

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 12/31/2019)



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/Q2

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Northern Natural Gas Company		Year/Period of Report End of <u>2017/Q2</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 <i>(Mo, Da, Yr)</i>	

QUARTERLY CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

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

11 Name Joseph M. Lillo	12 Title Vice President - Finance
13 Signature /s/ Joseph M. Lillo	14 Date Signed 08/31/2017

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) <u>X</u> An Original (2) <u> </u> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q2
Northern Natural Gas Company			
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.

- 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.
- 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.
- 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.
- 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.
- 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.

- 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.
- Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
- State the estimated annual effect and nature of any important wage scale changes during the year.
- 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.
- 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.
- 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.
- Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
- 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. CP15-552-000

By Commission order issued June 16, 2016, Respondent was granted approval to construct and operate a new compressor station consisting of two units totaling approximately 18,089 horsepower in Gaines County, Texas. The facilities were placed into service June 1, 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 April 1 through June 30, 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 April 1 through June 30, 2017.

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/Q2
Important Changes During the Quarter/Year			

6. None

7. None

8. None

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

10. None

11. None

12. On May 16, 2017 Laura Demman was elected to the additional offices of General Counsel and Corporate Secretary, replacing J. Gregory Porter. On June 8, 2017, Sara Athen was elected Vice President, Human Resources.

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/Q2</u>
Comparative Balance Sheet (Assets and Other Debits)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	UTILITY PLANT				
2	Utility Plant (101-106, 114)	200-201	4,032,824,745	3,995,661,549	
3	Construction Work in Progress (107)	200-201	82,797,688	58,819,542	
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	4,115,622,433	4,054,481,091	
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,345,023,338	1,320,392,762	
6	Net Utility Plant (Total of line 4 less 5)		2,770,599,095	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)		2,770,599,095	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	(5,659,034)	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)		40,154,382	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)		40,154,382	38,336,262	
31	CURRENT AND ACCRUED ASSETS				
32	Cash (131)		(6,074,816)	(7,952,848)	
33	Special Deposits (132-134)		837,761	3,022,540	
34	Working Funds (135)		23,900	23,900	
35	Temporary Cash Investments (136)	222-223	41,256,006	56,326,887	
36	Notes Receivable (141)		0	0	
37	Customer Accounts Receivable (142)		44,606,837	73,208,556	
38	Other Accounts Receivable (143)		408,403	1,938,832	
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		0	0	
40	Notes Receivable from Associated Companies (145)		315,000,000	155,000,000	
41	Accounts Receivable from Associated Companies (146)		3,988,714	8,707,580	
42	Fuel Stock (151)		0	0	
43	Fuel Stock Expenses Undistributed (152)		0	0	

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Northern Natural Gas Company			2017/Q2
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.

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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 28 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	362,450,965	329,719,231	120,969,264	102,266,036
3	Operating Expenses					
4	Operation Expenses (401)	317-325	91,325,908	69,350,775	51,402,363	34,701,807
5	Maintenance Expenses (402)	317-325	24,552,560	21,771,995	15,258,354	12,446,884
6	Depreciation Expense (403)	336-338	33,978,916	32,782,591	17,010,663	16,482,780
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	4,242,435	4,023,371	2,111,405	2,017,437
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	29,458,851	29,909,142	13,825,650	14,412,203
15	Income Taxes-Federal (409.1)	262-263	45,071,552	33,856,588	(1,624,995)	(2,890,578)
16	Income Taxes-Other (409.1)	262-263	9,178,854	6,664,023	(555,513)	(890,854)
17	Provision of Deferred Income Taxes (410.1)	234-235	35,935,785	50,738,842	19,448,600	22,906,597
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	26,700,629	30,854,311	12,573,536	14,257,579
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)		247,044,232	218,243,016	104,302,991	84,928,697
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		115,406,733	111,476,215	16,666,273	17,337,339

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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)		115,406,733	111,476,215	16,666,273	17,337,339
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues from Merchandising, Jobbing and Contract Work (415)		0	0	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		2,498	0	(211)	0
33	Revenues from Nonutility Operations (417)		0	0	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		123	0	0	0
35	Nonoperating Rental Income (418)		0	0	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	0	0	0	0
37	Interest and Dividend Income (419)		2,011,040	605,940	1,247,581	289,368
38	Allowance for Other Funds Used During Construction (419.1)		2,228,676	1,304,902	1,176,629	651,157
39	Miscellaneous Nonoperating Income (421)		2,530,257	1,200,690	994,499	612,917
40	Gain on Disposition of Property (421.1)		0	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		6,767,352	3,111,532	3,418,920	1,553,442
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	90,693	45,760	56,569	38,340
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)		13,091	5,298	1,205	1,733
49	Other Deductions (426.5)		314,769	234,952	226,060	116,216
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	418,553	286,010	283,834	156,289
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	0	0	0	0
53	Income Taxes-Federal (409.2)	262-263	71,539	(10,184,114)	934,134	(5,095,310)
54	Income Taxes-Other (409.2)	262-263	15,913	(2,265,353)	207,789	(1,133,400)
55	Provision for Deferred Income Taxes (410.2)	234-235	3,712,797	15,470,919	663,588	7,734,828
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	1,238,298	1,748,001	554,010	873,400
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		2,561,951	1,273,451	1,251,501	632,718
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		3,786,848	1,552,071	1,883,585	764,435
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		19,475,000	19,475,000	9,737,500	9,737,500
63	Amortization of Debt Disc. and Expense (428)	258-259	257,415	244,839	129,192	122,882
64	Amortization of Loss on Reacquired Debt (428.1)		0	0	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	0	0	0	0
68	Other Interest Expense (431)	340	37,858	11,409	18,967	14,921
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		522,893	305,587	276,041	152,718
70	Net Interest Charges (Total of lines 62 thru 69)		19,247,380	19,425,661	9,609,618	9,722,585
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		99,946,201	93,602,625	8,940,240	8,379,189
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)		99,946,201	93,602,625	8,940,240	8,379,189

[illegible]

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	0	0	362,450,965	329,719,231	0	0
3						
4	0	0	91,325,908	69,350,775	0	0
5	0	0	24,552,560	21,771,995	0	0
6	0	0	33,978,916	32,782,591	0	0
7	0	0	0	0	0	0
8	0	0	4,242,435	4,023,371	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	0	0	0	0
13	0	0	0	0	0	0
14	0	0	29,458,851	29,909,142	0	0
15	0	0	45,071,552	33,856,588	0	0
16	0	0	9,178,854	6,664,023	0	0
17	0	0	35,935,785	50,738,842	0	0
18	0	0	26,700,629	30,854,311	0	0
19	0	0	0	0	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	0	0	247,044,232	218,243,016	0	0
26	0	0	115,406,733	111,476,215	0	0

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

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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)		99,946,201	93,602,625
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)		527,495,290	436,772,783
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		527,495,290	436,772,783
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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Schedule Page: 118 Line No.: 12 Column: d

Dividends

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

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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)	99,946,201	93,602,625
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	38,221,351	36,805,962
5	Amortization of (Specify) (footnote details)	5,466,765	5,467,407
6	Deferred Income Taxes (Net)	11,709,654	33,607,449
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	41,431,205	78,106,089
9	Net (Increase) Decrease in Inventory	729,104	276,431
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	40,845,605	(34,187,685)
12	Net (Increase) Decrease in Other Regulatory Assets	(1,325,971)	(453,823)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(765,842)	(1,306,727)
14	(Less) Allowance for Other Funds Used During Construction	2,228,676	1,304,902
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other (footnote details):	(12,258,741)	(8,639,071)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	221,770,655	201,973,755
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(75,769,720)	(67,555,711)
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	(2,228,676)	(1,304,902)
27	Other (footnote details):	1,073,906	5,366,198
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(72,467,138)	(60,884,611)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	360	
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)	(4,866,705)	(4,475,215)
39	Proceeds from Sales of Investment Securities (a)	2,369,979	2,550,204

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Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other (footnote details):		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(74,963,504)	(62,809,622)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)		
54	Preferred Stock		
55	Common Stock		
56	Other (footnote details): Debt issuance costs		
57	Net Increase in Short-term Debt (c)		
58	Other: Proceeds from redemption of promissory notes from BHE	(160,000,000)	
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	(160,000,000)	
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)		
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details): Issuances of promissory notes 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)	(160,000,000)	(85,000,000)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(13,192,849)	54,164,133
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	35,205,090	81,687,083

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

	2017	2016
Regulatory assets	\$ 5,209,350	\$ 5,222,568
Debt discount and expense	257,415	244,839
Total	\$ 5,466,765	\$ 5,467,407

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

	2017	2016
Gas balancing activities	\$ (7,686,673)	\$ (3,534,833)
Price risk management activities	(4,657,363)	(5,101,533)
Prepayments and other assets	85,295	(2,705)
Total	\$ (12,258,741)	\$ (8,639,071)

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

	2017	2016
Net increase (decrease) in payables and accrued expenses	\$ 1,073,906	\$ 5,366,198

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

	2017	2016
Salvage proceeds for pipe purchased from the City of Papillion	\$ 360	\$ -

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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 June 30, 2017 and for the six-month periods ended June 30, 2017 and 2016. The results of operations for the six-month period ended June 30, 2017 are not necessarily indicative of the results to be expected for the full year. The Respondent has evaluated subsequent events through August 28, 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 six-month period ended June 30, 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 plans to adopt this guidance effective January 1, 2018 and is currently evaluating the impact on its Financial Statements and disclosures included within Notes to Financial Statements.

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 plans to adopt this guidance effective January 1, 2018 and is currently evaluating the impact on its Financial Statements and disclosures included within Notes to Financial Statements.

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 plans to adopt this guidance effective January 1, 2018 and does not believe the adoption of this guidance will have a material impact on its Financial Statements.

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 plans to adopt this guidance effective January 1, 2019 and is currently evaluating the impact on its Financial Statements and disclosures included within Notes to Financial Statements.

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 plans to adopt the guidance effective January 1, 2018 under the modified retrospective method and is currently evaluating the impact 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.

(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 \$0.4 million and \$0.5 million for the six-month periods ended June 30, 2017 and 2016, respectively. As of June 30, 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 \$25.5 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, manage, monitor and report 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 June 30, 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 ⁽¹⁾	Current	Noncurrent	Total	
<u>As of June 30, 2017</u>					
Not designated as hedging contracts⁽²⁾:					
Commodity assets	\$ 370	\$ 138	\$ 13	\$ 521	
Commodity liabilities	—	(14,934)	(43,835)	(58,769)	
Total	370	(14,796)	(43,822)	(58,248)	
Total derivatives - net basis⁽³⁾	\$ 370	\$ (14,796)	\$ (43,822)	\$ (58,248)	
<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) Derivative assets are included in current and accrued assets on the Balance Sheets. Derivative liabilities are included in current and accrued liabilities on the Balance Sheets.
- (2) The Respondent's commodity derivatives not designated as hedging contracts are generally included in regulated rates, and as of June 30, 2017 and December 31, 2016, a regulatory asset of \$58.2 million and \$64.5 million, respectively, was recorded related to the net derivative liability of \$58.2 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 June 30, 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 six-month periods ended June 30 (in thousands):

	2017	2016
Beginning balance	\$ 64,532	\$ 74,963
Changes in fair value recognized in regulatory assets	902	1,562
Net gains reclassified to gas operating revenues	191	—
Net losses reclassified to unamortized contract value regulatory asset	(1,627)	—
Net losses reclassified to operating expenses	(5,750)	(6,663)
Ending balance	\$ 58,248	\$ 69,862

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 June 30, 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 \$58.8 million and \$64.5 million as of June 30, 2017 and December 31, 2016, respectively. If all credit-risk-related contingent features for derivative contracts in liability positions had been triggered as of June 30, 2017 and December 31, 2016, the Respondent would have been required to post \$58.6 million and \$64.5 million, respectively, of collateral. The Respondent's collateral requirements could fluctuate considerably due to market price volatility, changes

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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 financial assets and liabilities recognized on the Balance Sheets and measured at fair value on a recurring basis (in thousands):

	Input Levels for Fair Value Measurements				
	Level 1	Level 2	Level 3	Other ⁽¹⁾	Total
<u>As of June 30, 2017</u>					
Assets:					
Commodity derivatives	\$ —	\$ 521	\$ —	\$ (151)	\$ 370
Money market mutual funds ⁽²⁾	47,652	—	—	—	47,652
Investment funds	7,596	—	—	—	7,596
	<u>\$ 55,248</u>	<u>\$ 521</u>	<u>\$ —</u>	<u>\$ (151)</u>	<u>\$ 55,618</u>
Liabilities - commodity derivatives	<u>\$ —</u>	<u>\$ (58,769)</u>	<u>\$ —</u>	<u>\$ 151</u>	<u>\$ (58,618)</u>
<u>As of December 31, 2016</u>					
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 underlying forward commodity prices, related volatility, counterparty creditworthiness and duration of contracts. Refer to

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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 cross-appealed. In July 2017, the Tenth Circuit Court of Appeals reversed the federal district court award requiring the Respondent to pay for the value of storage gas remaining in the extension area and rejected the appeals of the defendants for additional compensation for storage rights and wells that were converted to observation wells. The Tenth Circuit Court of Appeals also rejected the defendants' request for attorney's fees. The decision reduces the condemnation award by approximately \$6.0 million. The landowner and producer defendants filed requests for rehearing of the Tenth Circuit Court of Appeals decision. If rehearing is not granted, the case will be remanded to the federal district court for final disposition.
- 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. 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.

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- In December 2009, the Respondent filed a lawsuit in the 13th Judicial District, District Court, Pratt County, Kansas ("Pratt County State District Court") against ONEOK Field Services Company ("ONEOK") and Lumen Energy Corporation ("Lumen") alleging conversion based on their purchase of the storage gas from the producers. In April 2010, the Pratt County State District Court granted the defendants' motion for summary judgment, finding that the Respondent does not have title to storage gas that has migrated beyond adjoining property. The Respondent appealed the decision 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, and that order was issued in July 2017. The Respondent will appeal the decision to the Kansas Court of Appeals. 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 Court of Appeals. 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 \$33.5 million and \$34.1 million for the six-month periods ended June 30, 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 \$2.9 million and \$2.8 million for the six-month periods ended June 30, 2017 and 2016, respectively. MEC also provided electricity and other services to the Respondent of \$0.4 million and \$0.3 million for the six-month periods ended June 30, 2017 and 2016, respectively. The Respondent reimbursed MEC \$30.6 million and \$29.5 million for the six-month periods ended June 30, 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 \$1.1 million for each of the six-month periods ended June 30, 2017 and 2016. Income tax transactions with BHE resulted in net payments of \$9.3 million and \$17.2 million for the six-month periods ended June 30, 2017 and 2016, respectively.

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As of June 30, 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 \$4.0 million and \$8.7 million as of June 30, 2017 and December 31, 2016, respectively.

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 \$1.0 million and \$0.8 million for the six-month periods ended June 30, 2017 and 2016, respectively, for these services.

The Respondent possesses demand promissory notes from BHE. The balance of the demand promissory notes as of June 30, 2017 and December 31, 2016 was \$315.0 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 \$1.8 million and \$0.7 million was recorded for the six-month periods ended June 30, 2017 and 2016, respectively.

(8) Subsequent Events

In July 2017, BHE issued promissory notes to the Respondent totaling \$25.0 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)	3,824,531,642		
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	208,189,922		
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)	4,032,721,564		
9	Leased to Others			
10	Held for Future Use	103,181		
11	Construction Work in Progress	82,797,688		
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	4,115,622,433		
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,345,023,338		
15	Net Utility Plant (Total of lines 13 and 14)	2,770,599,095		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	1,231,673,522		
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights			
20	Amortization of Underground Storage Land and Land Rights	8,224,203		
21	Amortization of Other Utility Plant	105,022,432		
22	TOTAL In Service (Total of lines 18 thru 21)	1,344,920,157		
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)	1,345,023,338		

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/Q2</u>
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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		3,824,531,642		
4				
5				
6		208,189,922		
7				
8		4,032,721,564		
9				
10		103,181		
11		82,797,688		
12				
13		4,115,622,433		
14		1,345,023,338		
15		2,770,599,095		
16				
17				
18		1,231,673,522		
19				
20		8,224,203		
21		105,022,432		
22		1,344,920,157		
23				
24				
25				
26				
27				
28		103,181		
29				
30		103,181		
31				
32				
33		1,345,023,338		

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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	149,621,856	75,410,996
2	Productions-Manufactured Gas		
3	Production and Gathering-Natural Gas	6,686,756	(1,051,346)
4	Products Extraction-Natural Gas		
5	Underground Gas Storage	461,031,533	159,982,981
6	Other Storage Plant	102,823,399	45,019,350
7	Base Load LNG Terminating and Processing Plant	7,456,180	1,100,710
8	Transmission	3,212,926,775	1,021,160,703
9	Distribution		
10	General	92,175,065	43,296,763
11	TOTAL (total of lines 1 thru 10)	4,032,721,564	1,344,920,157

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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	\$ 1,512,790
Cost of Removal	(603,629)
Negative Salvage Provision	\$ 909,161

Asset Retirement Obligation	
Accumulated Depreciation on ARO Capitalized	\$ 4,635,204

Asset Retirement Obligation (ARO) Allowance	
Accumulated ARO Allowance	\$33,692,610
Accumulated Cost of ARO Retirements	(33,049,163)
Unrecovered Net ARO Costs	\$ 643,447

Accumulated Provision for Depreciation Gas Gathering	(\$ 1,051,346)
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The ARO allowance is booked to the accumulated depreciation reserves for transmission and production and gathering plant based on cost incurred to settle asset retirement obligations for each classification.

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

Total includes \$879,434 accumulated annual ARO allowance, \$1,352,040 of accumulated cost of transmission ARO retirements, and \$15,506,405 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.

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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	462,375	31,251	928	67,018		426,608
2							
3	Asset retirement obligation	29,676,666	418,447				30,095,113
4							
5	Deferred FERC annual charge	674,650		928	337,325		337,325
6							
7	Deferred income taxes for AFUDC equity	22,873,812	777,978	421	99,532		23,552,258
8							
9	Smartpigging/hydrostatic testing	27,799,006	2,875,375	833,863	2,111,282		28,563,099
10							
11	Unrealized loss on derivatives, net	62,748,617	892,832	483,803	3,766,425		59,875,024
12							
13	Interest rate lock	196,139		428	10,782		185,357
14							
15	Defined benefit pension plan	6,440,511	1,532				6,442,043
16							
17	Fuel, unaccounted for, and other trackers		6,710,647	813,855	3,485,574		3,225,073
18							
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40	Total	150,871,776	11,708,062		9,877,938	0	152,701,900

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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 Sept
7	Deferred income taxes associated with AFUDC equity	RP04-155	Based on life of pla
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
17	Fuel and storage, unaccounted for gas, and electrical compression trackers (1)	RP97-275	N/A

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Other Regulatory Liabilities (Account 254)							
1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts). 2. For regulatory liabilities being amortized, show period of amortization in column (a). 3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes. 4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).							
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Penalty and Deferred Delivery Variance Charge Revenue Crediting Mechanism	702,102	131			237,093	939,195
2							
3	Employee benefits	25,229,525	128	186,479		505,343	25,548,389
4							
5	Encroachment revaluation	613,025	182.3	802,027		1,068,864	879,862
6							
7	Fuel, unaccounted for, and other trackers	2,492,667	182.3	2,492,667			
8							
9	Carlton resolution credits	2,456,210	131	2,456,210			
10							
11							
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44							
45	Total	31,493,529		5,937,383	0	1,811,300	27,367,446

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/Q2
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Schedule Page: 278 Line No.: 1 Column: a

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

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Monthly Quantity & Revenue Data by Rate Schedule

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

Line No.	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)	1,733,966			5,363,514	5,363,514
2	Transportation of Gas for Others (489.2 and 489..3)					
3	TF	25,626,695		33,263	8,996,278	9,029,541
4	TFX	55,693,607		71,022	20,086,007	20,157,029
5	GS-T					
6	TI	3,860,807		4,807	414,356	419,163
7	ILD					
8	SMS	2,284,639			864,551	864,551
9	Less: ILD units in other rate schedules					
10	Less: SMS units in other rate schedules	-2,284,639				
11						
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14						
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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/Q2
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Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
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61						
62						
63	Total Transportation (Other than Gathering)	85,181,109		109,092	30,361,192	30,470,284
64	Storage (489.4)					
65	FDD-1	10,872,132			2,081,869	2,081,869
66	IDD-1	1,106,041			151,164	151,164
67	PDD-1	2,500,000			1,686,142	1,686,142
68						
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89						
90	Total Storage	14,478,173			3,919,175	3,919,175
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)					
97	Rents (493-494)				3,252	3,252
98	Other Gas Revenues (495)				129,474	129,474
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				132,726	132,726
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	101,393,248		109,092	39,776,607	39,885,699

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/Q2
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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	310,975			1,007,948	1,007,948	2,917,729			8,662,100	8,662,100
2										
3	22,876,892		29,605	7,357,568	7,387,173	26,093,071		33,900	9,104,799	9,138,699
4	50,870,680		67,172	20,208,877	20,276,049	53,129,259		69,204	19,174,386	19,243,590
5										
6	4,264,225		5,043	376,244	381,287	3,485,915		4,468	258,330	262,798
7										
8	2,541,739			868,591	868,591	2,343,570			929,869	929,869
9										
10	-2,541,739					-2,343,570				
11										
12										
13										
14										
15										
16										
17										
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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	78,011,797		101,820	28,811,280	28,913,100	82,708,245		107,572	29,467,384	29,574,956
64										
65	2,987,845			2,092,289	2,092,289	163,883			7,313,010	7,313,010
66	1,280,394			180,640	180,640	2,146,038			397,799	397,799
67	2,774,900			1,332,171	1,332,171	41,000			1,458,174	1,458,174
68										
69										
70										
71										
72										
73										
74										
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78										
79										
80										
81										
82										
83										
84										
85										
86										
87										
88										
89										
90	7,043,139			3,605,100	3,605,100	2,350,921			9,168,983	9,168,983
91										
92										
93										
94										
95										
96										
97				3,252	3,252				4,604	4,604
98				73,199	73,199				70,323	70,323
99										
100				76,451	76,451				74,927	74,927
101	85,365,911		101,820	33,500,779	33,602,599	87,976,895		107,572	47,373,394	47,480,966

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/Q2</u>
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	3,406,759	157,753	
3	(482) Other Sales to Public Authorities			
4	(483) Sales for Resale	18,201,506	5,953,319	
5	(484) Interdepartmental Sales			
6	Total Sales (Lines 1 to 5)	21,608,265	6,111,072	
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	310,367,494	560,283,330	
12	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities			
13	489.4 Revenues from Storing Gas of Others	28,555,982	87,116,111	
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	21,465		
18	494 Interdepartmental Rents			
19	495 Other Gas Revenues	1,890,557		
20	Subtotal:	362,450,965		
21	496 (Less) Provision for Rate Refunds			
22	TOTAL	362,450,965		

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/Q2</u>
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	17,399,686		
20	(804) Natural Gas City Gate Purchases			
21	(804.1) Liquefied Natural Gas Purchases			
22	(805) Other Gas Purchases	(11,909,687)		
23	(805.1) (Less) Purchase Gas Cost Adjustments			
24	Total Purchased Gas (lines 15 through 23)	5,489,999		
25	(806) Exchange Gas	4,905,553		
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	47,354,635		
34	(808.2) (Less) Gas Delivered to Storage - Credit	36,137,371		
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	15,964,313		
39	(811) Gas Used for Products Extraction - Credit			
40	(812) Gas Used for Other Utility Operations - Credit	7,282,482		
41	Total Gas Used in Utility Operations - Credit (Lines 38 thru 40)	23,246,795		
42	(813) Other Gas Supply Expense	5,498,086		
43	Total Other Gas Supply Expenses (Lines 24, 25, 32, 33, thru 36, 42, less 41)	3,864,107		
44	Total Production Expenses (Lines 3,7,11,12, and 43)	3,864,107		

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/Q2</u>
Natural Gas Storage, Terminaling, Processing Services					
Report the amount of natural gas storage, terminaling, processing, transmission and distribution expenses year to date.					
Line No.	Account (a)	Year to Date Quarter (b)			
1	NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES				
2	UNDERGROUND STORAGE EXPENSES				
3	(814-826) Operations	5,459,215			
4	(830-837) Maintenance	4,980,406			
5	Total Underground Storage Expenses (Lines 3 and 4)	10,439,621			
6	OTHER STORAGE EXPENSES				
7	(840-842.3) Operations	1,719,048			
8	(843.1-843.9) Maintenance	1,250,100			
9	Total Other Storage Expenses (lines 7 and 8)	2,969,148			
10	LIQUEFIED NATURAL GAS TERMINALING AND PROCESSING				
11	(844.1-846.2) Operations				
12	(847.1-847.8) Maintenance				
13	Total Liquefied Natural Gas Terminaling and Processing (Lines 11 and 12)				
14	TRANSMISSION EXPENSES				
15	Transmission Operation Expenses				
16	(850) Operation Supervision and Engineering	3,110,477			
17	(851) System Control and Load Dispatching	2,491,953			
18	(852) Communication System Expenses	648,854			
19	(853) Compressor Station Labor and Expenses	4,719,658			
20	(854) Gas for Compressor Station Fuel	15,012,999			
21	(855) Other Fuel and Power for Compressor Stations	1,349,469			
22	(856) Mains Expenses	10,195,293			
23	(857) Measuring and Regulating Station Expenses	2,449,666			
24	(858) Transmission and Compression of Gas by Others	1,970			
25	(859) Other Expenses	1,139,457			
26	(860) Rents	169,734			
27	Total Transmission Operation Expenses (Lines 16 through 26)	41,289,530			
28	Transmission Maintenance Expenses				
29	(861) Maintenance Supervision and Engineering				
30	(862) Maintenance of Structures and Improvements	487,716			
31	(863) Maintenance of Mains	8,853,543			
32	(864) Maintenance of Compressor Station Equipment	6,822,380			
33	(865) Maintenance of Measuring and Regulating Equipment	1,504,144			
34	(866) Maintenance of Communication Equipment	53,041			
35	(867) Maintenance of Other Equipment	600,384			
36	Total Transmission Maintenance Expenses (Lines 29 through 35)	18,321,208			
37	Total Transmission Expenses (lines 27 and 36)	59,610,738			
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)	73,019,507			

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/Q2</u>
Gas Customer Accounts, Service, Sales, Administrative and General Expenses					
Report the amount of expenses for customer accounts, service, sales, and administrative and general expenses year to date.					
Line No.	Account (a)	Year to Date Quarter (b)			
1	(901-905) Customer Accounts Expenses				
2	(907-910) Customer Service and Information Expenses				
3	(911-916) Sales Expenses	627,726			
4	8. ADMINISTRATIVE AND GENERAL EXPENSES				
5	Operations				
6	920 Administrative and General Salaries	18,834,400			
7	921 Office Supplies and Expenses	4,671,584			
8	(Less) 922 Administrative Expenses Transferred-Credit	1,068,050			
9	923 Outside Services Employed	8,133,543			
10	924 Property Insurance	462,732			
11	925 Injuries and Damages	586,394			
12	926 Employee Pensions and Benefits	5,555,270			
13	927 Franchise Requirements				
14	928 Regulatory Commission Expenses	814,588			
15	(Less) 929 Duplicate Charges-Credit				
16	930.1 General Advertising Expenses				
17	930.2 Miscellaneous General Expenses	69,052			
18	931 Rents	306,769			
19	TOTAL Operation (Total of lines 6 through 18)	38,366,282			
20	Maintenance				
21	932 Maintenance of General Plant	846			
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	38,367,128			

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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 403.1, 404.1, 404.2, 404.3, 405) (Except Amort of Acquisition Adjustments)					
1. Report the year to date amounts of depreciation expense, asset retirement cost depreciation, depletion and amortization, except amortization of acquisition adjustments for the accounts indicated and classified according to the plant functional groups described.					
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Other Gas Plant (Accounts 404.1, 404.2 and 404.3) (d)	
1	Intangible Plant	0	0	3,337,588	
2	Production Plant, Manufacturing Plant	0	0	0	
3	Production and Gathering Plant - Natural Gas	1,993,498	0	0	
4	Products Extraction - Natural Gas	0	0	0	
5	Underground Gas Storage Plant	3,102,703	0	142,553	
6	Other Storage Plant	659,472	0	0	
7	Base Load LNG Terminating and Processing Plant	118,060	0	0	
8	Processing Plant	0	0	0	
9	Transmission Plant	24,473,256	0	762,294	
10	Distribution Plant	0	0	0	
11	General Plant	3,631,927	0	0	
12	Common Plant	0	0	0	
13	TOTAL GAS (Lines 1 through 12)	33,978,916	0	4,242,435	

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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)		4,099,263	126,500
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	560,283,330	245,901,151
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307	58,915,359	43,429,415
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	2,479,802	381,811
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		45,572,061	5,250,984
13	Gas Received from Shippers as Compressor Station Fuel		4,657,746	1,679,523
14	Gas Received from Shippers as Lost and Unaccounted for		(935,126)	(123,796)
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		675,072,435	296,645,588
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		6,111,072	4,962,670
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305	560,283,330	245,901,151
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307	76,287,285	24,114,393
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	812,942	812,942
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)		24,004,225	17,253,952
28	Gas Used for Compressor Station Fuel	509	5,222,482	2,274,474
29	Other Deliveries and Gas Used for Other Operations		1,409,178	541,697
30	Total Deliveries (Total of lines 18 thru 29)		674,130,514	295,861,279
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		941,921	784,309
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		675,072,435	296,645,588

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FOOTNOTE DATA			

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

The 4,099,263 Dth represents gas purchases recorded to FERC account 803.

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

The 45,572,061 Dth represents gas withdrawn from storage (includes third party and company owned gas).

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

The 24,004,225 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
Work Order Adjustment	(1,499)
Gas Used in other O&M Operations	1,409,811
Total	<u>1,409,178</u>

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

The 126,500 Dth represents gas purchases recorded to FERC account 803.

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

The 5,250,984 Dth represents gas withdrawn from storage (includes third party and company owned gas).

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

The 17,253,952 Dth represents gas injected into storage (includes third party and company owned gas).

Schedule Page: 520 Line No.: 29 Column: d

	<u>Amount (Dth)</u>
Work Order Adjustment	(1,499)
Gas Used in other O&M Operations	543,196
Total	<u>541,697</u>

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/Q2</u>
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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	318,178	7,840	44,788	370,806
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	318,178	7,840	44,788	370,806
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	810,653	19,933	114,120	944,706
12	Distribution				
13	Storage	328		51,751	52,079
14	Total gas used in compressors	810,981	19,933	165,871	996,785
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	171,739	4,223	24,177	200,139
19	Distribution				
20	Storage	158		24,885	25,043
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	171,897	4,223	49,062	225,182
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	(22,415)	(551)	(3,155)	(26,121)
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	(22,415)	(551)	(3,155)	(26,121)

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/Q2
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	(641,799)	(15,765)	(90,354)	(747,918)
35	Distribution				
36	Storage	(486)		(76,636)	(77,122)
37	Total Net Excess Or (Deficiency)	(642,285)	(15,765)	(166,990)	(825,040)
	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				
	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Gas to be recovered from shippers	(642,285)	(15,765)	(166,990)	(825,040)
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	(642,285)	(15,765)	(166,990)	(825,040)

SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT

66	Forwardhaul Volume in Dths for the Quarter	245,901,151
67	Backhaul Volume in Dths for the Quarter	
68	TOTAL (Lines 66 and 67)	245,901,151

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/Q2</u>
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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	359,855	31,072	225,760	616,687
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	359,855	31,072	225,760	616,687
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	406,830	35,140	255,254	697,224
12	Distribution				
13	Storage	153		24,071	24,224
14	Total gas used in compressors	406,983	35,140	279,325	721,448
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission	103,209	8,915	64,755	176,879
19	Distribution				
20	Storage	113		17,797	17,910
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	103,322	8,915	82,552	194,789
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	539,795	46,625	338,678	925,098
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	539,795	46,625	338,678	925,098

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/Q2
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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	(689,979)	(59,608)	(432,927)	(1,182,514)
35	Distribution				
36	Storage	(266)		(41,868)	(42,134)
37	Total Net Excess Or (Deficiency)	(690,245)	(59,608)	(474,795)	(1,224,648)
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	(690,245)	(59,608)	(474,795)	(1,224,648)
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	(690,245)	(59,608)	(474,795)	(1,224,648)

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/Q2</u>
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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	317,721	30,009	220,504	568,234
5	Distribution				
6	Storage				
7	Total Shipper Supplied Gas	317,721	30,009	220,504	568,234
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	297,805	28,124	206,722	532,651
12	Distribution				
13	Storage	149		23,441	23,590
14	Total gas used in compressors	297,954	28,124	230,163	556,241
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	63,120	5,961	43,815	112,896
19	Distribution				
20	Storage	65		10,264	10,329
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	63,185	5,961	54,079	123,225
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	(64,111)	(6,054)	(44,503)	(114,668)
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	(64,111)	(6,054)	(44,503)	(114,668)

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/Q2</u>
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission	20,907	1,978	14,470	37,355
35	Distribution				
36	Storage	(214)		(33,705)	(33,919)
37	Total Net Excess Or (Deficiency)	20,693	1,978	(19,235)	3,436
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	20,693	1,978	(19,235)	3,436
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas	20,693	1,978	(19,235)	3,436
52	GAS ACQUIRED TO MEET DEFICIENCY:				
53	System gas				
54	Purchased gas				
55	Other (list)				
56	Gas to be recovered from shippers				
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency				

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q2
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
1										
2										
3										
4	900,471	22,142	126,764	1,049,377					805	805
5										
6										
7	900,471	22,142	126,764	1,049,377						
8										
9										
10										
11	2,290,356	56,318	322,428	2,669,102					854	810
12										
13	928		146,330	147,258					819	810
14	2,291,284	56,318	468,758	2,816,360						
15										
16										
17										
18	485,610	11,941	68,362	565,913					See footnote	812
19										
20	446		70,366	70,812					See footnote	812
21										
22	486,056	11,941	138,728	636,725						
23										
24										
25										
26	(63,519)	(1,562)	(8,942)	(74,023)					812	813
27										
28										
29										
30	(63,519)	(1,562)	(8,942)	(74,023)						

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/Q2
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
31										
32										
33										
34	(1,811,976)	(44,555)	(255,084)	(2,111,615)						
35										
36	(1,374)		(216,696)	(218,070)						
37	(1,813,350)	(44,555)	(471,780)	(2,329,685)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	(1,813,350)	(44,555)	(471,780)	(2,329,685)					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	(1,813,350)	(44,555)	(471,780)	(2,329,685)						

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/Q2</u>
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 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	1,036,807	89,555	650,514	1,776,876					805	805
5										
6										
7	1,036,807	89,555	650,514	1,776,876						
8										
9										
10										
11	1,172,566	101,281	735,692	2,009,539					854	810
12										
13	440		69,378	69,818					819	810
14	1,173,006	101,281	805,070	2,079,357						
15										
16										
17										
18	296,512	25,611	186,038	508,161					See footnote	812
19										
20	325		51,295	51,620					See footnote	812
21										
22	296,837	25,611	237,333	559,781						
23										
24										
25										
26	1,555,849	134,387	976,172	2,666,408					813	812
27										
28										
29										
30	1,555,849	134,387	976,172	2,666,408						

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/Q2
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
31										
32										
33										
34	(1,988,120)	(171,724)	(1,247,388)	(3,407,232)						
35										
36	(765)		(120,673)	(121,438)						
37	(1,988,885)	(171,724)	(1,368,061)	(3,528,670)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	(1,988,885)	(171,724)	(1,368,061)	(3,528,670)					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	(1,988,885)	(171,724)	(1,368,061)	(3,528,670)						

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/Q2
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
1										
2										
3										
4	904,592	85,427	627,923	1,617,942					805	805
5										
6										
7	904,592	85,427	627,923	1,617,942						
8										
9										
10										
11	847,762	80,061	588,475	1,516,298					854	810
12										
13	423		66,731	67,154					819	810
14	848,185	80,061	655,206	1,583,452						
15										
16										
17										
18	179,687	16,969	124,730	321,386					See footnote	812
19										
20	185		29,218	29,403					See footnote	812
21										
22	179,872	16,969	153,948	350,789						
23										
24										
25										
26	(182,994)	(17,282)	(127,026)	(327,302)					812	813
27										
28										
29										
30	(182,994)	(17,282)	(127,026)	(327,302)						

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/Q2
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
31										
32										
33										
34	60,137	5,679	41,744	107,560						
35										
36	(608)		(95,949)	(96,557)						
37	59,529	5,679	(54,205)	11,003						
38										
39										
40										
41										
42	59,529	5,679	(54,205)	11,003					805	182.3
43										
44										
45										
46										
47										
48										
49										
50										
51	59,529	5,679	(54,205)	11,003						
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63										
64										
65										

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q2
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	22,950	64,893
Line Operations	856	177,189	501,020
Purification Underground Storage	821	8,075	22,833
Other Underground Storage Operations	817	11,971	33,849
Other Compressor Station Fuel	819	4,997	14,130
		<u>225,182</u>	<u>\$ 636,725</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	45,517	131,189
Line Operations	856	131,362	376,972
Purification Underground Storage	821	5,199	14,984
Other Underground Storage Operations	817	9,231	26,606
Other Compressor Station Fuel	819	3,480	10,030
		<u>194,789</u>	<u>\$ 559,781</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 gas associated with work orders 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	413	1,176
Line Operations	856	112,483	320,210
Purification Underground Storage	821	3,119	8,879
Other Underground Storage Operations	817	5,021	14,293
Other Compressor Station Fuel	819	2,189	6,231
		<u>123,225</u>	<u>\$ 350,789</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.