

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

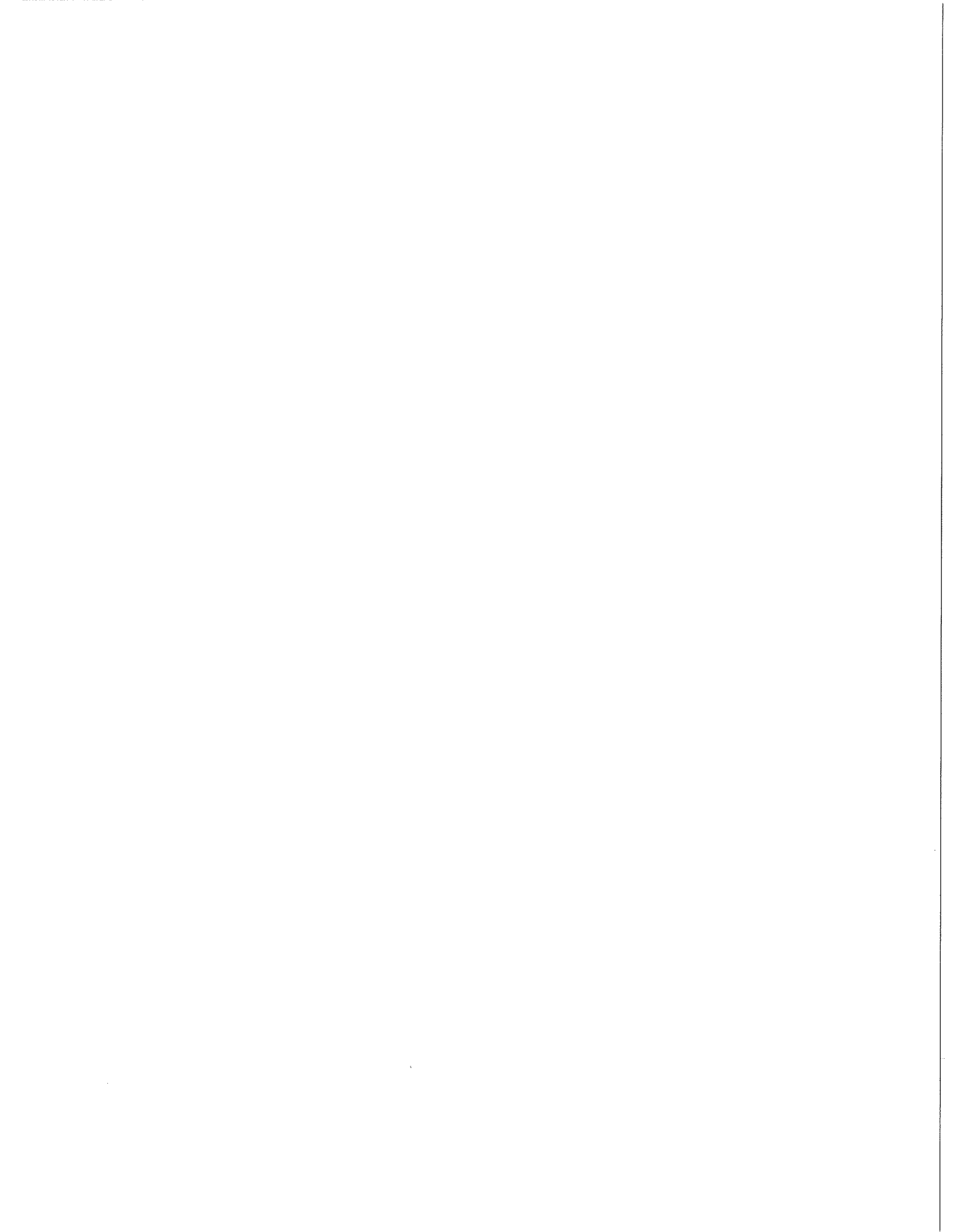
These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of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

Exact Legal Name of Respondent (Company)

Northern Natural Gas Company

Year/Period of Report

End of 2014/Q1



**QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES**

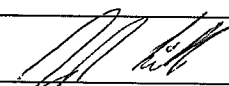
**IDENTIFICATION**

01 Exact Legal Name of Respondent Northern Natural Gas Company		Year/Period of Report End of 2014/Q1	
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)

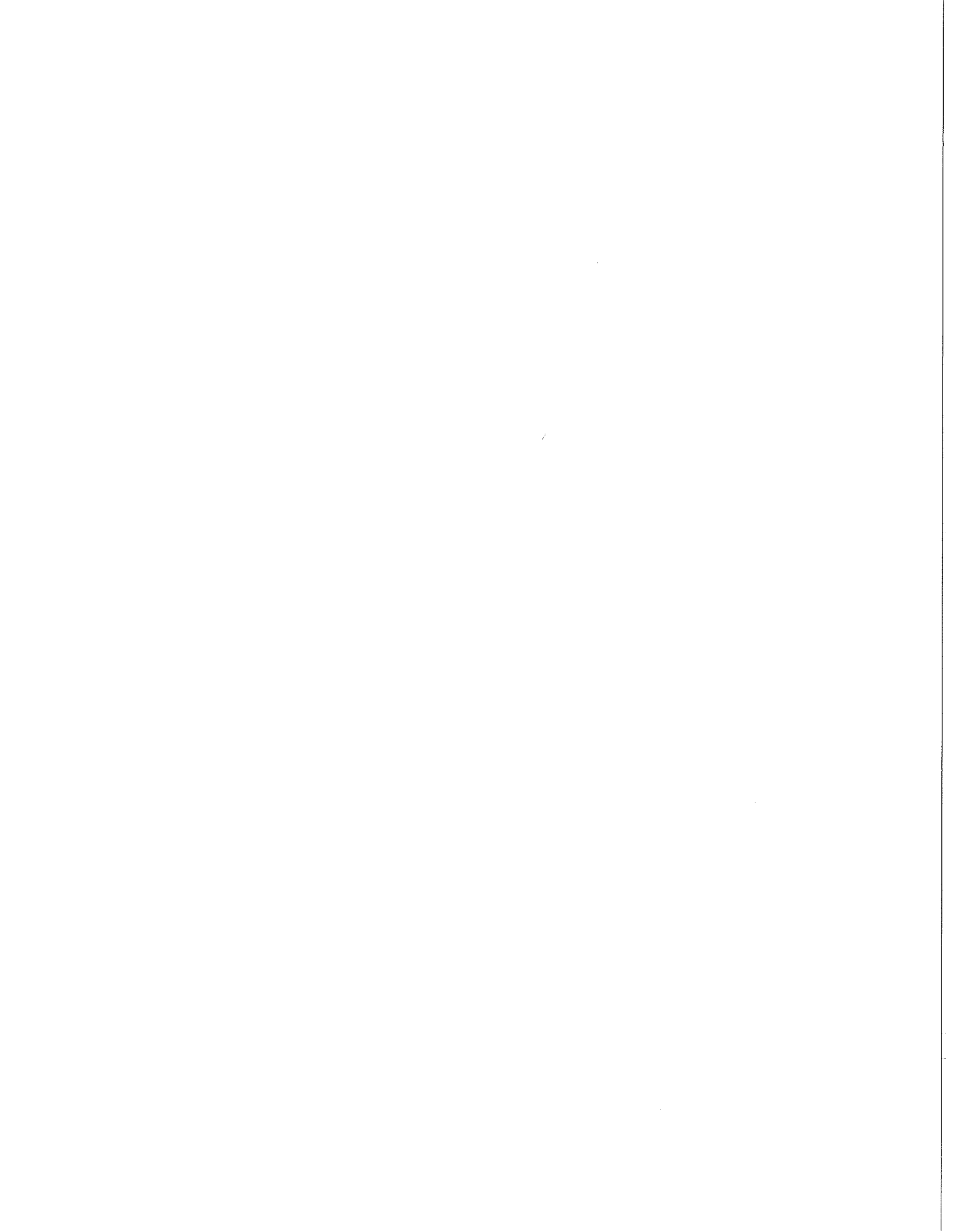
**QUARTERLY CORPORATE OFFICER CERTIFICATION**

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 05/22/2014	

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



Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q1</u>
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**List of Schedules (Natural Gas Company)**

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	Important Changes During the Year	108		
2	Comparative Balance Sheet	110-113		
3	Statement of Income for the Year	114-116		
4	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
5	Statement of Retained Earnings for the Year	118-119		
6	Statements of Cash Flows	120-121		
7	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES			
8	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
9	Gas Plant in Service and Accumulated Provision for Depreciation by Function	210		
10	Other Regulatory Assets	232		
11	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
12	Monthly Quantity & Revenue Data	299		
13	Natural Gas Company- Gas Revenues and Dekatherms	309		
14	Gas Production and Other Gas Supply Expenses	310		
15	Natural Gas Storage, Terminaling, Processing Services	311		
16	Gas Customer Accounts, Service, Sales, Administrative and General Expenses	312		
17	Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 403.1, 404.1, 404.2, 404.3, 405) (Except Amort of Acquisition Adjustments)	339		
	GAS PLANT STATISTICAL DATA			
18	Gas Account - Natural Gas	520		
19	Shipper Supplied Gas for the Current Quarter	521		

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			2014/Q1
<b>Important Changes During the Quarter/Year</b>			

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. No important extensions or reductions of the Respondent's transmission system occurred pursuant to Section 7 of the Natural Gas Act and Part 157 of the regulations of the Federal Energy Regulatory Commission from January 1 through March 31, 2014.

#### 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 January 1 through March 31, 2014.

#### §311 FACILITIES

No important extensions or reductions of the Respondent's transmission system occurred pursuant to §311(a) of the Natural Gas Policy Act of 1978 from January 1 through March 31, 2014.

6. None

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			2014/Q1
Important Changes During the Quarter/Year			

7. None

8. None

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

10. None

11. None

12. Effective April 30, 2014, MidAmerican Energy Holdings Company changed their name to Berkshire Hathaway Energy Company.

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 2014/Q1
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**Comparative Balance Sheet (Assets and Other Debits)**

Line No.	Title of Account  (a)	Reference Page Number  (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	3,490,135,485	3,484,949,717
3	Construction Work in Progress (107)	200-201	59,963,217	45,520,166
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	3,550,098,702	3,530,469,883
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,270,709,876	1,253,886,542
6	Net Utility Plant (Total of line 4 less 5)		2,279,388,826	2,276,583,341
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)		2,279,388,826	2,276,583,341
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	37,139,291	( 5,813,768)
16	<b>OTHER PROPERTY AND INVESTMENTS</b>			
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)		37,433,959	36,840,752
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)		37,433,959	36,840,752
31	<b>CURRENT AND ACCRUED ASSETS</b>			
32	Cash (131)		( 9,248,215)	( 10,113,462)
33	Special Deposits (132-134)		1,585,397	3,082,975
34	Working Funds (135)		24,400	24,400
35	Temporary Cash Investments (136)	222-223	57,096,227	132,791,780
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		111,743,346	66,203,438
38	Other Accounts Receivable (143)		6,642,450	7,517,817
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		0	0
40	Notes Receivable from Associated Companies (145)		230,000,000	230,000,000
41	Accounts Receivable from Associated Companies (146)		8,168,892	7,909,065
42	Fuel Stock (151)		0	0
43	Fuel Stock Expenses Undistributed (152)		0	0



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**Comparative Balance Sheet (Assets and Other Debits)(continued)**

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		24,406,376	24,793,032
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground-Current (164.1)	220	0	0
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	3,383,624	4,317,470
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		46,245,565	29,369,569
60	Derivative Instrument Assets (175)		184,842	2,936
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
62	Derivative Instrument Assets - Hedges (176)		231,567	107,371
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	<b>TOTAL Current and Accrued Assets (Total of lines 32 thru 63)</b>		<b>480,464,471</b>	<b>496,006,391</b>
65	<b>DEFERRED DEBITS</b>			
66	Unamortized Debt Expense (181)		5,262,569	5,385,207
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	154,505,935	146,335,720
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		39,455	38,820
72	Clearing Accounts (184)		0	0
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	5,444,576	5,579,808
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		0	0
78	Accumulated Deferred Income Taxes (190)	234-235	168,756,832	186,031,895
79	Unrecovered Purchased Gas Costs (191)		0	0
80	<b>TOTAL Deferred Debits (Total of lines 66 thru 79)</b>		<b>334,009,367</b>	<b>343,371,450</b>
81	<b>TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)</b>		<b>3,238,076,842</b>	<b>3,216,629,094</b>

**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	<b>PROPRIETARY CAPITAL</b>			
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	306,068,729	378,518,263
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	( 310,839)	( 247,925)
15	<b>TOTAL Proprietary Capital (Total of lines 2 thru 14)</b>		1,287,626,864	1,360,139,312
16	<b>LONG TERM DEBT</b>			
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	591,109	599,789
23	(Less) Current Portion of Long-Term Debt		0	0
24	<b>TOTAL Long-Term Debt (Total of lines 17 thru 23)</b>		899,408,891	899,400,211
25	<b>OTHER NONCURRENT LIABILITIES</b>			
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)		123,206	123,566
29	Accumulated Provision for Pensions and Benefits (228.3)		0	0
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)		35,731,843	35,395,587
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		35,855,049	35,519,153
36	<b>CURRENT AND ACCRUED LIABILITIES</b>			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		56,850,938	32,701,386
40	Notes Payable to Associated Companies (233)		0	0
41	Accounts Payable to Associated Companies (234)		688,556	1,802,420
42	Customer Deposits (235)		16,021,248	17,122,337
43	Taxes Accrued (236)	262-263	109,954,036	49,741,700
44	Interest Accrued (237)		8,907,638	13,113,888
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)		727,178	973,833
49	Miscellaneous Current and Accrued Liabilities (242)	268	58,866,101	37,214,518
50	Obligations Under Capital Leases-Current (243)		0	0
51	Derivative Instrument Liabilities (244)		64,615,855	69,341,168
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
53	Derivative Instrument Liabilities - Hedges (245)		748,294	518,507
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		317,379,844	222,529,757
56	<b>DEFERRED CREDITS</b>			
57	Customer Advances for Construction (252)		4,194,094	3,687,894
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	0	0
61	Other Regulatory Liabilities (254)	278	28,969,641	25,965,170
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)		606,786,227	602,916,623
65	Accumulated Deferred Income Taxes - Other (283)		57,856,232	66,470,974
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		697,806,194	699,040,661
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		3,238,076,842	3,216,629,094

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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	324,155,991	206,061,400	324,155,991	206,061,400
3	Operating Expenses					
4	Operation Expenses (401)	317-325	95,129,031	35,004,867	95,129,031	35,004,867
5	Maintenance Expenses (402)	317-325	9,318,412	8,357,973	9,318,412	8,357,973
6	Depreciation Expense (403)	336-338	14,703,631	14,353,962	14,703,631	14,353,962
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amorization and Depletion of Utility Plant (404-405)	336-338	1,866,544	1,779,115	1,866,544	1,779,115
9	Amorization 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	Amorization 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	14,708,049	13,791,345	14,708,049	13,791,345
15	Income Taxes-Federal (409.1)	262-263	53,619,303	36,035,725	53,619,303	36,035,725
16	Income Taxes-Other (409.1)	262-263	11,342,694	7,170,387	11,342,694	7,170,387
17	Provision of Deferred Income Taxes (410.1)	234-235	57,374,078	22,587,304	57,374,078	22,587,304
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	51,669,358	17,312,750	51,669,358	17,312,750
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)		206,392,384	121,767,928	206,392,384	121,767,928
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		117,763,607	84,293,472	117,763,607	84,293,472

**Statement of Income**

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Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	0	0	324,155,991	206,061,400	0	0
3						
4	0	0	95,129,031	35,004,867	0	0
5	0	0	9,318,412	8,357,973	0	0
6	0	0	14,703,631	14,353,962	0	0
7	0	0	0	0	0	0
8	0	0	1,866,544	1,779,115	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	0	0	0	0
13	0	0	0	0	0	0
14	0	0	14,708,049	13,791,345	0	0
15	0	0	53,619,303	36,035,725	0	0
16	0	0	11,342,694	7,170,387	0	0
17	0	0	57,374,078	22,587,304	0	0
18	0	0	51,669,358	17,312,750	0	0
19	0	0	0	0	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	0	0	206,392,384	121,767,928	0	0
26	0	0	117,763,607	84,293,472	0	0

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q1
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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)		117,763,607	84,293,472	117,763,607	84,293,472
28	<b>OTHER INCOME AND DEDUCTIONS</b>					
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)		391,094	393,288	391,094	393,288
38	Allowance for Other Funds Used During Construction (419.1)		610,603	172,345	610,603	172,345
39	Miscellaneous Nonoperating Income (421)		2,258,693	120,577	2,258,693	120,577
40	Gain on Disposition of Property (421.1)		0	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		3,260,390	686,210	3,260,390	686,210
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	13,152	156,332	13,152	156,332
46	Life Insurance (426.2)		0	0	0	0
47	Penalties (426.3)		0	2,252	0	2,252
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		8,031	10,505	8,031	10,505
49	Other Deductions (426.5)		817	1,506	817	1,506
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	22,000	170,595	22,000	170,595
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	0	0	0	0
53	Income Taxes-Federal (409.2)	262-263	( 4,462,157)	( 5,399,953)	( 4,462,157)	( 5,399,953)
54	Income Taxes-Other (409.2)	262-263	( 993,544)	( 1,230,804)	( 993,544)	( 1,230,804)
55	Provision for Deferred Income Taxes (410.2)	234-235	10,506,380	34,923,323	10,506,380	34,923,323
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	3,639,764	28,084,684	3,639,764	28,084,684
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)		1,410,915	207,882	1,410,915	207,882
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,827,475	307,733	1,827,475	307,733
61	<b>INTEREST CHARGES</b>					
62	Interest on Long-Term Debt (427)		11,018,750	11,018,750	11,018,750	11,018,750
63	Amortization of Debt Disc. and Expense (428)	258-259	88,345	85,221	88,345	85,221
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	24,580	15,065	24,580	15,065
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		167,059	48,872	167,059	48,872
70	Net Interest Charges (Total of lines 62 thru 69)		10,964,616	11,070,164	10,964,616	11,070,164
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		108,626,466	73,531,041	108,626,466	73,531,041
72	<b>EXTRAORDINARY ITEMS</b>					
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)		108,626,466	73,531,041	108,626,466	73,531,041

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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 2014/Q1
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**Statement of Accumulated Comprehensive Income and Hedging Activities**

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

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



**Statement of Accumulated Comprehensive Income and Hedging Activities(continued)**

Line No.	Other Cash Flow Hedges Interest Rate Swaps  (f)	Other Cash Flow Hedges (Insert Category)  (g)	Totals for each category of items recorded in Account 219  (h)	Net Income (Carried Forward from Page 116, Line 78)  (i)	Total Comprehensive Income  (j)
1		( 5,126)	( 5,126)		
2					
3		( 38,914)	( 38,914)		
4		( 38,914)	( 38,914)	73,531,041	73,492,127
5		( 44,040)	( 44,040)		
6		( 247,925)	( 247,925)		
7		( 32,591)	( 32,591)		
8		( 30,323)	( 30,323)		
9		( 62,914)	( 62,914)	108,626,466	108,563,552
10		( 310,839)	( 310,839)		

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>2014/Q1</u>
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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)
	<b>UNAPPROPRIATED RETAINED EARNINGS</b>			
1	Balance-Beginning of Period		378,518,263	307,847,429
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)		108,626,466	73,531,041
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	181,076,000	80,000,000
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)		306,068,729	301,378,470
15	<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>			
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		306,068,729	301,378,470
21	<b>UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)</b>			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

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**Statement of Cash Flows**

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

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

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

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

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	108,626,466	73,531,041
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	16,570,175	16,133,077
5	Amortization of (Specify)	2,858,143	3,152,052
6	Deferred Income Taxes (Net)	12,571,336	12,113,193
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	( 10,667,961)	2,367,034
9	Net (Increase) Decrease in Inventory	386,656	( 603,300)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	52,366,935	10,031,918
12	Net (Increase) Decrease in Other Regulatory Assets	3,685,240	782,196
13	Net Increase (Decrease) in Other Regulatory Liabilities	2,950,977	1,214,964
14	(Less) Allowance for Other Funds Used During Construction	610,603	172,345
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other	( 53,649,311)	( 6,435,821)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	135,088,053	112,114,009
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	( 19,644,988)	( 7,855,121)
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	( 610,603)	( 172,345)
27	Other :	( 9,807,974)	( 6,206,771)
28	Cash Outflows for Plant (Total of lines 22 thru 27)	( 28,842,359)	( 13,889,547)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		
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 2014/Q1
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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: Cost of disposal of asset		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	( 28,842,359)	( 13,889,547)
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):		
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	( 181,076,000)	( 80,000,000)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	( 181,076,000)	( 80,010,000)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	( 74,830,306)	18,214,462
75			
76	Cash and Cash Equivalents at Beginning of Period	122,702,718	82,762,189
77			
78	Cash and Cash Equivalents at End of Period	47,872,412	100,976,651

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			2014/Q1
<b>Notes to Financial Statements</b>			

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 Berkshire Hathaway Energy Company ("Berkshire Hathaway Energy"), formerly known as MidAmerican Energy Holdings Company, a holding company that owns subsidiaries principally engaged in the energy business. Berkshire Hathaway Energy 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

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Northern Natural Gas Company			2014/Q1
Notes to Financial Statements			

primarily transports and stores natural gas for utilities, municipalities, gas marketing companies, industrial and commercial users and other end-users. The System consists of 14,700 miles of natural gas pipelines, including 6,300 miles of mainline transmission pipelines and 8,400 miles of branch and lateral pipelines, with a Market Area design capacity of 5.5 billion cubic feet ("Bcf") per day and a Field Area delivery capacity of 2.0 Bcf per day to the 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 and does not hold a controlling financial interest in any other entity. 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 2013 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 March 31, 2014 and for the three-month periods ended March 31, 2014 and 2013. The results of operations for the three-month period ended March 31, 2014 are not necessarily indicative of the results to be expected for the full year. The Respondent has evaluated subsequent events through May 22, 2014, 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, 2013 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 three-month period ended March 31, 2014.

## (2) New Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2013-04, which amends FASB Accounting Standards Codification 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

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			2014/Q1
<b>Notes to Financial Statements</b>			

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 adopted this guidance on January 1, 2014. The adoption of this 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 Berkshire Hathaway Energy. 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 plan and other postretirement plan totaled \$0.2 million and \$0.5 million for the three-month periods ended March 31, 2014 and 2013, respectively. As of March 31, 2014, the Respondent recorded in other special funds its portion of the over funded status of the pension plan and other postretirement plan of \$0.5 million and \$23.7 million, respectively. As of December 31, 2013, the Respondent recorded in other special funds its portion of the over funded status of the pension plan and other postretirement plan of \$0.5 million and \$23.4 million, respectively. Amounts attributable to the Respondent were allocated from MEC to the Respondent in accordance with the intercompany administrative service agreement. Offsetting regulatory 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. The Respondent uses crude oil and natural gas commodity swaps to hedge the margin on forecasted sales of condensate.

For certain designated markets, certain customers pay a fixed price of \$0.09 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 1.4 Bcf of natural gas through October 2022 to meet these requirements based on a projected average system requirements factor of 1.6% 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 March 31, 2014, the Respondent had 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			2014/Q1
<b>Notes to Financial Statements</b>			

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):

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 2014/Q1
Notes to Financial Statements			

	Derivative Assets <sup>(1)</sup>		Derivative Liabilities <sup>(1)</sup>		Total
	Current	Noncurrent	Current	Noncurrent	
<b>As of March 31, 2014</b>					
<b>Not designated as hedging contracts<sup>(2)</sup>:</b>					
Commodity assets	\$ 490	\$ —	\$ 307	\$ 370	\$ 1,167
Commodity liabilities	(305)	—	(7,286)	(58,007)	(65,598)
Total	<u>185</u>	<u>—</u>	<u>(6,979)</u>	<u>(57,637)</u>	<u>(64,431)</u>
<b>Designated as cash flow hedging contracts:</b>					
Commodity assets	231	—	—	—	231
Commodity liabilities	—	—	(748)	—	(748)
Total	<u>231</u>	<u>—</u>	<u>(748)</u>	<u>—</u>	<u>(517)</u>
<b>Total derivatives - net basis<sup>(3)</sup></b>	<b>\$ 416</b>	<b>\$ —</b>	<b>\$ (7,727)</b>	<b>\$ (57,637)</b>	<b>\$ (64,948)</b>
<b>As of December 31, 2013</b>					
<b>Not designated as hedging contracts<sup>(2)</sup>:</b>					
Commodity assets	\$ 14	\$ —	\$ 3	\$ —	\$ 17
Commodity liabilities	(11)	—	(7,560)	(61,784)	(69,355)
Total	<u>3</u>	<u>—</u>	<u>(7,557)</u>	<u>(61,784)</u>	<u>(69,338)</u>
<b>Designated as cash flow hedging contracts:</b>					
Commodity assets	102	5	—	—	107
Commodity liabilities	—	—	(438)	(80)	(518)
Total	<u>102</u>	<u>5</u>	<u>(438)</u>	<u>(80)</u>	<u>(411)</u>
<b>Total derivatives - net basis<sup>(3)</sup></b>	<b>\$ 105</b>	<b>\$ 5</b>	<b>\$ (7,995)</b>	<b>\$ (61,864)</b>	<b>\$ (69,749)</b>

- (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 March 31, 2014 and December 31, 2013, a regulatory asset of \$64.4 million and \$69.3 million, respectively, was recorded related to the net derivative liability of \$64.4 million and \$69.3 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 are 14 million and 18 million dth of natural gas purchases as of March 31, 2014 and December 31, 2013, respectively, and 5 million and 6 million gallons of crude oil sales as of March 31, 2014 and December 31, 2013, respectively.

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			2014/Q1
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 three-month periods ended March 31 (in thousands):

	<u>2014</u>	<u>2013</u>
<b>Beginning balance</b>	\$ 69,338	\$ 68,825
Changes in fair value recognized in regulatory assets	(3,656)	1,397
Net losses reclassified to gas operating revenues	(60)	—
Net losses reclassified to operating expenses	(1,191)	(2,764)
<b>Ending balance</b>	<u>\$ 64,431</u>	<u>\$ 67,458</u>

*Designated as Hedging Contracts*

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

	<u>2014</u>	<u>2013</u>
<b>Beginning balance<sup>(1)</sup></b>	\$ 411	\$ 8
Changes in fair value recognized in OCI	51	65
Net gains reclassified to gas operating revenues	55	—
<b>Ending balance<sup>(1)</sup></b>	<u>\$ 517</u>	<u>\$ 73</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 three-month periods ended March 31, 2014 and 2013, hedge ineffectiveness was insignificant. As of March 31, 2014, the Respondent had cash flow hedges with expiration dates extending through March 2015 and the pre-tax net unrealized losses forecasted to be reclassified from accumulated other comprehensive loss into earnings over the next twelve months are \$0.5 million.

*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 crude oil 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.

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 2014/Q1
Northern Natural Gas Company			
<b>Notes to Financial Statements</b>			

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.

#### *Collateral and Contingent Features*

In accordance with industry practice, certain derivative contracts contain credit support provisions that in part base certain collateral requirements on credit ratings for senior unsecured debt as reported by one or more of the three recognized credit rating agencies. 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") or provide the right for counterparties to demand "adequate assurance," or in some cases terminate the contract, in the event of a material adverse change in creditworthiness. These rights can vary by contract and by counterparty. As of March 31, 2014, 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 \$66.3 million and \$69.9 million as of March 31, 2014 and December 31, 2013, 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 March 31, 2014 and December 31, 2013, the Respondent would have been required to post \$65.4 million and \$69.7 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 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 2014/Q1
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):

	<b>Input Levels for Fair Value Measurements</b>				<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Other<sup>(1)</sup></b>	
<b>As of March 31, 2014</b>					
<b>Assets:</b>					
Commodity derivatives	\$ —	\$ 1,398	\$ —	\$ (982)	\$ 416
Money market mutual funds <sup>(2)</sup>	68,549	—	—	—	68,549
	<u>\$ 68,549</u>	<u>\$ 1,398</u>	<u>\$ —</u>	<u>\$ (982)</u>	<u>\$ 68,965</u>
<b>Liabilities - commodity derivatives</b>					
	\$ —	\$ (66,346)	\$ —	\$ 982	\$ (65,364)
<b>As of December 31, 2013</b>					
<b>Assets:</b>					
Commodity derivatives	\$ —	\$ 124	\$ —	\$ (29)	\$ 95
Money market mutual funds <sup>(2)</sup>	143,145	—	—	—	143,145
	<u>\$ 143,145</u>	<u>\$ 124</u>	<u>\$ —</u>	<u>\$ (29)</u>	<u>\$ 143,240</u>
<b>Liabilities - commodity derivatives</b>					
	\$ —	\$ (69,873)	\$ —	\$ 29	\$ (69,844)

(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 estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. When available, the fair value of derivative contracts is estimated using unadjusted quoted prices for identical contracts in the market in which the 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 and crude oil 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.

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			2014/Q1
Notes to Financial Statements			

## (6) Commitments and Contingencies

### *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 migrated from its former certificated storage field boundaries near Cunningham, Kansas and 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 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 3,696 acres, or 30% 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. In March 2014, the federal district court found that the Respondent must compensate the defendants for all gas in the extension area, including storage gas. The condemnation hearing commenced on April 15, 2014. The hearing is expected to be completed by May 30, 2014.
- 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 conclusion of the condemnation action discussed above.
- In December 2009, the Respondent filed a lawsuit in the 13<sup>th</sup> 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 and 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

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			2014/Q1
<b>Notes to Financial Statements</b>			

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. The proceeds held in suspense by ONEOK and Lumen for production before June 2010 have been released. The proceeds from June 2010 through February 2011 when the wells were shut in continue to be held in suspense. The Respondent has valued these amounts at approximately \$4.7 million. In December 2013, the producers filed a motion for summary judgment arguing they own all storage gas in the extension area after the June 2010 FERC order. The Respondent filed its response to the producers' motion for summary judgment in January 2014. The producers' motion for summary judgment was argued in March 2014 and the parties filed proposed Findings of Fact and Conclusions of Law on April 28, 2014. A decision should be issued within 60 days.

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 in December 2011, at the request of the Respondent. The case will likely remain stayed 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 \$24.5 million and \$23.5 million for the three-month periods ended March 31, 2014 and 2013, 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 \$1.3 million for each of the three-month periods ended March 31, 2014 and 2013. MEC also provided electricity and other services to the Respondent of \$0.2 million for each of the three-month periods ended March 31, 2014 and 2013. The Respondent reimbursed MEC \$13.8 million and \$13.5 million for the three-month periods ended March 31, 2014 and 2013, respectively, for payroll, healthcare benefits and other benefit payments that MEC processed on behalf of the Respondent.

Berkshire Hathaway Energy provides certain administrative and management services, including executive, financial, legal and tax, to the Respondent. Expenses incurred by Berkshire Hathaway Energy and billed to the Respondent are based on the individual services and expense items provided and were \$0.3 million and \$0.1 million for the three-month periods ended March 31, 2014 and 2013, respectively. Income tax transactions with Berkshire Hathaway Energy resulted in net payments of \$4.6 million and \$24.4 million for the three-month periods ended March 31, 2014 and 2013, respectively.

As of March 31, 2014 and December 31, 2013, the Respondent had net accounts payable to Berkshire Hathaway Energy and certain subsidiaries for intercompany transactions totaling \$0.7 million and \$1.8 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 Berkshire Hathaway Energy. The Respondent billed Kern River \$0.3 million for each of the three-month periods ended March 31, 2014 and 2013, for these services.

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			2014/Q1
<b>Notes to Financial Statements</b>			

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 three-month periods ended March 31, 2014 and 2013, the Respondent entered into insignificant risk management transactions that settled on behalf of Kern River.

The Respondent possesses demand promissory notes from Berkshire Hathaway Energy. The balance of the demand promissory notes as of both March 31, 2014 and December 31, 2013 was \$230.0 million. The notes contain variable interest rates based on 30-day LIBOR plus a fixed spread per annum. Interest income of \$0.3 million was recorded for each of the three-month periods ended March 31, 2014 and 2013.

**(8) Other, Net**

In June 2013, 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 \$1.7 million of miscellaneous nonoperating income for the three-month period ended March 31, 2014.



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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>2014/Q1</u>
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**Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion**

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	3,379,711,884
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	110,320,420
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	3,490,032,304
9	Leased to Others	
10	Held for Future Use	103,181
11	Construction Work in Progress	59,963,217
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	3,550,098,702
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,270,709,876
15	Net Utility Plant (Total of lines 13 and 14)	2,279,388,826
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,181,786,891
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	7,195,642
21	Amortization of Other Utility Plant	81,624,162
22	TOTAL In Service (Total of lines 18 thru 21)	1,270,606,695
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)	1,270,709,876

**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		3,379,711,884		
4				
5				
6		110,320,420		
7				
8		3,490,032,304		
9				
10		103,181		
11		59,963,217		
12				
13		3,550,098,702		
14		1,270,709,876		
15		2,279,388,826		
16				
17				
18		1,181,786,891		
19				
20		7,195,642		
21		81,624,162		
22		1,270,606,695		
23				
24				
25				
26				
27				
28		103,181		
29				
30		103,181		
31				
32				
33		1,270,709,876		

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>2014/Q1</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  (a)	Plant in Service Balance at End of Quarter  (b)	Accumulated Depreciation And Amortization Balance at End of Quarter  (c)
1	Intangible Plant	128,276,294	58,531,160
2	Productions-Manufactured Gas		
3	Production and Gathering-Natural Gas	8,076,198	( 14,618,545)
4	Products Extraction-Natural Gas		
5	Underground Gas Storage	408,555,232	148,085,795
6	Other Storage Plant	81,808,140	47,045,703
7	Base Load LNG Terminaling and Processing Plant	1,481,880	391,529
8	Transmission	2,764,593,810	983,414,474
9	Distribution		
10	General	97,240,750	47,756,579
11	TOTAL (total of lines 1 thru 10)	3,490,032,304	1,270,606,695

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 2014/Q1
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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	2,541,174	31,251	928	365,634		2,206,791
2							
3	Asset retirement obligation	25,226,516	898,887				26,125,403
4							
5	Deferred FERC annual charge	812,489		928	270,830		541,659
6							
7	Deferred income taxes for AFUDC equity	16,150,318	403,726	421	71,555		16,482,489
8							
9	Deferred migration costs	540,976		921	162,293		378,683
10							
11	Deferred system upgrade costs	450,326		921	135,098		315,228
12							
13	Smartpigging/hydrostatic testing	29,081,160	465,309	833,863	1,764,390		27,782,079
14							
15	Unrealized loss on derivatives, net	69,338,232	( 3,656,264)	483,803	1,250,955		64,431,013
16							
17	Fuel, unaccounted for, and other trackers	1,868,093	32,294,972	813,855	33,834,190		328,875
18							
19	Interest rate lock	326,436		428	9,400		317,036
20							
21	Encroachment revaluation		15,596,679				15,596,679
22							
23							
24							
25							
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39							
40	<b>Total</b>	<b>146,335,720</b>	<b>46,034,560</b>		<b>37,864,345</b>	<b>0</b>	<b>154,505,935</b>

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 2014/Q1
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**Other Regulatory Liabilities (Account 254)**

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).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
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.
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).

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	Penalty and Deferred Delivery Variance Charge Revenue Crediting Mechanism	611,332	131	532,766		1,728,169	1,806,745
2							
3	Interest rate lock	287,296	428	52,374			234,922
4							
5	Employee benefits	23,934,366	128	188,011		489,000	24,235,357
6							
7	Encroachment revaluation	195,121				( 195,121)	
8							
9	Carlton resolution credits	937,053	131	441,097		2,196,661	2,692,617
10							
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45	<b>Total</b>	25,965,170		1,214,238	0	4,218,709	28,969,641

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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 2014/Q1
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**Monthly Quantity & Revenue Data by Rate Schedule**

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

Line No.	Item  (a)	Month 1 Quantity  (b)	Month 1 Revenue Costs and Take-or-Pay  (c)	Month 1 Revenue (GRI & ACA)  (d)	Month 1 Revenue (Other)  (e)	Month 1 Revenue (Total)  (f)
1	Total Sales (480-488)	885,765			4,712,404	4,712,404
2	Transportation of Gas for Others (489.2 and 489..3)					
3	CS-1	1,490,163			23,648	23,648
4	TF	45,208,384		52,442	25,543,529	25,595,971
5	TFX	82,519,153		94,653	49,272,733	49,367,386
6	GS-T	47,412		26	33,040	33,066
7	TI	2,349,062		2,783	687,010	689,793
8	SMS	2,001,998			855,496	855,496
9	Less: CS-1 units	-1,490,163				
10	Less: SMS units in other rate schedules	-2,001,998				
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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>2014/Q1</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	771,310			11,256,928	11,256,928	4,440,335			36,170,853	36,170,853
2										
3	1,450,166			21,180	21,180	1,215,421			22,056	22,056
4	39,339,388		49,442	25,329,228	25,378,670	36,236,884		43,651	25,271,445	25,315,096
5	62,520,190		78,151	52,822,812	52,900,963	62,829,199		75,941	52,373,240	52,449,181
6	45,108		56	31,089	31,145	16,506		53	12,261	12,314
7	2,235,347		3,141	746,289	749,430	1,980,603		1,683	660,465	662,148
8	1,675,283			847,689	847,689	1,474,009			849,271	849,271
9	-1,450,166					-1,215,421				
10	-1,675,283					-1,474,009				
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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>2014/Q1</u>
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**Monthly Quantity & Revenue Data by Rate Schedule (continued)**

Line No.	Item  (a)	Month 1 Quantity  (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA)  (d)	Month 1 Revenue (Other)  (e)	Month 1 Revenue (Total)  (f)
47						

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q1</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										

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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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61						
62						
63	Total Transportation (Other than Gathering)	130,124,011		149,904	76,415,456	76,565,360
64	Storage (489.4)					
65	FDD-1	10,798,871			2,247,551	2,247,551
66	IDD-1	439,736			236,982	236,982
67	PDD-1	17,735,565			832,023	832,023
68						
69						
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85						
86						
87						
88						
89						
90	Total Storage	28,974,172			3,316,556	3,316,556
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible	88,425			1,330	1,330
94	Total Gathering (489.1)	88,425			1,330	1,330
95	Additional Revenues					
96	Products Sales and Extraction (490-492)	307			10,444	10,444
97	Rents (493-494)				5,100	5,100
98	Other Gas Revenues (495)				383,869	383,869
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues	307			399,413	399,413

**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)
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53										
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62										
63	104,140,033		130,790	79,798,287	79,929,077	101,063,192		121,328	79,188,738	79,310,066
64										
65	14,832,143			2,271,515	2,271,515	14,445,927			2,151,793	2,151,793
66	175,470			241,214	241,214	59,120			926,204	926,204
67	6,510,473			653,982	653,982				634,454	634,454
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90	21,518,086			3,166,711	3,166,711	14,505,047			3,712,451	3,712,451
91										
92										
93	91,562			1,361	1,361	65,791			1,973	1,973
94	91,562			1,361	1,361	65,791			1,973	1,973
95										
96	434			4,917	4,917	5,345			97,744	97,744
97				5,374	5,374				5,974	5,974
98				22,100,395	22,100,395				3,397,104	3,397,104
99										
100	434			22,110,686	22,110,686	5,345			3,500,822	3,500,822

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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)	160,072,680		149,904	84,845,159	84,995,063

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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	126,521,425		130,790	116,333,973	116,464,763	120,079,710		121,328	122,574,837	122,696,165

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 2014/Q1
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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	4,565,356	845,780
3	(482) Other Sales to Public Authorities		
4	(483) Sales for Resale	47,574,829	5,251,630
5	(484) Interdepartmental Sales		
6	Total Sales (Lines 1 to 5)	52,140,185	6,097,410
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	4,664	245,778
11	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities	235,804,503	335,327,236
12	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities		
13	489.4 Revenues from Storing Gas of Others	10,195,718	64,997,305
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	113,105	
17	493 Rent from Gas Property	16,448	
18	494 Interdepartmental Rents		
19	495 Other Gas Revenues	25,881,368	
20	Subtotal:	324,155,991	
21	496 (Less) Provision for Rate Refunds		
22	TOTAL	324,155,991	



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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		
6	(761-769) Maintenance		
7	Total Natural Gas Production and Gathering (lines 5 and 6)		
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	78,312,011	
20	(804) Natural Gas City Gate Purchases		
21	(804.1) Liquefied Natural Gas Purchases		
22	(805) Other Gas Purchases	( 2,432,371)	
23	(805.1) (Less) Purchase Gas Cost Adjustments		
24	Total Purchased Gas (lines 15 through 23)	75,879,640	
25	(806) Exchange Gas	18,957,028	
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	102,889,580	
34	(808.2) (Less) Gas Delivered to Storage - Credit	145,472,973	
35	(809.1) Withdrawals of Liquefied 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	52,640,591	
39	(811) Gas Used for Products Extraction - Credit		
40	(812) Gas Used for Other Utility Operations - Credit	10,343,217	
41	Total Gas Used in Utility Operations - Credit (Lines 38 thru 40)	62,983,808	
42	(813) Other Gas Supply Expense	9,482,660	
43	Total Other Gas Supply Expenses (Lines 24, 25, 32, 33, thru 36, 42, less 41)	( 1,247,873)	
44	Total Production Expenses (Lines 3,7,11,12, and 43)	( 1,247,873)	

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 <u>2014/Q1</u>
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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	5,581,292	
4	(830-837) Maintenance	1,867,528	
5	Total Underground Storage Expenses (Lines 3 and 4)	7,448,820	
6	OTHER STORAGE EXPENSES		
7	(840-842.3) Operations	2,678,265	
8	(843.1-843.9) Maintenance	1,143,629	
9	Total Other Storage Expenses (lines 7 and 8)	3,821,894	
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	1,416,510	
17	(851) System Control and Load Dispatching	3,507,562	
18	(852) Communication System Expenses	355,003	
19	(853) Compressor Station Labor and Expenses	2,428,509	
20	(854) Gas for Compressor Station Fuel	50,276,443	
21	(855) Other Fuel and Power for Compressor Stations	761,532	
22	(856) Mains Expenses	10,442,262	
23	(857) Measuring and Regulating Station Expenses	1,162,702	
24	(858) Transmission and Compression of Gas by Others		
25	(859) Other Expenses	555,852	
26	(860) Rents	64,393	
27	Total Transmission Operation Expenses (Lines 16 through 26)	70,970,768	
28	Transmission Maintenance Expenses		
29	(861) Maintenance Supervision and Engineering		
30	(862) Maintenance of Structures and Improvements	178,630	
31	(863) Maintenance of Mains	2,762,988	
32	(864) Maintenance of Compressor Station Equipment	2,640,599	
33	(865) Maintenance of Measuring and Regulating Equipment	548,320	
34	(866) Maintenance of Communication Equipment	28,444	
35	(867) Maintenance of Other Equipment	148,274	
36	Total Transmission Maintenance Expenses (Lines 29 through 35)	6,307,255	
37	Total Transmission Expenses (Lines 27 and 36)	77,278,023	
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)	88,548,737	

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>2014/Q1</u>
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**Gas Customer Accounts, Service, Sales, Administrative and General Expenses**

Report the amount of expenses for customer accounts, service, sales, and administrative and general expenses year to date.

Line No.	Account (a)	Year to Date Quarter (b)	
1	(901-905) Customer Accounts Expenses		
2	(907-910) Customer Service and Information Expenses	4,006	
3	(911-916) Sales Expenses	305,138	
4	8. ADMINISTRATIVE AND GENERAL EXPENSES		
5	Operations		
6	920 Administrative and General Salaries	7,723,711	
7	921 Office Supplies and Expenses	2,216,029	
8	(Less) 922 Administrative Expenses Transferred-Credit	375,987	
9	923 Outside Services Employed	3,215,542	
10	924 Property Insurance	299,063	
11	925 Injuries and Damages	229,150	
12	926 Employee Pensions and Benefits	2,752,181	
13	927 Franchise Requirements		
14	928 Regulatory Commission Expenses	636,463	
15	(Less) 929 Duplicate Charges-Credit		
16	930.1 General Advertising Expenses		
17	930.2 Miscellaneous General Expenses	27,395	
18	931 Rents	113,888	
19	TOTAL Operation (Total of lines 6 through 18)	16,837,435	
20	Maintenance		
21	932 Maintenance of General Plant		
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	16,837,435	

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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	1,487,712
2	Production Plant, Manufacturing Plant	0	0	0
3	Production and Gathering Plant - Natural Gas	1,051,976	0	0
4	Products Extraction - Natural Gas	0	0	0
5	Underground Gas Storage Plant	1,374,712	0	69,583
6	Other Storage Plant	253,988	0	0
7	Base Load LNG Terminaling and Processing Plant	37,281	0	0
8	Processing Plant	0	0	0
9	Transmission Plant	10,020,020	0	309,249
10	Distribution Plant	0	0	0
11	General Plant	1,965,654	0	0
12	Common Plant	0	0	0
13	TOTAL GAS (Lines 1 through 12)	14,703,631	0	1,866,544



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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
<b>01 Name of System:</b>				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		12,410,768	12,410,768
4	Gas of Others Received for Gathering (Account 489.1)	303	245,778	245,778
5	Gas of Others Received for Transmission (Account 489.2)	305	335,327,236	335,327,236
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307	7,928,260	7,928,260
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328	2,731,092	2,731,092
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		34,920,710	34,920,710
13	Gas Received from Shippers as Compressor Station Fuel		5,874,239	5,874,239
14	Gas Received from Shippers as Lost and Unaccounted for		1,172,447	1,172,447
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		400,610,530	400,610,530
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		6,097,410	6,097,410
19	Deliveries of Gas Gathered for Others (Account 489.1)	303	245,778	245,778
20	Deliveries of Gas Transported for Others (Account 489.2)	305	335,327,236	335,327,236
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307	45,244,105	45,244,105
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		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)		7,031,461	7,031,461
28	Gas Used for Compressor Station Fuel	509	5,550,316	5,550,316
29	Other Deliveries and Gas Used for Other Operations		1,172,742	1,172,742
30	Total Deliveries (Total of lines 18 thru 29)		400,669,048	400,669,048
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		( 58,518)	( 58,518)
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		400,610,530	400,610,530

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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 2014/Q1
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**Shipper Supplied Gas for the Current Quarter**

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

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
1	<b>SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)</b>				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	1,482,484	67,998	711,577	2,262,059
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	1,482,484	67,998	711,577	2,262,059
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	783,991	36,011	376,382	1,196,384
12	Distribution				
13	Storage	969		87,084	88,053
14	<b>Total gas used in compressors</b>	784,960	36,011	463,466	1,284,437
15	<b>LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)</b>				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	225,385	10,353	108,204	343,942
19	Distribution				
20	Storage	520		46,735	47,255
21	Other Deliveries (specify) (footnote details)				
22	<b>Total Gas Used For Other Deliveries And Gas Used For Other Operations</b>	225,905	10,353	154,939	391,197
23	<b>LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)</b>				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	10,097	464	4,847	15,408
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	10,097	464	4,847	15,408



**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	7,482,802	343,708	3,592,384	11,418,894					805	805
5										
6										
7	7,482,802	343,708	3,592,384	11,418,894						
8										
9										
10										
11	3,840,804	176,420	1,843,914	5,861,138					854	810
12										
13	4,801		431,625	436,426					819	810
14	3,845,605	176,420	2,275,539	6,297,564						
15										
16										
17										
18	1,117,099	51,312	536,303	1,704,714					See footnote	812
19										
20	2,916		262,215	265,131					See footnote	812
21										
22	1,120,015	51,312	798,518	1,969,845						
23										
24										
25										
26	52,372	2,405	25,143	79,920					813	812
27										
28										
29										
30	52,372	2,405	25,143	79,920						

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q1
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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)
<b>NET EXCESS OR (DEFICIENCY)</b>					
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	463,011	21,170	222,144	706,325
35	Distribution				
36	Storage	( 1,489)		( 133,819)	( 135,308)
37	<b>Total Net Excess Or (Deficiency)</b>	<b>461,522</b>	<b>21,170</b>	<b>88,325</b>	<b>571,017</b>
<b>DISPOSITION OF EXCESS GAS:</b>					
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers	461,522	21,170	88,325	571,017
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	<b>461,522</b>	<b>21,170</b>	<b>88,325</b>	<b>571,017</b>
<b>GAS ACQUIRED TO MEET DEFICIENCY:</b>					
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	<b>Total Gas Acquired To Meet Deficiency</b>				
<b>SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT</b>					
66	Forwardhaul Volume in Dths for the Quarter	335,327,236			
67	Backhaul Volume in Dths for the Quarter				
68	<b>TOTAL (Lines 66 and 67)</b>	<b>335,327,236</b>			

**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	2,472,527	113,571	1,187,024	3,773,122						
35										
36	( 7,717)		( 693,840)	( 701,557)						
37	2,464,810	113,571	493,184	3,071,565						
38										
39										
40										
41										
42	2,464,810	113,571	493,184	3,071,565					805	182.3
43										
44										
45										
46										
47										
48										
49										
50										
51	2,464,810	113,571	493,184	3,071,565						
52										
53										
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63										
64										
65										

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q1
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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	<b>SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)</b>				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	1,550,015	62,608	929,635	2,542,258
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	1,550,015	62,608	929,635	2,542,258
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	1,193,772	48,166	716,028	1,957,966
12	Distribution				
13	Storage	907		105,769	106,676
14	<b>Total gas used in compressors</b>	1,194,679	48,166	821,797	2,064,642
15	<b>LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)</b>				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	198,099	7,993	118,820	324,912
19	Distribution				
20	Storage	624		72,839	73,463
21	Other Deliveries (specify) (footnote details)				
22	<b>Total Gas Used For Other Deliveries And Gas Used For Other Operations</b>	198,723	7,993	191,659	398,375
23	<b>LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)</b>				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	( 98,443)	( 3,972)	( 59,047)	( 161,462)
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	( 98,443)	( 3,972)	( 59,047)	( 161,462)

**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	12,718,635	513,168	7,628,678	20,860,481					805	805
5										
6										
7	12,718,635	513,168	7,628,678	20,860,481						
8										
9										
10										
11	9,609,983	387,741	5,764,098	15,761,822					854	810
12										
13	7,299		851,453	858,752					819	810
14	9,617,282	387,741	6,615,551	16,620,574						
15										
16										
17										
18	1,594,716	64,343	956,515	2,615,574					See footnote	812
19										
20	5,027		586,358	591,385					See footnote	812
21										
22	1,599,743	64,343	1,542,873	3,206,959						
23										
24										
25										
26	( 792,147)	( 31,961)	( 475,132)	( 1,299,240)					813	812
27										
28										
29										
30	( 792,147)	( 31,961)	( 475,132)	( 1,299,240)						

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>2014/Q1</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)
	<b>NET EXCESS OR (DEFICIENCY)</b>				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	256,587	10,421	153,834	420,842
35	Distribution				
36	Storage	( 1,531)		( 178,608)	( 180,139)
37	<b>Total Net Excess Or (Deficiency)</b>	255,056	10,421	( 24,774)	240,703
	<b>DISPOSITION OF EXCESS GAS:</b>				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers	255,056	10,421	( 24,774)	240,703
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	<b>Total Disposition Of Excess Gas</b>	255,056	10,421	( 24,774)	240,703
	<b>GAS ACQUIRED TO MEET DEFICIENCY:</b>				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	<b>Total Gas Acquired To Meet Deficiency</b>				

**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	2,306,083	93,045	1,383,197	3,782,325						
35										
36	( 12,326)		( 1,437,811)	( 1,450,137)						
37	2,293,757	93,045	( 54,614)	2,332,188						
38										
39										
40										
41										
42	2,293,757	93,045	( 54,614)	2,332,188					805	182.3
43										
44										
45										
46										
47										
48										
49										
50										
51	2,293,757	93,045	( 54,614)	2,332,188						
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63										
64										
65										

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Dd, Yr) / /	Year/Period of Report End of 2014/Q1
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**Shipper Supplied Gas for the Current Quarter**

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

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
1	<b>SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)</b>				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	1,155,374	96,237	990,758	2,242,369
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>	1,155,374	96,237	990,758	2,242,369
8	<b>LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	1,093,501	91,037	937,529	2,122,067
12	Distribution				
13	Storage	823		78,347	79,170
14	<b>Total gas used in compressors</b>	1,094,324	91,037	1,015,876	2,201,237
15	<b>LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)</b>				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	165,117	13,746	141,566	320,429
19	Distribution				
20	Storage	589		56,066	56,655
21	Other Deliveries (specify) (footnote details)				
22	<b>Total Gas Used For Other Deliveries And Gas Used For Other Operations</b>	165,706	13,746	197,632	377,084
23	<b>LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)</b>				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	45,108	3,755	38,673	87,536
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	<b>Total Gas Lost And Unaccounted For</b>	45,108	3,755	38,673	87,536



**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	14,510,310	1,208,019	12,440,627	28,158,956					805	805
5										
6										
7	14,510,310	1,208,019	12,440,627	28,158,956						
8										
9										
10										
11	14,765,140	1,229,234	12,659,110	28,653,484					854	810
12										
13	11,117		1,057,852	1,068,969					819	810
14	14,776,257	1,229,234	13,716,962	29,722,453						
15										
16										
17										
18	2,229,444	185,607	1,911,446	4,326,497					See footnote	812
19										
20	7,956		757,011	764,967					See footnote	812
21										
22	2,237,400	185,607	2,668,457	5,091,464						
23										
24										
25										
26	608,654	50,672	521,838	1,181,164					813	812
27										
28										
29										
30	608,654	50,672	521,838	1,181,164						

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>2014/Q1</u>
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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)
	<b>NET EXCESS OR (DEFICIENCY)</b>				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	( 148,352)	( 12,301)	( 127,010)	( 287,663)
35	Distribution				
36	Storage	( 1,412)		( 134,413)	( 135,825)
37	<b>Total Net Excess Or (Deficiency)</b>	<b>( 149,764)</b>	<b>( 12,301)</b>	<b>( 261,423)</b>	<b>( 423,488)</b>
	<b>DISPOSITION OF EXCESS GAS:</b>				
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	<b>Total Disposition Of Excess Gas</b>				
	<b>GAS ACQUIRED TO MEET DEFICIENCY:</b>				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Gas to be recovered from shippers	149,764	12,301	261,423	423,488
57					
58					
59					
60					
61					
62					
63					
64					
65	<b>Total Gas Acquired To Meet Deficiency</b>	<b>149,764</b>	<b>12,301</b>	<b>261,423</b>	<b>423,488</b>

**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	( 3,092,928)	( 257,494)	( 2,651,767)	( 6,002,189)						
35										
36	( 19,073)		( 1,814,863)	( 1,833,936)						
37	( 3,112,001)	( 257,494)	( 4,466,630)	( 7,836,125)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	3,112,001	257,494	4,466,630	7,836,125					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	3,112,001	257,494	4,466,630	7,836,125						

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 2014/Q1
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:	Date of Report	Year/Period of Report
Northern Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2014/Q1
FOOTNOTE DATA			

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

The (\$44,040) pertains to natural gas commodity swaps.

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

The (\$310,839) pertains to natural gas and crude oil commodity swaps.

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 2014/Q1
FOOTNOTE DATA			

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

2014		2013	
<b>Dividends</b>		<b>Dividends</b>	
January 16, 2014	\$ 101,076,000	January 15, 2013	\$ 80,000,000
February 27, 2014	80,000,000	Total	<u>\$ 80,000,000</u>
Total	<u>\$ 181,076,000</u>		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Northern Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2014/Q1
FOOTNOTE DATA			

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

	2014		2013
Regulatory assets	\$ 2,769,798	\$	3,066,831
Debt discount and expense	88,345		85,221
Total	\$ 2,858,143	\$	3,152,052

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

	2014		2013
Gas balancing activities	\$ (49,572,941)	\$	(5,232,859)
Price risk management activities	(4,907,216)		(1,366,183)
Prepayments and other assets	830,846		163,221
Total	\$ (53,649,311)	\$	(6,435,821)

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

	2014		2013
Removal costs, net	\$ (301,975)	\$	(142,594)
Net increase (decrease) in payables and accrued expenses	(9,505,999)		(6,064,177)
Total	\$ (9,807,974)	\$	(6,206,771)

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 2014/Q1
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	\$ 32,631,870
Cost of Plant Retired	( 38,651,732)
Accumulated Plant Reserve	(\$ 6,019,862)

**Negative Salvage**

Accumulated Provision	\$ 1,497,614
Cost of Removal	( 603,629)
Net Negative Salvage Provision	\$ 893,985

**Asset Retirement Obligation**

Accumulated Depreciation on ARO Capitalized	\$ 2,971,249
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**Asset Retirement Obligation (ARO) Allowance**

Accumulated ARO Allowance	\$ 20,611,041
Accumulated Cost of ARO Retirements	( 33,074,958)
Unrecovered Net ARO Costs	(\$ 12,463,917)

**Accumulated Provision for Depreciation Gas Gathering (\$ 14,618,545)**  
=====

The ARO allowance is booked to the accumulated depreciation reserves for transmission and production and gathering plant based on cost incurred to settle asset retirement obligations for each classification.

**Schedule Page: 210 Line No.: 8 Column: c**

Total includes \$836,183 accumulated annual ARO allowance, \$1,352,040 of accumulated cost of transmission ARO retirements, and \$15,713,962 of accumulated depreciation on capitalized ARO. The ARO allowance is booked to the accumulated depreciation reserve for gas transmission and production and gathering based on the cost incurred to settle asset retirement obligations for each classification.



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 2014/Q1
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 10/2014
11	Deferred system upgrade costs	RP04-155	120 months through 10/2014
13	Smartpigging/hydrostatic testing	RP04-155	Over 84 months
15	Unrealized loss on derivatives, net	Orders 552 & 627	
17	Fuel and storage, unaccounted for gas, and electrical compression trackers (1)	RP97-275	
19	Interest rate lock (ref. \$200M Sr Notes due 6-1-2021)	Not applicable	Through 05/2021
21	Encroachment revaluation	Orders 552 & 627	

(1) Refer to footnote 4 - Regulatory Matters in the Notes to Financial Statements on page 122 of the 2013 FERC Form No. 2 for more information regarding regulatory trackers.

**Schedule Page: 232 Line No.: 15 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 2014/Q1
FOOTNOTE DATA			

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

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

**Schedule Page: 278 Line No.: 7 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 2014/Q1
Northern Natural Gas Company			
FOOTNOTE DATA			

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

The 12,410,768 Dth represents gas purchases recorded to FERC account 803.

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

The 34,920,710 Dth represents gas withdrawn from storage (includes third party and company owned gas).

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

The 7,031,461 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	6,086
Gas Used in other O&M Operations	1,166,656
Total	<u>1,172,742</u>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Northern Natural Gas Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2014/Q1
FOOTNOTE DATA			

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

Gas used for other operation purposes:

		<u>Month 1</u> <u>Gas Used (Dth)</u>	<u>Month 1</u> <u>Amount (\$)</u>
LNG Compressor Station Fuel	842.1	52,269	259,066
Line Operations	856	291,673	1,445,648
Purification Underground Storage	821	19,672	97,502
Other Underground Storage Operations	817	21,240	136,191
Other Compressor Station Fuel	819	6,343	31,438
		<u>391,197</u>	<u>\$ 1,969,845</u>

Volume of gas used for other deliveries and gas used for other operations does not equal the volume reported on line 29 page 520. The variance is due to the exclusion of drip shrinkage which is not considered shipper supplied gas.

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

Gas used for other operation purposes:

		<u>Month 2</u> <u>Gas Used (Dth)</u>	<u>Month 2</u> <u>Amount (\$)</u>
LNG Compressor Station Fuel	842.1	69,173	556,850
Line Operations	856	255,739	2,058,725
Purification Underground Storage	821	19,771	159,158
Other Underground Storage Operations	817	47,233	380,230
Other Compressor Station Fuel	819	6,459	51,996
		<u>398,375</u>	<u>\$ 3,206,959</u>

Volume of gas used for other deliveries and gas used for other operations does not equal the volume reported on line 29 page 520. The variance is due to the exclusion of drip shrinkage which is not considered shipper supplied gas.

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

Gas used for other operation purposes:

		<u>Month 3</u> <u>Gas Used (Dth)</u>	<u>Month 3</u> <u>Amount (\$)</u>
LNG Compressor Station Fuel	842.1	67,864	916,313
Line Operations	856	252,565	3,410,184
Purification Underground Storage	821	16,453	222,152
Other Underground Storage Operations	817	33,716	455,240
Other Compressor Station Fuel	819	6,486	87,575
		<u>377,084</u>	<u>\$ 5,091,464</u>

Volume of gas used for other deliveries and gas used for other operations does not equal the volume reported on line 29 page 520. The variance is due to the exclusion of drip shrinkage which is 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			2014/Q1
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.: 44 Column: a**

All excess gas is to be returned to shippers and is recorded in a volumetric tracker.

**Schedule Page: 521 Line No.: 56 Column: a**

All deficiency gas is to be recovered from shippers and is recorded in a volumetric tracker.

**Schedule Page: 521 Line No.: 64 Column: a**

For Balance Sheet accounts carried and resolved volumetrically, the Respondent carries the balance priced at the end of the month Northern Natural Gas Demarcation index as published in Gas Daily.

The Respondent allocated discounted, negotiated and recourse amounts for lines 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.