

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 2013/Q2

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

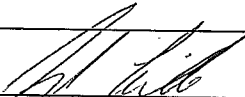
IDENTIFICATION

01 Exact Legal Name of Respondent Northern Natural Gas Company		Year/Period of Report End of 2013/Q2	
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)			

QUARTERLY 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 08/14/2013	

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	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			2013/Q2
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. None

4. None

5. CP12-469-000

By Commission order issued February 21, 2013, Respondent was granted approval to abandon by sale to DKM Enterprises, LLC (DKM) approximately 126 miles of its 24-inch-diameter A-Line pipeline and appurtenant facilities extending through the panhandle areas of Texas and Oklahoma and into south central Kansas. The facilities were abandoned effective April 19, 2013.

BLANKET CERTIFICATE ACTIVITIES

No important extensions or reductions of the Respondent's transmission system occurred pursuant to its blanket certificate granted on September 1, 1982, in Docket No. CP82-401-000 from April 1 through June 30, 2013.

§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 April 1 through June 30, 2013.

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			2013/Q2
Important Changes During the Quarter/Year			

6. None

7. None

8. None

9. Refer to Note 6 included in the Notes to Financial Statements on page 122.

10. None

11. None

12. None

13. Not applicable

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>2013/Q2</u>
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	3,402,624,308	3,398,086,015
3	Construction Work in Progress (107)	200-201	32,223,729	17,394,595
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	3,434,848,037	3,415,480,610
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,247,701,404	1,225,436,543
6	Net Utility Plant (Total of line 4 less 5)		2,187,146,633	2,190,044,067
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)		2,187,146,633	2,190,044,067
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	28,429,396	28,429,396
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	(6,797,030)	(3,247,568)
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)		31,007,031	31,637,469
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)		31,007,031	31,637,469
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		(4,195,769)	(7,597,540)
33	Special Deposits (132-134)		414,291	2,151,752
34	Working Funds (135)		24,400	24,400
35	Temporary Cash Investments (136)	222-223	130,555,616	90,335,329
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		41,008,365	64,846,504
38	Other Accounts Receivable (143)		9,306,777	403,792
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		87,956	0
40	Notes Receivable from Associated Companies (145)		230,000,000	230,000,000
41	Accounts Receivable from Associated Companies (146)		3,196,305	7,376,301
42	Fuel Stock (151)		0	0
43	Fuel Stock Expenses Undistributed (152)		0	0

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Comparative Balance Sheet (Liabilities and Other Credits)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)	
1	PROPRIETARY CAPITAL				
2	Common Stock Issued (201)	250-251	1,002	1,002	
3	Preferred Stock Issued (204)	250-251	0	0	
4	Capital Stock Subscribed (202, 205)	252	0	0	
5	Stock Liability for Conversion (203, 206)	252	0	0	
6	Premium on Capital Stock (207)	252	0	0	
7	Other Paid-In Capital (208-211)	253	981,867,972	981,867,972	
8	Installments Received on Capital Stock (212)	252	0	0	
9	(Less) Discount on Capital Stock (213)	254	0	0	
10	(Less) Capital Stock Expense (214)	254	0	0	
11	Retained Earnings (215, 215.1, 216)	118-119	312,304,538	307,847,429	
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0	
13	(Less) Reacquired Capital Stock (217)	250-251	0	0	
14	Accumulated Other Comprehensive Income (219)	117	31,043	(5,126)	
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,294,204,555	1,289,711,277	
16	LONG TERM DEBT				
17	Bonds (221)	256-257	400,000,000	400,000,000	
18	(Less) Reacquired Bonds (222)	256-257	0	0	
19	Advances from Associated Companies (223)	256-257	0	0	
20	Other Long-Term Debt (224)	256-257	500,000,000	500,000,000	
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0	
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	616,703	633,369	
23	(Less) Current Portion of Long-Term Debt		0	0	
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		899,383,297	899,366,631	
25	OTHER NONCURRENT LIABILITIES				
26	Obligations Under Capital Leases-Noncurrent (227)		0	0	
27	Accumulated Provision for Property Insurance (228.1)		0	0	
28	Accumulated Provision for Injuries and Damages (228.2)		33,853	373,972	
29	Accumulated Provision for Pensions and Benefits (228.3)		3,346,442	3,462,347	
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0	
31	Accumulated Provision for Rate Refunds (229)		0	0	

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Comparative Balance Sheet (Liabilities and Other Credits)(continued)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)	
32	Long-Term Portion of Derivative Instrument Liabilities		0	0	
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
34	Asset Retirement Obligations (230)		37,009,478	36,332,680	
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		40,389,773	40,168,999	
36	CURRENT AND ACCRUED LIABILITIES				
37	Current Portion of Long-Term Debt		0	0	
38	Notes Payable (231)		0	0	
39	Accounts Payable (232)		10,308,054	21,447,505	
40	Notes Payable to Associated Companies (233)		0	0	
41	Accounts Payable to Associated Companies (234)		1,334,241	477,102	
42	Customer Deposits (235)		14,330,754	16,672,417	
43	Taxes Accrued (236)	262-263	56,575,534	69,583,863	
44	Interest Accrued (237)		13,113,888	13,626,389	
45	Dividends Declared (238)		0	0	
46	Matured Long-Term Debt (239)		0	0	
47	Matured Interest (240)		0	0	
48	Tax Collections Payable (241)		693,910	925,094	
49	Miscellaneous Current and Accrued Liabilities (242)	268	27,753,067	26,025,961	
50	Obligations Under Capital Leases-Current (243)		0	0	
51	Derivative Instrument Liabilities (244)		64,095,571	69,048,427	
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0	
53	Derivative Instrument Liabilities - Hedges (245)		30,994	8,514	
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		188,236,013	217,815,272	
56	DEFERRED CREDITS				
57	Customer Advances for Construction (252)		5,913,335	2,578,235	
58	Accumulated Deferred Investment Tax Credits (255)		0	0	
59	Deferred Gains from Disposition of Utility Plant (256)		0	0	
60	Other Deferred Credits (253)	269	180,020	203,795	
61	Other Regulatory Liabilities (254)	278	19,594,377	20,077,463	
62	Unamortized Gain on Reacquired Debt (257)	260	0	0	
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0	
64	Accumulated Deferred Income Taxes - Other Property (282)		569,427,375	560,618,935	
65	Accumulated Deferred Income Taxes - Other (283)		64,461,716	63,393,733	
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		659,576,823	646,872,161	
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		3,081,790,461	3,093,934,340	

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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	308,938,611	305,602,369	102,877,211	100,186,024
3	Operating Expenses					
4	Operation Expenses (401)	317-325	80,153,413	74,967,562	45,148,546	37,363,524
5	Maintenance Expenses (402)	317-325	21,130,754	19,449,039	12,772,781	11,477,524
6	Depreciation Expense (403)	336-338	28,654,019	28,412,672	14,300,057	14,155,907
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	3,553,249	3,534,200	1,774,134	1,765,896
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	0	0	0
13	(Less) Regulatory Credits (407.4)		0	0	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	26,994,496	27,109,708	13,203,151	13,935,745
15	Income Taxes-Federal (409.1)	262-263	32,027,257	28,090,554	(4,008,468)	(7,276,932)
16	Income Taxes-Other (409.1)	262-263	5,417,871	5,541,831	(1,752,516)	(1,873,963)
17	Provision of Deferred Income Taxes (410.1)	234-235	30,124,171	20,554,332	7,536,867	12,965,771
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	17,205,084	3,579,403	(107,666)	205,004
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)		210,850,146	204,080,495	89,082,218	82,308,468
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		98,088,465	101,521,874	13,794,993	17,877,556

[illegible]

FERC FORM NO. 2 (REV 06-04) Page 115

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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)		98,088,465	101,521,874	13,794,993	17,877,556
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)		787,428	881,030	394,140	430,974
38	Allowance for Other Funds Used During Construction (419.1)		520,472	418,877	348,127	296,775
39	Miscellaneous Nonoperating Income (421)		13,098,039	1,170,263	12,977,462	930,057
40	Gain on Disposition of Property (421.1)		0	500,558	0	500,045
41	TOTAL Other Income (Total of lines 31 thru 40)		14,405,939	2,970,728	13,719,729	2,157,851
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	0	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	201,809	210,047	45,228	135,604
46	Life Insurance (426.2)		0	0	0	0
47	Penalties (426.3)		2,252	210	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		39,954	24,078	29,449	12,744
49	Other Deductions (426.5)		98,047	213,786	96,790	86,201
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	342,062	448,121	171,467	234,549
51	Taxes Applicable 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	(9,951,933)	(10,493,519)	(4,551,980)	(5,121,864)
54	Income Taxes-Other (409.2)	262-263	(2,268,329)	(2,391,773)	(1,037,525)	(1,167,419)
55	Provision for Deferred Income Taxes (410.2)	234-235	47,577,416	13,892,884	12,654,093	7,057,687
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	29,748,243	394	1,663,559	197
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)		5,608,911	1,007,198	5,401,029	768,207
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		8,454,966	1,515,409	8,147,233	1,155,095
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		22,037,500	24,975,000	11,018,750	12,487,500
63	Amortization of Debt Disc. and Expense (428)	258-259	169,907	440,151	84,686	221,582
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	28,352	26,955	13,287	12,086
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		149,437	137,887	100,565	98,675
70	Net Interest Charges (Total of lines 62 thru 69)		22,086,322	25,304,219	11,016,158	12,622,493
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		84,457,109	77,733,064	10,926,068	6,410,158
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)		84,457,109	77,733,064	10,926,068	6,410,158

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Year/Period of Report
End of 2013/Q2

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.

[illegible]

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 2013/Q2
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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		307,847,429	294,132,010
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)		84,457,109	77,733,064
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	80,000,000	121,000,000
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)		312,304,538	250,865,074
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		312,304,538	250,865,074
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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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 2013/Q2
Statement of Cash Flows				
<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>				
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 78(c) on page 116)	84,457,109	77,733,064	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	32,207,268	31,946,872	
5	Amortization of (Specify) (footnote details)	6,182,209	6,538,889	
6	Deferred Income Taxes (Net)	30,748,260	30,867,419	
7	Investment Tax Credit Adjustments (Net)			
8	Net (Increase) Decrease in Receivables	28,316,942	30,930,867	
9	Net (Increase) Decrease in Inventory	(948,593)	570,567	
10	Net (Increase) Decrease in Allowances Inventory			
11	Net Increase (Decrease) in Payables and Accrued Expenses	(10,739,143)	(35,587,378)	
12	Net (Increase) Decrease in Other Regulatory Assets	2,559,735	(17,365,947)	
13	Net Increase (Decrease) in Other Regulatory Liabilities	(985,052)	(1,161,961)	
14	(Less) Allowance for Other Funds Used During Construction	520,472	418,877	
15	(Less) Undistributed Earnings from Subsidiary Companies			
16	Other (footnote details):	(14,386,053)	18,350,920	
17	Net Cash Provided by (Used in) Operating Activities			
18	(Total of Lines 2 thru 16)	156,892,210	142,404,435	
19				
20	Cash Flows from Investment Activities:			
21	Construction and Acquisition of Plant (including land):			
22	Gross Additions to Utility Plant (less nuclear fuel)	(30,463,516)	(45,213,825)	
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	(520,472)	(418,877)	
27	Other (footnote details):	(3,317,108)	7,254,862	
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(33,260,152)	(37,540,086)	
29				
30	Acquisition of Other Noncurrent Assets (d)			
31	Proceeds from Disposal of Noncurrent Assets (d)		72,200	
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 2013/Q2
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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 Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other (footnote details):		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(33,260,152)	(37,467,886)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)		
54	Preferred Stock		
55	Common Stock		
56	Other (footnote details): Debt issuance costs	(10,000)	
57	Net Increase in Short-term Debt (c)		
58	Other: Loan to MEHC		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	(10,000)	
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)		
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details): Debt issuance costs		
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(80,000,000)	(121,000,000)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(80,010,000)	(121,000,000)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	43,622,058	(16,063,451)
75			
76	Cash and Cash Equivalents at Beginning of Period	82,762,189	60,915,532
77			
78	Cash and Cash Equivalents at End of Period	126,384,247	44,852,081

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			2013/Q2
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) General

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

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			2013/Q2
Notes to Financial Statements			

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 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.

The Respondent has no subsidiaries. The unaudited Financial Statements and supporting schedules have been 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 unaudited Financial Statements do not include all of the information and disclosures required for the Respondent's annual financial statements in its 2012 FERC Form No. 2. Management believes the unaudited Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the Financial Statements as of June 30, 2013 and for the six-month periods ended June 30, 2013 and 2012. The results of operations for the six-month period ended June 30, 2013 are not necessarily indicative of the results to be expected for the full year. The Respondent has evaluated subsequent events through August 14, 2013, which is the date the unaudited Financial Statements were available to be issued.

The preparation of the unaudited 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 unaudited Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Financial Statements. Note 2 of Notes to Financial Statements included in the Respondent's FERC Form No. 2 for the year ended December 31, 2012 describes the most significant accounting policies used in the preparation of the unaudited Financial Statements. There have been no significant changes in the Respondent's assumptions regarding significant accounting estimates and policies during the six-month period ended June 30, 2013.

(2) New Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-04, which amends FASB Accounting Standards Codification ("ASC") Topic 405, "Liabilities." The amendments in this guidance require an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date as the amount the reporting entity agreed to pay plus any additional amounts the reporting entity expects to pay on behalf of its co-obligor. Additionally, the guidance requires the entity to disclose the nature and amount of the obligation, as well as other information about those obligations. This guidance is effective for interim and annual reporting periods beginning after December 15, 2013. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements.

In February 2013, the FASB issued ASU No. 2013-02, which amends FASB ASC Topic 220, "Comprehensive Income." The amendments in this guidance require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income ("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. The Respondent adopted this guidance on January 1, 2013. The adoption of this guidance did not have a

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			2013/Q2
Notes to Financial Statements			

material impact on the Respondent's 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. 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. The Respondent adopted the guidance on January 1, 2013. The adoption of the guidance did not have a material impact on the Respondent's disclosures included within Notes to Financial Statements.

(3) 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. The Respondent's contributions to the pension and other postretirement plans were \$0.6 million for each of the six-month periods ended June 30, 2013 and 2012. As of June 30, 2013, the Respondent recorded an affiliate company payable included in accumulated provision for pension and benefits relating to the pension plan and an affiliate company receivable included in other special funds relating to the other postretirement plan of \$3.3 million and \$18.8 million, respectively. As of December 31, 2012, the Respondent recorded an affiliate company payable included in accumulated provision for pension and benefits relating to the pension plan and an affiliate company receivable included in other special funds relating to the other postretirement plan of \$3.5 million and \$18.1 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.

(4) 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, 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 and to hedge the margin on anticipated future PDD storage contracts.

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 June 30, 2013, 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

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			2013/Q2
Notes to Financial Statements			

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 Note 5 for additional information on derivative contracts.

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 June 30, 2013					
Not designated as hedging contracts⁽²⁾:					
Commodity assets	\$ 98	\$ —	\$ 85	\$ 22	\$ 205
Commodity liabilities	(4)	—	(7,646)	(56,557)	(64,207)
Total	94	—	(7,561)	(56,535)	(64,002)
Designated as cash flow hedging contracts:					
Commodity assets	577	—	80	—	657
Commodity liabilities	(494)	—	(111)	—	(605)
Total	83	—	(31)	—	52
Total derivatives - net basis⁽³⁾	\$ 177	\$ —	\$ (7,592)	\$ (56,535)	\$ (63,950)
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)

- (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 June 30, 2013 and December 31, 2012, a regulatory asset of \$64.0 million and \$68.8 million, respectively, was recorded related to the net derivative liability of \$64.0 million and \$68.8 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 of natural gas purchases as of both June 30, 2013 and December 31, 2012.

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 2013/Q2
Northern Natural Gas Company			
Notes to Financial Statements			

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 six-month periods ended June 30 (in thousands):

	2013	2012
Beginning balance	\$ 68,825	\$ 63,907
Changes in fair value recognized in regulatory assets	(248)	14,125
Net gains reclassified to gas operating revenues	—	3,546
Net losses reclassified to operating expenses	(4,575)	(4,426)
Ending balance	<u>\$ 64,002</u>	<u>\$ 77,152</u>

Designated as Hedging Contracts

The following table reconciles the beginning and ending balances of the Respondent's accumulated other comprehensive (income) loss (pre-tax) and summarizes pre-tax gains and losses on commodity derivative contracts designated and qualifying as cash flow hedges recognized in other comprehensive income ("OCI"), as well as amounts reclassified to earnings for the six-month periods ended June 30 (in thousands):

	2013	2012
Beginning balance	\$ 8	\$ 2,651
Changes in fair value recognized in OCI	(35)	(2,646)
Net losses reclassified to operating revenue	(25)	—
Ending balance	<u>\$ (52)</u>	<u>\$ 5</u>

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 each of the six-month periods ended June 30, 2013 and 2012, hedge ineffectiveness was insignificant. As of June 30, 2013, the Respondent had cash flow hedges with expiration dates extending through December 2013 and the pre-tax net unrealized gains forecasted to be reclassified from accumulated other comprehensive income 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 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.

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			2013/Q2
Notes to Financial Statements			

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 June 30, 2013, 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 \$64.8 million and \$69.7 million as of June 30, 2013 and December 31, 2012, 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 June 30, 2013 and December 31, 2012, the Respondent would have been required to post \$64.1 million and \$69.0 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.

(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.

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			2013/Q2
Notes to Financial Statements			

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				
	Level 1	Level 2	Level 3	Other ⁽¹⁾	Total
As of June 30, 2013					
Assets:					
Commodity derivatives	\$ —	\$ 862	\$ —	\$ (697)	\$ 165
Money market mutual funds ⁽²⁾	142,224	—	—	—	142,224
	<u>\$ 142,224</u>	<u>\$ 862</u>	<u>\$ —</u>	<u>\$ (697)</u>	<u>\$ 142,389</u>
Liabilities - commodity derivatives					
	<u>\$ —</u>	<u>\$ (64,812)</u>	<u>\$ —</u>	<u>\$ 697</u>	<u>\$ (64,115)</u>
As of December 31, 2012					
Assets:					
Commodity derivatives	\$ —	\$ 870	\$ —	\$ (654)	\$ 216
Money market mutual funds ⁽²⁾	103,323	—	—	—	103,323
	<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>

(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.

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 4 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.

(6) 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 June 30, 2013 and believes the ultimate outcome will not be material to the Respondent's financial results.

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			2013/Q2
Notes to Financial Statements			

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 bond of \$7.8 million, both of which were deposited with the federal district court by the Respondent. The federal district court established a three-person compensation commission in September 2012, to determine the value of the interests to be taken. In July 2013, the federal district court judge found the date of taking for the purpose of determining compensation to be March 30, 2012, the date the Respondent acquired access to the property. The Respondent and the defendants are in discovery and deposing witnesses.
- 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 related to the storage gas losses from the June 2010 FERC order through February 2011 after which the third-party wells in the extension area were shut-in. Discovery has been stayed pending the outcome of the Kansas Supreme Court appeal discussed below.
- 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 ("ONEOK") and Lumen Energy Corporation ("Lumen") 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. 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. In April 2013, the Respondent requested the Pratt County State District Court stay the matter pending further related proceedings. Also in April 2013, Nash and LD Drilling requested that proceeds held in suspense by ONEOK and Lumen for production before June 2010 be released. The Respondent has resisted the motion to release funds held in suspense. The Respondent filed an appeal with the United States Supreme Court in June 2013. A decision on the appeal is expected by October 2013.

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

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			2013/Q2
Notes to Financial Statements			

pending the outcome of the District Court action against the producers.

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.

(7) Other Related Party Transactions

The Respondent provided gas transportation, storage and other services to MEC totaling \$31.6 million and \$30.3 million for the six-month periods ended June 30, 2013 and 2012, 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 \$2.7 million and \$3.1 million for the six-month periods ended June 30, 2013 and 2012, respectively. MEC also provided electricity and other services to the Respondent of \$0.3 million and \$0.2 million for the six-month periods ended June 30, 2013 and 2012, respectively. The Respondent reimbursed MEC \$26.3 million and \$26.6 million for the six-month periods ended June 30, 2013 and 2012, 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 \$1.8 million and \$0.9 million for the six-month periods ended June 30, 2013 and 2012, respectively. Income tax transactions with MEHC resulted in net payments of \$33.6 million and \$53.2 million for the six-month periods ended June 30, 2013 and 2012, respectively.

As of June 30, 2013 and December 31, 2012, the Respondent had net accounts payable to MEHC and certain subsidiaries for intercompany transactions totaling \$1.3 million and \$0.5 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 \$0.6 million for each of the six-month periods ended June 30, 2013 and 2012 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 six-month periods ended June 30, 2013 and 2012, 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 \$- million and \$3.9 million for the six-month periods ended June 30, 2013 and 2012, respectively.

The Respondent possesses demand promissory notes from MEHC. The balance of the demand promissory notes as of both June 30, 2013 and December 31, 2012 was \$230.0 million. The notes bear interest rates at 30-day LIBOR plus a fixed per annum. Interest income of \$0.7 million and \$0.8 million was recorded for the six-month periods ended June 30, 2013 and 2012, respectively.

(8) Miscellaneous Nonoperating Income

The Respondent restructured a contract covering the period of July 2011 through March 2015 related to the ownership of condensate associated with previously owned assets. As a result, the Respondent recognized \$12.4 million of miscellaneous nonoperating income in the second quarter 2013.

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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 2013/Q2
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)	3,354,968,245		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	47,070,197		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	3,402,038,442		
9	Leased to Others			
10	Held for Future Use	585,866		
11	Construction Work in Progress	32,223,729		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	3,434,848,037		
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,247,701,404		
15	Net Utility Plant (Total of lines 13 and 14)	2,187,146,633		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	1,164,277,013		
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights			
20	Amortization of Underground Storage Land and Land Rights	6,986,737		
21	Amortization of Other Utility Plant	76,334,473		
22	TOTAL In Service (Total of lines 18 thru 21)	1,247,598,223		
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)	1,247,701,404		

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 2013/Q2
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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		3,354,968,245		
4				
5				
6		47,070,197		
7				
8		3,402,038,442		
9				
10		585,866		
11		32,223,729		
12				
13		3,434,848,037		
14		1,247,701,404		
15		2,187,146,633		
16				
17				
18		1,164,277,013		
19				
20		6,986,737		
21		76,334,473		
22		1,247,598,223		
23				
24				
25				
26				
27				
28		103,181		
29				
30		103,181		
31				
32				
33		1,247,701,404		

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>2013/Q2</u>
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Gas Plant in Service and Accumulated Provision for Depreciation by Function

1. Report below the original cost of plant in service by function. In addition to Account 101, include Account 102, and Account 106. Report in column (b) the original cost of plant in service and in column(c) the accumulated provision for depreciation and amortization by function.

Line No.	Item	Plant in Service Balance at End of Quarter	Accumulated Depreciation And Amortization Balance at End of Quarter
	(a)	(b)	(c)
1	Intangible Plant	120,161,553	54,147,307
2	Productions-Manufactured Gas		
3	Production and Gathering-Natural Gas	8,076,198	(17,747,224)
4	Products Extraction-Natural Gas		
5	Underground Gas Storage	393,671,969	145,731,705
6	Other Storage Plant	80,400,455	46,584,672
7	Base Load LNG Terminating and Processing Plant	1,480,875	280,205
8	Transmission	2,697,595,381	968,286,640
9	Distribution		
10	General	100,652,011	50,314,918
11	TOTAL (total of lines 1 thru 10)	3,402,038,442	1,247,598,223

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>2013/Q2</u>
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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	3,187,533	138,625	928	346,702		2,979,456
2							
3	Asset retirement obligation	21,577,531	1,379,456				22,956,987
4							
5	Deferred FERC annual charge	856,901		928	428,450		428,451
6							
7	Deferred income taxes for AFUDC equity	15,548,367	230,179	421	68,064		15,710,482
8							
9	Deferred migration costs	1,027,854		921	162,292		865,562
10							
11	Deferred system upgrade costs	855,619		921	135,098		720,521
12							
13	Smartpigging/hydrostatic testing	28,086,958	1,280,436	833,863	1,804,863		27,562,531
14							
15	Defined benefit pension plan	3,405,993		228.3	59,552		3,346,441
16							
17	Unrealized loss on derivatives, net	67,457,878	(1,645,791)	483,803	1,810,772		64,001,315
18							
19	Fuel, unaccounted for, and other trackers	3,865,599	3,376,626				7,242,225
20							
21	Interest rate lock	353,971		428	9,069		344,902
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
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39							
40	Total	146,224,204	4,759,531		4,824,862	0	146,158,873

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 2013/Q2	
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	2,341,001	131	2,431,336		90,335	
2							
3	Penalty and Deferred Delivery Variance Charge Revenue Crediting Mechanism	284,519				140,985	425,504
4							
5	Interest rate lock	441,002	428	50,671			390,331
6							
7	Employee benefits	18,399,153	128	222,709		584,491	18,760,935
8							
9	Encroachment revaluation	1,415,168				(1,397,561)	17,607
10							
11							
12							
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45	Total	22,880,843		2,704,716	0	(581,750)	19,594,377

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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 2013/Q2	
Monthly Quantity & Revenue Data by Rate Schedule						
<p>1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.</p> <p>2. Total Quantities and Revenues in whole numbers</p> <p>3. 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.</p> <p>4. 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.</p> <p>5. Enter footnotes as appropriate.</p>						
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)	335,430			1,553,303	1,553,303
2	Transportation of Gas for Others (489.2 and 489.3)					
3	CS-1	1,156,574			22,797	22,797
4	TF	28,464,130		51,495	9,103,447	9,154,942
5	TFX	49,794,151		89,776	16,485,344	16,575,120
6	GS-T	4,000			4,000	4,000
7	TI	3,281,662		6,430	382,442	388,872
8	SMS	1,771,060			910,004	910,004
9	Less: CS-1 units	-1,156,574				
10	Less: SMS units in other rate schedules	-1,771,060				
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 <u>2013/Q2</u>
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Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. 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.
4. 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.
5. 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	48,724			361,058	361,058	3,168,511			11,208,847	11,208,847
2										
3	1,478,328			20,961	20,961	1,520,448			24,553	24,553
4	23,674,527		42,227	7,849,085	7,891,312	24,742,425		44,253	9,028,081	9,072,334
5	42,647,766		76,567	16,126,673	16,203,240	42,074,414		76,248	14,587,452	14,663,700
6			9	(488)	(479)					
7	2,854,950		4,943	191,769	196,712	2,273,827		4,284	73,401	77,685
8	3,238,084			939,792	939,792	2,637,249			927,312	927,312
9	-1,478,328					-1,520,448				
10	-3,238,084					-2,637,249				
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 <u>2013/Q2</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)
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>2013/Q2</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 2013/Q2
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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						
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52						
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57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	81,543,943		147,701	26,908,034	27,055,735
64	Storage (489.4)					
65	FDD-1	8,429,131			2,073,490	2,073,490
66	IDD-1	946,904			179,358	179,358
67	PDD-1	1,055,000			179,006	179,006
68						
69						
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85						
86						
87						
88						
89						
90	Total Storage	10,431,035			2,431,854	2,431,854
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible	176,590			6,110	6,110
94	Total Gathering (489.1)	176,590			6,110	6,110
95	Additional Revenues					
96	Products Sales and Extraction (490-492)	180			1,048	1,048
97	Rents (493-494)				7,362	7,362
98	Other Gas Revenues (495)				95,952	95,952
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues	180			104,362	104,362

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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										
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57										
58										
59										
60										
61										
62										
63	69,177,243		123,746	25,127,792	25,251,538	69,090,666		124,785	24,640,799	24,765,584
64										
65	3,761,244			2,162,643	2,162,643	42,209			6,676,413	6,676,413
66	1,579,497			224,778	224,778	2,462,533			308,692	308,692
67	40,000			230,355	230,355				329,592	329,592
68										
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86										
87										
88										
89										
90	5,380,741			2,617,776	2,617,776	2,504,742			7,314,697	7,314,697
91										
92										
93	157,592			5,453	5,453	171,567			5,936	5,936
94	157,592			5,453	5,453	171,567			5,936	5,936
95										
96	224			894	894	765			66,671	66,671
97				6,062	6,062				6,662	6,662
98				79,973	79,973				34,696	34,696
99										
100	224			86,929	86,929	765			108,029	108,029

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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)
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	92,487,178		147,701	31,003,663	31,151,364

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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	74,764,524		123,746	28,199,008	28,322,754	74,936,251		124,785	43,278,308	43,403,093

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Natural Gas Company- Gas Revenues and Dekatherms				
1. Report below in columns (b), (d) and (f) natural gas operating revenues for each prescribed account year to date				
2. In column (f) report the quantity of Dekatherms sold of natural gas year to date.				
Line No.	Title of Account (a)	Total Operating Revenues Year to Date Current Qtr (b)	Dekatherms of Natural Gas Year to Date Current Qtr (c)	
1	(480) Residential Sales			
2	(481) Commercial and Industrial Sales	5,068,563	770,702	
3	(482) Other Sales to Public Authorities			
4	(483) Sales for Resale	12,775,882	3,640,103	
5	(484) Interdepartmental Sales			
6	Total Sales (Lines 1 to 5)	17,844,445	4,410,805	
7	485 Intracompany Transfers			
8	487 Forfeited Discounts			
9	488 Miscellaneous Service Revenues			
10	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities	31,277	903,969	
11	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities	269,768,683	508,541,546	
12	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities			
13	489.4 Revenues from Storing Gas of Others	20,426,788	83,564,044	
14	490 Sales of Prod. Ext. from Natural Gas			
15	491 Revenues from Natural Gas Proc. by Others			
16	492 Incidental Gasoline and Oil Sales	267,207		
17	493 Rent from Gas Property	38,369		
18	494 Interdepartmental Rents			
19	495 Other Gas Revenues	561,842		
20	Subtotal:	308,938,611		
21	496 (Less) Provision for Rate Refunds			
22	TOTAL	308,938,611		

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Gas Production and Other Gas Supply Expenses

Report the amount of gas production and other gas supply expenses year to date

Line No.	Account (a)	Year to Date (b)	
1	Production Expenses		
2	Manufactured Gas Production		
3	Total Manufactured Gas Production (700-742)		
4	Natural Gas Production and Gathering		
5	(750-760) Operation	19,436	
6	(761-769) Maintenance		
7	Total Natural Gas Production and Gathering (lines 5 and 6)	19,436	
8	Production Extraction		
9	(770-783) Operation		
10	(784-791) Maintenance		
11	Total Production Extraction (lines 9 and 10)		
12	(795-798) Exploration and Development Expenses		
13	Other Gas Supply Expenses		
14	Operation		
15	(800) Natural Gas Well Head Purchases		
16	(800.1) Natural Gas Well Head Purchases, Intra company Transfers		
17	(801) Natural Gas Field Line Purchases		
18	(802) Natural Gasoline Plant Outlet Purchases		
19	(803) Natural Gas Transmission Line Purchases	17,352,246	
20	(804) Natural Gas City Gate Purchases		
21	(804.1) Liquefied Natural Gas Purchases		
22	(805) Other Gas Purchases	(2,242,077)	
23	(805.1) (Less) Purchase Gas Cost Adjustments		
24	Total Purchased Gas (lines 15 through 23)	15,110,169	
25	(806) Exchange Gas	1,555,537	
26	Purchased Gas Expenses		
27	(807.1) Well Expense - Purchased Gas		
28	(807.2) Operation of Purchased Gas Measuring Stations		
29	(807.3) Maintenance of Purchased Gas Measuring Stations		
30	(807.4) Purchased Gas Calculations Expenses		
31	(807.5) Other Purchased Gas Expenses		
32	Total Purchased Gas Expenses (lines 27 thru 31)		
33	(808.1) Gas Withdrawn from Storage-Debit	50,259,001	
34	(808.2) (Less) Gas Delivered to Storage - Credit	48,815,405	
35	(809.1) Withdrawals of Liquefield Natural Gas for Processing - Debit		
36	(809.2) (Less) Deliveries of Natural Gas Processing - Credit		
37	Gas Used in Utility Operation - Credit		
38	(810) Gas Used for Compressor Station Fuel - Credit	24,803,732	
39	(811) Gas Used for Products Extraction - Credit		
40	(812) Gas Used for Other Utility Operations - Credit	10,844,215	
41	Total Gas Used in Utility Operations - Credit (Lines 38 thru 40)	35,647,947	
42	(813) Other Gas Supply Expense	6,358,920	
43	Total Other Gas Supply Expenses (Lines 24, 25, 32, 33, thru 36, 42, less 41)	(11,179,725)	
44	Total Production Expenses (Lines 3,7,11,12, and 43)	(11,160,289)	

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Natural Gas Storage, Terminaling, Processing Services

Report the amount of natural gas storage, terminaling, processing, transmission and distribution expenses year to date.

Line No.	Account (a)	Year to Date Quarter (b)	
1	NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
2	UNDERGROUND STORAGE EXPENSES		
3	(814-826) Operations	5,778,027	
4	(830-837) Maintenance	4,986,998	
5	Total Underground Storage Expenses (Lines 3 and 4)	10,765,025	
6	OTHER STORAGE EXPENSES		
7	(840-842.3) Operations	2,136,571	
8	(843.1-843.9) Maintenance	1,598,633	
9	Total Other Storage Expenses (lines 7 and 8)	3,735,204	
10	LIQUEFIED NATURAL GAS TERMINALING AND PROCESSING		
11	(844.1-846.2) Operations		
12	(847.1-847.8) Maintenance		
13	Total Liquefied Natural Gas Terminaling and Processing (Lines 11 and 12)		
14	TRANSMISSION EXPENSES		
15	Transmission Operation Expenses		
16	(850) Operation Supervision and Engineering	2,725,221	
17	(851) System Control and Load Dispatching	1,923,729	
18	(852) Communication System Expenses	734,705	
19	(853) Compressor Station Labor and Expenses	4,981,174	
20	(854) Gas for Compressor Station Fuel	23,425,369	
21	(855) Other Fuel and Power for Compressor Stations	1,186,991	
22	(856) Mains Expenses	11,225,795	
23	(857) Measuring and Regulating Station Expenses	2,107,197	
24	(858) Transmission and Compression of Gas by Others	9,889	
25	(859) Other Expenses	972,545	
26	(860) Rents	78,851	
27	Total Transmission Operation Expenses (Lines 16 through 26)	49,371,466	
28	Transmission Maintenance Expenses		
29	(861) Maintenance Supervision and Engineering		
30	(862) Maintenance of Structures and Improvements	389,314	
31	(863) Maintenance of Mains	6,034,538	
32	(864) Maintenance of Compressor Station Equipment	6,458,074	
33	(865) Maintenance of Measuring and Regulating Equipment	1,284,966	
34	(866) Maintenance of Communication Equipment	59,203	
35	(867) Maintenance of Other Equipment	319,028	
36	Total Transmission Maintenance Expenses (Lines 29 through 35)	14,545,123	
37	Total Transmission Expenses (lines 27 and 36)	63,916,589	
38	DISTRIBUTION EXPENSES		
39	(870-881) Operation Expenses		
40	(885-894) Maintenance		
41	Total Distribution Expenses (Lines 39 and 40)		
42	Total (lines 5,9,13,37 and 41)	78,416,818	

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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 403.1, 404.1, 404.2, 404.3, 405) (Except Amort of Acquisition Adjustments)					
1. Report the year to date amounts of depreciation expense, asset retirement cost depreciation, depletion and amortization, except amortization of acquisition adjustments for the accounts indicated and classified according to the plant functional groups described.					
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Other Gas Plant (Accounts 404.1, 404.2 and 404.3) (d)	
1	Intangible Plant	0	0	2,803,609	
2	Production Plant, Manufacturing Plant	0	0	0	
3	Production and Gathering Plant - Natural Gas	1,649,817	0	0	
4	Products Extraction - Natural Gas	0	0	0	
5	Underground Gas Storage Plant	2,617,749	0	138,696	
6	Other Storage Plant	498,707	0	0	
7	Base Load LNG Terminating and Processing Plant	74,044	0	0	
8	Processing Plant	0	0	0	
9	Transmission Plant	19,683,037	0	610,944	
10	Distribution Plant	0	0	0	
11	General Plant	4,130,665	0	0	
12	Common Plant	0	0	0	
13	TOTAL GAS (Lines 1 through 12)	28,654,019	0	3,553,249	

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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)		3,453,576	794,826
4	Gas of Others Received for Gathering (Account 489.1)	303	903,969	505,749
5	Gas of Others Received for Transmission (Account 489.2)	305	508,541,546	219,811,852
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307	33,029,800	26,699,822
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	879,006	45,029
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332	65,189	65,189
12	Other Gas Withdrawn from Storage (Explain)		46,514,171	5,547,747
13	Gas Received from Shippers as Compressor Station Fuel		6,733,404	3,084,579
14	Gas Received from Shippers as Lost and Unaccounted for		2,146,499	858,910
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		602,267,160	257,413,703
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		4,410,805	3,552,665
19	Deliveries of Gas Gathered for Others (Account 489.1)	303	903,969	505,749
20	Deliveries of Gas Transported for Others (Account 489.2)	305	508,541,546	219,811,852
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307	63,004,418	15,023,386
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	349,839	320,713
26	Deliveries of Gas to Others for Transportation (Account 858)	332	65,189	65,189
27	Other Gas Delivered to Storage (Explain)		15,587,321	13,133,453
28	Gas Used for Compressor Station Fuel	509	6,626,385	3,247,434
29	Other Deliveries and Gas Used for Other Operations		1,773,977	828,246
30	Total Deliveries (Total of lines 18 thru 29)		601,263,449	256,488,687
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		1,003,711	925,016
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		602,267,160	257,413,703

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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 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	893,656	82,565	609,119	1,585,340
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	893,656	82,565	609,119	1,585,340
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	761,961	70,424	519,329	1,351,714
12	Distribution				
13	Storage	297		47,662	47,959
14	Total gas used in compressors	762,258	70,424	566,991	1,399,673
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	162,678	15,036	110,876	288,590
19	Distribution				
20	Storage	188		30,064	30,252
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	162,866	15,036	140,940	318,842
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	210,977	19,500	143,796	374,273
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	210,977	19,500	143,796	374,273

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 2013/Q2
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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	3,580,775	330,952	2,440,542	6,352,269					805	805
5										
6										
7	3,580,775	330,952	2,440,542	6,352,269						
8										
9										
10										
11	3,043,044	281,254	2,074,042	5,398,340					854	810
12										
13	1,188		190,346	191,534					819	810
14	3,044,232	281,254	2,264,388	5,589,874						
15										
16										
17										
18	649,688	60,047	442,807	1,152,542					See footnote	812
19										
20	749		120,068	120,817					See footnote	812
21										
22	650,437	60,047	562,875	1,273,359						
23										
24										
25										
26	842,617	77,879	574,301	1,494,797					813	812
27										
28										
29										
30	842,617	77,879	574,301	1,494,797						

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 2013/Q2
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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	(241,960)	(22,395)	(164,882)	(429,237)
35	Distribution				
36	Storage	(485)		(77,726)	(78,211)
37	Total Net Excess Or (Deficiency)	(242,445)	(22,395)	(242,608)	(507,448)
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	242,445	22,395	242,608	507,448
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	242,445	22,395	242,608	507,448
SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT					
66	Forwardhaul Volume in Dths for the Quarter	219,811,852			
67	Backhaul Volume in Dths for the Quarter				
68	TOTAL (Lines 66 and 67)	219,811,852			

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>2013/Q2</u>
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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	(954,574)	(88,228)	(650,608)	(1,693,410)						
35										
36	(1,937)		(310,414)	(312,351)						
37	(956,511)	(88,228)	(961,022)	(2,005,761)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	956,511	88,228	961,022	2,005,761					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	956,511	88,228	961,022	2,005,761						

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>2013/Q2</u>
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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 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	664,569	58,783	547,884	1,271,236
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	664,569	58,783	547,884	1,271,236
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	559,289	49,424	461,081	1,069,794
12	Distribution				
13	Storage	465		74,510	74,975
14	Total gas used in compressors	559,754	49,424	535,591	1,144,769
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	111,482	9,852	91,906	213,240
19	Distribution				
20	Storage	372		59,616	59,988
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	111,854	9,852	151,522	273,228
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	197,677	17,469	162,966	378,112
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	197,677	17,469	162,966	378,112

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 2013/Q2
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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	2,773,334	245,080	2,286,356	5,304,770					805	805
5										
6										
7	2,773,334	245,080	2,286,356	5,304,770						
8										
9										
10										
11	2,354,035	208,027	1,940,683	4,502,745					854	810
12										
13	1,730		277,340	279,070					819	810
14	2,355,765	208,027	2,218,023	4,781,815						
15										
16										
17										
18	465,672	41,151	383,902	890,725					See footnote	812
19										
20	1,427		228,762	230,189					See footnote	812
21										
22	467,099	41,151	612,664	1,120,914						
23										
24										
25										
26	825,725	72,970	680,733	1,579,428					813	812
27										
28										
29										
30	825,725	72,970	680,733	1,579,428						

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 <u>2013/Q2</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	(203,879)	(17,962)	(168,069)	(389,910)
35	Distribution				
36	Storage	(837)		(134,126)	(134,963)
37	Total Net Excess Or (Deficiency)	(204,716)	(17,962)	(302,195)	(524,873)
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	204,716	17,962	302,195	524,873
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	204,716	17,962	302,195	524,873

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 2013/Q2
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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	(872,098)	(77,068)	(718,962)	(1,668,128)						
35										
36	(3,157)		(506,102)	(509,259)						
37	(875,255)	(77,068)	(1,225,064)	(2,177,387)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	875,255	77,068	1,225,064	2,177,387					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	875,255	77,068	1,225,064	2,177,387						

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 2013/Q2
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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	525,858	66,913	494,142	1,086,913
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	525,858	66,913	494,142	1,086,913
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	336,908	42,897	316,573	696,378
12	Distribution				
13	Storage	41		6,573	6,614
14	Total gas used in compressors	336,949	42,897	323,146	702,992
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	103,956	13,236	97,682	214,874
19	Distribution				
20	Storage	111		17,762	17,873
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	104,067	13,236	115,444	232,747
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	83,519	10,634	78,478	172,631
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	83,519	10,634	78,478	172,631

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 2013/Q2
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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	2,070,351	263,608	1,945,394	4,279,353					805	805
5										
6										
7	2,070,351	263,608	1,945,394	4,279,353						
8										
9										
10										
11	1,328,056	169,095	1,247,901	2,745,052					854	810
12										
13	162		25,910	26,072					819	810
14	1,328,218	169,095	1,273,811	2,771,124						
15										
16										
17										
18	409,784	52,176	385,052	847,012					See footnote	812
19										
20	442		70,909	71,351					See footnote	812
21										
22	410,226	52,176	455,961	918,363						
23										
24										
25										
26	330,915	42,134	310,942	683,991					813	812
27										
28										
29										
30	330,915	42,134	310,942	683,991						

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 2013/Q2
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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	1,475	146	1,409	3,030
35	Distribution				
36	Storage	(152)		(24,335)	(24,487)
37	Total Net Excess Or (Deficiency)	1,323	146	(22,926)	(21,457)
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	(1,323)	(146)	22,926	21,457
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	(1,323)	(146)	22,926	21,457

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 2013/Q2
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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	1,596	203	1,499	3,298						
35										
36	(604)		(96,819)	(97,423)						
37	992	203	(95,320)	(94,125)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	(992)	(203)	95,320	94,125					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	(992)	(203)	95,320	94,125						

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 2013/Q2
FOOTNOTE DATA			

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			2013/Q2
FOOTNOTE DATA			

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

The (\$3,164) pertains to natural gas commodity swaps.

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

The \$31,043 pertains to natural gas commodity swaps.

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			2013/Q2
FOOTNOTE DATA			

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

2013 Dividends		2012 Dividends	
January 15, 2013	\$ 80,000,000	January 17, 2012	\$ 91,000,000
Total	\$ 80,000,000	February 16, 2012	30,000,000
		Total	\$ 121,000,000

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			2013/Q2
FOOTNOTE DATA			

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

	2013	2012
Regulatory assets	\$ 6,012,302	\$ 6,098,738
Debt discount and expense	169,907	440,151
Total	\$ 6,182,209	\$ 6,538,889

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

	2013	2012
Gas balancing activities	\$ (8,495,814)	\$ 6,154,814
Price risk management activities	(4,822,747)	13,090,573
Gain on the sale of assets	-	(500,558)
Prepayments and other assets	(1,067,492)	(393,909)
Total	\$ (14,386,053)	\$ 18,350,920

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

	2013	2012
Removal costs, net	\$ (941,837)	\$ (905,312)
Net increase (decrease) in payables and accrued expenses	(2,375,271)	8,160,174
Total	\$ (3,317,108)	\$ 7,254,862

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

	2012
Sale of Plymouth station site and associated assets	\$ 60,000
Sale of Anoka 1 land and associated assets	1,800
Sale of Faribault regulator station land and associated assets	1,900
Sale of Savanna, IA lines and associated assets	8,500
Total	\$ 72,200

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			2013/Q2
FOOTNOTE DATA			

Schedule Page: 210 Line No.: 3 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	\$ 32,594,687
Cost of Plant Retired	(38,651,732)
Accumulated Plant Reserve	(\$ 6,057,045)

Negative Salvage

Accumulated Provision	\$ 1,492,451
Cost of Removal	(603,629)
Net Negative Salvage Provision	\$ 888,822

Asset Retirement Obligation

Accumulated Depreciation on ARO Capitalized	\$ 2,255,844
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Asset Retirement Obligation (ARO) Allowance

Accumulated ARO Allowance	\$ 17,662,774
Accumulated Cost of ARO Retirements	(32,497,619)
Unrecovered Net ARO Costs	(\$ 14,834,845)

Accumulated Provision for Depreciation Gas Gathering	(\$ 17,747,224)
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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 2013/Q2
Northern Natural Gas Company			
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	Asset retirement obligation	RP04-155	
5	Deferred FERC annual charge	18 CFR Sec 154.402	12 months ending September
7	Deferred income taxes associated with AFUDC equity	RP04-155	Based on life of plant
9	Deferred migration costs	RP04-155	120 months through 11/2014
11	Deferred system upgrade costs	RP04-155	120 months through 11/2014
13	Smartpigging/hydrostatic testing	RP04-155	Over 84 months
15	Defined benefit pension plan	AI07-1-000 & Order 710	
17	Unrealized loss on derivatives, net	Orders 552 & 627	
19	Fuel and storage, unaccounted for gas, and electrical compression trackers (1)	RP97-275	
21	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 of the 2012 FERC Form No. 2 for more information regarding regulatory trackers.

Schedule Page: 232 Line No.: 17 Column: c
Represents valuation changes.

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 2013/Q2
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
7	Employee benefits	A107-1-000 & Order 710	
9	Encroachment revaluation	Orders 552 & 627	

Schedule Page: 278 Line No.: 9 Column: f
Represents valuation changes.

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			2013/Q2
FOOTNOTE DATA			

Schedule Page: 520 Line No.: 3 Column: c

The 3,453,576 Dth represents gas purchases recorded to FERC account 803.

Schedule Page: 520 Line No.: 12 Column: c

The 46,514,171 Dth represents gas withdrawn from storage (includes third party and company owned gas).

Schedule Page: 520 Line No.: 27 Column: c

The 15,587,321 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	15,888
Work Order Adjustment	362
Gas Used in other O&M Operations	1,757,727
Total	<u>1,773,977</u>

Schedule Page: 520 Line No.: 3 Column: d

The 794,826 Dth represents gas purchases recorded to FERC account 803.

Schedule Page: 520 Line No.: 12 Column: d

The 5,547,747 Dth represents gas withdrawn from storage (includes third party and company owned gas).

Schedule Page: 520 Line No.: 27 Column: d

The 13,133,453 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	1,169
Work Order Adjustment	2,260
Gas Used in other O&M Operations	824,817
Total	<u>828,246</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 2013/Q2
Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 521 Line No.: 22 Column: e

Gas used for other operation purposes:

		Month 1 Gas Used (Dth)	Month 1 Amount (\$)
LNG Compressor Station Fuel	842.1	52,444	209,446
Line Operations	856	236,146	943,096
Purification Underground Storage	821	14,266	56,974
Other Underground Storage Operations	817	10,781	43,056
Other Compressor Station Fuel	819	5,205	20,787
		318,842	\$ 1,273,359

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:

		Month 2 Gas Used (Dth)	Month 2 Amount (\$)
LNG Compressor Station Fuel	842.1	58,696	245,179
Line Operations	856	154,544	645,546
Purification Underground Storage	821	9,805	40,957
Other Underground Storage Operations	817	45,957	171,580
Other Compressor Station Fuel	819	4,226	17,652
		273,228	\$ 1,120,914

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:

		Month 3 Gas Used (Dth)	Month 3 Amount (\$)
LNG Compressor Station Fuel	842.1	53,722	211,767
Line Operations	856	161,152	635,245
Purification Underground Storage	821	7,573	29,852
Other Underground Storage Operations	817	7,554	30,674
Other Compressor Station Fuel	819	2,746	10,825
		232,747	\$ 918,363

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			2013/Q2
FOOTNOTE DATA			

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.

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 11,18,and 26 based on the throughput amounts shown for transmission shipper supplied gas on line 4.

The Respondent allocated discounted and recourse amounts for lines 13 and 20 based on the prior year annual percent of storage shipper supplied gas on line 6.