

THIS FILING IS

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. _____

Form 2 Approved
OMB No.1902-0028
(Expires 09/30/2017)

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)



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 2017/Q1

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

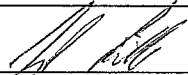
IDENTIFICATION

01 Exact Legal Name of Respondent Northern Natural Gas Company		Year/Period of Report End of <u>2017/Q1</u>	
03 Previous Name and Date of Change (If name changed during year)			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1111 South 103rd Street, Omaha, NE 68124			
05 Name of Contact Person Joseph M. Lillo		06 Title of Contact Person Vice President - Finance	
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 402-398-7333		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 05/31/2017	

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2017/Q1
Important Changes During the Quarter/Year			

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

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

1. None

2. None

3. None

4. None

5. 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, 2017.

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, 2017.

§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, 2017.

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			2017/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 January 13, 2017, Natalie L. Hocken replaced Douglas L. Anderson as a member of the executive committee.

13. Not applicable

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q1</u>
Comparative Balance Sheet (Assets and Other Debits)				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	3,991,154,428	3,995,661,549
3	Construction Work in Progress (107)	200-201	69,594,852	58,819,542
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	4,060,749,280	4,054,481,091
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,325,556,321	1,320,392,762
6	Net Utility Plant (Total of line 4 less 5)		2,735,192,959	2,734,088,329
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)		2,735,192,959	2,734,088,329
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	14,680,224	7,624,545
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		0	0
18	(Less) Accum. Provision for Depreciation and Amortization (122)		0	0
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123.1)	224-225	0	0
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	0	0
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		40,309,834	38,336,262
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)		40,309,834	38,336,262
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		(2,235,750)	(7,952,848)
33	Special Deposits (132-134)		2,476,712	3,022,540
34	Working Funds (135)		23,900	23,900
35	Temporary Cash Investments (136)	222-223	60,369,169	56,326,887
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		75,436,968	73,208,556
38	Other Accounts Receivable (143)		1,724,423	1,938,832
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		0	0
40	Notes Receivable from Associated Companies (145)		270,000,000	155,000,000
41	Accounts Receivable from Associated Companies (146)		8,678,558	8,707,580
42	Fuel Stock (151)		0	0
43	Fuel Stock Expenses Undistributed (152)		0	0

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Comparative Balance Sheet (Liabilities and Other Credits)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)	
1	PROPRIETARY CAPITAL				
2	Common Stock Issued (201)	250-251	1,002	1,002	
3	Preferred Stock Issued (204)	250-251	0	0	
4	Capital Stock Subscribed (202, 205)	252	0	0	
5	Stock Liability for Conversion (203, 206)	252	0	0	
6	Premium on Capital Stock (207)	252	0	0	
7	Other Paid-In Capital (208-211)	253	981,867,972	981,867,972	
8	Installments Received on Capital Stock (212)	252	0	0	
9	(Less) Discount on Capital Stock (213)	254	0	0	
10	(Less) Capital Stock Expense (214)	254	0	0	
11	Retained Earnings (215, 215.1, 216)	118-119	518,555,050	427,549,089	
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	0	0	
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,500,424,024	1,409,418,063	
16	LONG TERM DEBT				
17	Bonds (221)	256-257	400,000,000	400,000,000	
18	(Less) Reacquired Bonds (222)	256-257	0	0	
19	Advances from Associated Companies (223)	256-257	0	0	
20	Other Long-Term Debt (224)	256-257	400,000,000	400,000,000	
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0	
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	513,506	518,809	
23	(Less) Current Portion of Long-Term Debt		0	0	
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		799,486,494	799,481,191	
25	OTHER NONCURRENT LIABILITIES				
26	Obligations Under Capital Leases-Noncurrent (227)		0	0	
27	Accumulated Provision for Property Insurance (228.1)		0	0	
28	Accumulated Provision for Injuries and Damages (228.2)		427,029	399,222	
29	Accumulated Provision for Pensions and Benefits (228.3)		13,701,100	13,161,392	
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		47,591,882	50,507,167	
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
34	Asset Retirement Obligations (230)		32,929,842	32,676,417	
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		94,649,853	96,744,198	
36	CURRENT AND ACCRUED LIABILITIES				
37	Current Portion of Long-Term Debt		0	0	
38	Notes Payable (231)		0	0	
39	Accounts Payable (232)		29,134,072	44,811,741	
40	Notes Payable to Associated Companies (233)		0	0	
41	Accounts Payable to Associated Companies (234)		630,662	1,252,921	
42	Customer Deposits (235)		11,669,536	13,159,359	
43	Taxes Accrued (236)	262-263	114,712,049	54,399,983	
44	Interest Accrued (237)		6,772,222	12,259,722	
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)		166,342	1,100,982	
49	Miscellaneous Current and Accrued Liabilities (242)	268	46,171,527	23,682,723	
50	Obligations Under Capital Leases-Current (243)		0	0	
51	Derivative Instrument Liabilities (244)		62,006,061	64,532,387	
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		47,591,882	50,507,167	
53	Derivative Instrument Liabilities - Hedges (245)		0	0	
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		223,670,589	164,692,651	
56	DEFERRED CREDITS				
57	Customer Advances for Construction (252)		6,657,313	6,095,852	
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	31,493,529	36,683,605	
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)		859,223,931	857,430,863	
65	Accumulated Deferred Income Taxes - Other (283)		70,773,737	71,299,756	
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		968,148,510	971,510,076	
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		3,586,379,470	3,441,846,179	

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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	241,481,701	227,453,195	241,481,701	227,453,195
3	Operating Expenses					
4	Operation Expenses (401)	317-325	39,923,545	34,648,969	39,923,545	34,648,969
5	Maintenance Expenses (402)	317-325	9,294,206	9,325,110	9,294,206	9,325,110
6	Depreciation Expense (403)	336-338	16,968,253	16,299,811	16,968,253	16,299,811
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	2,131,030	2,005,934	2,131,030	2,005,934
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	0	0	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		0	0	0	0
13	(Less) Regulatory Credits (407.4)		0	0	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	15,633,201	15,496,939	15,633,201	15,496,939
15	Income Taxes-Federal (409.1)	262-263	46,696,547	36,747,166	46,696,547	36,747,166
16	Income Taxes-Other (409.1)	262-263	9,734,367	7,554,877	9,734,367	7,554,877
17	Provision of Deferred Income Taxes (410.1)	234-235	16,487,185	27,832,245	16,487,185	27,832,245
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	14,127,093	16,596,732	14,127,093	16,596,732
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)		142,741,241	133,314,319	142,741,241	133,314,319
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		98,740,460	94,138,876	98,740,460	94,138,876

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Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		98,740,460	94,138,876	98,740,460	94,138,876
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		0	0	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		2,709	0	2,709	0
33	Revenues from Nonutility Operations (417)		0	0	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		123	0	123	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)		763,459	316,572	763,459	316,572
38	Allowance for Other Funds Used During Construction (419.1)		1,052,047	653,745	1,052,047	653,745
39	Miscellaneous Nonoperating Income (421)		1,535,758	587,773	1,535,758	587,773
40	Gain on Disposition of Property (421.1)		0	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		3,348,432	1,558,090	3,348,432	1,558,090
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	34,124	7,420	34,124	7,420
46	Life Insurance (426.2)		0	0	0	0
47	Penalties (426.3)		0	0	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		11,886	3,565	11,886	3,565
49	Other Deductions (426.5)		88,709	118,736	88,709	118,736
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	134,719	129,721	134,719	129,721
51	Taxes Applicable to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	0	0	0	0
53	Income Taxes-Federal (409.2)	262-263	(862,595)	(5,088,804)	(862,595)	(5,088,804)
54	Income Taxes-Other (409.2)	262-263	(191,876)	(1,131,953)	(191,876)	(1,131,953)
55	Provision for Deferred Income Taxes (410.2)	234-235	3,049,209	7,736,091	3,049,209	7,736,091
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	684,288	874,601	684,288	874,601
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)		1,310,450	640,733	1,310,450	640,733
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,903,263	787,636	1,903,263	787,636
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		9,737,500	9,737,500	9,737,500	9,737,500
63	Amortization of Debt Disc. and Expense (428)	258-259	128,223	121,957	128,223	121,957
64	Amortization of Loss on Recquired 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 Recquired 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	18,891	(3,512)	18,891	(3,512)
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		246,852	152,869	246,852	152,869
70	Net Interest Charges (Total of lines 62 thru 69)		9,637,762	9,703,076	9,637,762	9,703,076
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		91,005,961	85,223,436	91,005,961	85,223,436
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		91,005,961	85,223,436	91,005,961	85,223,436

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Statement of Retained Earnings

- Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
- 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).
- State the purpose and amount for each reservation or appropriation of retained earnings.
- 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.
- Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		427,549,089	428,170,158
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)		91,005,961	85,223,436
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		85,000,000
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)		518,555,050	428,393,594
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		518,555,050	428,393,594
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

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Statement of Cash Flows

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

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

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

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

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	91,005,961	85,223,436
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	19,099,283	18,305,745
5	Amortization of (Specify)	2,722,416	2,714,299
6	Deferred Income Taxes (Net)	4,725,013	18,097,003
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	1,112,434	39,256,308
9	Net (Increase) Decrease in Inventory	508,203	144,159
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	51,572,339	(2,834,788)
12	Net (Increase) Decrease in Other Regulatory Assets	(732,739)	(1,219,295)
13	Net Increase (Decrease) in Other Regulatory Liabilities	1,741,110	1,054,863
14	(Less) Allowance for Other Funds Used During Construction	1,052,047	653,745
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other	(12,602,691)	(853,529)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	158,099,282	159,234,456
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(19,958,351)	(22,232,156)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(1,052,047)	(653,745)
27	Other : Net increase (decrease) in payables and accrued expenses	(11,970,594)	(3,446,027)
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(30,876,898)	(25,024,438)
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)	(4,832,983)	(3,992,810)
39	Proceeds from Sales of Investment Securities (a)	2,369,979	2,088,255

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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:		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(33,339,902)	(26,928,993)
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):		
57	Net Increase in Short-term Debt (c)		
58	Other (footnote details): Issuance of promissory notes to BHE	(115,000,000)	
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	(115,000,000)	
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)		
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details): Issuance of Note Receivable to BHE		
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock		(85,000,000)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(115,000,000)	(85,000,000)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	9,759,380	47,305,463
75			
76	Cash and Cash Equivalents at Beginning of Period	48,397,939	27,522,950
77			
78	Cash and Cash Equivalents at End of Period	58,157,319	74,828,413

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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 ("BHE"), a holding company that owns subsidiaries principally engaged in energy businesses. BHE 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 west Texas to Michigan's Upper Peninsula (the "System"). The Respondent primarily transports and stores natural gas for utilities, municipalities, gas marketing companies and industrial and commercial users. The System consists of two commercial segments. Its traditional end-use and distribution market area in the northern part of its system, referred to as the Market Area, includes points in Iowa, Nebraska, Minnesota, Wisconsin, South Dakota, Michigan and Illinois. Its natural gas supply and delivery service area in the southern part of its system, referred to as the Field Area, includes points in Kansas, Texas, Oklahoma and New Mexico. The System consists of 14,700 miles of natural gas pipelines, including 6,300 miles of

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mainline transmission pipelines and 8,400 miles of branch and lateral pipelines, with a Market Area design capacity of 5.8 billion cubic feet ("Bcf") per day, a Field Area delivery capacity of 1.7 Bcf per day to the Market Area and 1.1 Bcf per day to the West Texas area and over 73 Bcf of firm service and operational storage cycle capacity in five storage facilities. 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 1.0 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 were prepared in accordance with the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission ("FERC"). The FERC-approved tariff establishes rates, terms and conditions under which the Respondent provides services to its customers. The Uniform System of Accounts is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). Financial accounting and reporting differences between FERC and GAAP for the Respondent are principally related to account classifications such as but not limited to: Costs incurred and revenues collected for future plant retirement costs are classified as a regulatory liability for GAAP and as accumulated provision for depreciation for FERC; and deferred tax assets and liabilities are presented as gross assets and liabilities for FERC purposes, but are netted for GAAP.

The unaudited Financial Statements do not include all of the information and disclosures required for the Respondent's annual financial statements in its 2016 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 unaudited Financial Statements as of March 31, 2017 and for the three-month periods ended March 31, 2017 and 2016. The results of operations for the three-month period ended March 31, 2017 are not necessarily indicative of the results to be expected for the full year. The Respondent has evaluated subsequent events through May 31, 2017, 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, 2016 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, 2017.

(2) New Accounting Pronouncements

In March 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-07, which amends FASB Accounting Standards Codification ("ASC") Topic 715, "Compensation - Retirement Benefits." The amendments in this guidance require that an employer disaggregate the service cost component from the other components of net benefit cost and report the service cost component in the same line item as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the statement of operations separately from the service cost component and outside the subtotal of operating income. Additionally, the guidance only allows the service cost component to be eligible for

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capitalization when applicable. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017 for public entities. For nonpublic entities, this guidance is effective for annual reporting periods beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019. This guidance must be adopted retrospectively for the presentation of the service cost component and the other components of net benefit cost in the statement of operations and prospectively for the capitalization of the service cost component in the balance sheet, with early adoption permitted. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements. The Respondent plans to adopt ASU No. 2017-07 effective January 1, 2018.

In November 2016, the FASB issued ASU No. 2016-18, which amends FASB ASC Subtopic 230-10, "Statement of Cash Flows - Overall." The amendments in this guidance require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017 for public entities. For nonpublic entities, this guidance is effective for annual reporting periods beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019. This guidance is required to be adopted retrospectively, with early adoption permitted. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements. The Respondent plans to adopt ASU No. 2016-18 effective January 1, 2018.

In August 2016, the FASB issued ASU No. 2016-15, which amends FASB ASC Topic 230, "Statement of Cash Flows." The amendments in this guidance address the classification of eight specific cash flow issues within the statement of cash flows with the objective of reducing the existing diversity in practice. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017 for public entities. For nonpublic entities, this guidance is effective for annual reporting periods beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019. This guidance is required to be adopted retrospectively, with early adoption permitted. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements. The Respondent plans to adopt ASU No. 2016-15 effective January 1, 2018.

In February 2016, the FASB issued ASU No. 2016-02, which creates FASB ASC Topic 842, "Leases" and supersedes Topic 840 "Leases." This guidance increases transparency and comparability among entities by recording lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous guidance. This guidance is effective for interim and annual reporting periods beginning after December 15, 2018 for public entities. For nonpublic entities, this guidance is effective for annual reporting periods beginning after December 15, 2019 and interim reporting periods within annual reporting periods beginning after December 15, 2020. This guidance is required to be adopted using a modified retrospective approach, with early adoption permitted. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements. The Respondent plans to adopt ASU No. 2016-02 effective January 1, 2019.

In May 2014, the FASB issued ASU No. 2014-09, which creates FASB ASC Topic 606, "Revenue from Contracts with Customers" and supersedes ASC Topic 605, "Revenue Recognition." The guidance replaces industry-specific guidance

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and establishes a single five-step model to identify and recognize revenue. The core principle of the guidance is that an entity should recognize revenue upon transfer of control of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Additionally, the guidance requires the entity to disclose further quantitative and qualitative information regarding the nature and amount of revenues arising from contracts with customers, as well as other information about the significant judgments and estimates used in recognizing revenues from contracts with customers. In August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09 one year. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017 for public entities. For nonpublic entities, this guidance is effective for annual reporting periods beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019, with early adoption permitted. During 2016, the FASB issued several ASUs that clarify the implementation guidance for ASU No. 2014-09 but do not change the core principle of the guidance. This guidance may be adopted retrospectively or under a modified retrospective method where the cumulative effect is recognized at the date of initial application. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements. The Respondent currently does not expect the timing and amount of revenue currently recognized to be materially different after adoption of the new guidance as a majority of revenue is recognized when the Respondent has the right to invoice as it corresponds directly with the value to the customer of the Respondent's performance to date. The Respondent plans to adopt ASU No. 2014-09 effective January 1, 2018.

(3) Employee Benefit Plans

The Respondent is a participant in benefit plans sponsored by MidAmerican Energy Company ("MEC"), an indirect wholly owned subsidiary of BHE. The MidAmerican Energy Company Retirement Plan provides pension benefits for eligible employees ("pension plan") and the MidAmerican Energy Company Welfare Benefit Plan provides certain postretirement health care and life insurance benefits for eligible retirees ("other postretirement plan") on behalf of the Respondent. The Respondent's contributions to the pension plan and other postretirement plan totaled \$0.2 million for each of the three-month periods ended March 31, 2017 and 2016. As of March 31, 2017, the Respondent recorded in other long-term liabilities its portion of the under funded status of the pension plan and in other assets its portion of the over funded status of the other postretirement plan of \$6.4 million and \$25.2 million, respectively. As of December 31, 2016, the Respondent recorded in other long-term liabilities its portion of the under funded status of the pension plan and in other assets its portion of the over funded status of the other postretirement plan of \$6.4 million and \$24.9 million, respectively. Amounts attributable to the Respondent were allocated from MEC to the Respondent in accordance with the intercompany administrative service agreement. Offsetting regulatory assets and liabilities have been recorded related to the amounts not yet recognized as a component of net periodic benefit costs that will be included in regulated rates.

(4) Risk Management and Hedging Activities

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

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

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purposes and to hedge the margin on anticipated future PDD storage contracts.

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 0.7 Bcf of natural gas through October 2022 to meet these requirements based on an average system requirements factor of 1.0% 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, 2017, the Respondent had entered into swap agreements covering the expected contractual requirements through October 2022.

Interest rate risk exists on future debt issuances. The Respondent manages its interest rate risk by limiting its exposure to variable interest rates primarily through the issuance of fixed-rate long-term debt and by monitoring market changes in interest rates. Additionally, the Respondent may from time to time enter into interest rate derivative contracts, such as interest rate swaps or locks, to mitigate the Respondent's exposure to interest rate risk. The Respondent does not hedge all of its commodity price and interest rate risks, thereby exposing the unhedged portion to changes in market prices. There have been no significant changes in the Respondent's accounting policies related to derivatives. Refer to Note 5 for additional information on derivative contracts.

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

	Derivative Assets	Derivative Liabilities		
	Current	Current ⁽¹⁾	Noncurrent	Total
<u>As of March 31, 2017</u>				
Not designated as hedging contracts⁽²⁾:				
Commodity assets	\$ 91	\$ 138	\$ 13	\$ 242
Commodity liabilities	(31)	(14,552)	(47,605)	(62,188)
Total	60	(14,414)	(47,592)	(61,946)
Total derivatives - net basis⁽³⁾	\$ 60	\$ (14,414)	\$ (47,592)	\$ (61,946)
<u>As of December 31, 2016</u>				
Not designated as hedging contracts⁽²⁾:				
Commodity assets	\$ —	\$ 502	\$ 59	\$ 561
Commodity liabilities	—	(14,527)	(50,566)	(65,093)
Total	—	(14,025)	(50,507)	(64,532)
Total derivatives - net basis⁽³⁾	\$ —	\$ (14,025)	\$ (50,507)	\$ (64,532)

- (1) Current 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, 2017 and December 31, 2016, a regulatory asset of \$61.9 million and \$64.5 million, respectively, was recorded related to the net derivative liability of \$61.9 million and \$64.5 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 8 million and 9 million dth of natural gas purchases, net, as of March 31, 2017 and December 31, 2016, respectively.

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Not Designated as Hedging Contracts

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

	2017	2016
Beginning balance	\$ 64,532	\$ 74,963
Changes in fair value recognized in regulatory assets	834	2,976
Net gains reclassified to operating revenue	191	—
Net losses reclassified to unamortized contract value regulatory asset	(803)	—
Net losses reclassified to cost of gas and liquids sales	(2,808)	(3,370)
Ending balance	\$ 61,946	\$ 74,569

Credit Risk

The Respondent is exposed to counterparty credit risk associated with wholesale energy supply and marketing activities with other utilities, energy marketing companies, financial institutions and other market participants. Credit risk may be concentrated to the extent the Respondent's counterparties have similar economic, industry or other characteristics and due to direct or indirect relationships among the counterparties. Before entering into a transaction, the Respondent analyzes the financial condition of each significant wholesale counterparty, 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 further mitigate wholesale counterparty credit risk, the Respondent enters into netting and collateral arrangements that may include margining and cross-product netting agreements and obtain third-party guarantees, letters of credit and cash deposits. 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, 2017, 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 \$62.0 million and \$64.5 million as of March 31, 2017 and December 31, 2016, respectively. If all credit-risk-related contingent features for derivative contracts in liability positions had been triggered as of March 31, 2017 and December 31, 2016, the Respondent would have been required to post \$62.0 million and \$64.5 million, respectively, of collateral. The Respondent's collateral requirements could fluctuate considerably due to market price

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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.

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

	Input Levels for Fair Value Measurements				
	Level 1	Level 2	Level 3	Other ⁽¹⁾	Total
As of March 31, 2017					
Assets:					
Commodity derivatives	\$ —	\$ 242	\$ —	\$ (182)	\$ 60
Money market mutual funds ⁽²⁾	69,649	—	—	—	69,649
Investment funds	6,777	—	—	—	6,777
	<u>\$ 76,426</u>	<u>\$ 242</u>	<u>\$ —</u>	<u>\$ (182)</u>	<u>\$ 76,486</u>
Liabilities - commodity derivatives					
	<u>\$ —</u>	<u>\$ (62,188)</u>	<u>\$ —</u>	<u>\$ 182</u>	<u>\$ (62,006)</u>
As of December 31, 2016					
Assets:					
Commodity derivatives	\$ —	\$ 561	\$ —	\$ (561)	\$ —
Money market mutual funds ⁽²⁾	67,046	—	—	—	67,046
Investment funds	4,433	—	—	—	4,433
	<u>\$ 71,479</u>	<u>\$ 561</u>	<u>\$ —</u>	<u>\$ (561)</u>	<u>\$ 71,479</u>
Liabilities - commodity derivatives					
	<u>\$ —</u>	<u>\$ (65,093)</u>	<u>\$ —</u>	<u>\$ 561</u>	<u>\$ (64,532)</u>

(1) Represents netting under master netting arrangements.

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

Derivative contracts are recorded on the Balance Sheets as either assets or liabilities and are stated at 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

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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. Investment funds are accounted for as trading securities and are stated at fair value. Trading securities are carried at fair value with realized and unrealized gains and losses recognized in earnings. A readily observable quoted market price or net asset value of an identical security in an active market is used to record the fair value.

(6) Commitments and Contingencies

Legal Matters

The 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 was 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 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. The federal district court established a three-person condemnation panel which issued a report in August 2014, recommending a total award of \$7.3 million. The federal district court issued a decision in February 2015, adopting the condemnation panel's recommendations. The Respondent filed its appeal of the final condemnation order to the Tenth Circuit Court of Appeals in November 2015. All of the defendants have cross-appealed. Oral argument was held in November 2016. A decision is expected in the second quarter of 2017.
- 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 nuisance, conversion 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. The conversion and unjust enrichment claims have been dismissed, but the nuisance claim remains. Discovery had been stayed pending the conclusion of the condemnation action discussed above. In May 2016, the court issued an order lifting the stay that had been in place since August 2011. The magistrate established dates for amending pleadings, discovery and expert reports. The trial is set for June 2018.
- In December 2009, the Respondent filed a lawsuit in the 13th Judicial District, District Court, Pratt County, Kansas ("Pratt County State District Court") against ONEOK Field Services Company ("ONEOK") and Lumen Energy Corporation ("Lumen") alleging conversion based on their purchase of the storage gas from the producers. In April 2010, the Pratt County State District Court granted the defendants' motion for summary judgment, finding that the

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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 and Lumen for storage gas produced after the June 2010 FERC order. In August 2014, the Pratt County State District Court granted the producers' motion for summary judgment, finding the Respondent did not have a viable conversion claim related to the gas produced after June 2, 2010. The Respondent filed a motion to modify the summary judgment ruling which was heard in October 2014. In June 2015, the court indicated an order would be entered denying the Respondent's motion, but no order has been issued. The proceeds from June 2010 through February 2011 when the wells were shut-in will continue to be held in suspense pending appeal with the Kansas Supreme Court. The Respondent has valued these amounts at approximately \$4.7 million.

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.

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 \$25.2 million for the three-month periods ended March 31, 2017 and 2016, 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 \$1.4 million for each of the three-month periods ended March 31, 2017 and 2016. MEC also provided electricity and other services to the Respondent of \$0.2 million for each of the three-month periods ended March 31, 2017 and 2016. The Respondent reimbursed MEC \$14.6 million and \$15.6 million for the three-month periods ended March 31, 2017 and 2016, respectively, for payroll, healthcare benefits and other benefit payments that MEC processed on behalf of the Respondent.

BHE provides certain administrative and management services, including executive, financial, legal and tax, to the Respondent. Expenses incurred by BHE and billed to the Respondent are based on the individual services and expense items provided and were \$0.3 million and \$0.5 million for the three-month periods ended March 31, 2017 and 2016, respectively. Income tax transactions with BHE resulted in net receipts of \$- million and \$1.7 million for the three-month periods ended March 31, 2017 and 2016, respectively.

As of March 31, 2017 and December 31, 2016, the Respondent had accounts payable to BHE and certain subsidiaries for intercompany transactions totaling \$0.6 million and \$1.3 million, respectively. The Respondent also had accounts receivable from affiliates of \$8.7 million as of March 31, 2017 and December 31, 2016.

The Respondent provides certain administrative and management services, including executive, financial, regulatory, legal, information technology, human resources and procurement, to Kern River Gas Transmission Company ("Kern River"), an indirect wholly owned subsidiary of BHE. The Respondent billed Kern River \$0.5 million and \$0.3 million for the

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three-month periods ended March 31, 2017 and 2016, respectively, for these services.

The Respondent possesses demand promissory notes from BHE. The balance of the demand promissory notes as of March 31, 2017 and December 31, 2016 was \$270.0 million and \$155.0 million, respectively. The notes contain variable interest rates based on 30-day LIBOR plus a fixed spread per annum. Interest income of \$0.7 million and \$0.3 million was recorded for the three-month periods ended March 31, 2017 and 2016, respectively.

(8) Subsequent Events

In April 2017, BHE issued promissory notes to the Respondent totaling \$60.0 million.

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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)	3,813,651,507
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	177,399,740
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	3,991,051,247
9	Leased to Others	
10	Held for Future Use	103,181
11	Construction Work in Progress	69,594,852
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	4,060,749,280
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,325,556,321
15	Net Utility Plant (Total of lines 13 and 14)	2,735,192,959
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,214,317,911
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	8,152,926
21	Amortization of Other Utility Plant	102,982,303
22	TOTAL In Service (Total of lines 18 thru 21)	1,325,453,140
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)	1,325,556,321

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

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3		3,813,651,507		
4				
5				
6		177,399,740		
7				
8		3,991,051,247		
9				
10		103,181		
11		69,594,852		
12				
13		4,060,749,280		
14		1,325,556,321		
15		2,735,192,959		
16				
17				
18		1,214,317,911		
19				
20		8,152,926		
21		102,982,303		
22		1,325,453,140		
23				
24				
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27				
28		103,181		
29				
30		103,181		
31				
32				
33		1,325,556,321		

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Gas Plant in Service and Accumulated Provision for Depreciation by Function

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

Line No.	Item	Plant in Service Balance at End of Quarter	Accumulated Depreciation And Amortization Balance at End of Quarter
	(a)	(b)	(c)
1	Intangible Plant	148,645,368	73,753,802
2	Productions-Manufactured Gas		
3	Production and Gathering-Natural Gas	6,686,757	(2,086,171)
4	Products Extraction-Natural Gas		
5	Underground Gas Storage	457,342,817	155,305,411
6	Other Storage Plant	102,593,172	44,705,633
7	Base Load LNG Terminaling and Processing Plant	7,456,379	1,041,680
8	Transmission	3,176,982,523	1,011,064,144
9	Distribution		
10	General	91,344,231	41,668,641
11	TOTAL (total of lines 1 thru 10)	3,991,051,247	1,325,453,140

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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	504,044	31,251	928	72,920		462,375
2							
3	Asset retirement obligation	29,260,794	415,872				29,676,666
4							
5	Deferred FERC annual charge	1,011,975		928	337,325		674,650
6							
7	Deferred income taxes for AFUDC equity	22,275,981	695,605	421	97,774		22,873,812
8							
9	Smartpiggings/hydrostatic testing	28,385,813	1,499,367	833,863	2,086,174		27,799,006
10							
11	Unrealized loss on derivatives, net	64,532,387	1,636,480	483,803	3,420,250		62,748,617
12							
13	Interest rate lock	206,843		428	10,704		196,139
14							
15	Defined benefit pension plan	6,438,979	1,532				6,440,511
16							
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39							
40	Total	152,616,816	4,280,107		6,025,147	0	150,871,776

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Other Regulatory Liabilities (Account 254)							
<p>1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory liabilities being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).</p>							
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Penalty and Deferred Delivery Variance Charge Revenue Crediting Mechanism	815,244	131	693,290		580,148	702,102
2							
3	Employee benefits	24,910,661	128	186,479		505,343	25,229,525
4							
5	Encroachment revaluation	482,497	182.3	637,298		767,826	613,025
6							
7	Fuel, unaccounted for, and other trackers	9,585,408	182.3	10,131,288		3,038,547	2,492,667
8							
9	Carlton resolution credits	889,795	131			1,566,415	2,456,210
10							
11							
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44							
45	Total	36,683,605		11,648,355	0	6,458,279	31,493,529

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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)	101,320			1,404,054	1,404,054
2	Transportation of Gas for Others (489.2 and 489.3)					
3	TF	37,246,445		48,637	25,822,836	25,871,473
4	TFX	78,264,501		102,435	47,375,990	47,478,425
5	GS-T	7,682		17	5,915	5,932
6	TI	3,971,472		4,907	638,852	643,759
7	ILD	1,530			368	368
8	SMS	2,109,370			867,058	867,058
9	Less: ILD units in other rate schedules	-1,530				
10	Less: SMS units in other rate schedules	-2,109,370				
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Monthly Quantity & Revenue Data by Rate Schedule

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

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1	47,573			819,111	819,111	999,509			4,351,538	4,351,538
2										
3	27,982,419		36,239	25,562,422	25,598,661	32,026,401		41,451	25,725,775	25,767,226
4	60,844,689		79,456	45,761,013	45,840,469	69,231,028		89,320	47,035,100	47,124,420
5	-76		10	(430)	(420)					
6	2,401,925		2,931	313,227	316,158	2,405,693		3,817	167,022	170,839
7										
8	1,811,054			860,912	860,912	1,949,331			863,874	863,874
9										
10	-1,811,054					-1,949,331				
11										
12										
13										
14										
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16										
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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 2017/Q1
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Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	119,490,100		155,996	74,711,019	74,867,015
64	Storage (489.4)					
65	FDD-1	11,861,430			2,176,576	2,176,576
66	IDD-1	703,329			102,766	102,766
67	PDD-1	12,984,400			1,808,618	1,808,618
68						
69						
70						
71						
72						
73						
74						
75						
76						
77						
78						
79						
80						
81						
82						
83						
84						
85						
86						
87						
88						
89						
90	Total Storage	25,549,159			4,087,960	4,087,960
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible					
94	Total Gathering (489.1)					
95	Additional Revenues					
96	Products Sales and Extraction (490-492)				55	55
97	Rents (493-494)				3,253	3,253
98	Other Gas Revenues (495)				399,110	399,110
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				402,418	402,418
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	145,140,579		155,996	80,605,451	80,761,447

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 2017/Q1
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Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63	91,228,957		118,636	72,497,144	72,615,780	103,663,122		134,588	73,791,771	73,926,359
64										
65	14,354,980			2,250,532	2,250,532	13,090,322			2,140,392	2,140,392
66	442,227			126,207	126,207	969,790			169,597	169,597
67	8,390,000			1,543,875	1,543,875	447,400			1,544,161	1,544,161
68										
69										
70										
71										
72										
73										
74										
75										
76										
77										
78										
79										
80										
81										
82										
83										
84										
85										
86										
87										
88										
89										
90	23,187,207			3,920,614	3,920,614	14,507,512			3,854,150	3,854,150
91										
92										
93										
94										
95										
96	866			7,112	7,112				35	35
97				3,252	3,252				3,852	3,852
98				347,159	347,159				871,292	871,292
99										
100	866			357,523	357,523				875,179	875,179
101	114,464,603		118,636	77,594,392	77,713,028	119,170,143		134,588	82,872,638	83,007,226

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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	2,853,703	123,402	
3	(482) Other Sales to Public Authorities			
4	(483) Sales for Resale	3,721,000	1,025,000	
5	(484) Interdepartmental Sales			
6	Total Sales (Lines 1 to 5)	6,574,703	1,148,402	
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			
11	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities	221,409,154	314,382,179	
12	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities			
13	489.4 Revenues from Storing Gas of Others	11,862,724	63,243,878	
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	7,202		
17	493 Rent from Gas Property	10,357		
18	494 Interdepartmental Rents			
19	495 Other Gas Revenues	1,617,561		
20	Subtotal:	241,481,701		
21	496 (Less) Provision for Rate Refunds			
22	TOTAL	241,481,701		

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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	14,094,531			
20	(804) Natural Gas City Gate Purchases				
21	(804.1) Liquefied Natural Gas Purchases				
22	(805) Other Gas Purchases	(6,062,335)			
23	(805.1) (Less) Purchase Gas Cost Adjustments				
24	Total Purchased Gas (lines 15 through 23)	8,032,196			
25	(806) Exchange Gas	6,240,747			
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	19,607,358			
34	(808.2) (Less) Gas Delivered to Storage - Credit	27,298,397			
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	9,485,144			
39	(811) Gas Used for Products Extraction - Credit				
40	(812) Gas Used for Other Utility Operations - Credit	3,472,751			
41	Total Gas Used in Utility Operations - Credit (Lines 38 thru 40)	12,957,895			
42	(813) Other Gas Supply Expense	1,352,935			
43	Total Other Gas Supply Expenses (Lines 24, 25, 32, 33, thru 36, 42, less 41)	(5,023,056)			
44	Total Production Expenses (Lines 3,7,11,12, and 43)	(5,023,056)			

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 2017/Q1
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Natural Gas Storage, Terminating, 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	2,987,714	
4	(830-837) Maintenance	1,292,055	
5	Total Underground Storage Expenses (Lines 3 and 4)	4,279,769	
6	OTHER STORAGE EXPENSES		
7	(840-842.3) Operations	874,707	
8	(843.1-843.9) Maintenance	830,298	
9	Total Other Storage Expenses (lines 7 and 8)	1,705,005	
10	LIQUEFIED NATURAL GAS TERMINALING AND PROCESSING		
11	(844.1-846.2) Operations		
12	(847.1-847.8) Maintenance		
13	Total Liquefied Natural Gas Terminating and Processing (Lines 11 and 12)		
14	TRANSMISSION EXPENSES		
15	Transmission Operation Expenses		
16	(850) Operation Supervision and Engineering	1,442,908	
17	(851) System Control and Load Dispatching	2,169,291	
18	(852) Communication System Expenses	313,543	
19	(853) Compressor Station Labor and Expenses	2,026,125	
20	(854) Gas for Compressor Station Fuel	8,818,060	
21	(855) Other Fuel and Power for Compressor Stations	792,803	
22	(856) Mains Expenses	5,347,851	
23	(857) Measuring and Regulating Station Expenses	1,134,855	
24	(858) Transmission and Compression of Gas by Others	1,970	
25	(859) Other Expenses	485,649	
26	(860) Rents	99,583	
27	Total Transmission Operation Expenses (Lines 16 through 26)	22,632,638	
28	Transmission Maintenance Expenses		
29	(861) Maintenance Supervision and Engineering		
30	(862) Maintenance of Structures and Improvements	195,705	
31	(863) Maintenance of Mains	3,440,968	
32	(864) Maintenance of Compressor Station Equipment	2,432,684	
33	(865) Maintenance of Measuring and Regulating Equipment	713,618	
34	(866) Maintenance of Communication Equipment	27,352	
35	(867) Maintenance of Other Equipment	361,526	
36	Total Transmission Maintenance Expenses (Lines 29 through 35)	7,171,853	
37	Total Transmission Expenses (lines 27 and 36)	29,804,491	
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)	35,789,265	

FERC FORM NO. 2 (NEW 06-04) Page 312

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 2017/Q1
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Gas Account - Natural Gas

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

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01 Name of System:				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		3,972,763	3,972,763
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	314,382,179	314,382,179
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307	15,485,944	15,485,944
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	2,097,991	2,097,991
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		40,321,077	40,321,077
13	Gas Received from Shippers as Compressor Station Fuel		2,978,223	2,978,223
14	Gas Received from Shippers as Lost and Unaccounted for		(811,330)	(811,330)
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		378,426,847	378,426,847
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		1,148,402	1,148,402
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305	314,382,179	314,382,179
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307	52,172,892	52,172,892
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)		6,750,273	6,750,273
28	Gas Used for Compressor Station Fuel	509	2,948,008	2,948,008
29	Other Deliveries and Gas Used for Other Operations		867,481	867,481
30	Total Deliveries (Total of lines 18 thru 29)		378,269,235	378,269,235
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		157,612	157,612
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		378,426,847	378,426,847

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Shipper Supplied Gas for the Current Quarter

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

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	497,460	37,660	269,309	804,429
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	497,460	37,660	269,309	804,429
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	637,391	48,237	345,082	1,030,710
12	Distribution				
13	Storage	436		68,773	69,209
14	Total gas used in compressors	637,827	48,237	413,855	1,099,919
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	136,738	10,348	74,029	221,115
19	Distribution				
20	Storage	373		58,764	59,137
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	137,111	10,348	132,793	280,252
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	87,225	6,601	47,223	141,049
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	87,225	6,601	47,223	141,049

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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
1										
2										
3										
4	1,775,198	134,346	961,086	2,870,630					805	805
5										
6										
7	1,775,198	134,346	961,086	2,870,630						
8										
9										
10										
11	2,309,395	174,773	1,250,301	3,734,469					854	810
12										
13	1,580		249,178	250,758					819	810
14	2,310,975	174,773	1,499,479	3,985,227						
15										
16										
17										
18	495,427	37,494	268,223	801,144					See footnote	812
19										
20	1,350		212,915	214,265					See footnote	812
21										
22	496,777	37,494	481,138	1,015,409						
23										
24										
25										
26	315,915	23,908	171,035	510,858					813	812
27										
28										
29										
30	315,915	23,908	171,035	510,858						

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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	(363,894)	(27,526)	(197,025)	(588,445)
35	Distribution				
36	Storage	(809)		(127,537)	(128,346)
37	Total Net Excess Or (Deficiency)	(364,703)	(27,526)	(324,562)	(716,791)
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas				
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Gas to be recovered from shippers	(364,703)	(27,526)	(324,562)	(716,791)
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	(364,703)	(27,526)	(324,562)	(716,791)
SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT					
66	Forwardhaul Volume in Dths for the Quarter	314,382,179			
67	Backhaul Volume in Dths for the Quarter				
68	TOTAL (Lines 66 and 67)	314,382,179			

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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
31										
32										
33										
34	(1,345,539)	(101,829)	(728,473)	(2,175,841)						
35										
36	(2,930)		(462,093)	(465,023)						
37	(1,348,469)	(101,829)	(1,190,566)	(2,640,864)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	(1,348,469)	(101,829)	(1,190,566)	(2,640,864)					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	(1,348,469)	(101,829)	(1,190,566)	(2,640,864)						

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 2017/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 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	460,759	30,004	278,488	769,251
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	460,759	30,004	278,488	769,251
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	604,203	39,339	365,145	1,008,687
12	Distribution				
13	Storage	379		59,768	60,147
14	Total gas used in compressors	604,582	39,339	424,913	1,068,834
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	162,075	10,552	97,949	270,576
19	Distribution				
20	Storage	356		56,224	56,580
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	162,431	10,552	154,173	327,156
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	209,201	13,621	126,429	349,251
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	209,201	13,621	126,429	349,251

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>2017/Q1</u>
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
1										
2										
3										
4	1,456,737	94,846	880,365	2,431,948					805	805
5										
6										
7	1,456,737	94,846	880,365	2,431,948						
8										
9										
10										
11	1,931,452	125,754	1,167,254	3,224,460					854	810
12										
13	1,300		205,079	206,379					819	810
14	1,932,752	125,754	1,372,333	3,430,839						
15										
16										
17										
18	517,927	33,722	313,004	864,653					See footnote	812
19										
20	1,139		179,668	180,807					See footnote	812
21										
22	519,066	33,722	492,672	1,045,460						
23										
24										
25										
26	652,236	42,466	394,173	1,088,875					813	812
27										
28										
29										
30	652,236	42,466	394,173	1,088,875						

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 2017/Q1
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	(514,720)	(33,508)	(311,035)	(859,263)
35	Distribution				
36	Storage	(735)		(115,992)	(116,727)
37	Total Net Excess Or (Deficiency)	(515,455)	(33,508)	(427,027)	(975,990)
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas				
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Gas to be recovered from shippers	(515,455)	(33,508)	(427,027)	(975,990)
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	(515,455)	(33,508)	(427,027)	(975,990)

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 2017/Q1
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Shipper Supplied Gas for the Current Quarter (continued)										
Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
31										
32										
33										
34	(1,644,878)	(107,096)	(994,066)	(2,746,040)						
35										
36	(2,439)		(384,747)	(387,186)						
37	(1,647,317)	(107,096)	(1,378,813)	(3,133,226)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	(1,647,317)	(107,096)	(1,378,813)	(3,133,226)					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	(1,647,317)	(107,096)	(1,378,813)	(3,133,226)						

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 2017/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	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	342,169	27,756	223,288	593,213
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	342,169	27,756	223,288	593,213
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	403,866	32,769	263,550	700,185
12	Distribution				
13	Storage	498		78,572	79,070
14	Total gas used in compressors	404,364	32,769	342,122	779,255
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	128,913	10,460	84,124	223,497
19	Distribution				
20	Storage	225		35,485	35,710
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	129,138	10,460	119,609	259,207
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	(191,894)	(15,570)	(125,224)	(332,688)
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	(191,894)	(15,570)	(125,224)	(332,688)

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 2017/Q1
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
1										
2										
3										
4	914,678	74,214	596,888	1,585,780					805	805
5										
6										
7	914,678	74,214	596,888	1,585,780						
8										
9										
10										
11	1,072,347	87,007	699,777	1,859,131					854	810
12										
13	1,323		208,624	209,947					819	810
14	1,073,670	87,007	908,401	2,069,078						
15										
16										
17										
18	342,290	27,772	223,367	593,429					See footnote	812
19										
20	597		94,220	94,817					See footnote	812
21										
22	342,887	27,772	317,587	688,246						
23										
24										
25										
26	(509,487)	(41,338)	(332,474)	(883,299)					812	813
27										
28										
29										
30	(509,487)	(41,338)	(332,474)	(883,299)						

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 2017/Q1
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	1,284	97	838	2,219
35	Distribution				
36	Storage	(723)		(114,057)	(114,780)
37	Total Net Excess Or (Deficiency)	561	97	(113,219)	(112,561)
38	DISPOSITION OF EXCESS GAS:				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas				
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Gas to be recovered from shippers	561	97	(113,219)	(112,561)
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	561	97	(113,219)	(112,561)

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 2017/Q1
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
31										
32										
33										
34	9,528	773	6,218	16,519						
35										
36	(1,920)		(302,844)	(304,764)						
37	7,608	773	(296,626)	(288,245)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	7,608	773	(296,626)	(288,245)					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	7,608	773	(296,626)	(288,245)						

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 2017/Q1
Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 110 Line No.: 32 Column: c

The book overdraft position reflected in Cash (Account 131) is offset with investment amounts at the same financial institution, which are included in Temporary Cash Investments (Account 136). The financial institution holds the right to offset the amounts.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2017/Q1
FOOTNOTE DATA			

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

2016 Dividends

January 25, 2016	\$	40,000,000
February 18, 2016		45,000,000
Total	\$	85,000,000

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2017/Q1
FOOTNOTE DATA			

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

	2017	2016
Regulatory assets	\$ 2,594,193	\$ 2,592,342
Debt discount and expense	128,223	121,957
Total	\$ 2,722,416	\$ 2,714,299

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

	2017	2016
Gas balancing activities	\$ (11,749,525)	\$ (1,465,381)
Price risk management activities	(1,783,770)	(393,256)
Prepayments and other assets	930,604	1,005,108
Total	\$ (12,602,691)	\$ (853,529)

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 2017/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	\$	32,676,000
Cost of Plant Retired	\$	(39,915,158)
Accumulated Plant Reserve	\$	(7,239,158)

Negative Salvage

Accumulated Provision	\$	1,511,824
Cost of Removal	\$	(603,629)
Negative Salvage Provision	\$	908,195

Asset Retirement Obligation

Accumulated Depreciation on ARO Capitalized	\$	4,597,128
---	----	-----------

Asset Retirement Obligation (ARO) Allowance

Accumulated ARO Allowance	\$	32,696,827
Accumulated Cost of ARO Retirements	\$	(33,049,163)
Unrecovered Net ARO Costs	\$	(352,336)

Accumulated Provision for Depreciation Gas Gathering	\$	(2,086,171)
--	----	-------------

The ARO allowance is booked to the accumulated depreciation reserve 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 \$1,725,658 accumulated annual ARO allowance, \$2,837,296 of accumulated cost of transmission ARO retirements, and \$15,382,035 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	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			2017/Q1
FOOTNOTE DATA			

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

Line No.	Description	Regulatory Citation	Amortization Period
1	Deferred regulatory commission expense	RP04-155	Over 60 months
3	Asset retirement obligation	RP04-155	N/A
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	Smartpigging/hydrostatic testing	RP04-155	Over 84 months
11	Unrealized loss on derivatives, net	Orders 552 & 627	N/A
13	Interest rate lock (ref. \$200M Sr Notes due 6-1-2021)	Not applicable	Through 05/2021
15	Defined benefit pension plan	AI07-1-000 & Order 710	N/A

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2017/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	N/A
3	Employee benefits	A107-1-000 & Order 710	N/A
5	Encroachment revaluation	Orders 552 & 627	N/A
7	Fuel and storage, unaccounted for gas, and electrical compression trackers	RP97-275	N/A
9	Carlton resolution credits	RP01-382	N/A

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q1
Northern Natural Gas Company			
FOOTNOTE DATA			

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

The 3,972,763 Dth represents gas purchases recorded to FERC account 803.

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

The 40,321,077 Dth represents gas withdrawn from storage (includes third party and company owned gas).

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

The 6,750,273 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	866
Gas Used in other O&M Operations	866,615
Total	<u>867,481</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q1
Northern Natural Gas Company			
FOOTNOTE DATA			

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

Gas used for other operation purposes:

		<u>Month 1</u> <u>Gas Used (Dth)</u>	<u>Month 1</u> <u>Amount (\$)</u>
LNG Compressor Station Fuel	842.1	18,730	67,863
Line Operations	856	202,385	733,281
Purification Underground Storage	821	14,154	51,283
Other Underground Storage Operations	817	39,563	143,344
Other Compressor Station Fuel	819	5,420	19,638
		<u>280,252</u>	<u>\$ 1,015,409</u>

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	53,322	170,396
Line Operations	856	217,254	694,257
Purification Underground Storage	821	12,740	40,712
Other Underground Storage Operations	817	38,288	122,353
Other Compressor Station Fuel	819	5,552	17,742
		<u>327,156</u>	<u>\$ 1,045,460</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	29,281	77,747
Line Operations	856	194,216	515,682
Purification Underground Storage	821	9,143	24,277
Other Underground Storage Operations	817	22,131	58,762
Other Compressor Station Fuel	819	4,436	11,778
		<u>259,207</u>	<u>\$ 688,246</u>

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.: 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.