclassified to conform to current year presentation.

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Not Designated as Hedging Contracts

The following table reconciles the beginning and ending balances of the Respondent's regulatory assets and summarizes the pre-tax gains and losses on commodity derivative contracts recognized in regulatory assets, as well as amounts reclassified to earnings for the years ended December 31 (in thousands):

	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 63,907	\$ 50,124
Changes in fair value recognized in regulatory assets	9,936	22,407
Net gains (losses) reclassified to gas operating revenues	4,504	(6,227)
Net losses reclassified to operating expenses	<u>(9,522)</u>	<u>(2,397)</u>
Ending balance	<u>\$ 68,825</u>	<u>\$ 63,907</u>

Designated as Hedging Contracts

The following table reconciles the beginning and ending balances of the Respondent's accumulated other comprehensive loss (pre-tax) and summarizes pre-tax gains and losses on commodity derivative contracts designated and qualifying as cash flow hedges recognized in OCI, as well as amounts reclassified to earnings for the years ended December 31 (in thousands):

	<u>2012</u>	<u>2011</u>
Beginning balance⁽¹⁾	\$ 2,651	\$ 2,475
Changes in fair value recognized in OCI	(707)	(1,898)
Net (losses) gains reclassified to gas operating revenues	(1,936)	3,575
Net losses reclassified to operating expenses	<u>-</u>	<u>(1,501)</u>
Ending balance⁽¹⁾	<u>\$ 8</u>	<u>\$ 2,651</u>

- (1) Certain derivative contracts have settled and the fair value at the date of settlement remains in accumulated other comprehensive loss and is recognized in earnings when the forecasted transactions impact earnings.

Realized gains and losses on hedges and hedge ineffectiveness are recognized on the Statements of Income as gas operating revenues or operating expenses depending upon the nature of the item being hedged. For the years ended December 31, 2012 and 2011, hedge ineffectiveness was insignificant. As of December 31, 2012, the Respondent had cash flow hedges with expiration dates extending through December 2013 and the pre-tax unrealized losses forecasted to be reclassified from accumulated other comprehensive loss into earnings over the next twelve months are insignificant.

Credit Risk

The Respondent extends unsecured credit to energy marketing companies, financial institutions and other market participants in conjunction with its derivative contracts. Credit risk relates to the risk of loss that might occur as a result of nonperformance by counterparties on their contractual obligations to make or take delivery of natural gas and to make financial settlements of these obligations. Credit risk may be concentrated to the extent that one or more groups of counterparties have similar economic, industry or other characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in market or other conditions. In addition, credit risk includes not only the risk that a counterparty may default due to circumstances relating directly to it, but also the risk that a counterparty may default due to circumstances involving other market participants that have a direct or indirect relationship with the counterparty.

The Respondent analyzes the financial condition of each counterparty before entering into any transactions, establishes limits on the amount of unsecured credit to be extended to each counterparty and evaluates the appropriateness of unsecured credit limits on an ongoing basis. To mitigate exposure to the financial risks of counterparties, the Respondent enters into netting arrangements that may

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include margining and may obtain third-party guarantees, letters of credit and cash deposits. Counterparties may be assessed fees for delayed payments. If required, the Respondent exercises rights under these arrangements, including calling on the counterparty's credit support arrangement.

Collateral and Contingent Features

In accordance with industry practice, certain derivative contracts contain provisions that require the Respondent to maintain specific credit ratings from one or more of the major credit rating agencies on its unsecured debt. These derivative contracts may either specifically provide bilateral rights to demand cash or other security if credit exposures on a net basis exceed specified rating-dependent threshold levels ("credit-risk-related contingent features"). These rights can vary by contract and by counterparty. As of December 31, 2012, the Respondent's credit ratings from the three recognized credit rating agencies were investment grade.

The aggregate fair value of the Respondent's derivative contracts in liability positions with specific credit-risk-related contingent features totaled \$69.7 million and \$71.0 million as of December 31, 2012 and 2011, respectively, for which the Respondent had not posted collateral. If all credit-risk-related contingent features for derivative contracts in liability positions had been triggered as of December 31, 2012 and 2011, the Respondent would have been required to post \$69.0 million and \$68.6 million, respectively, of collateral. The Respondent's collateral requirements could fluctuate considerably due to market price volatility, changes in credit ratings, changes in legislation or regulation, or other factors.

(7) Asset Retirement Obligations

The Respondent estimates its ARO liabilities based upon detailed engineering calculations of the amount and timing of the future cash spending for a third party to perform the required work. Spending estimates are escalated for inflation and then discounted at a credit-adjusted, risk-free rate. Changes in estimates could occur for a number of reasons, including plan revisions, inflation and changes in the amount and timing of the expected work.

The Respondent has concluded that it is legally obligated to remove, or abandon-in-place, its onshore pipeline and related equipment upon the final retirement of the pipeline. While interim removal or abandonment-in-place and replacement of such equipment is probable, the final retirement dates of these assets are not determinable; therefore, the liabilities for their removal cannot be reasonably estimated. The Respondent has also identified AROs related to asbestos siding on some of its buildings. Because both the methods of settlement and the timing of the retirements are unknown, the amounts of these obligations cannot be reasonably estimated to determine the fair value of these obligations.

The following table reconciles the beginning and ending balances of the Respondent's ARO liabilities for the years ended December 31 (in thousands):

	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 49,601	\$ 60,966
Change in estimated costs	(7,081)	(14,270)
Retirements	(7,957)	-
Accretion	<u>1,770</u>	<u>2,905</u>
Ending balance	<u>\$ 36,333</u>	<u>\$ 49,601</u>

The Respondent's ARO liability relates to the abandonment of pipeline assets located in offshore waters. In response to the Respondent's request to abandon in-place certain pipelines located in offshore Texas waters, the United States Corps of Engineers, Galveston District, determined that one of the pipelines, which is located in San Antonio Bay, must be removed. That pipeline has been removed and the remaining pipelines, as identified in the Respondent's request, were abandoned in-place. This resulted in a reduction of estimated costs in 2011. Lower contract rates for ships and crew based on third party bids resulted in a reduction of estimated costs in 2012. These changes in the ARO liabilities did not impact earnings in 2012 or 2011.

In May 2011, the FERC approved the Respondent's Petition for Approval of Modified Settlement Amendment ("Settlement") to modify its Stipulation and Agreement of Settlement in Docket Nos. RP03-398-000 and RP04-155-000. The Settlement allows the Respondent to suspend effective April 1, 2011, the \$3.0 million annual payment to its Voluntary Employee Beneficiary Association

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("VEBA") trust fund and increase its ARO allowance by the same amount. The Respondent currently recovers \$4.3 million per year in its cost of service for its ARO and such recovered funds are included in its general bank account. The ARO cost settlements and the ARO recovery amount are recorded in a separate subaccount of Account 108-Accumulated provision for depreciation of gas utility plant. Gains or losses are not recognized in the settlement of the Respondent's ARO liabilities. As of December 31, 2012 and 2011, the Respondent had incurred inception to date ARO settlements of \$33.8 million and \$32.8 million, respectively, and recovered a total of \$16.0 million and \$11.7 million, respectively, through its current regulated rates.

(8) Long-Term Debt

Long-term debt consists of the following, including unamortized premiums and discounts, as of December 31 (dollars in thousands):

	<u>Par Value</u>	<u>2012</u>	<u>2011</u>
Long-term debt:			
5.375% Senior Notes, due 2012	\$ -	\$ -	\$ 299,955
5.125% Senior Notes, due 2015	100,000	99,962	99,948
5.75% Senior Notes, due 2018	200,000	199,971	199,967
4.25% Senior Notes, due 2021	200,000	199,962	199,958
5.8% Senior Bonds, due 2037	150,000	149,903	149,901
4.1% Senior Bonds, due 2042	250,000	249,569	-
Total long-term debt	<u>\$ 900,000</u>	<u>\$ 899,367</u>	<u>\$ 949,729</u>

All of the Respondent's senior notes and bonds are due and payable on their respective maturity dates and none have mandatory prepayment terms.

The Respondent is prohibited from making distributions in respect of the shares of its capital stock unless, on the date of any such distribution, none of certain specified events of default exist under its senior unsecured debt and either (1) at the time and as a result of such distribution, the ratio of its debt to its total capital does not exceed 0.65 to 1.0 and the ratio of its earnings before interest, taxes, depreciation and amortization, to its interest expense is not less than 2.5 to 1.0, or (2) if the Respondent is not in compliance with such ratios, its senior unsecured long-term debt rating is at least BBB (or its then equivalent) from Standard and Poor's and Baa2 (or its then equivalent) from Moody's Investors Service, Inc.

In August 2012, the Respondent issued \$250.0 million of its 4.1% Senior Bonds due September 2042. The net proceeds were used to partially repay the Respondent's \$300.0 million, 5.375% Senior Notes due October 2012.

(9) Income Taxes

Income tax expense (benefit) consists of the following for the years ended December 31 (in thousands):

	<u>2012</u>	<u>2011</u>
Current:		
Federal	\$ 17,337	\$ (14,331)
State	<u>5,532</u>	<u>536</u>
	<u>22,869</u>	<u>(13,795)</u>
Deferred:		
Federal	55,311	84,689
State	<u>11,969</u>	<u>16,383</u>
	<u>67,280</u>	<u>101,072</u>
Total	<u>\$ 90,149</u>	<u>\$ 87,277</u>

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A reconciliation of the federal statutory income tax rate to the effective income tax rate applicable to income before income tax expense is as follows for the years ended December 31:

	<u>2012</u>	<u>2011</u>
Federal statutory income tax rate	35.0%	35.0%
State income tax, net of federal income tax benefit	<u>5.1</u>	<u>5.1</u>
Effective income tax rate	<u>40.1%</u>	<u>40.1%</u>

The net deferred income tax liability consists of the following as of December 31 (in thousands):

	<u>2012</u>	<u>2011</u>
Deferred income tax assets:		
Acquired goodwill	\$ 111,145	\$ 138,364
Regulatory liabilities	23,025	33,099
Unrealized losses on derivative contracts	27,397	27,329
AROs	14,461	19,742
Utility plant, net	17,724	17,019
State carryforwards	11,867	11,985
Other	<u>23,452</u>	<u>17,123</u>
Total deferred income tax assets	229,071	264,661
Valuation allowance	<u>(8,641)</u>	<u>(9,151)</u>
Total deferred income tax assets, net	<u>220,430</u>	<u>255,510</u>
Deferred income tax liabilities:		
Utility plant, net	(560,619)	(529,362)
Regulatory assets	(54,946)	(49,296)
Other	<u>(8,447)</u>	<u>(12,103)</u>
Total deferred income tax liabilities	<u>(624,012)</u>	<u>(590,761)</u>
Net deferred income tax liability	<u>\$ (403,582)</u>	<u>\$ (335,251)</u>

Acquired goodwill resulted from the income tax treatment by the Respondent's predecessor owners of their January 2002 acquisition of the Respondent. Acquired goodwill is being amortized for tax purposes through January 2017.

As of December 31, 2012, the Respondent has available \$11.9 million of state carryforwards, consisting of net operating losses and credits that expire at various intervals between 2013 and 2016. The valuation allowance primarily relates to Nebraska state credit carryforwards that are not expected to be realized.

The United States Internal Revenue Service has closed examination of MEHC's income tax returns through February 2006, including components related to the Respondent. In addition, state jurisdictions have closed examination of MEHC's income tax returns through at least February 9, 2006.

(10) Employee Benefit Plans

The Respondent is a participant in benefit plans sponsored by MidAmerican Energy Company ("MEC"), an indirect wholly owned subsidiary of MEHC. 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 Respondent. Employees hired on or after January 1, 2008 for the pension plan or after June 30, 2004 for the other postretirement plan are not eligible to participate. Benefit obligations under the pension plan are based on a cash balance arrangement for salaried employees. Under the other postretirement plan, certain employees may become eligible for these benefits if they reach retirement age while working for the Respondent. Effective January 1, 2012, MEC

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changed the medical benefits for all Medicare-eligible participants in its other postretirement benefit plan. Medicare-eligible participants now enroll in individual medical plans, rather than company-sponsored plans, under which MEC contributes fixed amounts to the participant's health reimbursement account. Benefit obligations under the pension plan and other postretirement plans are determined for the Respondent's employees by an independent actuary.

Net Periodic Benefit Cost

For purposes of calculating the expected return on pension plan assets, a market-related value is used. The market-related value of plan assets is calculated by spreading the difference between expected and actual investment returns on equity investments over a five-year period beginning after the first year in which they occur.

Net periodic benefit cost for the plans of MEC and its participating affiliates included the following components for the years ended December 31 (in millions):

	Pension		Other Postretirement	
	2012	2011	2012	2011
Service cost	\$ 18	\$ 18	\$ 4	\$ 4
Interest cost	37	39	8	10
Expected return on plan assets	(45)	(43)	(13)	(13)
Net amortization	4	-	(3)	(2)
Net periodic benefit cost (benefit)	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ (4)</u>	<u>\$ (1)</u>

The Respondent's share of pension cost totaled \$1.3 million and \$1.1 million for the years ended December 31, 2012 and 2011, respectively. The Respondent's share of other postretirement cost totaled \$(1.8) million and \$(1.2) million for the years ended December 31, 2012 and 2011, respectively.

Funded Status

The following table is a reconciliation of the fair value of plan assets for MEC and its participating affiliates for the years ended December 31 (in millions):

	Pension		Other Postretirement	
	2012	2011	2012	2011
Plan assets at fair value, beginning of year	\$ 555	\$ 546	\$ 213	\$ 216
Employer contributions	65	55	1	2
Participant contributions	-	-	2	7
Actual return on plan assets	74	-	25	4
Benefits paid	(51)	(46)	(15)	(16)
Plan assets at fair value, end of year	<u>\$ 643</u>	<u>\$ 555</u>	<u>\$ 226</u>	<u>\$ 213</u>

The Respondent's contributions to the pension plan and the other postretirement plan totaled \$1.3 million and \$1.1 million for the years ended December 31, 2012 and 2011, respectively. As of December 31, 2012 and 2011, the fair value of plan assets attributable to the Respondent in the pension plan was \$29.0 million and \$27.1 million, respectively, and the other postretirement plan was \$41.5 million and \$39.1 million, respectively. Amounts attributable to the Respondent were allocated from MEC to the Respondent in accordance with the intercompany administrative service agreement.

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The following table is a reconciliation of the benefit obligations for MEC and its participating affiliates for the years ended December 31 (in millions):

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Benefit obligation, beginning of year	\$ 799	\$ 738	\$ 198	\$ 189
Service cost	18	18		
Interest cost	37	39	4	4
Participant contributions	-	-	8	10
Plan amendments	-	-	2	7
Actuarial loss (gain)	43	50	-	(18)
Benefits paid, net of Medicare subsidy	(51)	(46)	16	22
Benefit obligation, end of year	<u>\$ 846</u>	<u>\$ 799</u>	<u>\$ 213</u>	<u>\$ 198</u>
Accumulated benefit obligation, end of year	<u>\$ 821</u>	<u>\$ 771</u>		

MEC paid benefits from the plans to the Respondent's participants totaling \$5.3 million and \$7.5 million for the years ended December 31, 2012 and 2011, respectively. As of December 31, 2012 and 2011, the benefit obligation attributable to the Respondent for the pension plan was \$32.5 million and \$32.2 million, respectively, and for the other postretirement plan was \$23.4 million and \$23.6 million, respectively.

The funded status of the plans for MEC and its participating affiliates as of December 31 is as follows (in millions):

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Plan assets at fair value, end of year	\$ 643	\$ 555	\$ 226	\$ 213
Less - Benefit obligation, end of year	<u>846</u>	<u>799</u>	<u>213</u>	<u>198</u>
Funded status	<u>\$ (203)</u>	<u>\$ (244)</u>	<u>\$ 13</u>	<u>\$ 15</u>

As of December 31, 2012, the Respondent recorded an affiliate company payable included in accumulated provision for pension and benefits relating to the under funded status of the pension plan and an affiliate company receivable included in other special funds relating to the over funded status of the other postretirement plan of \$3.5 million and \$18.1 million, respectively. As of December 31, 2011, the Respondent recorded an affiliate company payable included in accumulated provision for pension and benefits relating to the under funded status of the pension plan and an affiliate company receivable included in other special funds relating to the over funded status of the other postretirement plan of \$5.1 million and \$15.4 million, respectively. Amounts attributable to the Respondent were allocated from MEC to the Respondent 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.

Unrecognized Amounts

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The portion of the funded status of the plans for MEC and its participating affiliates not yet recognized in net periodic benefit cost as of December 31 is as follows (in millions):

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net loss	\$ 121	\$ 111	\$ 51	\$ 48
Prior service cost (credit)	4	4	(53)	(58)
Total	<u>\$ 125</u>	<u>\$ 115</u>	<u>\$ (2)</u>	<u>\$ (10)</u>

A reconciliation of the amounts not yet recognized as components of net periodic benefit cost for MEC and its participating affiliates for the years ended December 31, 2012 and 2011 is as follows (in millions):

	<u>Regulatory Asset</u>	<u>Regulatory Liability</u>	<u>Receivables (Payables) with Affiliates</u>	<u>Total</u>
<u>Pension</u>				
Balance, December 31, 2010	\$ 14	\$ (1)	\$ 9	\$ 22
Net loss arising during the year	85	1	7	93
Net amortization	-	-	-	-
Total	85	1	7	93
Balance, December 31, 2011	99	-	16	115
Net loss arising during the year	14	-	-	14
Net amortization	(3)	-	(1)	(4)
Total	11	-	(1)	10
Balance, December 31, 2012	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 125</u>
<u>Other Postretirement</u>				
Balance, December 31, 2010	\$ -	\$ (8)	\$ (14)	\$ (22)
Net gain arising during the year	16	8	5	29
Prior service credit arising during the year	(15)	-	(4)	(19)
Net amortization	1	-	1	2
Total	2	8	2	12
Balance, December 31, 2011	2	-	(12)	(10)
Net loss arising during the year	6	-	(2)	4
Net amortization	3	-	1	4
Total	9	-	(1)	8
Balance, December 31, 2012	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ (13)</u>	<u>\$ (2)</u>

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The net loss and prior service cost (credit) for MEC and its participating affiliates that will be amortized in 2013 into net periodic benefit cost are estimated to be as follows (in millions):

	<u>Net Loss</u>	<u>Prior Service Cost (Credit)</u>	<u>Total</u>
Pension	\$ 10	\$ 1	\$ 11
Other postretirement	3	(6)	(3)
Total	<u>\$ 13</u>	<u>\$ (5)</u>	<u>\$ 8</u>

The net loss and prior service cost amounts expected to be recognized by the Respondent for the year ended December 31, 2013 for the pension plan and the other postretirement plan are a loss of \$0.2 million and a credit of \$0.9 million, respectively.

Plan Assumptions

Assumptions used to determine benefit obligations and net periodic benefit cost for MEC and its participating affiliates were as follows:

	<u>Pension</u>		<u>Other Postretirement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Benefit obligations as of December 31:				
Discount rate	4.00%	4.75%	3.75%	4.75%
Rate of compensation increase	3.00%	3.50%	N/A	N/A
Net periodic benefit cost for the years ended December 31:				
Discount rate	4.75%	5.50%	4.75%	5.50%
Expected return on plan assets ⁽¹⁾	7.50%	7.50%	7.50%	7.50%
Rate of compensation increase	3.50%	3.50%	N/A	N/A

(1) Amounts reflected are pre-tax values. Assumed after-tax returns for a taxable, non-union other postretirement plan were 5.75% for 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Assumed healthcare cost trend rates as of December 31:		
Healthcare cost trend rate assumed for next year	8.00%	7.40%
Rate that the cost trend rate gradually declines to	5.00%	5.00%
Year that the rate reaches the rate it is assumed to remain at	2018	2016

In establishing MEC's assumption as to the expected return on plan assets, MEC utilizes the expected asset allocation and return assumptions for each asset class based on historical performance and forward-looking views of the financial markets.

A one percentage-point change in assumed healthcare cost trend rates would have the following effects for MEC and its participating affiliates (in millions):

	<u>One Percentage-Point</u>	
Increase (decrease) in:	<u>Increase</u>	<u>Decrease</u>
Total service and interest cost	\$ -	\$ -
Other postretirement benefit obligation	1	(1)

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Contributions and Benefit Payments

MEC's contributions to its pension and other postretirement benefit plans are expected to be \$8 million and \$- million, respectively, during 2013. Funding to MEC's pension benefit plan trust is based upon the actuarially determined costs of the plan and the requirements of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006, as amended. MEC considers contributing additional amounts from time to time in order to achieve certain funding levels specified under the Pension Protection Act of 2006, as amended. MEC's funding policy for its other postretirement benefit plan is to contribute an amount equal to the net periodic benefit cost.

The Respondent's contributions to the pension plan and the other postretirement plan are expected to be \$1.9 million and \$- million, respectively, during 2013. Refer to Note 7 for further discussion regarding the Respondent's Settlement and related transfer of VEBA contributions to ARO allowance.

Net periodic benefit costs assigned to MEC affiliates are reimbursed currently in accordance with the intercompany administrative service agreement. The expected benefit payments to participants in MEC's pension and other postretirement benefit plans for 2013 through 2017 and for the five years thereafter are summarized below (in millions):

	<u>Projected Benefit Payments</u>	
	<u>Pension</u>	<u>Other Postretirement</u>
2013	\$ 53	\$ 15
2014	56	15
2015	56	16
2016	58	17
2017	61	18
2018-22	310	92

Plan Assets

Investment Policy and Asset Allocations

MEC's investment policy for its pension and other postretirement benefit plans is to balance risk and return through a diversified portfolio of debt securities, equity securities, and other alternative investments. Maturities for debt securities are managed to targets consistent with prudent risk tolerances. The plans retain outside investment advisors to manage plan investments within the parameters outlined by the MidAmerican Energy Pension and Employee Benefits Plans Administrative Committee. The investment portfolio is managed in line with the investment policy with sufficient liquidity to meet near-term benefit payments. The return on assets assumption for each plan is based on a weighted-average of the expected historical performance for the types of assets in which the plans invest.

The target allocations (percentage of plan assets) for MEC's pension and other postretirement benefit plan assets are as follows as of December 31, 2012:

	<u>Pension</u>	<u>Other Postretirement</u>
Debt securities ⁽¹⁾	20-30%	25-35%
Equity securities ⁽¹⁾	65-75%	60-80%
Real estate funds	2-8%	- %
Other	0-5%	0-5%

(1) For purposes of target allocation percentages and consistent with the plans' investment policy, investment funds have been allocated based on the underlying investments in debt and equity securities.

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Fair Value Measurements

A financial asset or liability classification within the three levels of the fair value 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 an entity 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 an entity's judgment about the assumptions market participants would use in pricing the asset or liability since limited market data exists. An entity develops these inputs based on the best information available, including its own data.

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The following table presents the fair value of plan assets for MEC and its participating affiliates, by major category, for the defined benefit pension plan (in millions):

	Input Levels for Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
As of December 31, 2012				
Cash equivalents	\$ -	\$ 7	\$ -	\$ 7
Debt securities:				
United States government obligations	19	-	-	19
Corporate obligations	-	31	-	31
Municipal obligations	-	5	-	5
Agency, asset and mortgage-backed obligations	-	29	-	29
Equity securities:				
United States companies	137	-	-	137
Investment funds ⁽¹⁾	101	288	-	389
Real estate funds	-	-	26	26
Total	\$ 257	\$ 360	\$ 26	\$ 643
As of December 31, 2011				
Cash equivalents	\$ -	\$ 9	\$ -	\$ 9
Debt securities:				
United States government obligations	6	-	-	6
Corporate obligations	-	29	-	29
Municipal obligations	-	5	-	5
Agency, asset and mortgage-backed obligations	-	35	-	35
Equity securities:				
United States companies	115	-	-	115
Investment funds ⁽¹⁾	76	256	-	332
Real estate funds	-	-	24	24
Total	\$ 197	\$ 334	\$ 24	\$ 555

- (1) Investment funds are comprised of mutual funds and collective trust funds. These funds represent equity and debt securities of approximately 74% and 26%, respectively, for 2012 and 77% and 23%, respectively, for 2011. Additionally, these funds are invested in United States and international securities of approximately 77% and 23%, respectively, for 2012 and 79% and 21%, respectively, for 2011.

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The following table presents the fair value of plan assets for MEC and its participating affiliates, by major category, for the defined benefit other postretirement plans (in millions):

	<u>Input Levels for Fair Value Measurements</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>As of December 31, 2012</u>				
Cash equivalents	\$ 2	\$ -	\$ -	\$ 2
Debt securities:				
United States government obligations	4	-	-	4
Corporate obligations	-	9	-	9
Municipal obligations	-	32	-	32
Agency, asset and mortgage-backed obligations	-	14	-	14
Equity securities:				
United States companies	102	-	-	102
Investment funds(1)	<u>63</u>	<u>-</u>	<u>-</u>	<u>63</u>
Total	<u>\$ 171</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 226</u>
 <u>As of December 31, 2011</u>				
Cash equivalents	\$ 6	\$ -	\$ -	\$ 6
Debt securities:				
United States government obligations	6	-	-	6
Corporate obligations	-	7	-	7
Municipal obligations	-	30	-	30
Agency, asset and mortgage-backed obligations	-	12	-	12
Equity securities:				
United States companies	88	-	-	88
Investment funds(1)	<u>64</u>	<u>-</u>	<u>-</u>	<u>64</u>
Total	<u>\$ 164</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 213</u>

- (1) Investment funds are comprised of mutual funds and collective trust funds. These funds represent equity and fixed maturity securities of approximately 86% and 14%, respectively, for 2012 and 83% and 17%, respectively, for 2011. Additionally, these funds are invested in United States and international securities of approximately 51% and 49%, respectively, for 2012 and 59% and 41%, respectively, for 2011.

When available, 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. In the absence of a quoted market price or net asset value of an identical security, the fair value is determined using pricing models or net asset values based on observable market inputs and quoted market prices of securities with similar characteristics. When observable market data is not available, the fair value is determined using unobservable inputs, such as estimated future cash flows, purchase multiples paid in other comparable third-party transactions or other information. The real estate funds determine fair value of their underlying assets using independent appraisals given there is no current liquid market for the underlying assets.

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The following table reconciles the beginning and ending balances of MEC's pension plan assets measured at fair value using significant Level 3 inputs for the years ended December 31 (in millions):

	<u>Real Estate Funds</u>	
	<u>2012</u>	<u>2011</u>
Beginning balance		
	\$ 24	\$ 17
Actual return on plan assets still held at period end	2	4
Purchases	-	3
Sales	-	-
Ending balance	<u>\$ 26</u>	<u>\$ 24</u>

MEC sponsors a defined contribution plan for MEC and its participating affiliates covering substantially all employees. MEC's contributions are based primarily on each participant's level of contribution and cannot exceed the maximum allowable for tax purposes. MEC's contributions to the plan were \$16 million and \$15 million for the years ended December 31, 2012 and 2011, respectively.

The Respondent participates in the MEC sponsored defined contribution plan and contributed \$3.9 million and \$3.8 million for the years ended December 31, 2012 and 2011, respectively.

(11) Commitments and Contingencies

In September 2012, an unplanned interruption of the Respondent's service occurred at a customer's location. The Respondent has received a draft report from the customer's third-party consultant alleging a potential loss of approximately \$20.0 million. The Respondent has accrued an estimated liability as of December 31, 2012 and believes the ultimate outcome will not be material to the Respondent's financial results.

Legal Matters

The Respondent is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. The Respondent does not believe that such normal and routine litigation will have a material impact on its financial results. The Respondent 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 and are described below.

The Respondent's storage gas has migrated from its former certificated storage field boundaries near Cunningham, Kansas and has been produced on leaseholds held by Nash Oil & Gas, Inc. ("Nash"), L.D. Drilling Company ("LD Drilling"), Val Energy, Inc. ("Val Energy") and Iuka-Carmi Development, LLC. In order to mitigate its losses, the Respondent has initiated the following actions:

- In September 2009, the Respondent filed an application with the FERC to extend the boundaries of the Cunningham natural gas storage facility. In June 2010, FERC issued an order granting the Respondent certificate authority to extend the boundaries of the Cunningham natural gas storage facility by 12,320 acres. The Respondent has either acquired leases or purchased the property on 3,580 acres, or 29% of the extension area. In July 2010, the Respondent filed a complaint in federal district court to acquire the remaining necessary interests by eminent domain. In June 2011, the Respondent filed a motion for preliminary injunction seeking access to the extension area to construct the facilities necessary to implement its containment plan to control the migrating storage gas. In March 2012, the federal district court judge issued an order granting the Respondent's motion for the preliminary injunction and required security in the form of a cash deposit of \$2.7 million and a

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bond of \$7.8 million, both of which were deposited with the court by the Respondent. The court established a three-person compensation commission in September 2012, to determine the value of the interests to be taken. The Respondent and the defendants are in discovery and deposing witnesses. The next status conference is in May 2013.

- The Respondent filed a lawsuit in December 2008 against Nash, LD Drilling and Val Energy in the United States District Court for the District of Kansas ("District Court") for conversion, nuisance and unjust enrichment. Shortly after the FERC order granting the Respondent authority to expand the boundaries of the Cunningham natural gas storage facility was issued in June 2010, the Respondent filed a motion to shut-in the production of the third-party wells producing the Respondent's storage gas. In December 2010, the District Court granted the Respondent's motion and ordered all of the wells in the extension area to be shut-in, which was completed in February 2011. The defendants appealed the injunction order to the Tenth Circuit Court of Appeals. Oral argument on the appeal was held in November 2011. The Tenth Circuit Court of Appeals affirmed the District Court decision in October 2012. Discovery had been stayed pending the outcome of the Kansas Supreme Court appeal discussed below. The case will now move forward on the Respondent's nuisance claim and the Respondent's conversion claim for gas produced after the June 2010 FERC order.
- In December 2009, the Respondent filed a lawsuit in the 13th Judicial District, District Court, Pratt County, Kansas ("Pratt County State District Court") against ONEOK Field Services Company and Lumen Energy Corporation alleging conversion based on their purchase of the storage gas from the producers. In April 2010, the Pratt County State District Court granted the defendants' motion for summary judgment, finding that the Respondent does not have title to storage gas that has migrated beyond adjoining property. The Respondent appealed the decision to the Kansas Court of Appeals in April 2010, and the appeal was transferred to the Kansas Supreme Court at the Respondent's request. Oral argument was held in March 2011. In March 2013, the Kansas Supreme Court determined that the Respondent lost title to storage gas when it migrated and was produced beyond one mile of the storage field certificated boundaries. The case has been remanded for a determination of the Respondent's recovery of conversion damages from ONEOK and Lumen for storage gas produced after the June 2010 FERC order. On April 15, 2013, the Respondent requested the Pratt County State District Court stay the matter pending further related proceedings.

In December 2011, state court petitions were filed against the Respondent in three counties in Kansas, alleging trespass, nuisance and unjust enrichment, arising out of the migration of the Respondent's storage gas. The cases were moved to federal district court in Wichita, Kansas on December 27, 2011, at the request of the Respondent. The actions had been stayed pending the outcome of the Kansas Supreme Court appeal discussed above. The case will likely remain stayed pending the outcome of the District Court action against the producers.

The Respondent has recorded Cunningham storage gas losses of 13.7 Bcf from 2004 through 2011. In 2011, the wells were shut-in. The replacement cost of storage gas losses is \$- million and \$6.0 million for the years ended December 31, 2012 and 2011, respectively, which are included in operating expenses on the Statements of Income.

While it is not possible to predict with certainty the outcome of the aforementioned litigation and other contingencies, the Respondent believes that the ultimate resolution of these matters will not have a material adverse effect on the Respondent's financial results.

Purchase Obligations

The Respondent expects to incur significant future capital expenditures to meet increased customer growth and system reliability objectives. Capital expenditure needs are reviewed regularly by management and may change significantly as a result of such reviews. Estimates may change significantly at any time as a result of, among other factors, changes in rules and regulations, including environmental; changes in income tax laws; general business conditions; load projections; system reliability standards; the cost and efficiency of construction labor, equipment, and materials; and the cost and availability of capital. Additionally, the Respondent has commitments to two of its largest customers to meet minimum levels of incremental capacity requests through 2022 and 2026.

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Operating Leases, Easements and Maintenance Contracts

The Respondent has non-cancelable operating leases primarily for office space and rights-of-way. The minimum payments under these leases as of December 31, 2012 were \$2.0 million, \$1.7 million, \$1.4 million, \$1.4 million and \$1.3 million for the years 2013 through 2017, respectively, and \$5.1 million for the total of the years thereafter. These amounts are not reflected on the Balance Sheets. Rent expense on non-cancelable operating leases totaled \$4.3 million and \$4.1 million for the years ended December 31, 2012 and 2011, respectively, and was included in operating expenses on the Statements of Income.

(12) Credit Risk

The Respondent has a concentration of customers in the electric and gas utility industries, principally in the upper Midwestern states. This concentration of customers may impact the Respondent's overall exposure to credit risk in that the customer base may be similarly affected by changes in economic, industry, weather or other conditions. The Respondent's ten largest customers accounted for 66% of its system-wide transportation and storage revenue.

The following customers accounted for 10% or more of the Respondent's total operating revenues for the years ended December 31 and customer account receivables as of December 31:

	<u>Revenue</u>		<u>Accounts Receivable</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Xcel Energy, Inc.(1)	15%	15%	13%	13%
CenterPoint Energy Resources Corporation(2)	12	12	16	15
MEC	10	11	11	11

(1) The Respondent's agreements are with Northern States Power-Minnesota, Northern States Power-Wisconsin, Northern States Power-Generation and Southwestern Public Service Company, subsidiaries of Xcel Energy, Inc.

(2) The Respondent's agreements are with CenterPoint Energy Minnesota Gas, CenterPoint Energy Services and CenterPoint Energy Gas Transmission, subsidiaries of CenterPoint Energy Resources Corporation.

For shippers that have withdrawn gas prior to injection under the Respondent's deferred delivery services, the Respondent is exposed to credit risk with respect to those counterparties based upon the value of the gas withdrawn. The balances in miscellaneous current and accrued assets were \$6.4 million and \$8.9 million as of December 31, 2012 and 2011, respectively. Included in these amounts were balances owed from one customer of \$2.8 million and \$4.4 million as of December 31, 2012 and 2011, respectively, which were related to the Respondent's deferred delivery services.

As a general policy, collateral is not required for receivables from creditworthy customers. Customers' financial condition and creditworthiness are regularly evaluated, and historical losses have been minimal. In order to provide protection against credit risk, and as permitted by the terms of the Respondent's tariff, the Respondent has, among other alternatives, required customers that lack creditworthiness as defined by the tariff to provide letters of credit, cash security deposits or to establish separate legally restricted escrow funds to be held until these customers' creditworthiness can be demonstrated. As of December 31, 2012 and 2011, the Respondent has reflected on the Balance Sheets escrow funds of \$2.2 million and \$2.1 million, respectively, in special deposits and \$13.5 million and \$13.4 million, respectively, in other special funds with offsetting amounts in customer deposits.

(13) Other Related Party Transactions

The Respondent is identified as an affiliate of Berkshire Hathaway and its subsidiaries, including MEHC and its subsidiaries. The following transactions are provided for in the intercompany administrative services agreement between the Respondent and its affiliates.

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The Respondent provided gas transportation, storage and other services to MEC totaling \$58.7 million and \$58.6 million for the years ended December 31, 2012 and 2011, respectively. MEC provides certain administrative and management services, including executive, financial, legal, human resources, payroll and tax, to the Respondent. Expenses incurred by MEC and billed to the Respondent are based on the individual services and expense items provided and were \$6.9 million and \$6.6 million for the years ended December 31, 2012 and 2011, respectively. MEC also provided electricity and other services to the Respondent of \$0.5 million for each of the years ended December 31, 2012 and 2011. The Respondent reimbursed MEC \$58.5 million and \$57.9 million for the years ended December 31, 2012 and 2011, respectively, for payroll, healthcare benefits and other benefit payments that MEC processed on behalf of the Respondent.

MEHC provides certain administrative and management services, including executive, financial, legal and tax, to the Respondent. Expenses incurred by MEHC and billed to the Respondent are based on the individual services and expense items provided and were \$3.1 million and \$4.4 million for the years ended December 31, 2012 and 2011, respectively. Income tax transactions with MEHC resulted in net receipts of \$4.5 million and \$21.2 million for the years ended December 31, 2012 and 2011, respectively.

As of December 31, 2012 and 2011, the Respondent had net accounts payable to MEHC and certain subsidiaries for intercompany transactions totaling \$0.5 million and \$2.6 million, respectively.

The Respondent provides certain administrative and management services, including executive, financial, commercial, regulatory and legal, to Kern River Gas Transmission Company ("Kern River"), an indirect wholly owned subsidiary of MEHC. The Respondent billed Kern River \$1.1 million for each of the years ended December 31, 2012 and 2011, for these services.

The Respondent provides risk management services to Kern River, pursuant to a service agreement dated August 1, 2008. The Respondent relinquishes all risks, liabilities, losses and profits associated with these risk management services. For the years ended December 31, 2012 and 2011, the Respondent entered into insignificant risk management transactions that settled on behalf of Kern River.

BNSF Railway Company, an affiliate of the Respondent, provided contributions in aid of construction totaling \$3.9 million and \$-million for the years ended December 31, 2012 and 2011, respectively.

For the years ended December 31, 2012 and 2011, the Respondent received demand promissory notes bearing interest at a 30-day LIBOR plus a fixed per annum rate from MEHC in exchange for cash of \$- million and \$80.0 million, respectively. The balance of the demand promissory notes as of December 31, 2012 and 2011 was \$230.0 million. Interest income of \$1.5 million and \$1.4 million was recorded for the years ended December 31, 2012 and 2011, respectively.

(14) Subsequent Event

In January 2013, the Respondent distributed dividends on common stock of \$80.0 million through its parent company to MEHC.

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Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion				
Line No.	Item (a)	Total Company For the Current Quarter/Year		
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	3,322,213,606		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	75,286,543		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	3,397,500,149		
9	Leased to Others			
10	Held for Future Use	585,866		
11	Construction Work in Progress	17,394,595		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	3,415,480,610		
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,225,436,543		
15	Net Utility Plant (Total of lines 13 and 14)	2,190,044,067		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	1,145,742,669		
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights			
20	Amortization of Underground Storage Land and Land Rights	6,848,041		
21	Amortization of Other Utility Plant	72,742,652		
22	TOTAL In Service (Total of lines 18 thru 21)	1,225,333,362		
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	TOTAL Leased to Others (Total of lines 24 and 25)			
27	Held for Future Use			
28	Depreciation	103,181		
29	Amortization			
30	TOTAL Held for Future Use (Total of lines 28 and 29)	103,181		
31	Abandonment of Leases (Natural Gas)			
32	Amortization of Plant Acquisition Adjustment			
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,225,436,543		

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Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3		3,322,213,606		
4				
5				
6		75,286,543		
7				
8		3,397,500,149		
9				
10		585,866		
11		17,394,595		
12				
13		3,415,480,610		
14		1,225,436,543		
15		2,190,044,067		
16				
17				
18		1,145,742,669		
19				
20		6,848,041		
21		72,742,652		
22		1,225,333,362		
23				
24				
25				
26				
27				
28		103,181		
29				
30		103,181		
31				
32				
33		1,225,436,543		

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Gas Plant in Service (Accounts 101, 102, 103, and 106)

- Report below the original cost of gas plant in service according to the prescribed accounts.
- In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
- Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
- Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	4,841,691	
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	116,781,070	4,533,878
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	121,622,761	4,533,878
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment	53,248	
16	329 Other Structures	97,353	
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines	11,464,140	
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment	16,922	
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and	9,462,913	283,745
27	TOTAL Production and Gathering Plant (Enter Total of lines 8	21,094,576	283,745
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				4,841,691
3				
4	7,166,201			114,148,747
5	7,166,201			118,990,438
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	19,713			33,535
16				97,353
17				
18				
19	8,858,387			2,605,753
20				
21				16,922
22				
23				
24				
25				
26	4,424,023			5,322,635
27	13,302,123			8,076,198
28				
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and	21,094,576	283,745
40	Manufactured Gas Production Plant (Submit Supplementary		
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	21,094,576	283,745
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	1,276,262	
45	350.2 Rights-of-Way	2,360,063	
46	351 Structures and Improvements	26,642,264	391,844
47	352 Wells	86,156,368	15,227,834
48	352.1 Storage Leaseholds and Rights	22,791,164	(2,657,427)
49	352.2 Reservoirs	4,740,534	
50	352.3 Non-recoverable Natural Gas	21,177,672	4,729,801
51	353 Lines	50,352,800	3,183,983
52	354 Compressor Station Equipment	84,926,024	105,988
53	355 Other Equipment	12,840,471	5,784
54	356 Purification Equipment	50,351,427	3,124,640
55	357 Other Equipment	3,754,606	
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	367,369,655	24,112,447
58	Other Storage Plant		
59	360 Land and Land Rights	639,698	
60	361 Structures and Improvements	5,338,900	261,331
61	362 Gas Holders	20,174,119	
62	363 Purification Equipment	6,520,761	250
63	363.1 Liquefaction Equipment	6,848,213	151,659
64	363.2 Vaporizing Equipment	2,016,829	
65	363.3 Compressor Equipment	36,576,324	(66,659)
66	363.4 Measuring and Regulating Equipment	1,807,352	112,272
67	363.5 Other Equipment		
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)	79,922,196	458,853
70	Base Load Liquefied Natural Gas Terminating and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment		
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminating and		

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
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36				
37				
38				
39	13,302,123			8,076,198
40				
41	13,302,123			8,076,198
42				
43				
44				1,276,262
45				2,360,063
46	3,032			27,031,076
47	2,286			101,381,916
48				20,133,737
49				4,740,534
50				25,907,473
51	88,155			53,448,628
52				85,032,012
53	158,693			12,687,562
54	10,407			53,465,660
55				3,754,606
56				
57	262,573			391,219,529
58				
59				639,698
60	8,765		(17,573)	5,573,893
61				20,174,119
62				6,521,011
63				6,999,872
64				2,016,829
65	20,647			36,489,018
66				1,919,624
67				
68				
69	29,412		(17,573)	80,334,064
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Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,	447,291,851	24,571,300	
82	TRANSMISSION PLAN			
83	365.1 Land and Land Rights	2,538,576	136,465	
84	365.2 Rights-of-Way	77,276,046	462,956	
85	366 Structures and Improvements	75,668,492	3,962,246	
86	367 Mains	1,628,209,042	33,200,102	
87	368 Compressor Station Equipment	549,153,942	24,554,594	
88	369 Measuring and Regulating Station Equipment	260,321,870	6,828,126	
89	370 Communication Equipment	302,364	323,053	
90	371 Other Equipment	5,200,699		
91	372 Asset Retirement Costs for Transmission Plant	35,907,172	(7,364,517)	
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)	2,634,578,203	62,103,025	
93	DISTRIBUTION PLANT			
94	374 Land and Land Rights			
95	375 Structures and Improvements			
96	376 Mains			
97	377 Compressor Station Equipment			
98	378 Measuring and Regulating Station Equipment-General			
99	379 Measuring and Regulating Station Equipment-City Gate			
100	380 Services			
101	381 Meters			
102	382 Meter Installations			
103	383 House Regulators			
104	384 House Regulator Installations			
105	385 Industrial Measuring and Regulating Station Equipment			
106	386 Other Property on Customers' Premises			
107	387 Other Equipment			
108	388 Asset Retirement Costs for Distribution Plant			
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)			
110	GENERAL PLANT			
111	389 Land and Land Rights	1,973,200		
112	390 Structures and Improvements	21,244,986	(31,017)	
113	391 Office Furniture and Equipment	35,129,484	1,368,479	
114	392 Transportation Equipment	18,803,713	2,086,763	
115	393 Stores Equipment			
116	394 Tools, Shop, and Garage Equipment	20,907,186	2,384,395	
117	395 Laboratory Equipment	384,474	123,271	
118	396 Power Operated Equipment	5,919,073	395,064	
119	397 Communication Equipment	6,657,779	22,490	
120	398 Miscellaneous Equipment	1,802,447	11,849	
121	Subtotal (Enter Total of lines 111 thru 120)	112,822,342	6,361,294	
122	399 Other Tangible Property			
123	399.1 Asset Retirement Costs for General Plant			
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	112,822,342	6,361,294	
125	TOTAL (Accounts 101 and 106)	3,337,409,733	97,853,242	
126	Gas Plant Purchased (See Instruction 8)			
127	(Less) Gas Plant Sold (See Instruction 8)			
128	Experimental Gas Plant Unclassified			
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	3,337,409,733	97,853,242	

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)					
Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	
81	291,985		(17,573)	471,553,593	
82					
83	13,655		1,105	2,662,491	
84	1,367		43,749	77,781,384	
85	(502,379)		(615,416)	79,517,701	
86	527,939		240,667	1,661,121,872	
87	3,820,661		(292)	569,887,583	
88	1,206,013		297,284	266,241,267	
89			(22,038)	603,379	
90	50,277			5,150,422	
91	3,283,096			25,259,559	
92	8,400,629		(54,941)	2,688,225,658	
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95					
96					
97					
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99					
100					
101					
102					
103					
104					
105					
106					
107					
108					
109					
110					
111				1,973,200	
112				21,213,969	
113	3,194,000			33,303,963	
114	4,202,596			16,687,880	
115					
116	818,374			22,473,207	
117				507,745	
118	338,938			5,975,199	
119			24,534	6,704,803	
120				1,814,296	
121	8,553,908		24,534	110,654,262	
122					
123					
124	8,553,908		24,534	110,654,262	
125	37,714,846		(47,980)	3,397,500,149	
126					
127		47,980	(47,980)		
128					
129	37,714,846	(47,980)		3,397,500,149	

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Gas Property and Capacity Leased from Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	Eagle Rock Field Services, L.P.			300,000
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45	Total			300,000

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Gas Property and Capacity Leased to Others

1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	WTG Hugoton			1,920
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45	Total			1,920

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.
2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Respondent has 3 properties held for future			585,866
2	use each less than \$1,000,000			
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45	Total			585,866

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Carlton-Mesabi Pipe Replacement	129,263	3,243,973
2	Bushton Station Automation	861,617	2,772,564
3	Farmington Controls Upgrade	791,940	4,183,790
4	Phase IV TMS Scheduling Rewrite	2,886,859	1,078,521
5	Cunningham Storage Lease Acquisition Costs	3,710,270	1,027,477
6	SCADA System Upgrade 7.5	799,356	2,756,991
7	Garner Vaporizer B Replacement	4,083	6,984,406
8	Cunningham Dehy 2 Mechanical Upgrade	90,024	1,830,698
9	Lyons Disposal Well	1,854	2,006,142
10	Cunningham Dehy 4 Mechanical Upgrade	88,656	1,819,814
11	Point and Legal Entity Software System Rewrite	1,034,527	928,429
12	MNB67101-02 Odorize Buffalo MN Branch Lines	3,205	1,921,184
13	M471B 20 Class 3 Pipe Replacement	1,667	1,592,026
14	Bore-M432B Marquette 113.01	8,304	1,444,319
15	M440B-North Branch-Carlton 2.48	11,116	1,117,036
16	M460B-42.59-C13 Paullina-Welcome	10,118	1,076,282
17	MNB87701-Elk River-18.69	4,259	1,008,882
18	Redfield Underground Storage Line Replacement	1,007,479	71,183
19	Various Projects under \$1,000,000	5,949,998	9,927,747
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45	Total	17,394,595	46,791,464

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.
2. In column b, list the CP Docket Number where the Commission authorized the facility.
3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)
4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.
5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)
1	Redfield, IA Storage Expansion	CP07-108-000	Market-based	53,883,123
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35				
36				
	Total			53,883,123

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Non-Traditional Rate Treatment Afforded New Projects (continued)

6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility.
7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense).
8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility.
9. In column i, report the amount of depreciation expense accrued on the facility during the year.
10. In column j, list any other expenses(including taxes) allocated to the facility.
11. In column k, report the incremental revenues associated with the facility.
12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project.
13. Provide the total amounts for each column.

Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1	6,144,720	11,478,716	460,826	261,168	1,256,222	844,982	10,996,816
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	6,144,720	11,478,716	460,826	261,168	1,256,222	844,982	10,996,816

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
General Description of Construction Overhead Procedure			

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

Administrative and General Overhead

- (a) Engineering, supervision, general office salaries and expenses, including the cost of construction engineering and supervision services provided by others, related to the general oversight of capital construction or software development projects are charged to an overhead work order. In addition, costs to certify Respondent's and third party welding personnel that will construct Respondent's capital projects are directly charged to an overhead work order.
- (b) Engineering and operations payroll that support construction are direct charged to the overhead work order for allocation to capital construction projects. Property accounting payroll incurred in support of capital construction and software development projects is also charged directly to the overhead work order for allocation to both construction and software development projects. A study was conducted to determine which other employees devote a portion of their time in support of construction or software development activities. Based on this study a fixed amount of payroll and a proportionate share of Respondent's Omaha office cost are charged each month to the overhead work order to be allocated to both construction and software development projects.
- (c) The overhead costs are allocated to individual projects based on direct charges to each capital construction or internally developed software project. Allocation rates are periodically adjusted throughout the year based on the forecast of overhead costs to direct capital charges to ensure that the balance of the overhead work order at the end of the year is cleared.
- (d) Separate overhead allocation rates are developed for construction and software development projects.
- (e) Overhead rates are based on the ratio of charges forecast to be charged as capital overhead to the total forecast of capital construction and software development expenditures to be charged directly to projects. Engineering and operations related overheads are allocated to capital construction projects and information technology related overhead charges are allocated to software development projects. General office salaries and expenses are allocated to both construction and software development projects.
- (f) Overhead is directly assigned to each work order based on current month charges to the project excluding overheads.

Engineering As-Built Overhead

- (a) Engineering, supervision, general office salaries and expenses, including the cost of engineering and supervision services provided by others, related to the creation of construction as-built drawings are charged to an overhead work order set up solely to capture as-built construction costs. The costs charged to this work order are separate from and are not included in the administrative and general overhead.
- (b) Engineering payroll and charges for engineering services provided by others incurred for the creation of capital construction as-built drawings and records are charged directly to the as-built overhead work order. A study was conducted to determine the ratio of engineering payroll capitalized for creation of as-built records for capital construction and based on this study a pro-rata share of Respondent's office building space and related costs is charged to the as-built overhead work order each month.
- (c) The overhead costs are allocated to individual projects based on direct charges to each capital construction. The allocation rate is periodically adjusted throughout the year based on the forecast of overhead costs to direct capital charges to ensure that the balance in the overhead work order at the end of the year is cleared.

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General Description of Construction Overhead Procedure			

- (d) Overheads are allocated using a single overhead rate.
- (e) There is no differentiation in rates for different types of construction.
- (f) Overhead is directly assigned to each work order based on current month charges to the project excluding overheads.

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.

2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.

3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):				
Line No.	Title (a)	Amount (b)	Capitalization Ratio (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S		
	(2) Short-Term Interest			s
	(3) Long-Term Debt	D 900,000,000	41.10	d 4.96
	(4) Preferred Stock	P		p
	(5) Common Equity	C 1,289,711,277	58.90	c 12.00
	(6) Total Capitalization		100.00	
	(7) Average Construction Work In Progress Balance	W 23,521,813		
2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$			2.04	
3. Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$			7.07	
4. Weighted Average Rate Actually Used for the Year:				
a. Rate for Borrowed Funds -			2.29	
b. Rate for Other Funds -			6.88	

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	1,112,897,790	1,112,794,609	103,181	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	57,033,321	57,033,321		
4	(403.1) Depreciation Expense for Asset Retirement Costs	12,316,720	12,316,720		
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):	47,959	47,959		
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	69,398,000	69,398,000		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(22,826,502)	(22,826,502)		
13	Cost of Removal	(8,079,181)	(8,079,181)		
14	Salvage (Credit)	(1,453,116)	(1,453,116)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(29,452,567)	(29,452,567)		
16	Other Debit or Credit Items (Describe) (footnote details):	709,746	709,746		
17					
18	Book Cost of Asset Retirement Costs	(7,707,119)	(7,707,119)		
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	1,145,845,850	1,145,742,669	103,181	
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas				
22	Production and Gathering-Natural Gas	(19,887,037)	(19,887,037)		
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	135,989,612	135,989,612		
25	Other Storage Plant	46,084,869	46,084,869		
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission	926,543,960	926,440,779	103,181	
28	Distribution				
29	General	57,114,446	57,114,446		
30	TOTAL (Total of lines 21 thru 29)	1,145,845,850	1,145,742,669	103,181	

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	27,903,863	41,211,532		(207,581)				68,907,814
2	Gas Delivered to Storage	525,533			51,368,956				51,894,489
3	Gas Withdrawn from				51,626,054				51,626,054
4	Other Debits and Credits				(2,782,889)				(2,782,889)
5	Balance at End of Year	28,429,396	41,211,532		(3,247,568)				66,393,360
6	Dth	37,219,100	14,000,000		(933,212)				50,285,888
7	Amount Per Dth	0.7638	2.9437		3.4800				1.3203

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Investments (Account 123, 124, and 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for:
 - (a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
 - (b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	* (b)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Account 124 - Notes Receivable	*		
2	ZG Gathering, Ltd. (formerly known as McDay Energy Partners, Ltd) and Ms. Betty Lou Sheerin		1,894,718	
3	(Original issuance date 3/8/1999, 120 monthly payments beginning May, 1999)			
4				
5	Collectibility Reserve - ZG Gathering Notes		(1,894,718)	
6				
7	Total - Account 124			
8				
9				
10				
11				
12				
13				
14	Account 136 - Temporary Cash Investments			
15				
16	Short-term Money Market Investments		50,000,240	1,352,997,655
17				
18	Total Account 136		50,000,240	1,352,997,655
19				
20				
21				
22	Account 145 - Notes Receivable - Associated Companies			
23	Promissory notes issued by MidAmerican Energy Holdings Company payable on demand		230,000,000	
24				
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Investments (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2	1,894,718				0
3					
4					
5	(1,894,718)				
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16	1,312,662,566		90,335,329	31,994	
17					
18	1,312,662,566		90,335,329	31,994	
19					
20					
21					
22					
23			230,000,000	1,496,572	
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	1,477,994
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	2,473,675
6	TOTAL	3,951,669

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Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Deferred regulatory commission expense	4,125,180	602,976	928	1,289,966		3,438,190
2							
3	FAS 106 implementation deferral	1,026,574		926	1,026,574		
4							
5	Asset retirement obligation	14,072,459	14,086,571	230	7,957,015		20,202,015
6							
7	Deferred FERC annual charge	1,290,415	1,713,803	928	1,718,866		1,285,352
8							
9	Deferred income taxes for AFUDC equity	14,980,386	783,478	421	262,052		15,501,812
10							
11	Deferred migration costs	1,839,318		921	649,171		1,190,147
12							
13	Deferred system upgrade costs	1,531,107		921	540,391		990,716
14							
15	Smartpigging/hydrostatic testing	25,046,825	13,388,808	833,863	8,612,593		29,823,040
16							
17	Defined benefit pension plan	5,119,303	3,462,347	228.3	5,119,303		3,462,347
18							
19	Unrealized loss on derivatives, net	63,907,685	9,936,188	483,803	5,019,812		68,824,061
20							
21	Encroachment revaluation	2,656,371	47,463	813	2,703,834		
22							
23	Fuel, unaccounted for, and other trackers	6,466,145	14,034,182	813,855	15,489,303		5,011,024
24							
25	Interest rate lock	397,963		428	34,990		362,973
26							
27							
28							
29							
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40	Total	142,459,731	58,055,816		50,423,870	0	150,091,677

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Northern Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2012/Q4</u>

Miscellaneous Deferred Debits (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits	Balance at Beginning of Year	Debits	Credits Account Charged	Credits Amount	Balance at End of Year
	(a)	(b)	(c)	(d)	(e)	(f)
1	Payroll/investment credits (Nebraska					
2	Legislative Bill 775)	3,205,111		143	259,669	2,945,442
3						
4	Advance payments	416,431	122,204	165	64,727	473,908
5						
6	Unbilled contribution in aid					
7	of construction	1,390,503		174	472,218	918,285
8						
9	Minor items less than \$250,000		143,662			143,662
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11						
12						
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39	Miscellaneous Work in Progress					
40	Total	5,012,045	265,866		796,614	4,481,297

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Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	117,146,207	39,945,550	5,793,802
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	117,146,207	39,945,550	5,793,802
6	Other (Specify) (footnote details)	138,364,118		
7	TOTAL Account 190 (Total of lines 5 thru 6)	255,510,325	39,945,550	5,793,802
8	Classification of TOTAL			
9	Federal Income Tax	205,211,960	32,309,732	4,045,542
10	State Income Tax	50,298,365	7,635,818	1,748,260
11	Local Income Tax			

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3	58,368	27,401,208	219	1,051,772			109,285,527
4							
5	58,368	27,401,208		1,051,772			109,285,527
6	27,219,176						111,144,942
7	27,277,544	27,401,208		1,051,772			220,430,469
8							
9	22,214,277	22,308,743		856,544		354,938	176,540,630
10	5,063,267	5,092,465		195,228		(354,938)	43,889,839
11							

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Account 201			
2	Common stock - not listed on any stock exchange	10,000	1.00	
3	Total common stock	10,000		
4				
5	Account 204			
6	Preferred stock - not listed on any stock exchange	1,000	0.01	
7	(Series A, 6%, cumulative)			
8	Total preferred stock	1,000		
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Capital Stock (Accounts 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1						
2	1,002	1,002				
3	1,002	1,002				
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Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.
 (b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
 (c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
 (d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	211 Other Paid-In Capital	981,867,972
2		
3		
4		
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40	Total	981,867,972

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

On August 27, 2012 the Respondent issued \$250.0 million of 4.10% senior bonds due September 15, 2042 at the offering price of 99.826%. The sale of the bonds to institutional investors was conducted by BNP PARIBAS and Wells Fargo Securities as joint book-running managers in reliance on the exemption from registration provided by Rule 144A and other provisions of the Securities Act of 1933. The net proceeds were used to repay at maturity the Respondent's \$300.0 million 5.375% senior notes due October 31, 2012.

I. Securities Issued

\$250,000,000 4.10% Senior Bonds due 9/15/2042 dated 8/27/2012

Entry:

131 Cash	247,299,240	
226 Unamortized discount on long-term debt	435,000	
181 Unamortized debt expense	2,265,760	
221 Bonds		250,000,000

II. Securities Retired

\$300,000,000 5.375% Senior Notes due 10/31/2012

Entry:

131 Cash		300,000,000
224 Other Long-Term Debt	300,000,000	

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Long-Term Debt (Accounts 221, 222, 223, and 224)

- Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	224			
2	5.375% Senior Notes Due 10/31/12	10/15/2002	10/31/2012	
3	5.125% Senior Notes Due 05/01/2015	04/14/2005	05/01/2015	100,000,000
4	5.75% Senior Notes Due 07/15/2018	07/15/2008	07/15/2018	200,000,000
5	4.25% Senior Notes Due 06/1/2021	04/20/2011	06/01/2021	200,000,000
6	subtotal			500,000,000
7	221			
8	5.80% Senior Bonds Due 02/15/2037	02/12/2007	02/15/2037	150,000,000
9	4.10% Senior Bonds Due 09/15/2042	08/27/2012	09/15/2042	250,000,000
10	subtotal			400,000,000
11				
12				
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40	TOTAL			900,000,000

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Long-Term Debt (Accounts 221, 222, 223, and 224)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)
1					
2	5.375	13,437,500			
3	5.125	5,125,000			
4	5.750	11,500,000			
5	4.250	8,500,000			
6		38,562,500			
7					
8	5.800	8,700,000			
9	4.100	3,530,555			
10		12,230,555			
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40		50,793,055			

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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	Account 181 Unamortized Debt Expense				
2	5.375% Senior Notes Due 2012	300,000,000	4,354,997	10/15/2002	10/31/2012
3	5.125% Senior Notes Due 2015	100,000,000	884,929	04/14/2005	05/01/2015
4	5.75%Senior Notes Due 2018	200,000,000	1,794,586	07/15/2008	07/15/2018
5	4.25% Senior Notes Due 2021	200,000,000	1,604,642	04/20/2011	06/01/2021
6	5.80% Senior Bonds Due 2037	150,000,000	1,012,926	02/12/2007	02/15/2037
7	4.10% Senior Bonds Due 2042	250,000,000	2,265,760	08/27/2012	09/15/2042
8	Total 181	1,200,000,000	11,917,840		
9					
10	Account 226 Unamortized Debt Discount				
11	5.375% Senior Notes Due 2012	300,000,000	423,000	10/15/2002	10/31/2012
12	5.125% Senior Notes Due 2015	100,000,000	135,000	04/14/2005	05/01/2015
13	5.75% Senior Notes Due 2018	200,000,000	46,000	07/15/2008	07/15/2018
14	4.25% Senior Notes Due 2021	200,000,000	44,000	04/20/2011	06/01/2021
15	5.80% Senior Bonds Due 2037	150,000,000	106,500	02/12/2007	02/15/2037
16	4.10% Senior Bonds Due 2042	250,000,000	435,000	08/27/2012	09/15/2042
17	Total 226	1,200,000,000	1,189,500		
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.

7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2	459,040		459,040	
3	343,541		97,202	246,339
4	1,287,173		166,650	1,120,523
5	1,559,437	(46,500)	130,958	1,381,979
6	941,980		17,156	924,824
7		2,265,760	15,964	2,249,796
8	4,591,171	2,219,260	886,970	5,923,461
9				
10				
11	44,587		44,587	
12	52,409		14,829	37,580
13	32,994		4,272	28,722
14	41,556		3,662	37,894
15	99,042		1,804	97,238
16		435,000	3,065	431,935
17	270,588	435,000	72,219	633,369
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Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	134,715,419
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions in aid of construction	10,875,626
6		
7		
8	TOTAL	10,875,626
9	Deductions Recorded on Books Not Deducted for Return	
10	Deferred income tax expense	67,280,001
11	Book Depreciation expense/Regulatory reserve adjustment	61,780,645
12	Other	30,393,014
13	TOTAL	159,453,660
14	Income Recorded on Books Not Included in Return	
15	Book gain from sale of assets	500,558
16		
17		
18	TOTAL	500,558
19	Deductions on Return Not Charged Against Book Income	
20	Amortization of goodwill	68,385,978
21	Tax depreciation	168,008,664
22	Amortization of regulatory assets	11,619,528
23	Litigation reserve	497,550
24	Tax loss on sale of assets	8,797,704
25		
26	TOTAL	257,309,424
27	Federal Tax Net Income	47,234,723
28	Show Computation of Tax:	
29	Federal taxable income	47,234,723
30	Federal statutory rate	35
31	Federal income tax	16,532,153
32	State benefit on federal tax	(1,222,137)
33	Prior year adjustments	2,169,347
34	Audit payment/FIN 48/State bonus adjustment/Other	(141,883)
35	Federal income tax accrual	17,337,480

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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Real and Personal Property Tax		
2			
3	Illinois 2012		
4	Illinois 2011	4,500	
5	Iowa 2012		
6	Iowa 2011	13,658,141	
7	Iowa 2010	6,727,554	
8	Kansas 2012		
9	Kansas 2011	6,460,102	
10	Louisiana 2012		
11	Louisiana 2011	2	
12	Michigan 2012		
13	Minnesota 2012		
14	Minnesota 2011	13,320,232	
15	Nebraska 2012		
16	Nebraska 2011	1,685,498	
17	New Mexico 2012		
18	New Mexico 2011	18,425	
19	North Dakota 2012		
20	North Dakota 2011	1,032	
21	Oklahoma 2012		
22	Oklahoma 2011	253,771	
23	South Dakota 2012		
24	South Dakota 2011	403,124	
25	Texas 2012		
26	Texas 2011	572,360	
27	Wisconsin 2012		
28	Wisconsin 2011	1	
29			
30	Subtotal Real and Personal Property Tax	43,104,742	
31			
32			
33	Federal Income Tax		613,131
34	Other	185,885	
35	FICA	451,565	
36	Federal Unemployment	3,672	
37			
38	Subtotal Federal Tax	641,122	613,131
39			

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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3	4,500			4,500	
4	(88)	4,412			
5	13,526,000	5		13,525,995	
6	(804,641)	6,426,811		6,426,689	
7	5	6,727,559			
8	13,275,225	6,637,622		6,637,603	
9		6,460,102			
10	1,128	1,125		3	
11	(2)				
12	634,000	399,270		234,730	
13	14,570,703			14,570,703	
14	543,733	13,868,329		(4,364)	
15	1,903,400			1,903,400	
16	(59,727)	1,625,910		(139)	
17	35,275	17,638		17,637	
18		18,425			
19	1,032			1,032	
20	(268)	764			
21	487,811	243,907		243,904	
22		253,771			
23	375,002			375,002	
24	27,751	430,874		1	
25	953,352	318,472		634,880	
26	939	573,299			
27	1,379,549	1,379,561		(12)	
28	(1)				
29					
30	46,854,678	45,387,856		44,571,564	
31					
32					
33	17,337,480	(7,109,784)		23,834,133	
34			(1,080,072)	(894,187)	
35	5,054,344	5,302,781		203,128	
36	39,115	41,394		1,393	
37					
38	22,430,939	(1,765,609)	(1,080,072)	23,144,467	
39					

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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3		4,500		
4		(88)		
5		13,526,000		
6		(804,641)		
7		5		
8		13,275,225		
9				
10		1,128		
11		(2)		
12		634,000		
13		14,570,703		
14		543,733		
15		1,903,400		
16		(59,727)		
17		35,275		
18				
19		1,032		
20		(268)		
21		487,811		
22				
23		375,002		
24		27,751		
25		953,352		
26		939		
27		1,379,549		
28		(1)		
29				
30		46,854,678		
31				
32				
33		37,826,855		(20,489,375)
34				
35		4,238,197		
36		33,084		
37				
38		42,098,136		(20,489,375)
39				

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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
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35				816,147	
36				6,031	
37					
38				822,178	
39					

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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	State Income Tax		
2			
3	Illinois		33,914
4	Iowa		1,021,606
5	Kansas		4,495
6	Michigan		10,088
7	Minnesota		227,081
8	Nebraska		3,736
9	New Mexico		31,888
10	North Dakota		1,508
11	Oklahoma		80,778
12	Texas		532
13	Wisconsin		115,188
14	Other	50,685	
15			
16	Subtotal State Income Tax	50,685	1,530,814
17			
18	State Unemployment Tax (SUTA)		
19			
20	Illinois		
21	Iowa	87	
22	Kansas	5	
23	Michigan		
24	Minnesota	758	
25	Nebraska	243	
26	New Mexico		
27	Oklahoma	141	
28	South Dakota		
29	Texas	127	
30	Wisconsin	230	
31			
32	Subtotal State Unemployment Tax	1,591	
33			
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39			

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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3	15,195			(18,719)	
4	2,908,910	1,766,442		120,860	
5	757,748	304,000		449,253	
6	(45,320)	(53,078)		(2,330)	
7	877,849	207,940		442,829	
8	629,828	257,000		369,092	
9	14,244	(32,007)		14,363	
10	1,318			(190)	
11	(23,134)	(213,576)		109,663	
12	140,455	51,043		88,881	
13	254,408	113,464		25,757	
14			(5,567)	45,118	
15					
16	5,531,501	2,401,228	(5,567)	1,644,577	
17					
18					
19					
20					
21	3,528	3,528		87	
22	1,074	1,078		1	
23	1,233	1,233			
24	34,336	34,017		1,077	
25	25,747	25,394		596	
26					
27	5,481	5,371		251	
28	480	480			
29	9,517	9,644			
30	8,193	8,280		143	
31					
32	89,589	89,025		2,155	
33					
34					
35					
36					
37					
38					
39					

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3		26,177		(10,982)
4		5,011,304		(2,102,394)
5		1,305,404		(547,656)
6		(78,075)		32,755
7		1,512,307		(634,458)
8		1,085,031		(455,203)
9		24,539		(10,295)
10		2,271		(953)
11		(39,854)		16,720
12		241,967		(101,512)
13		438,279		(183,871)
14				
15				
16		9,529,350		(3,997,849)
17				
18				
19				
20				
21		2,820		
22		862		
23		986		
24		27,187		
25		20,295		
26				
27		4,292		
28		384		
29		7,708		
30		6,618		
31				
32		71,152		
33				
34				
35				
36				
37				
38				
39				

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					7.30
4					12.00
5					7.10
6					4.95
7					9.80
8					7.81
9					7.60
10					6.50
11					6.00
12					1.00
13					7.90
14					
15					
16					
17					
18					
19					
20					
21				708	
22				212	
23				247	
24				7,149	
25				5,452	
26					
27				1,189	
28				96	
29				1,809	
30				1,575	
31					
32				18,437	
33					
34					
35					
36					
37					
38					
39					

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Use Tax		
2			
3	Illinois		
4	Iowa	59,943	
5	Kansas	44,786	
6	Louisiana		
7	Michigan	1,024	
8	Minnesota	19,348	
9	Nebraska	27,500	
10	New Mexico		
11	North Dakota		
12	Oklahoma	(1,821)	
13	South Dakota	(3,719)	
14	Texas	7,429	
15	Wisconsin	5,632	
16	Sales Tax	355	
17			
18	Subtotal Use Tax	160,477	
19			
20	Franchise Tax		
21	Nebraska		
22	Kansas		
23	Oklahoma		
24			
25	Subtotal Franchise Tax		
26			
27			
28			
29			
30			
31			
32			
33			
34			
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37			
38			
39			
TOTAL		43,958,617	2,143,945

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3	490	2		488	
4	366,850	399,952		26,841	
5	405,286	405,622		44,450	
6					
7	8,869	11,029		(1,136)	
8	543,414	454,564		108,198	
9	263,475	255,001		35,974	
10	2,758	2,706		52	
11					
12	26,679	23,554		1,304	
13	20,655	18,511		(1,575)	
14	117,255	117,895		6,789	
15	25,935	31,852		(285)	
16		355			
17					
18	1,781,666	1,721,043		221,100	
19					
20					
21	30,000	30,000			
22					
23	20,100	20,100			
24					
25	50,100	50,100			
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL	76,738,473	47,883,643	(1,085,639)	69,583,863	

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4				
5				
6				
7				
8		389,058		
9				
10				
11				
12				
13				
14				
15				
16		222,591		
17				
18		611,649		
19				
20				
21		30,000		
22				
23		20,100		
24				
25		50,100		
26				
27				
28				
29				
30				
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39				
TOTAL		99,215,065		(24,487,224)

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3				490	
4				366,850	
5				405,286	
6					
7				8,869	
8				154,356	
9				263,475	
10				2,758	
11					
12				26,679	
13				20,655	
14				117,255	
15				25,935	
16				(222,591)	
17					
18				1,170,017	
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
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37					
38					
39					
TOTAL				2,010,632	

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Miscellaneous Current and Accrued Liabilities (Account 242)

- Describe and report the amount of other current and accrued liabilities at the end of year.
- Minor items (less than \$250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Contingent loss	10,000,000
2	Accrued vacation and other employee benefits	7,738,288
3	Transportation and exchange gas payable	5,872,653
4	Accrued Department of Transportation safety user fees	855,622
5	Contract retainage	667,858
6	DCP Midstream condensate accrual	257,886
7	Minor items	633,654
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
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44		
45	Total	26,025,961

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Environmental remediation	382,717	864	174,031		208,686
2	Contribution in aid of construction obligation	450,000	421.1	450,000		
3	Retained customer security deposit	393,672	101 & 421	393,672		
4	Other			4,891		(4,891)
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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44						
45	Total	1,226,389		1,022,594	0	203,795

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas	528,671,202	33,939,269	3,042,644
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	528,671,202	33,939,269	3,042,644
6	Other (Specify) (footnote details)	690,906		
7	TOTAL Account 282 (Enter Total of lines 5 thr	529,362,108	33,939,269	3,042,644
8	Classification of TOTAL			
9	Federal Income Tax	441,718,254	28,061,297	2,868,407
10	State Income Tax	87,643,854	5,877,972	174,237
11	Local Income Tax			

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3	360,202						559,928,029
4							
5	360,202						559,928,029
6							690,906
7	360,202						560,618,935
8							
9	293,341						467,204,485
10	66,861						93,414,450
11							

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Accumulated Deferred Income Taxes-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas	61,350,874	6,008,540	30,723,706
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	61,350,874	6,008,540	30,723,706
6	Other (Specify) (footnote details)	47,769	8,774	
7	TOTAL Account 283 (Total of lines 5 thru	61,398,643	6,017,314	30,723,706
8	Classification of TOTAL			
9	Federal Income Tax	49,695,523	4,894,105	24,984,658
10	State Income Tax	11,703,120	1,123,209	5,739,048
11	Local Income Tax			

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3	27,393,541	692,059					63,337,190
4							
5	27,393,541	692,059					63,337,190
6							56,543
7	27,393,541	692,059					63,393,733
8							
9	22,308,742	563,594		354,938			51,705,056
10	5,084,799	128,465		(354,938)			11,688,677
11							

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of <u>2012/Q4</u>	
Other Regulatory Liabilities (Account 254)							
<p>1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory liabilities being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).</p>							
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Carlton resolution credits	802,178	131	3,076,925		3,187,709	912,962
2							
3	Penalty and Deferred Delivery Variance Charge Revenue Crediting Mechanism	663,534	131	587,663		421,722	497,593
4							
5	Interest rate lock	684,515	428	193,677			490,838
6	(ref. \$100M Sr. Notes due 5-1-2015)						
7							
8	Employee benefits	15,445,137	128	15,445,137		18,128,607	18,128,607
9							
10	Encroachment revaluation					47,463	47,463
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
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45	Total	17,595,364		19,303,402	0	21,785,501	20,077,463

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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Monthly Quantity & Revenue Data by Rate Schedule

- Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
- Total Quantities and Revenues in whole numbers
- Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
- Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
- Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
1	Total Sales (480-488)	115,440			652,789	652,789
2	Transportation of Gas for Others (489.2 and 489..3)					
3	CS-1	1,682,179			27,813	27,813
4	TF	30,628,137		54,724	9,284,402	9,339,126
5	TFX	45,705,520		81,673	17,306,987	17,388,660
6	GS-T					
7	TI	3,152,369		5,913	498,331	504,244
8	SMS	1,660,948			911,443	911,443
9	Less: CS-1 units	-1,682,179				
10	Less: SMS units in other rate schedules	-1,660,948				
11						
12						
13						
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15						
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule

- Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
- Total Quantities and Revenues in whole numbers
- Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
- Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
- Enter footnotes as appropriate.

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1	117,123			743,616	743,616	184,598			1,170,092	1,170,092
2										
3	1,681,610			27,083	27,083	1,652,480			27,144	27,144
4	28,978,824		52,729	24,844,439	24,897,168	36,128,053		65,863	25,082,496	25,148,359
5	50,183,150		90,973	37,392,222	37,483,195	63,004,582		113,084	36,607,427	36,720,511
6						3,000			2,000	2,000
7	2,691,667		4,909	505,520	510,429	2,155,558		4,040	276,821	280,861
8	2,522,332			929,785	929,785	2,285,817			926,288	926,288
9	-1,681,610					-1,652,480				
10	-2,522,332					-2,285,817				
11										
12										
13										
14										
15										
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)						
Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
47						

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)										
Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
47										

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	79,486,026		142,310	28,028,976	28,171,286
64	Storage (489.4)					
65	FDD-1	433,866			6,824,456	6,824,456
66	IDD-1	1,227,612			193,736	193,736
67	PDD-1	145,489			1,476,100	1,476,100
68						
69						
70						
71						
72						
73						
74						
75						
76						
77						
78						
79						
80						
81						
82						
83						
84						
85						
86						
87						
88						
89						
90	Total Storage	1,806,967			8,494,292	8,494,292
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible	105,366			3,646	3,646
94	Total Gathering (489.1)	105,366			3,646	3,646
95	Additional Revenues					
96	Products Sales and Extraction (490-492)	47			132	132
97	Rents (493-494)				4,916	4,916
98	Other Gas Revenues (495)				35,375	35,375
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues	47			40,423	40,423

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)										
Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63	81,853,641		148,611	63,699,049	63,847,660	101,291,193		182,987	62,922,176	63,105,163
64										
65	242,240			2,119,982	2,119,982	6,150,026			2,136,526	2,136,526
66	1,287,335			193,276	193,276	1,337,526			217,685	217,685
67	307,809			1,417,339	1,417,339	2,940,466			1,353,481	1,353,481
68										
69										
70										
71										
72										
73										
74										
75										
76										
77										
78										
79										
80										
81										
82										
83										
84										
85										
86										
87										
88										
89										
90	1,837,384			3,730,597	3,730,597	10,428,018			3,707,692	3,707,692
91										
92										
93	112,992			3,909	3,909	118,087			4,086	4,086
94	112,992			3,909	3,909	118,087			4,086	4,086
95										
96	-248			(4,526)	(4,526)	-29			(549)	(549)
97				29,916	29,916				34,416	34,416
98				47,542	47,542				82,859	82,859
99										
100	-248			72,932	72,932	-29			116,726	116,726

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)						
Line No.	Item	Month 1 Quantity	Month 1 Revenue Costs and Take-or-Pay	Month 1 Revenue (GRI & ACA)	Month 1 Revenue (Other)	Month 1 Revenue (Total)
	(a)	(b)	(c)	(d)	(e)	(f)
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	81,513,846		142,310	37,220,126	37,362,436

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule (continued)										
Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
101	83,920,892		148,611	68,250,103	68,398,714	112,021,867		182,987	67,920,772	68,103,759

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Gas Operating Revenues

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities			1,675,168	1,719,064
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:			1,675,168	1,719,064
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:			1,675,168	1,719,064

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1						
2	6,125,527	6,914,444	6,125,527	6,914,444	881,590	633,383
3						
4	12,670,733	48,385,758	12,670,733	48,385,758	3,233,273	10,399,654
5						
6						
7						
8						
9	116,705	270,873	116,705	270,873	3,372,983	8,011,280
10	496,116,858	489,984,522	497,792,026	491,703,586	928,977,052	917,732,409
11						
12	67,055,903	63,013,471	67,055,903	63,013,471	121,210,786	111,853,937
13						
14						
15	229,112	224,921	229,112	224,921		
16	274,206	97,391	274,206	97,391		
17						
18	3,504,054	6,523,403	3,504,054	6,523,403		
19	586,093,098	615,414,783	587,768,266	617,133,847		
20						
21	586,093,098	615,414,783	587,768,266	617,133,847		

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Current Year (d)
1	TFX and MOPS GA				
2	TI and MOPS GA				
3					
4	Total				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)

3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e).
4. Delivered Dth of gas must not be adjusted for discounting.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1		1,194		1,194		217,103
2	116,705	269,679	116,705	269,679	3,372,983	7,794,177
3						
4	116,705	270,873	116,705	270,873	3,372,983	8,011,280
5						
6						
7						
8						
9						
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	GS-T			3	55
2	SMS				
3	TF			577,024	621,204
4	TFX			1,037,627	1,025,811
5	TI			60,514	71,994
6	CS-1				
7	Deduct SMS units in other rate schedules				
8	Deduct CS-1 units				
9					
10	Total			1,675,168	1,719,064
11					
12					
13					
14					
15					
16					
17					
18					
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20					
21					
22					
23					
24					
25					

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1	3,267	15,266	3,270	15,321	4,802	20,829
2	11,083,428	11,106,987	11,083,428	11,106,987	25,857,278	22,923,580
3	185,965,774	185,476,958	186,542,798	186,098,162	319,857,577	331,313,965
4	294,700,026	287,571,427	295,737,653	288,597,238	575,804,446	548,197,162
5	4,042,561	5,463,024	4,103,075	5,535,018	33,310,227	38,200,453
6	321,802	350,860	321,802	350,860	20,394,906	22,160,316
7					(25,857,278)	(22,923,580)
8					(20,394,906)	(22,160,316)
9						
10	496,116,858	489,984,522	497,792,026	491,703,586	928,977,052	917,732,409
11						
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	FDD-1				
2	IDD-1				
3	PDD-1				
4					
5					
6	Total				
7					
8					
9					
10					
11					
12					
13					
14					
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25					

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Revenues from Storing Gas of Others (Account 489.4)

4. Dth of gas withdrawn from storage must not be adjusted for discounting.
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	49,424,581	49,041,390	49,424,581	49,041,390	60,584,459	59,688,913
2	2,723,327	2,413,478	2,723,327	2,413,478	17,703,339	13,641,024
3	14,907,995	11,558,603	14,907,995	11,558,603	42,922,988	38,524,000
4						
5						
6	67,055,903	63,013,471	67,055,903	63,013,471	121,210,786	111,853,937
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Northern Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2012/Q4</u>

Other Gas Revenues (Account 495)

Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	409,827
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	3,094,227
12		
13		
14		
15		
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17		
18		
19		
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	Total	3,504,054

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Discounted Rate Services and Negotiated Rate Services

1. In column b, report the revenues from discounted rate services.
2. In column c, report the volumes of discounted rate services.
3. In column d, report the revenues from negotiated rate services.
4. In column e, report the volumes of negotiated rate services.

Line No.	Account (a)	Discounted Rate Services Revenue (b)	Discounted Rate Services Volumes (c)	Negotiated Rate Services Revenue (d)	Negotiated Rate Services Volumes (e)
1	Account 489.1, Revenues from transportation of gas of others through gathering facilities.				
2	Account 489.2, Revenues from transportation of gas of others through transmission facilities.	184,794,457	456,205,859	46,566,822	28,543,353
3	Account 489.4, Revenues from storing gas of others.	14,507,360	40,266,042	1,571,962	3,000,000
4	Account 495, Other gas revenues.				
5					
6					
7					
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39					
	Total	199,301,817	496,471,901	48,138,784	31,543,353

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals	0	0	
62	796 Nonproductive Well Drilling	0	0	
63	797 Abandoned Leases	0	0	
64	798 Other Exploration	0	0	
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0	
66	D. Other Gas Supply Expenses			
67	Operation			
68	800 Natural Gas Well Head Purchases	0	0	
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0	
70	801 Natural Gas Field Line Purchases	0	0	
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0	
72	803 Natural Gas Transmission Line Purchases	16,843,441	62,757,144	
73	804 Natural Gas City Gate Purchases	0	0	
74	804.1 Liquefied Natural Gas Purchases	0	0	
75	805 Other Gas Purchases	1,957,654	(11,275,286)	
76	(Less) 805.1 Purchases Gas Cost Adjustments	0	0	
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	18,801,095	51,481,858	
78	806 Exchange Gas	(170,356)	3,397,969	
79	Purchased Gas Expenses			
80	807.1 Well Expense-Purchased Gas	0	0	
81	807.2 Operation of Purchased Gas Measuring Stations	0	0	
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0	
83	807.4 Purchased Gas Calculations Expenses	0	0	
84	807.5 Other Purchased Gas Expenses	0	0	
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	0	0	

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Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering	0	0	
150	844.2 LNG Processing Terminal Labor and Expenses	0	0	
151	844.3 Liquefaction Processing Labor and Expenses	0	0	
152	844.4 Liquefaction Transportation Labor and Expenses	0	0	
153	844.5 Measuring and Regulating Labor and Expenses	0	0	
154	844.6 Compressor Station Labor and Expenses	0	0	
155	844.7 Communication System Expenses	0	0	
156	844.8 System Control and Load Dispatching	0	0	
157	845.1 Fuel	0	0	
158	845.2 Power	0	0	
159	845.3 Rents	0	0	
160	845.4 Demurrage Charges	0	0	
161	(less) 845.5 Wharfage Receipts-Credit	0	0	
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0	
163	846.1 Gas Losses	0	0	
164	846.2 Other Expenses	0	0	
165	TOTAL Operation (Total of lines 149 thru 164)	0	0	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering	0	0	
168	847.2 Maintenance of Structures and Improvements	0	0	
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0	
170	847.4 Maintenance of LNG Transportation Equipment	0	0	
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0	
172	847.6 Maintenance of Compressor Station Equipment	0	0	
173	847.7 Maintenance of Communication Equipment	0	0	
174	847.8 Maintenance of Other Equipment	0	0	
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0	
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	0	
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	23,068,386	25,596,381	

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
208	874 Mains and Services Expenses	0	0	
209	875 Measuring and Regulating Station Expenses-General	0	0	
210	876 Measuring and Regulating Station Expenses-Industrial	0	0	
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0	
212	878 Meter and House Regulator Expenses	0	0	
213	879 Customer Installations Expenses	0	0	
214	880 Other Expenses	0	0	
215	881 Rents	0	0	
216	TOTAL Operation (Total of lines 204 thru 215)	0	0	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	0	0	
219	886 Maintenance of Structures and Improvements	0	0	
220	887 Maintenance of Mains	0	0	
221	888 Maintenance of Compressor Station Equipment	0	0	
222	889 Maintenance of Measuring and Regulating Station Equipment-General	0	0	
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	0	0	
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0	
225	892 Maintenance of Services	0	0	
226	893 Maintenance of Meters and House Regulators	0	0	
227	894 Maintenance of Other Equipment	0	0	
228	TOTAL Maintenance (Total of lines 218 thru 227)	0	0	
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	0	0	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	0	0	
233	902 Meter Reading Expenses	0	0	
234	903 Customer Records and Collection Expenses	0	0	

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	0	0	
236	905 Miscellaneous Customer Accounts Expenses	0	0	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	0	0	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0	0	
241	908 Customer Assistance Expenses	0	0	
242	909 Informational and Instructional Expenses	875	20,335	
243	910 Miscellaneous Customer Service and Informational Expenses	1,529	102	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	2,404	20,437	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	0	0	
248	912 Demonstrating and Selling Expenses	2,079,616	2,021,116	
249	913 Advertising Expenses	5,396	3,864	
250	916 Miscellaneous Sales Expenses	0	0	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	2,085,012	2,024,980	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	27,519,228	31,582,975	
255	921 Office Supplies and Expenses	9,061,966	13,240,901	
256	(Less) 922 Administrative Expenses Transferred-Credit	1,682,308	1,558,831	
257	923 Outside Services Employed	15,294,739	7,694,818	
258	924 Property Insurance	1,166,354	1,113,759	
259	925 Injuries and Damages	10,954,368	1,418,773	
260	926 Employee Pensions and Benefits	11,491,091	12,687,894	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	3,008,832	2,930,290	
263	(Less) 929 Duplicate Charges-Credit	0	0	
264	930.1 General Advertising Expenses	0	0	
265	930.2 Miscellaneous General Expenses	88,428	108,709	
266	931 Rents	543,402	828,452	
267	TOTAL Operation (Total of lines 254 thru 266)	77,446,100	70,047,740	
268	Maintenance			
269	932 Maintenance of General Plant	0	1,024	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	77,446,100	70,048,764	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	205,885,099	227,326,946	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Northern Natural Gas Company	(1) <input checked="checked" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2012/Q4</u>

Exchange and Imbalance Transactions

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule	Gas Received from Others	Gas Received from Others	Gas Delivered to Others	Gas Delivered to Others
	(a)	Amount (b)	Dth (c)	Amount (d)	Dth (e)
1	Balancing	25,919,099	9,708,153	26,027,285	9,549,516
2	TF	1,041,700,113	364,094,246	1,044,472,165	364,621,273
3	GS-T	4,521	1,650	4,729	1,726
4	TI	519,171,750	179,395,641	519,321,965	179,450,832
5	TFX	2,612,259,049	923,043,402	2,609,398,744	922,230,492
6	MPS	6,216,952,492	2,177,691,606	6,216,952,492	2,177,691,606
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25	Total	10,416,007,024	3,653,934,698	10,416,177,380	3,653,545,445

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Gas Used in Utility Operations

1. Report below details of credits during the year to Accounts 810, 811, and 812.
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit	854/819	9,565,570	27,094,100		
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6	Construction	107/856	8,371	15,858		
7	LNG Compressor Station Fuel	842.1	169,851	405,090		
8	Line Operations	856	1,629,715	4,511,768		
9	Purification Underground Storage	821	55,994	159,828		
10	Other Underground Storage Operations	817/819	205,419	585,089		
11	Condensate	856	12,445	229,112		
12	Unaccounted For	813	2,037,687	5,873,801		
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25	Total		13,685,052	38,874,646		

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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1	Loss on replacement of encroachment volumes	3,547,282
2	Revaluation of encroachments	3,630,376
3	Unaccounted for gas	5,873,801
4	Other	31,677
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25	Total	13,083,136

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
Miscellaneous General Expenses (Account 930.2)				
1. Provide the information requested below on miscellaneous general expenses. 2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.				
Line No.	Description (a)	Amount (in dollars) (b)		
1	Industry association dues.	86,728		
2	Experimental and general research expenses.			
	a. Gas Research Institute (GRI)			
	b. Other			
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent			
4	Other expenses - 2 items	1,700		
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25	Total	88,428		

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas	4,438,643	0		
4	Products extraction plant				
5	Underground gas storage plant	4,946,060			210,153
6	Other storage plant	993,319			
7	Base load LNG terminaling and processing plant				
8	Transmission plant	37,574,470	0		
9	Distribution plant				
10	General plant	9,080,829			
11	Common plant-gas				
12	TOTAL	57,033,321			210,153

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	5,635,371		5,635,371	Intangible plant
2				Production plant, manufactured gas
3			4,438,643	Production and gathering plant, natural gas
4				Products extraction plant
5	31,309		5,187,522	Underground gas storage plant
6			993,319	Other storage plant
7				Base load LNG terminaling and processing plant
8	1,212,917		38,787,387	Transmission plant
9				Distribution plant
10			9,080,829	General plant
11				Common plant-gas
12	6,879,597		64,123,071	TOTAL

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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)	1,055	4.64
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)	338,676	1.25
5	Transmission Plant		
6	Offshore (footnote details)	437	4.64
7	Onshore (footnote details)	2,591,080	1.50
8	General Plant (footnote details)	108,607	0.00
9	ARO, Offshore (footnote details)	30,582	0.00
10	Intangible (footnote details)	114,855	0.00
11	Market Based Underground Storage (footnote details)	53,883	2.34
12	Other Gas Storage Plant (footnote details)	79,677	1.25
13	Other Gas Storage, Computers (footnote details)	11	10.00
14	Transmission Plant, Computers (footnote details)	3,121	10.00
15	Underground Storage, Computers (footnote details)	436	10.00

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Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	426.1 - Donations under \$250,000	343,155
2		
3	426.3 - Penalties	255
4		
5	426.4 - Expenditures for Certain Civic, Political, and Related	
6	Activities under \$250,000	59,412
7		
8	426.5 - Other Deductions	
9	Natural gas swap payments-Kern River Gas Transmission Company	553,425
10	Other	29,849
11	Account subtotal	583,274
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14		
15	431 - Other Interest Expense - primarily interest on penalty trackers	46,013
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Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission RP04-155 Rate Case (over 5 years starting the month after incurred)		8,773,867	8,773,867	4,125,180
2	Federal Energy Regulatory Commission Order No. 472 2011 FERC Annual Charge (Oct 11 - Sep 12)	1,720,553		1,720,553	1,290,415
3	Federal Energy Regulatory Commission Order No. 472 2012 FERC Annual Charge (Oct 12 - Sep 13)	1,713,803		1,713,803	
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25	Total	3,434,356	8,773,867	12,208,223	5,415,595

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Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than \$250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1				602,976	182.3	1,289,966	3,438,190
2					182.3	1,290,415	
3				1,713,803	182.3	428,451	1,285,352
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25				2,316,779		3,008,832	4,723,542

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Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense (a)	Amount (b)
1	Pensions – defined benefit plans	1,257,225
2	Pensions – other	4,380,602
3	Post-retirement benefits other than pensions (PBOP)	3,082
4	Post-employment benefit plans	
5	Other (Specify)	
6	Healthcare and other benefits	5,850,182
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	Total	11,491,091

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Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (line 6)				
22	Customer Service and Informational (line 7)				
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply				
31	Storage, LNG Terminating and Processing	3,255,465			3,255,465
32	Transmission	18,976,882			18,976,882
33	Distribution				
34	Customer Accounts				
35	Customer Service and Informational				
36	Sales				
37	Administrative and General	25,929,635	3,045,698		28,975,333
38	TOTAL Operation (Total of lines 28 thru 37)	48,161,982	3,045,698		51,207,680
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminating and Processing	2,394,561			2,394,561
44	Transmission	11,030,722			11,030,722
45	Distribution				

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
Distribution of Salaries and Wages (continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)	13,425,283			13,425,283
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)				
53	Storage, LNG Terminating and Processing (Total of ll. 31 and 43)	5,650,026			5,650,026
54	Transmission (Total of lines 32 and 44)	30,007,604			30,007,604
55	Distribution (Total of lines 33 and 45)				
56	Customer Accounts (Total of line 34)				
57	Customer Service and Informational (Total of line 35)				
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	25,929,635	3,045,698		28,975,333
60	Total Operation and Maintenance (Total of lines 50 thru 59)	61,587,265	3,045,698		64,632,963
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	61,587,265	3,045,698		64,632,963
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant	7,565,007	29,669	1,336,952	8,931,628
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	7,565,007	29,669	1,336,952	8,931,628
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant	319,191			319,191
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	319,191			319,191
75	Other Accounts (Specify) (footnote details)	1,127,402	52		1,127,454
76	TOTAL Other Accounts	1,127,402	52		1,127,454
77	TOTAL SALARIES AND WAGES	70,598,865	3,075,419	1,336,952	75,011,236

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services.

(b) Total charges for the year.

2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned services.

4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	MICHELS CORPORATION	14,968,682
2	INTERCON CONSTRUCTION INC	5,616,638
3	TRES MANAGEMENT INC	4,695,806
4	AEROTEK INC	4,197,456
5	APPLE ELECTRICAL CONTRACTORS	3,838,124
6	SOVDE ENTERPRISES INC	3,552,197
7	GAS GATHERING SPECIALISTS INC	3,067,436
8	TWO RIVERS PIPELINE AND CONSTRUCTION CO INC	2,735,192
9	BAKER HUGHES BUS SUPPORT SVC	2,582,981
10	AVERY PIPELINE SERVICES INC	2,525,383
11	SERVICE ENGINEERING REPAIR CO INC	2,180,165
12	Q3 CONTRACTING INC	1,633,609
13	TDW SERVICES INC	1,621,606
14	INFRASOURCE CONSTRUCTION LLC	1,614,164
15	MIDWEST UNDERGROUND INC	1,597,369
16	VALERUS COMPRESSION SERVICES LP	1,472,629
17	NINNESCAH DRILLING LLC	1,370,983
18	EXLINE INC	1,304,534
19	GLENN E SESSIONS AND SONS INC	1,254,157
20	OBJECT PARTNERS INC	1,120,462
21	MIDWEST INDUSTRIAL XRAY INC	1,102,731
22	SUBMAR INC	1,063,442
23	ORION CONSTRUCTION INC	979,301
24	EPIC DIVING AND MARINE SERVICES LLC	842,996
25	SOLAR TURBINES INCORPORATED	829,764
26	RYAN WHALEY COLDIRON SHANDY PLLC	825,822
27	BELKNAP ELECTRIC INC	792,264
28	D E RICE CONSTRUCTION COMPANY	791,373
29	CSS STAFFING	778,529
30	CR INSPECTION INC	752,503
31	EGAN FIELD AND NOWAK INC	741,698
32	MCDANIEL TECHNICAL SERVICES INC	709,917
33	CHASE CORPORATION	691,764
34	GULF COAST DISMANTLING INC	688,630
35	GALLAGHER BOLAND AND MEIBURGER LLP	653,656

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Charges for Outside Professional and Other Consultative Services (continued)		
Line No.	Description (a)	Amount (in dollars) (b)
1	KUTAK ROCK	250,026
2	OTHER	20,639,230
3	TOTAL	111,398,478
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	IT shared services	MidAmerican Energy Company ("MEC")	923	3,461,844
3	Other-goods and services under \$250,000	MEC	Various	996,270
4	Computer software maintenance services	MEC	165 and 923	708,804
5	Executive management support services	MEC	426.1,426.5,923	521,444
6	Electricity, construction and other services	MEC	Various	478,219
7	Human resource services	MEC	923	373,812
8	Tax compliance services	MEC	426.4 and 923	311,903
9	Natural gas swap settlements	Wells Fargo Bank	803 and 808.2	2,070,786
10	Executive management support services and other costs	MidAmerican Energy Holdings Company ("MEHC")	923	1,632,150
11	Software leases, maintenance contracts and other charges	MEHC	165 and 923	610,038
12	Other-goods and services under \$250,000	MEHC	Various	542,851
13	Finance and accounting services	MEHC	426.5 and 923	325,035
14	Other-goods and services under \$250,000	Various		525,228
15	Labor and other-goods and services	PacifiCorp	Various	309,919
16	Total			12,868,303
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21	Transportation and storage services	MEC	Various	58,604,368
22	Other-goods and services under \$250,000	MEC	Various	71,805
23	Other-goods and services	BNSF Railway Company	107	3,861,686
24	Commodities and other goods and services	Wells Fargo Commodities, LLC	421,489.2 and 489.4	1,908,803
25	Financing services (demand promissory notes)	MEHC	419	1,496,572
26	Other-goods and services under \$250,000	MEHC	Various	405,832
27	Finance and accounting services	Kern River Gas Transmission Co. ("Kern River")	Various	596,803
28	Other-goods and services under \$250,000	Kern River	Various	530,300
29	Risk management services (natural gas swaps)	Kern River	421	(553,425)
30	Transportation and storage services	United States Gypsum Company	489.2,489.4,495,806	294,113
31	Machining and operating	MidAmerican Energy Machining Services	408.1,853,921,926	279,698
32	Other-goods and services under \$250,000	Various		93,899
33	Total			67,590,454
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Underground Storage: Underground Storage Compression:			
2	Underground Storage: Cunningham, Kansas	7	16,450	33,239,709
3	Underground Storage: Redfield, Iowa	7	16,760	49,423,428
4	Total Underground Storage	14	33,210	82,663,137
5				
6	Transmission: Transmission Compression:			
7	Transmission: Fort Buford, North Dakota	3	3,100	4,405,399
8	Transmission: Spencer, South Dakota	1	1,100	4,026,629
9	Transmission: Albert Lea, Minnesota	1	15,000	21,079,646
10	Transmission: Carlton, Minnesota	2	8,000	7,773,996
11	Transmission: Alexandria, Minnesota	1	800	2,627,220
12	Transmission: Farmington, Minnesota	7	20,200	28,084,312
13	Transmission: North Branch, Minnesota	4	8,000	11,968,502
14	Transmission: Pierz, Minnesota	1	800	5,240,839
15	Transmission: Owatonna, Minnesota	1	13,037	12,902,159
16	Transmission: Faribault, Minnesota	1	13,136	16,625,523
17	Transmission: Hugo, Minnesota	1	5,967	11,198,864
18	Transmission: Chatfield, Minnesota	2	4,250	7,769,547
19	Transmission: LaCrescent, Minnesota	1	1,250	2,604,500
20	Transmission: Popple Creek, Minnesota	1	2,000	3,373,310
21	Transmission: Elk River, Minnesota	1	1,100	5,072,106
22	Transmission: Belleville, Wisconsin	4	4,640	4,937,286
23	Transmission: Spring Green, Wisconsin	1	1,100	3,947,518
24	Transmission: Galena, Illinois	2	7,600	7,660,687
25	Transmission: Hubbard, Iowa	1	8,000	11,539,271

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Compressor Stations

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1								
2	341,404	705,652	1,982,586	124,132	7,853,790	9,521	5	12/03/2012
3	1,332,472	314,669	7,275,281	461,512	2,827,000	31,420	5	01/12/2012
4	1,673,876	1,020,321	9,257,867	585,644	10,680,790	40,941	10	
5								
6								
7	503,525		267,779	181,609		25,331	3	11/03/2012
8		9,181	113,370		177,600	156	1	01/19/2012
9	578,708	21,900	125,076	216,847	194,320	1,974	1	01/19/2012
10	72,173	24,824	409,863	23,156	164,200	1,721	1	12/28/2012
11	1,304	66,940	55,868	459	342,336	1,634	1	12/11/2012
12	875,075	262,899	1,595,182	305,805	2,890,560	17,001	6	11/26/2012
13	497,395	71,942	1,124,279	177,696	702,600	12,601	4	11/16/2012
14	2,086	35,900	65,666	750	302,750	633	1	12/11/2012
15	238,691	20,727	106,720	81,924	147,000	1,133	1	01/19/2012
16	1,401,710	20,850	89,880	505,854	137,440	4,522	1	12/31/2012
17	76,213	11,655	202,143	29,836	128,800	1,431	1	01/17/2012
18		17,228	70,168		199,388	11	1	01/20/2012
19		14,731	52,227		20,934			
20		23,639	48,654		249,375	245	1	12/11/2012
21		11,708	155,660		40,800	10	1	01/19/2012
22	691,868	16,470	231,490	250,789	133,902	18,955	4	04/29/2012
23		10,459	13,800		115,200	111	1	01/02/2012
24	526,678	16,266	357,532	198,346	33,855	5,931	2	12/10/2012
25		70,966	123,779		424,150	139	1	09/13/2012

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Compressor Stations (continued)

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Transmission: Earlville, Iowa	1	15,000	12,401,604
2	Transmission: Ventura, Iowa	5	12,330	15,567,109
3	Transmission: Waterloo, Iowa	8	16,250	27,603,634
4	Transmission: Ogden, Iowa	10	30,400	24,402,340
5	Transmission: Paullina, Iowa	5	4,400	7,054,824
6	Transmission: Oakland, Iowa	6	30,500	30,107,601
7	Transmission: Guthrie Center, Iowa	1	5,667	9,902,335
8	Transmission: Palmyra, Nebraska	12	31,755	30,495,384
9	Transmission: Beatrice, Nebraska	8	32,500	24,902,286
10	Transmission: Clifton, Kansas	5	24,200	18,925,624
11	Transmission: Tescott, Kansas	5	33,900	15,978,274
12	Transmission: Bushton, Kansas	10	39,500	61,152,523
13	Transmission: Macksville, Kansas	5	33,900	26,009,019
14	Transmission: Mullinville, Kansas	7	25,900	39,032,171
15	Transmission: Sublette, Kansas	4	12,360	22,196,195
16	Transmission: Beaver, Oklahoma	7	28,500	26,096,158
17	Transmission: Plains, Texas	1	3,546	6,871,877
18	Transmission: Sunray, Texas	7	14,000	21,262,052
19	Transmission: Spraberry, Texas	6	7,702	14,068,419
20	Transmission: Pampa, Texas	1	9,300	3,420,798
21	Transmission: Cargray Compression Station, Texas	3	3,804	
22	Transmission: Plainview, Texas	1	9,300	4,399,860
23	Transmission: Seminole, Texas	1	9,300	4,296,352
24	Transmission: Claude, Texas	1	9,300	3,780,911
25	Transmission: Brownfield, Texas	1	9,300	4,820,795

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Compressor Stations (continued)

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1	455,442	18,408	187,124	154,783	177,408	1,604	1	09/28/2012
2	514,163	45,527	1,185,953	181,609	547,200	7,123	5	01/17/2012
3	1,263,288	59,861	1,673,348	456,678	477,600	26,314	6	04/28/2012
4	2,462,744	79,554	4,223,325	887,699	402,300	37,536	6	01/25/2012
5	70,565	18,298	308,241	25,110	181,120	3,681	3	01/12/2012
6	1,078,960	75,431	902,688	365,323	545,400	12,901	6	10/31/2012
7	270,671	2,049	91,042	91,032	106,400	1,712	1	01/19/2012
8	3,006,871	101,678	2,371,092	1,057,026	1,342,272	39,465	7	11/12/2012
9	1,367,445	79,227	1,193,202	479,932	1,000,320	22,024	8	01/19/2012
10	973,692	82,516	1,690,293	332,471	982,880	3,175	2	11/12/2012
11	260,366	37,845	209,596	85,188	418,880	588	2	01/19/2012
12	1,153,298	190,419	3,065,953	407,176	2,734,880	18,255	5	01/19/2012
13	338,218	63,201	719,366	116,493	634,880	2,717	3	11/13/2012
14	1,572,795	6,910	1,427,010	539,527	255,905	26,903	5	10/31/2012
15	471,916	203,679	839,766	172,227	1,943,680	15,014	2	01/11/2012
16	597,545	(23,879)	572,900	213,217	4,311,000	9,797	6	10/30/2012
17	331,291	13,454	195,347	118,930	183,460	3,914	1	01/01/2012
18	944,871	96,000	1,337,266	336,371	1,714,800	24,742	6	10/31/2012
19	656,314	48,148	1,324,616	235,456	632,000	25,380	5	05/21/2012
20	421	7,809	219,607	148	91,520	11	1	12/03/2012
21	356,027			128,410		17,115	3	03/14/2012
22	247,372	10,550	102,143	83,369	115,920	1,430	1	09/11/2012
23	842,286	36,684	73,235	317,626	557,600	4,148	1	03/19/2012
24	14,687	11,277	191,565	4,243	83,360	111	1	10/31/2012
25	703,550	12,988	148,605	216,811	164,200	2,983	1	10/30/2012

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Compressor Stations (continued)

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Total Transmission Compression	157	571,694	627,585,459
2				
3	Other Storage Compression			
4	Other: Garner, IA LNG Plant	4	11,300	15,205,350
5	Other: Wrenshall, MN LNG Plant	6	8,230	21,281,171
6	Total Other Storage	10	19,530	36,486,521
7				
8	Offshore Compression			
9	Offshore: South Pelto 13	1	477	137,963
10	Total Offshore Compression	1	477	137,963
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Compressor Stations (continued)

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1	25,420,224	2,005,919	29,462,419	8,979,926	26,010,195	402,182	120	
2								
3								
4	50,070	803,237	2,056,313	17,506	15,621,200	7,823	4	11/12/2012
5	355,020	480,952	1,862,899	152,345	5,336,000	19,222	6	02/25/2012
6	405,090	1,284,189	3,919,212	169,851	20,957,200	27,045	10	
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January	(2,230,826)	5,548,037	3,317,211
3	February	(1,532,966)	1,642,282	109,316
4	March	(3,634,452)	10,231,160	6,596,708
5	April	(4,185,915)	5,932,680	1,746,765
6	May	(2,673,052)	6,091,051	3,417,999
7	June	(12,964,332)	15,848,649	2,884,317
8	July	(5,578,671)	14,889,187	9,310,516
9	August	(2,165,960)	16,572,652	14,406,692
10	September	(141,272)	17,795,776	17,654,504
11	October	1,079,127	14,913,748	15,992,875
12	November	2,028,712	3,502,335	5,531,047
13	December	(2,829,744)	5,199,454	2,369,710
14	TOTAL (Total of lines 2 thru 13)	(34,829,351)	118,167,011	83,337,660
15	Gas Withdrawn from Storage			
16	January	(2,645,253)	22,503,233	19,857,980
17	February	(1,434,450)	18,141,961	16,707,511
18	March	(3,180,849)	7,798,704	4,617,855
19	April	(4,166,392)	8,146,643	3,980,251
20	May	(2,683,387)	4,747,123	2,063,736
21	June	(11,721,698)	13,750,823	2,029,125
22	July	(4,855,447)	5,648,796	793,349
23	August	(2,350,372)	3,107,185	756,813
24	September	(957,655)	1,806,967	849,312
25	October	117,368	1,837,384	1,954,752
26	November	2,244,384	10,428,018	12,672,402
27	December	(3,132,641)	27,697,529	24,564,888
28	TOTAL (Total of lines 16 thru 27)	(34,766,392)	125,614,366	90,847,974

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Gas Storage Projects

1. On line 4, enter the total storage capacity certificated by FERC.
2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	60,029,920 MCF
2	Cushion Gas (Including Native Gas)	128,435,001 MCF
3	Total Gas in Reservoir (Total of line 1 and 2)	188,464,921 MCF
4	Certificated Storage Capacity	224,050,000 MCF
5	Number of Injection - Withdrawal Wells	239
6	Number of Observation Wells	109
7	Maximum Days' Withdrawal from Storage	1,162,400 MCF
8	Date of Maximum Days' Withdrawal	01/13/2012
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Transmission Lines

- Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
- Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
- Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
- Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1	Op by resp: Illinois		21.80
2	Op by resp: Iowa		4,370.30
3	Op by resp: Kansas	*	1,784.10
4	Op by resp: Michigan		269.20
5	Op by resp: Minnesota		3,338.80
6	Op by resp: Nebraska	*	1,662.50
7	Op by resp: New Mexico		76.20
8	Op by resp: Oklahoma		269.70
9	Op by resp: South Dakota	*	790.80
10	Op by resp: Texas Onshore	*	969.30
11	Op by resp: Wisconsin		1,337.60
12	Op by resp: Texas Offshore	*	58.50
13	Total		14,948.80
14			
15			
16			
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21			
22			
23			
24			
25			

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date: January 31, 2013			
2	Volumes of Gas Transported			
3	No-Notice Transportation		18,476	18,476
4	Other Firm Transportation	110,873	4,394,975	4,505,848
5	Interruptible Transportation		189,783	189,783
6	Other (Describe) (footnote details)			
7	TOTAL	110,873	4,603,234	4,714,107
8	Volumes of gas Withdrawn from Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage		968,838	968,838
11	Interruptible Storage		121,813	121,813
12	Other (Describe) (footnote details)			
13	TOTAL		1,090,651	1,090,651
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations		733,300	733,300
16	Reduction in Line Pack		119,600	119,600
17	Other (Describe) (footnote details)			
18	TOTAL		852,900	852,900
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates: January 21, 22, and 23, 2013			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation		151,798	151,798
24	Interruptible Transportation	350,733	12,607,793	12,958,526
25	Other (Describe) (footnote details)		322,254	322,254
26	TOTAL	350,733	13,081,845	13,432,578
27	Volumes of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage		2,474,937	2,474,937
30	Interruptible Storage		282,147	282,147
31	Other (Describe) (footnote details)			
32	TOTAL		2,757,084	2,757,084
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations		2,470,500	2,470,500
35	Reduction in Line Pack		166,200	166,200
36	Other (Describe) (footnote details)			
37	TOTAL		2,636,700	2,636,700

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Auxiliary Peaking Facilities					
<p>1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.</p> <p>2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.</p> <p>3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.</p>					
Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1	Garner, Iowa	LNG	300,000	43,251,398	No
2	Wrenshall, Minnesota	LNG	300,000	37,082,666	Yes
3					
4					
5					
6					
7					
8					
9					
10					
11					
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13					
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30					

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01 Name of System:				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		2,407,569	1,751,399
4	Gas of Others Received for Gathering (Account 489.1)	303	3,372,983	336,445
5	Gas of Others Received for Transmission (Account 489.2)	305	928,977,052	262,630,860
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307	118,167,011	23,615,537
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328	2,241,093	431,236
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		90,847,974	39,192,042
13	Gas Received from Shippers as Compressor Station Fuel		11,170,043	3,192,039
14	Gas Received from Shippers as Lost and Unaccounted for		3,236,759	1,046,243
15	Other Receipts (Specify) (footnote details)		800,000	
16	Total Receipts (Total of lines 3 thru 15)		1,161,220,484	332,195,801
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		4,114,863	417,161
19	Deliveries of Gas Gathered for Others (Account 489.1)	303	3,372,983	336,445
20	Deliveries of Gas Transported for Others (Account 489.2)	305	928,977,052	262,630,860
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307	125,614,366	39,962,931
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328	1,851,840	1,098,477
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)		83,337,660	23,893,632
28	Gas Used for Compressor Station Fuel	509	9,565,570	2,896,924
29	Other Deliveries and Gas Used for Other Operations		2,348,463	441,429
30	Total Deliveries (Total of lines 18 thru 29)		1,159,182,797	331,677,859
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		2,037,687	517,942
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		1,161,220,484	332,195,801

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Shipper Supplied Gas for the Current Quarter

- Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
- On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
- On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
- Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
- Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
- On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
- On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
- On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
- On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
- Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	495,791	81,940	497,726	1,075,457
5	Distribution				
6	Storage	921		142,465	143,386
7	Total Shipper Supplied Gas	496,712	81,940	640,191	1,218,843
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	372,011	61,491	373,463	806,965
12	Distribution				
13	Storage	509		79,013	79,522
14	Total gas used in compressors	372,520	61,491	452,476	886,487
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	41,893	6,925	42,056	90,874
19	Distribution				
20	Storage	49		7,579	7,628
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	41,942	6,925	49,635	98,502
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	38,714	6,399	38,865	83,978
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	38,714	6,399	38,865	83,978

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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
1										
2										
3										
4	1,493,295	246,831	1,499,126	3,239,252					805	805
5										
6	2,718		421,959	424,677					805	805
7	1,496,013	246,831	1,921,085	3,663,929						
8										
9										
10										
11	1,102,826	182,289	1,107,133	2,392,248					854	810
12										
13	1,509		234,234	235,743					819	810
14	1,104,335	182,289	1,341,367	2,627,991						
15										
16										
17										
18	124,192	20,528	124,676	269,396					See footnote	812
19										
20	145		22,468	22,613					See footnote	812
21										
22	124,337	20,528	147,144	292,009						
23										
24										
25										
26	115,359	19,068	115,810	250,237					813	812
27										
28										
29										
30	115,359	19,068	115,810	250,237						

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	43,173	7,125	43,342	93,640
35	Distribution				
36	Storage	363		55,873	56,236
37	Total Net Excess Or (Deficiency)	43,536	7,125	99,215	149,876
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers	43,536	7,125	99,215	149,876
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas	43,536	7,125	99,215	149,876
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency				

SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT

66	Forwardhaul Volume in Dths for the Quarter	262,630,860
67	Backhaul Volume in Dths for the Quarter	
68	TOTAL (Lines 66 and 67)	262,630,860

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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
31										
32										
33										
34	150,918	24,946	151,507	327,371						
35										
36	1,064		165,257	166,321						
37	151,982	24,946	316,764	493,692						
38										
39										
40										
41										
42	151,982	24,946	316,764	493,692					805	182.3
43										
44										
45										
46										
47										
48										
49										
50										
51	151,982	24,946	316,764	493,692						
52										
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Shipper Supplied Gas for the Current Quarter

- Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
- On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
- On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
- Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
- Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
- On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
- On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
- On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
- On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
- Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	676,018	88,079	601,038	1,365,135
5	Distribution				
6	Storage	601		126,884	127,485
7	Total Shipper Supplied Gas	676,619	88,079	727,922	1,492,620
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	554,980	72,286	493,452	1,120,718
12	Distribution				
13	Storage	377		79,825	80,202
14	Total gas used in compressors	555,357	72,286	573,277	1,200,920
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	57,945	7,547	51,521	117,013
19	Distribution				
20	Storage	150		31,717	31,867
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	58,095	7,547	83,238	148,880
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	(66,436)	(8,653)	(59,071)	(134,160)
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	(66,436)	(8,653)	(59,071)	(134,160)

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
1										
2										
3										
4	2,360,182	307,415	2,098,521	4,766,118					805	805
5										
6	2,074		439,183	441,257					805	805
7	2,362,256	307,415	2,537,704	5,207,375						
8										
9										
10										
11	1,929,608	251,332	1,715,684	3,896,624					854	810
12										
13	1,311		277,544	278,855					819	810
14	1,930,919	251,332	1,993,228	4,175,479						
15										
16										
17										
18	201,468	26,241	179,133	406,842					See footnote	812
19										
20	521		110,278	110,799					See footnote	812
21										
22	201,989	26,241	289,411	517,641						
23										
24										
25										
26	(230,174)	(29,980)	(204,656)	(464,810)					813	812
27										
28										
29										
30	(230,174)	(29,980)	(204,656)	(464,810)						

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	129,529	16,899	115,136	261,564
35	Distribution				
36	Storage	74		15,342	15,416
37	Total Net Excess Or (Deficiency)	129,603	16,899	130,478	276,980
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers	129,603	16,899	130,478	276,980
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas	129,603	16,899	130,478	276,980
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency				

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Shipper Supplied Gas for the Current Quarter (continued)										
Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
31										
32										
33										
34	459,280	59,822	408,360	927,462						
35										
36	242		51,361	51,603						
37	459,522	59,822	459,721	979,065						
38										
39										
40										
41										
42	459,522	59,822	459,721	979,065					805	182.3
43										
44										
45										
46										
47										
48										
49										
50										
51	459,522	59,822	459,721	979,065						
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63										
64										
65										

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	859,272	106,029	559,285	1,524,586
5	Distribution				
6	Storage			2,233	2,233
7	Total Shipper Supplied Gas	859,272	106,029	561,518	1,526,819
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	432,189	53,286	281,226	766,701
12	Distribution				
13	Storage			42,816	42,816
14	Total gas used in compressors	432,189	53,286	324,042	809,517
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	92,771	11,438	60,366	164,575
19	Distribution				
20	Storage			29,702	29,702
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	92,771	11,438	90,068	194,277
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	320,251	39,485	208,388	568,124
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	320,251	39,485	208,388	568,124

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
1										
2										
3										
4	3,056,998	376,905	1,989,190	5,423,093					805	805
5										
6			7,764	7,764					805	805
7	3,056,998	376,905	1,996,954	5,430,857						
8										
9										
10										
11	1,655,561	204,118	1,077,275	2,936,954					854	810
12										
13			152,767	152,767					819	810
14	1,655,561	204,118	1,230,042	3,089,721						
15										
16										
17										
18	330,857	40,792	215,289	586,938					See footnote	812
19										
20			105,977	105,977					See footnote	812
21										
22	330,857	40,792	321,266	692,915						
23										
24										
25										
26	1,161,668	143,225	755,898	2,060,791					813	812
27										
28										
29										
30	1,161,668	143,225	755,898	2,060,791						

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2012/Q4
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	14,061	1,820	9,305	25,186
35	Distribution				
36	Storage			(70,285)	(70,285)
37	Total Net Excess Or (Deficiency)	14,061	1,820	(60,980)	(45,099)
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas				
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Gas to be recovered from shippers	(14,061)	(1,820)	60,980	45,099
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	(14,061)	(1,820)	60,980	45,099

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
31										
32										
33										
34	(91,088)	(11,230)	(59,272)	(161,590)						
35										
36			(250,980)	(250,980)						
37	(91,088)	(11,230)	(310,252)	(412,570)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	91,088	11,230	310,252	412,570					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	91,088	11,230	310,252	412,570						

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
System Maps			

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

2. Indicate the following information on the maps:

- (a) Transmission lines.
- (b) Incremental facilities.
- (c) Location of gathering areas.
- (d) Location of zones and rate areas.
- (e) Location of storage fields.
- (f) Location of natural gas fields.
- (g) Location of compressor stations.
- (h) Normal direction of gas flow (indicated by arrows).
- (i) Size of pipe.
- (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
- (k) Principal communities receiving service through the respondent's pipeline.

3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.

4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 107 Line No.: 1 Column: 1

The purpose of the stock book closing was for the annual election of the directors.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 110 Line No.: 60 Column: d
 Prior year amounts have been reclassified to conform to current year presentation. These reclassifications did not impact the income and cash flow statements.

Schedule Page: 110 Line No.: 62 Column: d
 Prior year amounts have been reclassified to conform to current year presentation. These reclassifications did not impact the income and cash flow statements.

Schedule Page: 110 Line No.: 32 Column: c
 The book overdraft position reflected in Cash is offset with investment amounts at the same financial institution, which are included in Temporary Cash Investments. The financial institution holds the right to offset the amounts.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 112 Line No.: 51 Column: d

Prior year amounts have been reclassified to conform to current year presentation. These reclassifications did not impact the income and cash flow statements.

Schedule Page: 112 Line No.: 53 Column: d

Prior year amounts have been reclassified to conform to current year presentation. These reclassifications did not impact the income and cash flow statements.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 117 Line No.: 5 Column: g

The (\$1,595,847) pertains to natural gas commodity swaps.

Fair Value Hedges

As of December 31, 2011, there were no fair value hedges.

For the twelve-month period ending December 31, 2011, the Respondent recognized a pre-tax gain of \$4,762,500 in account 483 for gas sales contracts; and a pre-tax loss of \$4,044,875 in account 803 for gas purchase contracts and recognized a pre-tax gain of \$1,061,887 in account 489.4 for storage revenue contracts.

Schedule Page: 117 Line No.: 10 Column: g

The (\$5,126) pertains to natural gas commodity swaps.

Fair Value Hedges

As of December 31, 2012, there were no fair value hedges.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 118 Line No.: 12 Column: c

2012		2011	
	Dividends		Dividends
January 17, 2012	\$ 91,000,000	July 21, 2011	\$ 35,000,000
February 16, 2012	30,000,000	September 16, 2011	34,000,000
Total	\$ <u>121,000,000</u>	Total	\$ <u>69,000,000</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 5 Column: b

	2012	2011
Regulatory assets	\$ 12,306,623	\$ 20,441,244
Debt discount and expense	800,502	894,829
Total	\$ 13,107,125	\$ 21,336,073

Schedule Page: 120 Line No.: 16 Column: b

	2012	2011
Gas balancing activities	\$ 8,289,546	\$(17,268,347)
Price risk management activities	4,762,987	16,616,136
Gain on the sale of assets	(500,558)	(1,214,731)
Post retirement benefits other than pension obligation payments	-	(33,725)
Prepayments and other assets	(1,198,523)	209,260
Total	\$ 11,353,452	\$ (1,691,407)

Schedule Page: 120 Line No.: 27 Column: b

	2012	2011
Removal costs, net	\$ (6,843,176)	\$ (3,061,123)
Net increase (decrease) in payables and accrued expenses	9,660,676	(3,480,358)
Total	\$ 2,817,500	\$ (6,541,481)

Schedule Page: 120 Line No.: 31 Column: b

	2012	2011
Sale of Plymouth, TX TBS land and associated assets	\$ 60,000	\$ -
Sale of Anoka, MN TBS land and associated assets	1,800	-
Sale of Faribault, MN regulator station land and associated assets	1,900	-
Sale of Savanna, IA lines and associated assets	8,500	-
Sale of Milbank and Ortonville, SD lines and associated assets	-	4,500,000
Total	\$ 72,200	\$ 4,500,000

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 127 Column: e

The adjustment of \$47,980 represent the accumulated depreciation, cost of sale, sale proceeds, and gain or loss on sale as indicated below.

Savanna Branch Line - Iowa Pipeline Sale

Sold to Jo Carroll Energy Inc. (NFP) on January 30, 2012

Submitted Proposed Accounting Entries on July 24, 2012

Commission Approved Proposed Accounting Entries on August 3, 2012

Accumulated Depreciation	\$	39,993
Cost of Sale	\$	0
Sale Proceeds	\$	8,500
Gain on Sale	\$	(513)
Total Account 102 Adjustment	\$	47,980

Schedule Page: 204 Line No.: 127 Column: f

The transfer of (\$47,980) is the original cost of sold assets recorded in Account 102 Gas Plant Purchased or Sold for the year 2012 as listed below:

Savanna Branch Line - Iowa Pipeline Sale

Sold to Jo Carroll Energy Inc. (NFP) on January 30, 2012

Submitted Proposed Accounting Entries on July 24, 2012

Commission Approved Proposed Accounting Entries on August 3, 2012

Original Cost of Facilities	\$ 47,980
-----------------------------	-----------

Schedule Page: 204 Line No.: 125 Column: d

The difference of \$14,888,344 between Page 204-209, line 125, column d and that reported for Accumulated Provision for Depreciation of Gas Utility Plant (Account 108) line 12, column c on page 219 is due to the following:

1. \$ 3,787,870	Retirement of Software, which is classified as Intangible Plant and not reflected on page 219.
2. \$ 3,378,333	Retirement of Contribution in aid of Construction (CIAC's) Paid to Others, which is classified as Intangible Plant and not reflected on page 219.
3. \$ 1,367	Retirement of Transmission Land Rights, which is classified as Intangible Plant and not reflected on page 219.
4. \$ 13,655	Sale of land, which is not depreciated.
5. <u>\$ 7,707,119</u>	Book Cost of Asset Retirement Costs on page 219, line 18, column c.
<u>\$14,888,344</u>	Total

\$ 37,714,846	Line 125, Column d, Page 209
<u>\$(14,888,344)</u>	
\$ 22,826,502	Line 12, Column c, Page 219

Schedule Page: 204 Line No.: 48 Column: c

The total includes a credit of (\$3,051,769) reflecting a transfer from Account 101 to Account 107 for Cunningham storage lease acquisition costs that were inadvertently placed in service in 2010.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 125 Column: c

Tentative Classification of Assets in Account 106 (Gas Plant in Service but Not Unitized)
(Only affected groups are reported)

Account 106

Page 204 Line No.	Account	Balance 12/31/2011	Net Changes	Balance 12/31/2012
1	INTANGIBLE PLANT			
4	3030 Miscellaneous Intangible Plant	-	3,011,936	3,011,936
5	Total Intangible Plant	-	3,011,936	3,011,936
42	NATURAL GAS STORAGE AND PROCESSING PLANT			
46	3510 Structures and Improvements	92,846	287,282	380,128
47	3520 Wells	225,511	12,440,636	12,666,147
51	3530 Lines	1,842,211	1,331,703	3,173,914
52	3540 Compressor Station Equipment	4,722,599	(4,004,632)	717,967
53	3550 Other Equipment	-	9,819	9,819
54	3560 Purification Equipment	2,853,106	(217,819)	2,635,287
57	Total Underground Storage Plant	9,736,273	9,846,989	19,583,262
58	OTHER STORAGE PLANT			
60	3610 Structures and Improvements	-	235,274	235,274
62	3630 Purification Equipment	-	250	250
63	3631 Liquifaction Equip	1,172,886	(1,023,027)	149,859
65	3633 Compressor Equip	3,773,560	(3,762,659)	10,901
66	3634 Measuring and Regulating Equipment	-	112,272	112,272
69	Total Other Storage Plant	4,946,446	(4,437,890)	508,556
81	Total Nat'l Gas Storage and Processing Plant	14,682,719	5,409,099	20,091,818
82	TRANSMISSION PLANT			
84	3652 Rights-of-Way	-	7,114	7,114
85	3660 Structures & Improvements	1,029,021	209,908	1,238,929
86	3670 Mains	9,583,153	16,015,994	25,599,147
87	3680 Compressor Station Equip	18,453,516	(1,762,302)	16,691,214
88	3690 M&R Station Equipment	4,380,769	3,209,330	7,590,099
89	3700 Communications Equipment	-	179,914	179,914
92	Total Transmission Plant	33,446,459	17,859,958	51,306,417
110	GENERAL PLANT			
112	3900 Structures and Improvements	18,417	(11,406)	7,011
113	3910 Office Furniture & Equip	79,985	230,722	310,707
114	3920 Transportation Equipment	-	986	986
116	3940 Tools Shop Equipment	85,137	437,479	522,616
117	3950 Lab Equipment	69,830	(51,288)	18,542
119	3970 Communications Equipment	6,165	10,345	16,510
124	Total General Plant	259,534	616,838	876,372
125	Total (Account 106)	48,388,712	26,897,831	75,286,543

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 65 Column: c

The total includes a credit of (\$52,386) for the Wrenshall Control System reflecting a transfer from Account 363.3 to Account 395.0 for (\$29,477) and various 2012 charges resulting in a net project credit of (\$22,909).

The total also includes a 2012 vendor credit of (\$25,926) to the Garner 4160 MCC Replacement project for a generator.

Schedule Page: 204 Line No.: 112 Column: c

The total includes a project credit of (\$20,504) for the Omaha Building Automation and a transfer of (\$17,525) from Account 390.0 to Account 391.0 for the Omaha Office Space Remodel.

Schedule Page: 204 Line No.: 91 Column: c

Estimates for liabilities related to future MOPS abandonment costs were revised downward mainly based on the receipt of lower bids.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 217 Line No.: 1 Column: f

Deferred income taxes are recorded in Account 282.

Schedule Page: 217 Line No.: 1 Column: d

In addition, to the Account 101 Plant in service amount reported of \$53,883,123 the Respondent has recorded in Account 117.1 Stored-base gas an amount of \$328,390, for total plant in service of \$54,211,513.

Schedule Page: 217 Line No.: 1 Column: e

Accumulated depreciation reported of \$6,144,720 reflects depreciation on tangible plant in service of \$53,717,044 for the Respondent's Market-based storage. In addition to accumulated depreciation, the Respondent has recorded accumulated amortization in the amount of \$16,144 on intangible plant in service of \$166,079. Total accumulated depreciation and amortization for Respondent's Market-based storage is \$6,160,864.

Schedule Page: 217 Line No.: 1 Column: i

Depreciation expense reported of \$1,256,222 reflects depreciation accrued on tangible plant in service of \$53,717,044 for the Respondent's Market-based storage. In addition to depreciation expense, the Respondent has recorded amortization expense in the amount of \$3,884 on intangible plant in service of \$166,079. Total depreciation and amortization expense for Respondent's Market-based storage is \$1,260,106.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 218 Line No.: 5 Column: d

The 12% rate of return is a black box settlement rate based on the Respondent's consolidated stipulation and agreement of settlement for its RP03-398 and RP04-155 rate case proceedings approved on March 25, 2005.

Schedule Page: 218 Line No.: 6 Column: c

The capital structure of the Respondent was used in the computation of allowance for funds used during construction.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 4 Column: c

The Respondent's annual FAS 143 allowance of \$4,325,087 is charged to Account 403 depreciation expense, similar to Respondent's negative salvage depreciation allowance for its offshore assets. As a result of this recovery method, all accretion and depreciation expense related to asset retirement obligations are cleared from Account 411.10 accretion expense and Account 403.1 depreciation expense for Asset Retirement Obligations and deferred as a regulatory asset in Account 182.3. Therefore, Respondent does not reflect any net expense in Accounts 411.10 or 403.1 related to asset retirement obligations.

Schedule Page: 219 Line No.: 8 Column: c

Reclassification of Respondent's Omaha office building depreciation expense for overhead to Account 107 Construction Work-in-Progress.

Schedule Page: 219 Line No.: 12 Column: b

The difference of \$7,181,225 between the sum of line 12 and line 18, column b on page 219 and that reported for Gas Plant In Service, Page 204-209, line 125, column d is due to the following retirements:

1. \$3,787,870	Retirement of Software, which is classified as Intangible Plant and not reflected on page 219.
2. \$3,378,333	Retirement of Contribution in aid of Construction Paid to Others, which is classified as Intangible Plant and not reflected on page 219.
3. \$ 1,367	Retirement of Transmission Land Rights, which is classified as Intangible Plant and not reflected on page 219.
4. \$ 13,655	Sale of land, which is not depreciated.
\$7,181,225	Total

Schedule Page: 219 Line No.: 16 Column: c

The \$709,746 increase to the balance in Account 108 is comprised of the following items:

1. (\$ 39,847)	Transfer of accumulated depreciation reserve to Account 102 Gas Plant Purchased or Sold for sale of the Savanna Branch Line.
2. \$756,017	For Contribution in aid of Construction Paid by Others for removal costs.
3. (\$ 6,424)	Correcting entry to transfer accumulated depreciation reserves for transmission land rights to Account 111 Accumulated Provision for Amortization and Depletion of Gas Utility Plant.
\$709,746	Total

Schedule Page: 219 Line No.: 22 Column: c

The accumulated depreciation reserve for production and gathering is related to Respondent's pipeline facilities located in the Gulf of Mexico offshore the coasts of Texas and Louisiana. The balance is comprised of the following:

Plant Reserve

Accumulated Depreciation	\$ 32,570,219
Cost of Plant Retired	(38,651,731)
Accumulated Plant Reserve	<u>(\$ 6,081,512)</u>

Retirement Work-In-Progress

\$ 4,907

Negative Salvage

Accumulated Provision	\$ 1,489,009
Cost of Removal	(603,629)
Net Negative Salvage	<u>\$ 885,380</u>

Asset Retirement Obligation

Accumulated Depreciation on ARO Capitalized	<u>\$ 1,778,908</u>
---	---------------------

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FOOTNOTE DATA			

Asset Retirement Obligation (ARO) Allowance

Accumulated Annual ARO Allowance	\$ 16,040,865	1/
Accumulated Cost of ARO Retirements	(32,515,585)	2/
Unrecovered Net ARO Costs	(\$ 16,474,720)	

Accumulated Provision for Depreciation Gas Gathering (\$ 19,887,037)

1/ All of the accumulated ARO allowance has been applied to recovery of gathering ARO retirements.

2/ Excludes \$1,334,716 of accumulated cost of transmission ARO retirements included on line 27 (c) for total unrecovered ARO costs of \$17,809,436.

Schedule Page: 219 Line No.: 27 Column: c

Total includes \$1,334,716 of accumulated cost of transmission ARO retirements. None of the accumulated ARO allowance has been applied for recovery of transmission ARO retirements. See footnote on line 22 (c) for additional information on ARO cost of retirements and recovery.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
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Schedule Page: 220 Line No.: 5 Column: b

The Respondent utilizes the fixed asset method to account for the gas.

Schedule Page: 220 Line No.: 5 Column: c

The Respondent utilizes the fixed asset method to account for the gas.

Schedule Page: 220 Line No.: 5 Column: e

The Respondent utilizes the fixed asset method to account for the gas.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 222 Line No.: 2 Column: i

The \$1,894,718 represents the principal amount of the Respondent's claim against Ms. Betty Lou Sheerin. In September 2012 the Respondent and Ms. Sheerin settled the claim for \$4.0 million. The settlement covered principal, interest and attorneys' fees but did not specify the amount attributable to each. The \$4.0 million settlement was credited to Account 421.

Schedule Page: 222 Line No.: 23 Column: a

Date Issued	Amount
1/15/2010	\$ 20,000,000
2/16/2010	15,000,000
3/2/2010	40,000,000
3/15/2010	40,000,000
3/26/2010	10,000,000
4/15/2010	15,000,000
4/30/2010	10,000,000
1/18/2011	80,000,000
	<u>\$230,000,000</u>

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FOOTNOTE DATA			

Schedule Page: 230 Line No.: 5 Column: b

Miscellaneous prepayments include:

Software licenses and maintenance contracts	\$2,394,337
Right of way	56,671
Rating agency fees	22,667
Total	<u>\$2,473,675</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
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FOOTNOTE DATA			

Schedule Page: 232 Line No.: 1 Column: a
Regulatory Authorization

Line No.	Description	Regulatory Citation	Amortization Period
1	Deferred regulatory commission expense	RP04-155	Over 60 months
3	FAS 106 implementation deferral	RP98-203	170 months through 12/2012
5	Asset retirement obligation	RP04-155	
7	Deferred FERC annual charge	18 CFR Sec 154.402	12 months ending September
9	Deferred income taxes associated with AFUDC equity	RP04-155	Based on life of plant
11	Deferred migration costs	RP04-155	120 months through 10/2014
13	Deferred system upgrade costs	RP04-155	120 months through 10/2014
15	Smartpigging/hydrostatic testing	RP04-155	Over 84 months
17	Defined benefit pension plan	AI07-1-000 & Order 710	
19	Unrealized loss on derivatives, net	Orders 552 & 627	
21	Encroachment revaluation	Orders 552 & 627	
23	Fuel and storage, unaccounted for gas, and electrical compression trackers (1)	RP97-275	
25	Interest rate lock (ref. \$200M Sr Notes due 6-1-2021)	Not applicable	Through 05/2021

(1) Refer to footnote 4 - Regulatory Matters in the Notes to Financial Statements on page 122 for more information regarding regulatory trackers.

Schedule Page: 232 Line No.: 21 Column: c

This activity represents the transfer of the credit account balance from Regulatory Assets to Regulatory Liabilities.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 233 Line No.: 4 Column: d

The current portion of these advance payments for software licenses and right of way leases was reclassified to Account 165 - Prepayments.

Schedule Page: 233 Line No.: 7 Column: d

The current portion of this unbilled contribution in aid of construction was reclassified to Account 174 - Miscellaneous Current and Accrued Assets - CIACs.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 6 Column: k

Goodwill and intangibles \$111,144,942

Schedule Page: 234 Line No.: 7 Column: k

Deferred income taxes that could be included in the development of jurisdictional recourse rates:

	<u>Beginning of year</u>	<u>End of year</u>
Regulatory Liabilities	\$ 1,312,667	\$ 1,382,659
Depreciable Property	<u>20,360,623</u>	<u>17,723,646</u>
Total	\$ 21,673,290	\$ 19,106,305

Schedule Page: 234 Line No.: 9 Column: j

Correction of a prior period classification error.

Schedule Page: 234 Line No.: 10 Column: j

Correction of a prior period classification error.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
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FOOTNOTE DATA			

Schedule Page: 256 Line No.: 6 Column: d

The balance in Senior Notes at 12/31/2011 of \$800,000,000 decreased \$300,000,000 to \$500,000,000 as of 12/31/2012 as described below:

Repayment of 5.375% Senior Notes due 10/31/2012

Schedule Page: 256 Line No.: 10 Column: d

The balance in Senior Bonds at 12/31/2011 of \$150,000,000 increased \$250,000,000 to \$400,000,000 as of 12/31/2012 as described below:

Issuance of 4.10% Senior Bonds due 09/15/2042

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FOOTNOTE DATA			

Schedule Page: 258 Line No.: 5 Column: g

True-up of estimated issuance costs.

Schedule Page: 258 Line No.: 17 Column: h

Financing costs reported on this page	\$886,970
Debt discount costs reported on this page	72,219
Swap gains - page 232 line 25 column E	(193,677)
Swap losses - page 278 line 5 column D	34,990
Total reported on page 116, line 63, column C	\$800,502

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FOOTNOTE DATA			

Schedule Page: 261 Line No.: 12 Column: b

Current Federal Income Tax Expense	\$ 17,337,480
Current State Income Tax Expense	5,531,500
Contingent loss	10,000,000
Pipe Recoat	(2,661,637)
Other	185,672
Total	\$ 30,393,014

Schedule Page: 261 Line No.: 27 Column: b

MEHC Sub-Group:

Alaska Gas Transmission Company, LLC	MidAmerican Geothermal, LLC	HomeServices of Connecticut, LLC
American Pacific Finance Company	MidAmerican Hydro, LLC	HomeServices of Florida, Inc
American Pacific Finance Company II	MidAmerican Nuclear Energy Company LLC	HomeServices of Illinois Holdings, LLC
AVSP 1A, LLC	MidAmerican Renewables, LLC	HomeServices of Iowa, Inc
AVSP 1B, LLC	MidAmerican Solar, LLC	HomeServices of Kentucky, Inc
AVSP 2A, LLC	MidAmerican Transmission, LLC	HomeServices of Nebraska, Inc
AVSP 2B, LLC	MidAmerican Wind, LLC	HomeServices of Oregon, LLC
AVSP Holding, LLC	Midwest Capital Group, Inc	HomeServices of the Carolinas, Inc
BG Energy Holding Company LLC	MWR Capital, Inc	HomeServices of Washington, LLC
BG Energy LLC	NNGC Acquisition LLC	HomeServices Real Estate Academy
Bishop Hill Energy II, LLC	Northern Aurora Inc	HomeServices Referral Network, LLC
Bishop Hill II Holdings, LLC	Northern Natural Gas Company	HomeServices Relocation, LLC
CalEnergy Company, Inc	Pinyon Pines I Holding Company, LLC	HomeSvc of IL LLC d/b/a Koenig & Strey GMAC RE
CalEnergy Generation Operating Company	Pinyon Pines II Holding Company, LLC	HS Franchise Holding, LLC
CalEnergy Holdings, Inc	Pinyon Pines Wind I, LLC	HSR Equity Funding, Inc
CalEnergy International Services, Inc	Pinyon Pines Wind II, LLC	Huff Commercial Group, LLC
CalEnergy International, Inc	Quad Cities Energy Company	Huff-Drees Realty, Inc
CalEnergy Minerals Development, LLC	Salton Sea Minerals Corporation	IMO Company, Inc
CalEnergy Minerals LLC	Topaz Solar Farms, LLC	InsuranceSouth, LLC
CalEnergy Pacific Holdings Corp	TPZ Holding, LLC	Iowa Realty Company, Inc
CalEnergy UK Inc	Two Rivers, Inc	Iowa Realty Insurance Agency, Inc
CBEC Railway, Inc	Wailuku Investment LLC	Iowa Title Company
CE Administrative Services, Inc	Centralia Mining Company	J.S. White Associates, Inc
CE Black Rock Holdings LLC	Energy West Mining Company	JBRC, Inc
CE Butte Energy Holdings LLC	Glenrock Coal Company	Jim Huff Realty, Inc.
CE Butte Energy LLC	Interwest Mining Company	JRHBW Realty, Inc d/b/a/ RealtySouth
CE Electric (NY), Inc	Pacific Minerals, Inc	Kansas City Title, Inc
CE Electric, Inc	PacifiCorp	Kentucky Residential Referral, LLC
CE Exploration Company	PacifiCorp Environmental Remediation Co	Larabee School of Real Estate & Insurance, Inc
CE Geothermal, Inc.	PacifiCorp Investment Management, Inc	Mid-America Referral Network, Inc.
CE Indonesia Geothermal, Inc	PPW Holdings LLC	Midland Escrow Services, Inc
CE International Investments, Inc	Arizona HomeServices, LLC	Nebraska Land Title & Abstract Company
CE Obsidian Energy LLC	Capitol Title Company	Nebraska Referral, Inc.
CE Obsidian Holding LLC	CBSHome Commerical, LLC	NMA, LLC
CE Power, Inc	CBSHome Real Estate Company	NW Referral Services, LLC
CE Red Island Energy Holdings LLC	CBSHome Real Estate of Iowa, Inc	PCRE, L.L.C.
CE Red Island Energy LLC	CBSHome Relocation Services, Inc	Pickford Escrow Company, Inc
Century Development LLC	Champion Realty, Inc	Pickford Holdings, LLC
Cimmred Leasing Company	Chancellor Title Services, Inc	Pickford Real Estate, Inc
Cordova Energy Company, LLC	Columbia Title of Florida, Inc	Pickford Services Company, Inc
Cordova Funding Corporation	Connecticut Referral Group, L.L.C.	Pilot Butte, LLC
Dakota Dunes Development Company	CTHM, L.L.C.	PNW Referral, LLC
DCCO, Inc	CTRE, L.L.C.	Preferred Carolinas Realty, Inc
Kern River Funding Corporation	Edina Financial Services, Inc	Preferred Carolinas Title Agency, LLC
Kern River Gas Transmission Company	Edina Realty Referral Network, Inc	Professional Referral Organization, Inc
KR Acquisition 1, LLC	Edina Realty Relocation, Inc	Real Estate Knowledge Services, L.L.C.
KR Acquisition 2, LLC	Edina Realty Title, Inc	Real Estate Links, LLC
KR Holding, LLC	Edina Realty, Inc	Real Estate Referral Network, Inc
M & M Ranch Acquisition Company LLC	Esslinger-Wooten-Maxwell, Inc	Reece & Nichols Alliance, Inc
M & M Ranch Holding Company LLC	E-W-M Referral Services, Inc.	Reece & Nichols Realtors, Inc
MEC Construction Services Company	FFR, Inc	Reece Commercial, Inc.
MEHC America Transco LLC	First Realty, Ltd	Referral Company of North Carolina, Inc
MEHC Canada, LLC	First Reserve Insurance, Inc	Referral Network of IL LLC
MEHC Insurance Services Ltd.	For Rent, Inc	Relocation Advantage Partners, LLC
MEHC Investment, Inc	Fort Dearborn Land & Title Company	RHL Referral Company, LLC
MEHC Merger Sub Inc	HMSV Financial Services, Inc	Roberts Brothers, Inc
MEHC Texas Transco LLC	HN Real Estate Group N.C., Inc	Roy H. Long Realty Company, Inc
MHC Investment Company	HN Real Estate Group, LLC	San Diego PCRE, Inc
MHC, Inc	HN Referral Corporation	Semonin Realtors, Inc
MidAmerican AC Holding, LLC	HomeServices Financial Holdings, Inc	Southwest Relocation, LLC

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MidAmerican Energy Company
MidAmerican Energy Holdings Company
MidAmerican Energy Machining Services LLC
MidAmerican Funding, LLC

HomeServices Insurance, Inc
HomeServices of Alabama, Inc.
HomeServices of America, Inc
HomeServices of California, Inc

The Escrow Firm
The Referral Company
TitleSouth, LLC
Wm Broughton, LLC

With respect to members of the MEHC Sub-Group, MidAmerican Energy Holdings Company (MEHC) requires all subsidiaries to pay to or receive from MEHC an amount of tax based primarily on the stand-alone method of allocation. The computation includes all tax benefits from tax deductions stemming from cost borne by utility customers.

All Other Affiliates:

Berkshire Hathaway Inc.

The BN and SF Railway de Mexico, S.A. de C.V.

CTB MN Investments

Berkshire Hathaway Credit Corporation
Berkshire Hathaway Finance Corporation
BH Columbia Inc.

The Zia Company
Santa Fe Pacific Pipeline Holdings, Inc.
Burlington Northern Santa Fe British Columbia, Ltd.

International Dairy Queen, Inc.
American Dairy Queen Corporation
DQF, Inc.

Railsplitter Holdings Corporation
Wesco Holdings Midwest, Inc.
Acme Brick Company
Acme Brick DFW, Inc.
Acme Brick Sales Company
Acme Ochs Brick and Stone, Inc.
American Tile and Stone, Inc
Innovative Building Products, Inc
Alpha Cargo Motor Express, Inc
Brick Acquisition Company
Acme Building Brands, Inc
Acme Investment Company
Acme Management Company
Acme Services Company, L.P.
Denver Brick Company
Edmonds Material and Equipment Co.
Justin Industries, Inc.
AEG Processing Center No. 35, Inc.
AEG Processing Center No. 58, Inc.
Applied Processing Center No. 60, Inc.
American Employers Group, Inc.
Applied Group Insurance Holdings, Inc.
Applied Investigations Inc.
Applied Logistics, Inc.
Applied Premium Finance, Inc.
Applied Risk Services of New York, Inc.
Applied Risk Services, Inc.
AU Holding Company, Inc.
Applied Underwriters, Inc.
AU Captive Risk Assurance Co.
BH, LLC
Combined Claims Services, Inc.
Coverage Dynamics Group, Inc.
Commercial General Indemnity, Inc.
California Insurance Company
Continental Indemnity Company
Applied Underwriters Captive Risk Assurance Company, Inc.
Illinois Insurance Company
North American Casualty Co.

Pine Canyon Land Company
Santa Fe Pacific Insurance Company
Santa Fe Pacific Railroad Company
Western Fruit Express Company
Burlington Northern Railroad Holdings, Inc.
Winona Bridge Railroad Company
BNSF Railway International Services, Inc.
BN Leasing Corporation
Midwest Northwest Properties, Inc.
Santa Fe Pacific Pipelines, Inc.
BNSF Communications, Inc.
BNSF Spectrum, Inc.
Borsheim Jewelry Company, Inc
Brooks Sports, Inc.
Total Quality Apparel Resources
The Buffalo News, Inc.
Business Wire, Inc.
Clayton Commercial Buildings, Inc.
CMH Hodgenville, Inc.
CMH Manufacturing, Inc.
CMH Set and Finish, Inc.
CMH Manufacturing West, Inc.
AL/TEX Homes, Inc.
BR Agency, Inc.
Giles Industries, Inc.
MH Transport, Inc.
Southern Energy Homes, Inc.
Cavalier Homes, Inc.
Fontana Wood Products, Inc.
Fontana Wood Products of Oregon, Inc.
CMH Homes, Inc.
CMH of KY, Inc.
CMH Parks, Inc.
Chatwell, Inc.
Freedom Warehouse Corp.
Vanderbilt ABS Corp.
Vanderbilt Mortgage and Finance, Inc.

DQGC, Inc.
Unified Supply Chain, Inc.
DQ Funding Corporation
Dairy Queen Of Georgia, Inc.
Golden Skillet International, Inc.
Karmelkorn Shoppes, Inc.
Orange Julius Of America
Dairy Queen Corporate Stores, Inc.
DQ Managed Stores, Inc.
DQ Wholly-Owned Stores, Inc.
DQ Joint Venture Stores, Inc.
PJR Management, Inc.
All Bilt Uniforms
B. Lippman
Bricker-Mincolla Uniforms
Command Uniforms
Commonwealth Uniforms Inc.
Crowley Garment Mfg Co Inc.
Crowley Shirt Mfg Co Inc.
The Eagle Company
West Virginia Uniforms
Farriors, Inc.
The Fechheimer Brothers Co.
Fulton Manufacturing Company
Great Plains Uniforms
Griffey Uniforms
Harris Uniforms
Harrison Uniforms
Kale Uniforms
Kay Uniforms
Martin Manufacturing Company
McCain Uniform Company Inc.
Metro Uniforms
Nick Bloom Uniforms
Nationwide Uniforms
Pima Uniforms
Roberts Men's Shop

Vanderbilt SPC, Inc.
Vanderbilt Property&Casualty Insurance Co., Ltd.
Homefirst Agency, Inc.
21st Communities, Inc.
21st Mortgage Corporation
Henley Holdings, LLC
21 SPC, Inc.
Clayton Homes, Inc.
CMH Capital, Inc.
CMH Services, Inc.
Cort Business Services Corporation
Central States of Omaha Companies, Inc.
Central States Indemnity Co. of Omaha
CSI Life Insurance Company

Silver State Uniforms
Simon's Incorporated
Sol Frank Uniforms Inc.
Uniforms of Texas
Universal Uniforms
Waynesburg Shirt Company Inc.
Zuckerbergs Uniforms
Fruit of the Loom, Inc.
Union Underwear Co., Inc
Cumberland Asset Management, Inc.
Fruit of the Loom Direct, Inc.
Vanity Fair, Inc.
VFI-Mexico, Inc.
The BVD Licensing Corporation

Promesa Health, Inc.
Pennsylvania Insurance Company
Strategic Staff Management, Inc.
The Ben Bridge Corporation
Ben Bridge Jeweler, Inc.
Benjamin Moore & Co.
Complementary Coatings Corporation
Eco Color Company
The Indecor Group, Inc.
Burlington Northern Santa Fe, LLC
FreightWise, Inc.
Burlington Northern Santa Fe Insurance Company, Ltd.
BNSF Logistics International, Inc.
BNSF Railway Company
Bayport Systems, Inc.
Burlington Northern Santa Fe Manitoba, Inc.
Los Angeles Junction Railway Company
Star Lake Railroad Company
Fruit of The Loom Caribbean, Inc.

Agile Manufacturing, Inc.
CTB Credit Corp
CTB Inc.
CTB International Corp
Ironwood Plastics Inc
CTB IW INC
Isabella Shoe Corporation, LLC

Apeks Apparel, Inc.
Russell Athletic Corporation
Martin Mills, Inc.
Camp Manufacturing Company
Leesburg Yarn Mills, Inc.
Rabun Apparel, Inc.
Ecodyne Corporation

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FOOTNOTE DATA			

FTL Sales Company, Inc.
FTL Regional Sales Co., Inc.
Union Sales, Inc.
Fruit of the Loom Trading Company
Fruit of the Loom, Inc. (Sub)
Mobile Disaster Structures, Inc.
Forest River Financial Services, Inc.
Forest River Housing, Inc.
Forest River, Inc.

Mapletree Transportation, Inc.
Priority One Financial Services, Inc.

Veritas Insurance Group, Inc.
FlightSafety Capital Corp.
FlightSafety Development Corp.
FlightSafety International Inc.

FlightSafety New York, Inc.
FlightSafety Properties, Inc.
FlightSafety Services Corporation
Garan Central America Corp.
Garan Incorporated
Garan Manufacturing Corp.
Garan Services Corp
Criterion Insurance Agency
GEICO Corporation
Government Employees Financial Corp.
GEICO Insurance Agency
GEICO Products, Inc.
International Insurance Underwriters, Inc.
Maryland Ventures, Inc..
Plaza Financial Services Co.
Plaza Resources Co.
Top Five Club, Inc.
GEICO Advantage Insurance Company
GEICO Casualty Co.
GEICO Choice Insurance Company
GEICO General Insurance Co.
Government Employees Insurance Co.
GEICO Indemnity Co.
GEICO Secure Insurance Company
General Re Corporation
Gen Re Long Ridge LLC
Cologne Services Corporation

Elm Street Corporation
GRD Holdings Corporation
Gen Re Intermediaries Corporation
General Re New England Asset Management
Genesis Management and Insurance Services Corporation
General Star Management Company
United States Aviation Underwriters, Incorporated
General Re Financial Products Corporation
General Reinsurance Corporation
Faraday Capital Limited
Fairfield Insurance Company
Genesis Insurance Company
General Star Indemnity Company
General Star National Insurance Company
Helzberg's Diamond Shops, Inc.
HDS Redevelopment Corporation
Dexter Shoe Company
H. H. Brown Shoe Company, Inc.
Claims Services, Inc.
M & C Products, Inc.
Transco, Inc.
McLane Company, Inc.
McLane Eastern, Inc.
McLane Midwest, Inc.
McLane Suneast, Inc.
McLane Mid-Atlantic, Inc.
C & R Insurance Services, Inc.
Medical Protective Finance Corporation
The Medical Protective Company

Macro Retailing, LLC
Pan-Am Shoe Company, LLC
Running with Heels, Inc.
BH Shoe Holdings, Inc.
Sofft Shoe Company, LLC
H. H. Brown Shoe Technologies, LLC
Vision Retailing, Inc.
American All Risk Insurance Services Inc.
American Commercial Claims Administrators Inc

Brookwood Insurance Company
Berkshire Hathaway Homestate Insurance Company
Continental Divide Insurance Company
Cypress Insurance Company
Oak River Insurance Company
Redwood Fire and Casualty Insurance Company

Boot Royalty Company
Chippewa Shoe Company
Footwear Investment Company
H.J. Justin & Sons, Inc.
Justin Belt Company, Inc.
Justin Brands, Inc.
Justin Boot Company
J.S Justin, Inc.
Nocona Boot Company
Tony Lama Company
Johns Manville Corporation
Johns Manville, Inc.
Seventeenth Street Realty, Inc.
Johns Manville China, Ltd.
JM E3 CO
Corbond Corporation
Jordan's Furniture, Inc.
Kansas Bankers Surety Company
Albecca, Inc.
Active Organics, Inc.
Lubrizol Inter-Americas Corporation
Lubrizol Advanced Materials China, Inc.
The Lubrizol Corporation
CPI Engineering Services, Inc.
Lubrizol Holding, Inc.
Lubrizol Advanced Materials FCC, Inc.
Lubrizol Advanced Materials Holding Corporation
LZ Holding Corporation
Lubrizol Advanced Materials International, Inc.
Lipotec Group Corp.
Lubrizol Enterprises, Inc.
Lubrizol International Management Corporation

Lubrizol Overseas Trading Corporation
MPP Pipeline Corporation
Noveon Hilton Davis, Inc.
Lubrizol Advanced Materials, Inc.
Lubrizol Advanced Materials Gibraltar, Inc.
Lubricant Investments, Inc.
Marmon Water, Inc.
Marmon Crane Services, Inc.
Marmon Flow Products, Inc.
Marmon Industrial Companies, Inc.
Marmon Retail Services, Inc.
Marmon Wire & Cable, Inc.
Lockwood Street Urban Renewal Corporation
GUARDco, Inc.
Affiliated Agency Operations Co.
InterGUARD, Ltd.
TransGUARD, Ltd.
Consolidated Health Plans Inc.
Affordable Housing Partners, Inc.
Boat Owners Association of the United States
American Centennial Insurance Company
Citadel Insurance Company
WestGUARD Insurance Company
Berkshire Hathaway Assurance Corporation

J.L. Mining Company
Fontaine Truck Equipment Company
Marmon Retail Home Improvement Products, Inc.
Cerro Plumbing Retail, Inc.
Cerro Wire Distribution, Inc.
Morgantown-National Supply, Inc.
Procrane Holdings, Inc.
RCP Investment, Inc.
Wells Lamont Retail, Inc.

HG-Power Plant, Inc.
Marmon Natural Resource & Transportation Service

UTLX Company, Inc.
Anderson Retail, Inc.
Penn Coal Land, Inc.
Penn Pocahontas Coal Co.

TRH Holding Corp.
Alexander-Otto Company, LLC
Precision Millwork Settings LLC
Marmon Holdings, Inc.
Getz Bros. & Co. Zug, Inc.
Webb Wheel Products, Inc.
Perfection Hy-Test Company
Marathon Suspension Systems, Inc.
Fontaine Specialized, Inc.
Fontaine Trailer Company
Fontaine Modification Company
Fontaine Fifth Wheel Company
Marmon-Herrington Company
Triangle Suspension Systems, Inc.
Fontaine Spray Suppression Company
TSE Brakes, Inc.
Union Tank Car Company
Uni-Form Components Co.
Marmon Distribution Services, Inc.
Railserve, Inc.
Tiger-Sunbelt Industries, Inc.
Worldwide Containers, Inc.
Exsif Worldwide, Inc.
McLane Southern, Inc.
McLane Western, Inc.
MCLANE BEVERAGE DISTRIBUTION, INC.
MCLANE BEVERAGE HOLDING, INC.

McLane Minnesota, Inc.
McLane Express, Inc.
JDS PROPERTIES, INC.
INTREPID JSB, INC.
INTERNATIONAL TRADERS, INC.

FIRST AMERICAN CARRIERS, INC.
Meadowbrook Meat Company, Inc.
McLane New Jersey, Inc.
Kahn Ventures, Inc.
Empire Distributors, Inc.
Empire Distributors of North Carolina, Inc.
Horizon Wine & Spirits - Nashville, Inc.
Horizon Wine & Spirits - Chattanooga, Inc.
DELTA WHOLESALE LIQUORS, INC.
Salado Sales, Inc.
McLane Foodservice, Inc.
McCarty-Hull Cigar Company, Inc.
Professional Datasolutions, Inc.
CG Service, Inc.
Campbell Hausfeld/Scott Fetzer Company
Adalet/Scott Fetzer Company
Western/Scott Fetzer Company
Halex/Scott Fetzer Company
Stahl/Scott Fetzer Company
France/Scott Fetzer Company
Wayne/Scott Fetzer Company
Carefree/Scott Fetzer Company
Scott Fetzer Financial Group, Inc.
BH Finance, Inc.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Medical Protective Insurance Services, Inc.
Princeton Advertising & Marketing Group, Inc.
Alexander Road Insurance Agency, Inc.
Princeton Insurance Company
Medical Protective Corporation
Princeton Risk Protection, Inc.
MedPro Risk Retention Services, Inc.
Somerset Services, Inc.
MiTek Framings, Inc.
Hardy Frames, Inc.
HeatPipe Technology, Inc.
Hohmann & Barnard, Inc.

MiTek Holdings, Inc.
MiTek, Inc.
MiTek Industries, Inc.
Rush Air Inc
Miller-Sage, Inc.
SidePlate Systems, Inc.
Simpad, Inc.
TMI Custom Air Systems, Inc.
United Steel Products Company
121 Acquisition Co., LLC
Floors, Inc.
NFM of Kansas, Inc.
LMG Ventures, LLC
Nebraska Furniture Mart, Inc.
NFM SERVICES, LLC
Homemakers Plaza, Inc.
TXFM, Inc.
WMC Corp.
First Berkshire Hathaway Life Insurance Company
Berkshire Hathaway Life Insurance Company of Nebr.
BHG Life Insurance Company
Ringwalt & Liesche Co.
Brilliant National Services, Inc.
Soco West, Inc.
Whittaker, Clark & Daniels, Inc.
L.A. Terminals, Inc.
Boat America Corporation
Boat U.S., Inc.
Vessel Assist Association of America, Inc.
BHG Structured Settlements, Inc.
Resolute Management Inc.
International America Group Inc.
International American Management Company
Northern States Agency, Inc.
Finial Holdings, Inc.
CLAL U.S. Holdings, Inc.
GUARD Financial Group, Inc.
GUARD Insurance Group, Inc.

EastGUARD Insurance Company
Wesco-Financial Insurance Company
National Liability & Fire Insurance Company
National Indemnity Company of Mid-America
National Fire & Marine Insurance Company
National Indemnity Company
Atlanta International Insurance Company
Stonewall Insurance Company
Columbia Insurance Company
NorGUARD Insurance Company
Commercial Casualty Insurance Company
Unione Italiana Reinsurance Company of America, Inc.
Seaworthy Insurance Company
Finial Reinsurance Company
National Indemnity Company of the South
AmGUARD Insurance Company
BNJ NetJets, Inc.
Executive Jet Europe, Inc.
Executive Jet Management, Inc.
NetJets Aviation, Inc.
NetJets Europe Holdings, LLC
NetJets Inc.
NetJets International, Inc.
NetJets Large Aircraft, Inc.
NetJets M.E., Inc.
NetJets Sales, Inc.
NetJets Services, Inc.
NetJets U.S., Inc.
NJ Executive Services, Inc.
NJE Holdings, LLC
NJI Sales, Inc.
NJI, Inc.

Marquis Jet Partners, Inc.
Marquis Jet Holdings, Inc.
Omaha World-Herald Company
TPC European Holdings, LTD.
TPC North America, Ltd.
TPC N.A.S.A., LLC
The Pampered Chef, Ltd.
Precision Steel Warehouse - Charlotte S/C
Precision Steel Warehouse, Inc.
Precision Brand Products, Inc.
R.C. Willey Home Furnishings
Richline Group, Inc
See's Candies, Inc
Sees Candy Shops, Incorporated
BHSF, Inc.
Ambucor Health Solutions, Inc.
ScottCare Corporation
The Scott Fetzer Company

United Consumer Financial Services Company
United Direct Finance, Inc.
World Book, Inc.
World Book Encyclopedia, Inc.
World Book/Scott Fetzer Company
SHX Leasing, Inc.
SHX Flooring, Inc.
Shaw International Services, Inc.
Pro Installations, Inc.
Shaw Contract Flooring Installation Services, Inc.
Shaw Contract Flooring Services, Inc.
Spectra Contract Flooring Puerto Rico, Inc.

Shaw Industries Group, Inc.
Shaw Industries, Inc.
Shaw Diversified Services, Inc.
Shaw Transport, Inc.
Queen Carpet Corporation
Shaw Floors, Inc.
Shaw Retail Properties, Inc.
Shaw Funding Company
Star Furniture Company
CJE II
Mouser Electronics, Inc.
TTI, Inc.
Gateway Underwriters Agency, Inc.
U.S. Investment Corporation
United States Liability Insurance Company
Mount Vernon Fire Insurance Company
U.S. Underwriters Insurance Co.
Wesco Financial Corporation
MS Property Company
Blue Chip Stamps

AJF Warehouse Distributors, Inc.
XTRA Chassis, Inc.
XTRA Finance Corporation
XTRA International, Ltd.
MMX Corporation
XTRA Intermodal, Inc.
XTRA International Pacific, Ltd.
RENTCO Trailer Corporation
X-L-Co., Inc.
XLI, Inc.
XTR, Inc.
XTRA Corporation
XTRA Companies, Inc.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 34 Column: f

Change in FIN 48 balance

Schedule Page: 262 Line No.: 40 Column: j

Amount charged to Taxes Other Than Income	\$51,858,860
Taxes (account 408.1) included in column (j.)	
Taxes charged to construction overhead	(84,730)
Taxes billed to others	(89,611)
Taxes reported on p. 114 line 14 column (c.)	<u>\$51,684,519</u>

Schedule Page: 262.1 Line No.: 14 Column: f

Change in FIN 48 balance.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 6 Column: k

FIN 48

\$690,906

Schedule Page: 274 Line No.: 7 Column: k

Deferred income taxes that could be included in the development of jurisdictional recourse rates:

	<u>Beginning of year</u>	<u>End of year</u>
Depreciable property	\$ 504,134,410	\$ 542,719,849

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 6 Column: k
FIN 48 \$56,543

Schedule Page: 276 Line No.: 7 Column: k
Deferred income taxes that could be included in the development of jurisdictional recourse rates:

	<u>Beginning of year</u>	<u>End of year</u>
Regulatory Assets	\$ 13,393,440	\$ 14,935,376

Schedule Page: 276 Line No.: 9 Column: h
Correction of a prior period classification error.

Schedule Page: 276 Line No.: 10 Column: h
Correction of a prior period classification error.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 278 Line No.: 1 Column: a
Regulatory Authorization

Line No.	Description	Regulatory Citation	Amortization Period
1	Carlton resolution credits	RP01-382	
3	Penalty and deferred delivery variance charge revenue crediting mechanism	Order 637 A	
5	Interest rate lock (ref. \$100M Sr. Notes due 5-1-2015)	Not applicable	Through 04/2015
8	Employee benefits	A107-1-000 & Order 710	
10	Encroachment revaluation	Orders 552 & 627	

Schedule Page: 278 Line No.: 10 Column: f

This activity represents the transfer of the credit account balance from Regulatory Assets to Regulatory Liabilities.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 10 Column: j

Dekatherm volumes for the current year and prior year represent invoiced volumes excluding pooling points and deferred deliveries other than Ogden, Iowa.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 10 Column: j

See footnote for Page 300 line 10 column J for representation of dekatherm volumes.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 308 Line No.: 11 Column: b

Other Revenues consist of:

Gain on replacement of encroachment volumes	\$2,669,703
Five items each less than \$250,000	424,524
	<u>\$3,094,227</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 313 Line No.: 40 Column: b

Revenue reflects (1) all discounted firm reservation revenue; (2) all firm commodity revenue on contracts where the Respondent discounted any part of the reservation charge for the month; and (3) all discounted interruptible revenue. The amounts exclude revenue associated with non-traditional rate treatment reported on page 217.

Schedule Page: 313 Line No.: 40 Column: c

Volume reflects (1) all firm commodity volume on contracts where the Respondent discounted any part of the reservation charge for the month; and (2) all discounted interruptible volume.

Schedule Page: 313 Line No.: 40 Column: d

Reflects total revenue and volume for the year for any contract that was considered a 'negotiated rate' for any part of the year. The amounts exclude revenue associated with non-traditional rate treatment reported on page 217.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 331 Line No.: 1 Column: b

Gas used for compressor station fuel includes charges to Account 854 for transmission and to Account 819 for underground storage as follows:

	<u>Gas Used (Dth)</u>	<u>Amount (\$)</u>
Transmission	8,979,926	\$ 25,420,224
Underground Storage	585,644	1,673,876
Total Line 1	<u>9,565,570</u>	<u>\$ 27,094,100</u>

Schedule Page: 331 Line No.: 10 Column: b

Other underground storage operations includes charges to Account 817 for storage lines fuel and to Account 819 for other underground storage facility fuel as follows:

	<u>Gas Used (Dth)</u>	<u>Amount (\$)</u>
Storage Lines Fuel	166,650	\$ 478,210
Other Underground Storage Facility Fuel	38,769	106,879
Total Line 10	<u>205,419</u>	<u>\$ 585,089</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 336 Line No.: 3 Column: b

The Respondent's annual FAS 143 allowance of \$4,325,087 is recorded as negative salvage with 1/12 of the annual allowance charged monthly to Account 403 Depreciation expense and related credits accumulated in a "negative salvage for ARO" subaccount of Account 108 Accumulated provision for depreciation. Actual costs of removal (asset removal costs) are charged against this accumulated allowance account as incurred.

Schedule Page: 336 Line No.: 3 Column: c

To meet the requirements of ASC 410, Asset Retirement and Environmental Obligations and the related requirements of the Uniform System of Accounts, the Respondent records its ARO obligations with credits to Account 230 Asset retirement obligations, with the related debit to Account 101 Gas plant in service using the appropriate gas plant detail account for asset retirement cost. Monthly entries are recorded to depreciate the capitalized retirement costs on a straight-line basis over the remaining life of the plant asset and to accrete the asset retirement obligation liability with an offsetting charge to Account 411.10 Accretion expense. The charges to depreciation expense and to accretion expense are deferred to Account 182.3 Other regulatory assets – ARO by recording credits to those expense accounts and charges to the ARO regulatory asset.

Schedule Page: 336 Line No.: 8 Column: c

To meet the requirements of ASC 410, Asset Retirement and Environmental Obligations and the related requirements of the Uniform System of Accounts, the Respondent records its ARO obligations with credits to Account 230 Asset retirement obligations, with the related debit to Account 101 Gas plant in service using the appropriate gas plant detail account for asset retirement cost. Monthly entries are recorded to depreciate the capitalized retirement costs on a straight-line basis over the remaining life of the plant asset and to accrete the asset retirement obligation liability with an offsetting charge to Account 411.10 Accretion expense. The charges to depreciation expense and to accretion expense are deferred to Account 182.3 Other regulatory assets – ARO by recording credits to those expense accounts and charges to the ARO regulatory asset.

Schedule Page: 338 Line No.: 2 Column: b

All plant bases are the balances as of 12-31-12.

The depreciation rates as identified for lines 4, 7, 8, 12, 13, 14, and 15 are consistent with General Rate Case Docket Nos. RP03-398 and RP04-155 consolidated stipulation and agreement dated March 25, 2005.

Schedule Page: 338 Line No.: 2 Column: c

The 4.64% depreciation rate for Offshore Production and Gathering facilities is applied to those depreciable assets placed in service after 10/31/98 consistent with the General Rate Case Settlement in RP98-203. All offshore assets installed on or prior to 10/31/98 are fully depreciated. In addition to the 4.64% depreciation rate, the Respondent also accrues for expected negative salvage to be incurred on offshore plant retirements at an annual rate of 0.25% on all offshore facilities in service. The negative salvage accrual of 0.25% was established in the settlement agreement of Respondent's RP85-206 rate case and reaffirmed in the settlement agreements for each of the subsequent rate cases filed by Respondent. The Offshore Production and Gathering basis for the 0.25% negative salvage accrual as of 12/31/12 was \$2,753,563.

Schedule Page: 338 Line No.: 6 Column: c

The 4.64% depreciation rate for Offshore Transmission facilities is applied to those depreciable assets placed in service after 10/31/98 consistent with the General Rate Case Settlement in RP98-203. All offshore assets installed on or prior to 10/31/98 are fully depreciated. In addition to the 4.64% depreciation rate, the Respondent also accrues for expected negative salvage to be incurred on offshore plant retirements at an annual rate of 0.25% on all offshore facilities in service. The negative salvage accrual of 0.25% was established in the settlement agreement of Respondent's RP85-206 rate case and reaffirmed in the settlement agreements for each of the subsequent rate cases filed by Respondent. The Offshore Transmission basis for the 0.25% negative salvage accrual as of 12/31/12 was \$55,465,356.

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 338 Line No.: 8 Column: c

The depreciation rate for General Plant structures is 2.75% with a plant basis of \$21,213,969 as of 12/31/12. The depreciation rate for Other General Plant is 10.0% with a plant basis of \$87,393,514 as of 12/31/12.

Schedule Page: 338 Line No.: 9 Column: c

The depreciation rates for Asset Retirement Costs are determined based on the estimated life of each asset for which an asset retirement obligation was recorded.

Schedule Page: 338 Line No.: 10 Column: c

For Intangible Plant related to Contributions in aid of Construction and Leasehold Improvements associated with a contract, a separate straight line amortization rate was determined based on the initial term of the contract, otherwise the rate will be 10.0%. For all other Intangible Plant which includes software development and organizational costs, the amortization rate is 4.4% as stated in the consolidated rate case settlement in Docket Nos. RP03-398 and RP04-155. The plant basis on which the 4.4% rate was applied as of December 31, 2012, was \$99,762,023.

Schedule Page: 338 Line No.: 11 Column: c

Per FERC Order 678, the Respondent must ensure that existing customers will not be subject to additional costs and separately account for costs, services, and commitments provided under section 4(f) authorizations for market-based rates. In order to comply with Order 678, straight line depreciation rates were derived for the Respondent's market-based facilities based on the average historical life experienced by the Respondent for that type of underground storage plant. Based on the Respondent's historical experience, the depreciation rate for market-based underground storage facilities is 2.34%.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 340 Line No.: 15 Column: a
Interest rates used are published by the FERC and updated quarterly.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 75 Column: b

The \$1,127,402 pertains to the following:

Smartpigging/Hydro Testing (Account 182.3)	\$ 883,074
Storage study (Account 183.2)	31,333
Job orders (Account 186)	212,995
	<u>\$ 1,127,402</u>

Schedule Page: 354 Line No.: 75 Column: c

The \$52 pertains to the following:

Lobbying expenses (Account 426.4)	\$ 52
	<u>\$ 52</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 358 Line No.: 3 Column: c

Accounts charged or credited for MEC: 426.1, 426.4, 426.5 and 923.

Schedule Page: 358 Line No.: 6 Column: c

Accounts charged or credited for MEC: 235, 242, 252, 408.1, 421, 816, 817, 819, 824, 852, 855, 856, 857, 867, 912, 921 and 931.

Schedule Page: 358 Line No.: 12 Column: c

Accounts charged or credited for MEHC: 165, 253, 421, 426.1, 426.4, 426.5 and 923.

Schedule Page: 358 Line No.: 14 Column: b

Affiliate company includes affiliates of Berkshire Hathaway and MEHC for goods and services amounting to \$250,000 or less.

Schedule Page: 358 Line No.: 15 Column: c

Accounts charged or credited for PacifiCorp: 107, 426.4, 426.5, 850 and 923.

Schedule Page: 358 Line No.: 16 Column: a

Amounts which are chargeable from another affiliate are assigned first by coding to the specific affiliate. These charges were based on actual labor, benefits and operational costs incurred. Amounts not directly assignable to an individual affiliate, such as work performed where multiple affiliates benefit, are assigned on the basis of allocations from MidAmerican Energy Holdings Company, MHC Inc. and MidAmerican Energy Company, as described below:

Allocator	Description
Labor and Assets	An equal weighting of each company's labor and assets expressed as a percentage of the whole ((labor % + assets %) ÷ 2) determines the portion assigned to each company. Labor is 12 months ended through December of the prior year. Assets are total assets at December 31 of the prior year. Five combinations of this allocator are used for allocating services that benefit different companies within the holding company organization.
Legislative and Regulatory	The Legislative and Regulatory allocator is used to allocate costs incurred by the holding company's Legislative & Regulatory groups. The Legislative & Regulatory groups work on a variety of legislative and regulatory subject matter for select groups of companies within the holding company organization. The Legislative and Regulatory allocation percentages are based on the Legislative & Regulatory groups' estimation of the time and resources that are being spent on these selected companies.
Information Technology Infrastructure	Allocates costs related to shared information technology infrastructure owned by the affiliate to other benefited affiliates based on an aggregation of various measures of usage of such infrastructure including storage capacity utilized, number of servers utilized, server processing times, etc.
Employee Count	This allocator distributes costs to benefited affiliates based on employee counts at such affiliates as of the prior year-end.
Processes	This allocator distributes costs of electronic data interchange software and services based on the number of transactions within each affiliate using such software or services.
Oracle Users	This allocator distributes costs of Oracle software and services based on the number of employees within each affiliate using such software and services.
Plant	This allocator distributes costs of managing the corporate insurance function based on assets for each affiliate.

Schedule Page: 358 Line No.: 21 Column: c

Accounts charged or credited for MEC: 235, 252, 408.1, 489.2, 489.4, 495, 806, 850, 920, 921, 923.9 and 926.

Schedule Page: 358 Line No.: 22 Column: c

Accounts charged or credited for MEC: 408.1, 850, 920, 921, 923.9 and 926.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 358 Line No.: 26 Column: c

Accounts charged or credited for MEHC: 408.1, 493, 863, 920, 921, 926 and 930.2.

Schedule Page: 358 Line No.: 27 Column: c

Accounts charged or credited for Kern River: 408.1, 920, 921, 923 and 926.

Schedule Page: 358 Line No.: 28 Column: c

Accounts charged or credited for Kern River: 408.1, 426.1, 840, 850, 864, 920, 921, 923, 923.9, 926 and 930.2.

Schedule Page: 358 Line No.: 32 Column: b

Affiliate company includes affiliates of Berkshire Hathaway and MEHC for goods and services amounting to \$250,000 or less.

Schedule Page: 358 Line No.: 33 Column: a

Amounts which are chargeable to another affiliate are assigned first by coding to the specific affiliate. These charges were based on actual labor, benefits and operational costs incurred. Amounts not directly assignable to an individual affiliate, such as work performed where multiple affiliates benefit, are assigned on the basis of allocations to MidAmerican Energy Holdings Company and CalEnergy Generation Operating Company, as described below:

Allocator	Description
Building space	Allocates costs for rent and building services associated with occupied building space in Northern's office building in Omaha, Nebraska to affiliates of MEHC. This allocator distributes costs to benefited affiliates based on the occupied square footage of the office building.

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Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 508 Line No.: 7 Column: a

The Fort Buford, North Dakota, compressor station is operated by Bear Paw Energy, Inc.

Schedule Page: 508 Line No.: 19 Column: a

The LaCrescent, Minnesota, compressor station was not operated in 2012 due to the lack of contract demand. Respondent has no current plans to abandon the station.

Schedule Page: 508.1 Line No.: 5 Column: a

Unit 5 at the Paulina, Iowa, compressor station is classified as "Gas Plant Held For Future Use," and is also reported on Page 214 "Gas Plant Held for Future Use" of the Form 2.

Schedule Page: 508.1 Line No.: 12 Column: a

One of the compressors at Bushton, Kansas, is operated for the Lyons, Kansas, underground storage facility.

Schedule Page: 508.1 Line No.: 21 Column: a

Pursuant to the automatic blanket authorization of the Respondent's blanket certificate and Section 157.208(a) of the Commission's regulations, the Respondent leases the Cargray compressor station located in Carson County, Texas, from Eagle Rock Field Services, LP.

Schedule Page: 508.2 Line No.: 9 Column: a

The Respondent owns 13.5% of the compressor installed on a platform owned and operated by Northstar Offshore Energy Partners, LLC, successor in interest to Reserve Oil Incorporated in South Pelto Block 13 in the Gulf of Mexico offshore Louisiana. The Respondent does not know the ownership percentages of the other owners.

Schedule Page: 508.1 Line No.: 16 Column: f

Includes cooperative credit of \$58,054 for prior years' electrical expense.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 514 Line No.: 3 Column: a

Lines held under a title other than full ownership

<u>Designation (Identification)</u>	<u>Co-owner</u>	<u>Total Miles of Pipe</u>	<u>%</u>
KSC81201 Greensburg to Mullinville	ANR	1.8	50.0

Schedule Page: 514 Line No.: 6 Column: a

Lines held under a title other than full ownership

<u>Designation (Identification)</u>	<u>Co-owner</u>	<u>Total Miles of Pipe</u>	<u>%</u>
NEC64201 to LES from NEM50103	Lincoln Electric System	6.3	100.0
NEC64401 to OPPD Cass county generator station	Omaha Public Power District	0.2	100.0

Schedule Page: 514 Line No.: 9 Column: a

Lines held under a title other than full ownership

<u>Designation (Identification)</u>	<u>Co-owner</u>	<u>Total Miles of Pipe</u>	<u>%</u>
SDB96601 Webster branchline	NorthWestern Energy	10.4	100.0
SDB96701 Parkston branchline	NorthWestern Energy	43.7	100.0
SDB97001 Parker branchline	NorthWestern Energy	20.4	100.0
SDB97301 Marion branchline	NorthWestern Energy	0.1	100.0
SDB97101 Menno branchline	NorthWestern Energy	6.7	100.0

Schedule Page: 514 Line No.: 10 Column: a

Lines held under a title other than full ownership

<u>Designation (Identification)</u>	<u>Co-owner</u>	<u>Total Miles of Pipe</u>	<u>%</u>
TXC90401 Spearman Interconnect from PVR	Penn Virginia Resources	0.3	100.0
TXC90701 Golden Spread Pipeline	Golden Spread Electric Coop	10.0	100.0

Schedule Page: 514 Line No.: 12 Column: a

Lines held under a title other than full ownership

<u>Designation (Identification)</u>	<u>Owner/Co-owner</u>	<u>Total Miles of Pipe</u>	<u>%</u>
MAT665/Inter Coastal 116 (TOS71201)	Southern Natural Gas	18.0	18.6
	Florida Gas Transmission		13.4
Intercoastal 116 to Coastline (TOS80651)	Southern Natural Gas	7.1	18.6
	Florida Gas Transmission		13.4
Coastline to Tivoli Plant (TXG80651)	Southern Natural Gas	11.0	18.6
	Florida Gas Transmission		13.4
MAT 657 to 656 (TOS83321)	Southern Natural Gas	1.5	100.0
Tivoli Plant to Florida Gas Interconnect (TXG80621)	Southern Natural Gas	3.3	18.6
	Florida Gas Transmission		13.4
MAT 686/665 (TOS80631)	Southern Natural Gas	5.2	18.6
	Florida Gas Transmission		13.4
Interconnect on Matagorda Island (TOS85031)	Southern Natural Gas	0.0	18.6
	Florida Gas Transmission		13.4

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 520 Line No.: 3 Column: c

The 2,407,569 Dth represents gas purchases recorded to FERC account 803.

Schedule Page: 520 Line No.: 12 Column: c

The 90,847,974 Dth represents gas withdrawn from storage (includes third party and company owned gas).

Schedule Page: 520 Line No.: 15 Column: c

The 800,000 Dth represents gas received for Redfield base gas injection.

Schedule Page: 520 Line No.: 20 Column: c

Volumes transported for others equals invoiced volumes excluding deliveries to pooling points and deferred delivery points other than Ogden, Iowa. For the purpose of calculating the total volume eligible for the ACA surcharge, begin with the deliveries of gas transported for others on page 520, line 20 and adjust that volume by eliminating the December 2011 estimate reversal in January 2012 and the transportation estimate in and for December 2012.

	<u>Amount (Dth)</u>
Line 20 Deliveries of gas transported for others	928,977,052
Plus December 2011 throughput estimate reversal	93,796,000
Less December 2012 throughput estimate	(101,706,000)
Total volume eligible for ACA surcharge	<u>921,067,052</u>

Gas sales volumes shown on line 18 and deliveries of contract storage gas volumes shown on line 22 are not additive to the calculation above because they are already included in the deliveries of gas transportation volumes shown on line 20.

Schedule Page: 520 Line No.: 27 Column: c

The 83,337,660 Dth represents gas injected into storage (includes third party and company owned gas).

Schedule Page: 520 Line No.: 29 Column: c

	<u>Amount (Dth)</u>
Drip Shrinkage	12,445
Work Order	275,039
Gas Used in other O&M Operations	2,060,979
Total	<u>2,348,463</u>

Schedule Page: 520 Line No.: 3 Column: d

The 1,751,399 Dth represents gas purchases recorded to FERC account 803.

Schedule Page: 520 Line No.: 12 Column: d

The 39,192,042 Dth represents gas withdrawn from storage (includes third party and company owned gas).

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 520 Line No.: 27 Column: d

The 23,893,632 Dth represents gas injected into storage (includes third party and company owned gas).

Schedule Page: 520 Line No.: 29 Column: d

	<u>Amount (Dth)</u>
Drip Shrinkage	(230)
Work Order	0
Gas Used in other O&M Operations	441,659
Total	<u>441,429</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 521 Line No.: 22 Column: e

Gas used for other operation purposes:

		<u>Month 1</u> <u>Gas Used (Dth)</u>		<u>Month 1</u> <u>Amount (\$)</u>
LNG Compressor Station Fuel	842.1	33	\$	98
Line Operations	856	90,841		269,299
Purification Underground Storage	821	394		1,168
Other Underground Storage Operations	817	5,001		14,825
Other Compressor Station Fuel	819	2,233		6,619
		<u>98,502</u>	\$	<u>292,009</u>

Volume of gas used for other deliveries and gas used for other operations does not equal the volume reported on line 29 page 520. The variance is due to the exclusion of drip shrinkage and gas associated with work orders which are not considered shipper supplied gas.

Schedule Page: 521 Line No.: 22 Column: e

Gas used for other operation purposes:

		<u>Month 2</u> <u>Gas Used (Dth)</u>		<u>Month 2</u> <u>Amount (\$)</u>
LNG Compressor Station Fuel	842.1	24	\$	83
Line Operations	856	116,989		406,759
Purification Underground Storage	821	3,198		11,119
Other Underground Storage Operations	817	25,797		89,694
Other Compressor Station Fuel	819	2,872		9,986
		<u>148,880</u>	\$	<u>517,641</u>

Volume of gas used for other deliveries and gas used for other operations does not equal the volume reported on line 29 page 520. The variance is due to the exclusion of drip shrinkage and gas associated with work orders which are not considered shipper supplied gas.

Schedule Page: 521 Line No.: 22 Column: e

Gas used for other operation purposes:

		<u>Month 3</u> <u>Gas Used (Dth)</u>		<u>Month 3</u> <u>Amount (\$)</u>
LNG Compressor Station Fuel	842.1	8,598	\$	30,678
Line Operations	856	155,977		556,261
Purification Underground Storage	821	10,943		39,045
Other Underground Storage Operations	817	14,496		51,721
Other Compressor Station Fuel	819	4,263		15,210
		<u>194,277</u>	\$	<u>692,915</u>

Volume of gas used for other deliveries and gas used for other operations does not equal the volume reported on line 29 page 520. The variance is due to the exclusion of drip shrinkage and gas associated with work orders which are not considered shipper supplied gas.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2012/Q4
FOOTNOTE DATA			

Schedule Page: 521 Line No.: 44 Column: a

All excess gas is to be returned to shippers and is recorded in a volumetric tracker.

Schedule Page: 521 Line No.: 56 Column: a

All deficiency gas is to be recovered from shippers and is recorded in a volumetric tracker.

Schedule Page: 521 Line No.: 64 Column: a

For Balance Sheet accounts carried and resolved volumetrically, the Respondent carries the balance priced at the end of the month Northern Natural Gas Demarcation index as published in Gas Daily.

The Respondent allocated discounted, negotiated and recourse amounts for lines 14, 22 and 30 based on the corresponding functional category line for shipper supplied gas.

Schedule Page: 521 Line No.: 1 Column:

The Respondent is a reticulated pipeline and backhaul volume service is not offered under the tariff, all volumes are reported as forwardhaul volume.

Forwardhaul volumes exclude deliveries to pooling and deferred delivery points other than Ogden, Iowa.