

THIS FILING IS

Item 1: ☒ An Initial (Original)
Submission

OR ☐ Resubmission No. _____

Form 2 Approved
OMB No.1902-0028
(Expires 12/31/2020)

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/Q4



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Northern Natural Gas Company (the "Company"), which comprise the balance sheet — regulatory basis as of December 31, 2017, and the related statements of income — regulatory basis, retained earnings — regulatory basis, and cash flows — regulatory basis for the year then ended, included on pages 110 through 122 of the accompanying Federal Energy Regulatory Commission Form 2, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the assets, liabilities and proprietary capital of Northern Natural Gas Company as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Basis of Accounting

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

Restricted Use

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

Deloitte & Touche LLP

Omaha, Nebraska
April 17, 2018

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/Q4</u>	
03 Previous Name and Date of Change (If name changed during year)			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1111 South 103rd Street, Omaha, NE 68124			
05 Name of Contact Person 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 402-398-7973		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	
		10 Date of Report (Mo, Da, Yr)	

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

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

11 Name Joseph M. Lillo	12 Title Vice President - Finance
13 Signature /s/ Joseph M. Lillo	14 Date Signed 04/18/2018

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

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
List of Schedules (Natural Gas Company)					
Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)	
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS				
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11	Notes to Financial Statements	122			
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12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201			
13	Gas Plant in Service	204-209			
14	Gas Property and Capacity Leased from Others	212		NA	
15	Gas Property and Capacity Leased to Others	213			
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17	Construction Work in Progress-Gas	216			
18	Non-Traditional Rate Treatment Afforded New Projects	217			
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21	Gas Stored	220			
22	Investments	222-223			
23	Investments in Subsidiary Companies	224-225		NA	
24	Prepayments	230			
25	Extraordinary Property Losses	230		NA	
26	Unrecovered Plant and Regulatory Study Costs	230		NA	
27	Other Regulatory Assets	232			
28	Miscellaneous Deferred Debits	233			
29	Accumulated Deferred Income Taxes	234-235			
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33	Discount on Capital Stock	254		NA	
34	Capital Stock Expense	254		NA	
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36	Long-Term Debt	256-257			
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259			

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List of Schedules (Natural Gas Company) (continued)					
Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)	
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54	Exchange and Imbalance Transactions	328			
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64	Charges for Outside Professional and Other Consultative Services	357			
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67	Gas Storage Projects	512-513			
68	Transmission Lines	514			
69	Transmission System Peak Deliveries	518			
70	Auxiliary Peaking Facilities	519			
71	Gas Account-Natural Gas	520			
72	Shipper Supplied Gas for the Current Quarter	521			
73	System Map	522			
74	Footnote Reference	551			
75	Footnote Text	552			
76	Stockholder's Reports (check appropriate box)				
	<input type="checkbox"/> Four copies will be submitted <input checked="" type="checkbox"/> No annual report to stockholders is prepared				

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/Q4</u>
General Information			
1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.			
Joseph M. Lillo, Vice President Finance 1111 South 103rd Street, Omaha, NE 68124			
2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.			
Delaware, 7/14/1986			
3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.			
NA			
4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.			
The Respondent owns and operates a natural gas pipeline system and engages in transportation and storage of gas for others in interstate commerce in Illinois, Iowa, Kansas, Louisiana-Offshore, Michigan, Minnesota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Texas-Offshore, and Wisconsin.			
5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?			
(1) <input type="checkbox"/> Yes... Enter the date when such independent accountant was initially engaged: (2) <input checked="" type="checkbox"/> No			

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.
2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.
3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Berkshire Hathaway Inc.	M	DE	90.20
2	Berkshire Hathaway Energy Company	I	IA	100.00
3	NNGC Acquisition, LLC	D	DE	100.00
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
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.

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

1. None

2. None

3. None

4. None

5. 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.

CP16-472-000

By Commission order issued January 30, 2017, Northern was granted approval to construct and operate: (1) an approximately 2.8-mile-extension of the 12-inch-diameter St. Cloud branch line loop in Isanti County, Minnesota (St. Cloud Loop); (2) an approximately 2-mile-extension of the 8-inch-diameter Princeton branch line loop and running adjacent to the Princeton branch line in Sherburne County, Minnesota (Princeton Loop); and (3) one 15,900-horsepower gas-driven compressor unit at Northern's existing Faribault compressor station in Rice County, Minnesota. The Princeton Loop was placed into service July 17, 2017. The St. Cloud Loop was placed into service October 5, 2017, and the new unit at the Faribault compressor station was placed into service November 1, 2017.

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Northern Natural Gas Company			
Important Changes During the Quarter/Year			

BLANKET CERTIFICATE ACTIVITIES

CP17-116-000

Pursuant to Northern's blanket authority granted September 1, 1982, in Docket No. CP82-401-000 and the prior notice provisions in section 157.208 of the Commission's regulations, Northern received authorization to construct and operate a (1) 1.24-mile extension of its existing 30-inch-diameter D-line located in Dakota County, Minnesota, (D-line) and (2) 1.01-mile extension of its 36-inch-diameter E-line located in Worth County, Iowa, (E-line). The D-line was placed into service August 21, 2017, and the E-line was placed into service November 2, 2017.

CP17-434-000

Pursuant to Northern's blanket authority granted September 1, 1982, in Docket No. CP82-401-000 and the prior-notice provisions in sections 157.208 of the Commission's regulations, Northern received authorization to construct and operate two segments totaling 13.9 miles of 20-inch-diameter Des Moines B-line loop in Boone and Polk counties, Iowa. The branch line loops were placed into service November 18, 2017.

§311 FACILITIES

No important extensions or reductions of the Respondent's transmission system occurred pursuant to §311(a) of the Natural Gas Policy Act of 1978 from January 1 through December 31, 2017.

6. None

7. None

8. None

9. Refer to Note 12 included in the Notes to the Financial Statements on page 122.

10. None

11. None

12. Effective January 13, 2017 Natalie L. Hocken replaced Douglas L. Anderson as a member of the executive committee. Effective May 16, 2017 Laura Demman was elected to the additional offices of General Counsel and Secretary, replacing J. Gregory Porter. Effective June 8, 2017 Sara Athen was elected Vice President, Human Resources.

13. Not applicable

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Comparative Balance Sheet (Assets and Other Debits)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	UTILITY PLANT				
2	Utility Plant (101-106, 114)	200-201	4,224,383,452	3,995,661,549	
3	Construction Work in Progress (107)	200-201	72,370,196	58,819,542	
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	4,296,753,648	4,054,481,091	
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,360,160,345	1,320,392,762	
6	Net Utility Plant (Total of line 4 less 5)		2,936,593,303	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)		2,936,593,303	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	3,737,748	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)		44,371,661	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)		44,371,661	38,336,262	
31	CURRENT AND ACCRUED ASSETS				
32	Cash (131)		(4,273,862)	(7,952,848)	
33	Special Deposits (132-134)		2,912,440	3,022,540	
34	Working Funds (135)		23,900	23,900	
35	Temporary Cash Investments (136)	222-223	25,254,622	56,326,887	
36	Notes Receivable (141)		0	0	
37	Customer Accounts Receivable (142)		81,067,484	73,208,556	
38	Other Accounts Receivable (143)		875,485	1,938,832	
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		0	0	
40	Notes Receivable from Associated Companies (145)		175,000,000	155,000,000	
41	Accounts Receivable from Associated Companies (146)		19,167,340	8,707,580	
42	Fuel Stock (151)		0	0	
43	Fuel Stock Expenses Undistributed (152)		0	0	

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Comparative Balance Sheet (Assets and Other Debits)(continued)					
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0	
45	Plant Materials and Operating Supplies (154)		30,037,986	28,313,724	
46	Merchandise (155)		0	0	
47	Other Materials and Supplies (156)		0	0	
48	Nuclear Materials Held for Sale (157)		0	0	
49	Allowances (158.1 and 158.2)		0	0	
50	(Less) Noncurrent Portion of Allowances		0	0	
51	Stores Expense Undistributed (163)		0	0	
52	Gas Stored Underground-Current (164.1)	220	0	0	
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0	
54	Prepayments (165)	230	5,182,984	4,354,809	
55	Advances for Gas (166 thru 167)		0	0	
56	Interest and Dividends Receivable (171)		0	0	
57	Rents Receivable (172)		0	0	
58	Accrued Utility Revenues (173)		0	0	
59	Miscellaneous Current and Accrued Assets (174)		16,100,544	13,978,647	
60	Derivative Instrument Assets (175)		0	0	
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0	
62	Derivative Instrument Assets - Hedges (176)		0	0	
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0	
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		351,348,923	336,922,627	
65	DEFERRED DEBITS				
66	Unamortized Debt Expense (181)		3,710,350	4,003,283	
67	Extraordinary Property Losses (182.1)	230	0	0	
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0	
69	Other Regulatory Assets (182.3)	232	142,121,997	152,616,816	
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0	
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		71,462	188,166	
72	Clearing Accounts (184)		0	0	
73	Temporary Facilities (185)		0	0	
74	Miscellaneous Deferred Debits (186)	233	1,502,276	2,452,505	
75	Deferred Losses from Disposition of Utility Plant (187)		0	0	
76	Research, Development, and Demonstration Expend. (188)		0	0	
77	Unamortized Loss on Reacquired Debt (189)		0	0	
78	Accumulated Deferred Income Taxes (190)	234-235	174,603,528	95,972,718	
79	Unrecovered Purchased Gas Costs (191)		0	0	
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		322,009,613	255,233,488	
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		3,727,702,176	3,441,846,179	

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/Q4
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Statement of Income

Quarterly

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

Annual or Quarterly, if applicable

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

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	693,438,299	636,449,699	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	173,579,241	149,376,885	0	0
5	Maintenance Expenses (402)	317-325	75,203,847	58,228,858	0	0
6	Depreciation Expense (403)	336-338	68,411,575	66,207,179	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	8,497,046	8,153,175	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	0	0	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		0	0	0	0
13	(Less) Regulatory Credits (407.4)		0	0	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	57,065,839	57,118,801	0	0
15	Income Taxes-Federal (409.1)	262-263	24,597,204	26,124,411	0	0
16	Income Taxes-Other (409.1)	262-263	6,351,130	12,147,931	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	672,517,399	156,479,829	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	591,383,111	91,198,272	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		0	0	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		0	0	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		494,840,170	442,638,797	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		198,598,129	193,810,902	0	0

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2017/Q4	
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)		198,598,129	193,810,902	0	0	
28	OTHER INCOME AND DEDUCTIONS						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues form Merchandising, Jobbing and Contract Work (415)		0	0	0	0	
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		7,375	429	0	0	
33	Revenues from Nonutility Operations (417)		0	0	0	0	
34	(Less) Expenses of Nonutility Operations (417.1)		123	330	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)		4,439,326	1,550,757	0	0	
38	Allowance for Other Funds Used During Construction (419.1)		5,624,521	3,282,009	0	0	
39	Miscellaneous Nonoperating Income (421)		7,237,865	3,140,284	0	0	
40	Gain on Disposition of Property (421.1)		0	1,782	0	0	
41	TOTAL Other Income (Total of lines 31 thru 40)		17,294,214	7,974,073	0	0	
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)		0	3,504	0	0	
44	Miscellaneous Amortization (425)		0	0	0	0	
45	Donations (426.1)	340	255,987	257,538	0	0	
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)		45,602	6,384	0	0	
49	Other Deductions (426.5)		9,734	457,418	0	0	
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	311,323	724,844	0	0	
51	Taxes Applic. to Other Income and Deductions						
52	Taxes Other than Income Taxes (408.2)	262-263	0	0	0	0	
53	Income Taxes-Federal (409.2)	262-263	2,986,758	(20,270,118)	0	0	
54	Income Taxes-Other (409.2)	262-263	633,060	(4,507,809)	0	0	
55	Provision for Deferred Income Taxes (410.2)	234-235	14,341,034	31,596,701	0	0	
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	11,213,052	3,837,441	0	0	
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0	
58	(Less) Investment Tax Credits (420)		0	0	0	0	
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		6,747,800	2,981,333	0	0	
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		10,235,091	4,267,896	0	0	
61	INTEREST CHARGES						
62	Interest on Long-Term Debt (427)		38,950,000	38,950,000	0	0	
63	Amortization of Debt Disc. and Expense (428)	258-259	521,365	495,885	0	0	
64	Amortization of Loss on Reacquired Debt (428.1)		0	0	0	0	
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0	
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0	
67	Interest on Debt to Associated Companies (430)	340	0	0	0	0	
68	Other Interest Expense (431)	340	61,810	24,135	0	0	
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		1,319,708	770,153	0	0	
70	Net Interest Charges (Total of lines 62 thru 69)		38,213,467	38,699,867	0	0	
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		170,619,753	159,378,931	0	0	
72	EXTRAORDINARY ITEMS						
73	Extraordinary Income (434)		0	0	0	0	
74	(Less) Extraordinary Deductions (435)		0	0	0	0	
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0	
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0	
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0	
78	Net Income (Total of lines 71 and 77)		170,619,753	159,378,931	0	0	

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Statement of Retained Earnings

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		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)		170,619,753	159,378,931
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		160,000,000
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)		598,168,842	427,549,089
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		598,168,842	427,549,089
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

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Statement of Cash Flows					
<p>(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>					
Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year		
1	Net Cash Flow from Operating Activities				
2	Net Income (Line 72(c) on page 116)	170,619,753	159,378,931		
3	Noncash Charges (Credits) to Income:				
4	Depreciation and Depletion	76,908,621	74,360,354		
5	Amortization of (Specify)	10,958,756	10,930,868		
6	Deferred Income Taxes (Net)	84,262,270	93,040,817		
7	Investment Tax Credit Adjustments (Net)				
8	Net (Increase) Decrease in Receivables	(14,616,508)	33,534,518		
9	Net (Increase) Decrease in Inventory	125,669	(950,670)		
10	Net (Increase) Decrease in Allowances Inventory				
11	Net Increase (Decrease) in Payables and Accrued Expenses	(2,307,670)	11,990,383		
12	Net (Increase) Decrease in Other Regulatory Assets	26,239	(667,620)		
13	Net Increase (Decrease) in Other Regulatory Liabilities	419,689	167,918		
14	(Less) Allowance for Other Funds Used During Construction	5,624,521	3,282,009		
15	(Less) Undistributed Earnings from Subsidiary Companies				
16	Other:	(61,157,672)	(11,455,291)		
17	Net Cash Provided by (Used in) Operating Activities				
18	(Total of Lines 2 thru 16.)	259,614,626	367,048,199		
19					
20	Cash Flows from Investment Activities:				
21	Construction and Acquisition of Plant (including land):				
22	Gross Additions to Utility Plant (less nuclear fuel)	(273,102,324)	(201,275,337)		
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	(5,624,521)	(3,282,009)		
27	Other:	3,055,543	13,589,993		
28	Cash Outflows for Plant (Total of lines 22 thru 27.)	(264,422,260)	(184,403,335)		
29					
30	Acquisition of Other Noncurrent Assets (d)				
31	Proceeds from Disposal of Noncurrent Assets (d)	360	224,719		
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)	(4,942,815)	(4,524,169)		
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 Allowance Held for Speculation			
46	Net Increase (Decrease) in Payables and Accrued Expenses			
47	Other: Cost from disposal of asset	(13,169)	(20,629)	
48	Net Cash Provided by (Used in) Investing Activities			
49	(Total of lines 28 thru 47.?)	(267,007,905)	(186,173,210)	
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: Debt issuance costs			
57	Net Increase in Short-Term Debt (c)			
58	Other: Loans to BHE	220,000,000		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58.?)	220,000,000		
60				
61	Payments for Retirement of:			
62	Long-Term Debt (b)			
63	Preferred Stock			
64	Common Stock			
65	Other: Issuance of promissory notes to BHE	(240,000,000)		
66	Net Decrease in Short-Term Debt (c)			
67				
68	Dividends on Preferred Stock			
69	Dividends on Common Stock		(160,000,000)	
70	Net Cash Provided by (Used in) Financing Activities			
71	(Total of lines 59 thru 69)	(20,000,000)	(160,000,000)	
72				
73	Net Increase (Decrease) in Cash and Cash Equivalents			
74	(Total of Line 18, 49 and 71)	(27,393,279)	20,874,989	
75				
76	Cash and Cash Equivalents at Beginning of Year	48,397,939	27,522,950	
77				
78	Cash and Cash Equivalents at End of Year	21,004,660	48,397,939	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
Notes to Financial Statements			

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

(1) Organization and Operations

Northern Natural Gas Company (the "Respondent") is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company ("BHE"), a holding company that owns locally managed businesses principally engaged in the energy industry. 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 Market Area and Field Area are separated at a Demarcation Point. The System consists

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Northern Natural Gas Company			
Notes to Financial Statements			

of 14,700 miles of natural gas pipelines, including 6,300 miles of mainline transmission pipelines and 8,400 miles of branch and lateral pipelines, with a Market Area design capacity of 5.9 billion cubic feet ("Bcf") per day, a Field Area delivery capacity of 1.7 Bcf per day to the Market Area and 1.3 Bcf per day to the West Texas area and over 79 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.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The Respondent has no subsidiaries and does not hold a controlling financial interest in any other entity. The financial statements and supporting schedules were prepared in accordance with the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission ("FERC"). The FERC-approved tariff establishes rates, terms and conditions under which the Respondent provides services to its customers. The Uniform System of Accounts is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). Financial accounting and reporting differences between FERC and GAAP for the Respondent are principally related to account classifications such as but not limited to: Costs incurred and revenues collected for future plant retirement costs are classified as a regulatory liability for GAAP and as accumulated provision for depreciation for FERC; and deferred tax assets and liabilities are presented as gross assets and liabilities for FERC purposes, but are netted for GAAP.

Use of Estimates in Preparation of Financial Statements

The preparation of the Financial Statements in conformity with FERC guidelines requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates include, but are not limited to, the effects of regulation; unbilled revenue; income taxes; valuation of certain financial assets and liabilities, including derivative contracts; long-lived asset recovery; asset retirement obligations ("AROs"); and accounting for contingencies. Actual results may differ from the estimates used in preparing the Financial Statements. The Respondent has evaluated subsequent events through April 18, 2018, which is the date the audited Financial Statements were available to be issued.

Accounting for the Effects of Certain Types of Regulation

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

The Respondent continually evaluates the applicability of the guidance for regulated operations and whether its regulatory assets and liabilities are probable of inclusion in future regulated rates by considering factors such as a change in the regulator's approach to setting regulated rates from cost-based ratemaking to another form of regulation, other regulatory actions or the impact of competition that could limit the Respondent's ability to recover its costs. The Respondent believes the application of the guidance for regulated operations is appropriate and its existing regulatory assets and liabilities are

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probable of inclusion in future regulated rates. The evaluation reflects the current political and regulatory climate at the federal level. If it becomes no longer probable that the deferred costs or income will be included in future regulated rates, the related regulatory assets and liabilities will be written-off to net income, returned to customers or re-established as accumulated other comprehensive income ("AOCI").

Fair Value Measurements

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

Cash Equivalents and Restricted Cash

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

Allowance for Doubtful Accounts

Accounts receivable are stated at the outstanding principal amount, net of an estimated allowance for doubtful accounts. The allowance for doubtful accounts is based on the Respondent's assessment of the collectability of amounts owed to the Respondent by its customers. This assessment requires judgment regarding the ability of customers to pay or the outcome of any pending disputes. As of December 31, 2017 and 2016, the allowance for doubtful accounts totaled \$0.3 million and \$0.4 million, respectively, and is included in customer accounts receivable and other accounts receivable on the Balance Sheets.

Transportation Imbalances

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

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Inventories

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

Derivatives

The Respondent employs a number of different derivative contracts, which may include forward gas purchase and gas sale contracts and gas price commodity and basis swaps to manage price risk for natural gas. Derivative contracts are recorded on the Balance Sheets as either assets or liabilities and are stated at estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. Derivative balances reflect offsetting permitted under master netting agreements with counterparties.

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

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

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

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

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Utility Plant, Net

General

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

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

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

AFUDC on borrowed funds totaled \$1.3 million and \$0.8 million for the years ended December 31, 2017 and 2016, respectively, and is included in interest expense, net on the Statements of Income. AFUDC on equity funds totaled \$5.6 million and \$3.3 million for the years ended December 31, 2017 and 2016, respectively, and is included in other, net on the Statements of Income.

System Gas

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

Asset Retirement Obligations

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

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

Impairment

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

Revenue Recognition

Revenue from customers is recognized as natural gas is delivered or services are provided. Revenue recognized includes billed and unbilled amounts. As of December 31, 2017 and 2016, unbilled revenue was \$8.1 million and \$7.7 million, respectively, and is included in customer accounts receivable, net on the Balance Sheets. The Respondent's transportation and storage revenue is primarily derived from fixed reservation charges based on contractual quantities and regulated rates. The remaining revenue, consisting primarily of commodity charges, is based on contractual rates and estimated usage based on scheduled quantities. Differences between scheduled quantities and actual measured quantities are reflected in revenue during the following month and historically have been immaterial.

The Respondent is subject to FERC regulations and, accordingly, certain revenue collected may be subject to possible refunds upon final FERC orders in pending regulated rate proceedings. The Respondent may record revenue that is subject to refund based on its best estimates of the final outcomes of such proceedings and other third party regulatory proceedings, advice of counsel and estimated total exposure, as well as collection and other risks. The Respondent had no earned revenue subject to refund for the years ended December 31, 2017 and 2016.

Income Taxes

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

Deferred income tax assets and liabilities are based on differences between the financial statement and income tax basis of assets and liabilities using estimated income tax rates expected to be in effect for the year in which the differences are expected to reverse. Changes in deferred income tax assets and liabilities that are associated with components of other comprehensive income ("OCI") are charged or credited directly to OCI. On December 22, 2017, the Tax Cuts and Jobs Act ("2017 Tax Reform") was signed into law which, among other items, reduces the federal corporate tax rate from 35% to 21%. Changes in deferred income tax assets and liabilities that are associated with property-related basis differences and other various differences that the Respondent deems probable of being reflected in future regulatory rates, are charged or credited directly to a regulatory asset or liability. Other changes in deferred income tax assets and liabilities are

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included as a component of income tax expense. Changes in deferred income tax assets and liabilities attributable to changes in enacted income tax rates are charged or credited to income tax expense or a regulatory asset or liability in the period of enactment. Valuation allowances are established when necessary to reduce certain deferred income tax assets to the amount that is more-likely-than-not to be realized.

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

New Accounting Pronouncements

In March 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-05, which amends FASB Accounting Standards Codification ("ASC") Topic 740, Income Taxes. This amendment adds various Securities and Exchange Commission ("SEC") paragraphs pursuant to the issuance of SEC Staff Accounting Bulletin ("SAB") No. 118 to assist in the implementation process of the 2017 Tax Reform by allowing calculations to be classified as provisional and subject to remeasurement. There are three different classifications for accounting: (1) completed, (2) not complete but reasonably estimable or (3) not complete and amounts are not reasonably estimable. This guidance is effective immediately for all companies. The Respondent has adopted this guidance.

In August 2017, the FASB issued ASU No. 2017-12, which amends FASB ASC Topic 815, "Derivatives and Hedging." The amendments in this guidance update the hedge accounting model to enable entities to better portray the economics of their risk management activities in the financial statements, expands an entity's ability to hedge non-financial and financial risk components and reduces complexity in fair value hedges of interest rate risk. In addition, it eliminates the requirement to separately measure and report hedge ineffectiveness and generally requires the entire change in fair value of a hedging instrument to be presented in the same income statement line as the hedged item and also eases certain documentation and assessment requirements. 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 by means of a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption, with early adoption permitted. The Respondent is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements.

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In March 2017, the FASB issued ASU No. 2017-07, which amends FASB 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 capitalization when applicable. 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 adopted this guidance effective January 1, 2018 and the adoption will not have a material 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. 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 adopted this guidance effective January 1, 2018 and the adoption will not have a material 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. 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 adopted this guidance effective January 1, 2018 and the adoption will not 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. In January 2018, the FASB issued ASU No. 2018-01 that provides for an optional transition practical expedient allowing companies to not have to evaluate existing land easements if they were not previously accounted for under ASC Topic 840, "Leases." 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.

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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 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. 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 and 2017, 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 adopted this guidance effective January 1, 2018 under the modified retrospective method and the adoption will not have an impact on its Financial Statements but will increase the disclosures included within Notes to Financial Statements. The timing and amount of revenue recognized after adoption of the new guidance will not be different than before 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.

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(3) Utility Plant

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

	Depreciation Rates	2017	2016
Transmission and other plant	1.5% to 10.0%	\$ 3,384,844	\$ 3,185,138
Storage plant ⁽¹⁾	1.25% to 2.34%	594,246	572,324
Intangible plant ⁽²⁾	4.4% to 20.0%	152,573	147,023
General plant and buildings	2.75% to 10.0%	92,720	91,177
Utility plant		4,224,383	3,995,662
Construction work-in-progress		72,370	58,820
Total utility plant		4,296,753	4,054,482
Accumulated depreciation and amortization		(1,360,160)	(1,320,393)
Net utility plant		2,936,593	2,734,089
System gas		73,379	77,265
Total utility plant, net		\$ 3,009,972	\$ 2,811,354

(1) Includes system-gas and market-based underground storage facilities. Recoverable system gas is not depreciated.

(2) Includes costs for capitalized software development, contributions in aid of construction, organization and leasehold improvements.

The Respondent had gross costs for capitalized software development of \$131.4 million and \$126.7 million and accumulated amortization of \$60.8 million and \$55.1 million as of December 31, 2017 and 2016, respectively, which is included in intangible plant and reflected in utility plant on the Balance Sheets. Capitalized software development costs are amortized at a rate of 4.4%.

The Respondent had gross costs for capitalized right of use or right of way of \$112.2 million and \$109.6 million and accumulated amortization of \$38.8 million and \$36.9 million as of December 31, 2017 and 2016, respectively, which is included in transmission and other plant and storage plant and reflected in utility plant on the Balance Sheets. Capitalized right of use or right of way costs are amortized at rates ranging from 1.25% to 10.0%.

For the years ended December 31, 2017 and 2016, depreciation expense of \$68.4 million and \$66.2 million, respectively, and amortization expense of \$8.5 million and \$8.2 million, respectively, were included in depreciation and amortization on the Statements of Income. The Respondent expects amortization expense to be \$8.3 million for 2018, \$8.3 million for 2019, \$8.0 million for 2020, \$7.6 million for 2021 and \$7.3 million for 2022.

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(4) Regulatory Matters

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

	Weighted Average Remaining Life	2017	2016
Deferred unamortized loss on derivative contract value	5 years	\$ 54,848	\$ 64,532
Smart pigging and hydrostatic testing costs	7 years	27,461	28,386
Deferred income taxes associated with equity AFUDC ⁽¹⁾	67 years	22,552	22,276
AROs	6 years	22,083	29,261
Employee benefit plan ⁽²⁾	12 years	7,063	6,439
Fuel trackers periodic rate adjustments	Various	6,730	—
Other	Various	1,385	1,723
Total regulatory assets		\$ 142,122	\$ 152,617

(1) Amortized at the same rate as onshore transmission plant.

(2) Represents amounts not yet recognized as a component of net periodic benefit cost that are expected to be included in regulated rates when recognized.

The Respondent had regulatory assets not earning a return on investment of \$67.3 million and \$118.4 million as of December 31, 2017 and 2016, respectively.

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

	2017	2016
Electric compression tracker:		
Balance, January 1	\$ (290)	\$ 46
Gas operating revenue	(159)	(633)
Operating expenses	315	297
Balance, December 31	(134)	(290)
Fuel and storage volumetric tracker:		
Balance, January 1	(9,795)	(2,439)
Gas used (1)	37,508	20,556
Gas retained (1)	(27,565)	(27,912)
Balance, December 31	148	(9,795)
Unaccounted for gas volumetric tracker:		
Balance, January 1	500	(6,040)
Unaccounted for activity (1)	4,899	1,648
Gas retained (1)	1,183	4,892
Balance, December 31	6,582	500
Total	\$ 6,596	\$ (9,585)

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

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

	Weighted Average Remaining Life	2017	2016
Excess deferred income taxes ⁽¹⁾	Various	\$ 418,909	\$ —
Employee benefit plan ⁽²⁾	12 years	30,231	24,911
Encroachment revaluation	1 year	3,632	483
Fuel trackers periodic rate adjustments	Various	136	9,585
Other	Various	5,317	1,705
Total regulatory liabilities		<u>\$ 458,225</u>	<u>\$ 36,684</u>

- (1) Amounts represent income tax liabilities related to the federal tax rate change from 35% to 21% on deferred income tax assets and liabilities. See Note 6 for further discussion of 2017 Tax Reform impacts.
- (2) Represents amounts not yet recognized as a component of net periodic benefit cost that are to be returned to customers in future periods when recognized.

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

	2017	2016
DDVC and penalty revenue tracker:		
Balance, January 1	\$ 816	\$ 925
Revenue collected (1)	1,600	678
Interest expense	36	19
Customer reimbursements	(695)	(806)
Balance, December 31	1,757	816
Carlton surcharge revenue tracker:		
Balance, January 1	889	903
Revenue collected (2)	2,663	2,593
Interest expense	25	24
Customer reimbursements	(2,544)	(2,631)
Balance, December 31	\$ 1,033	\$ 889

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

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(5) Long-Term Debt

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

	Par Value	2017	2016
Long-term debt:			
5.75% Senior Notes, due 2018	\$ 200,000	\$ 199,996	\$ 199,991
4.25% Senior Notes, due 2021	200,000	199,983	199,978
5.8% Senior Bonds, due 2037	150,000	149,914	149,911
4.1% Senior Bonds, due 2042	250,000	249,610	249,601
Total long-term debt	<u>\$ 800,000</u>	<u>\$ 799,503</u>	<u>\$ 799,481</u>

Reflected as:

Current liabilities	\$ 199,996	\$ —
Noncurrent liabilities	599,507	799,481
	<u>\$ 799,503</u>	<u>\$ 799,481</u>

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

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

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(6) Income Taxes

Tax Cuts and Jobs Act

The 2017 Tax Reform impacts many areas of income tax law. The most material item included the reduction of the federal corporate tax rate from 35% to 21% effective January 1, 2018 and limitations on bonus depreciation for utility property. As a result of the 2017 Tax Reform and the lower federal corporate tax rate, the Respondent reduced deferred income tax liabilities \$308.7 million. As it is probable the change in deferred taxes on property-related basis differences and other various differences will be reflected in future regulated rates, the Respondent established a regulatory liability of \$418.9 million, which includes an income tax gross-up. The reduction in deferred income taxes related to items that will not be included in future regulated rates yielded an increase in deferred income tax expense of \$2.7 million.

The Respondent has recorded the impacts of the 2017 Tax Reform in accordance with ASU 2018-05 and believes all the impacts to be complete with the exception of the interpretations of the bonus depreciation rules. The Respondent has determined the amounts recorded and the interpretations relating to bonus depreciation to be provisional and subject to remeasurement during the measurement period upon obtaining the necessary additional information to complete the accounting. The Respondent believes its interpretations for bonus depreciation to be reasonable, however, as the guidance is clarified estimates may change. The accounting is estimated to be completed by December 2018.

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

	2017	2016
Current:		
Federal	\$ 27,584	\$ 5,854
State	6,984	7,640
	<u>34,568</u>	<u>13,494</u>
Deferred:		
Federal	69,691	80,043
State	14,571	12,998
	<u>84,262</u>	<u>93,041</u>
Total	<u>\$ 118,830</u>	<u>\$ 106,535</u>

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

	2017	2016
Federal statutory income tax rate	35.0 %	35.0 %
State income tax, net of federal income tax benefit	5.1	5.1
Effects of tax rate change	0.9	—
Effective income tax rate	41.0 %	40.1 %

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

	2017	2016
Deferred income tax assets:		
Regulatory liabilities	\$ 121,743	\$ 10,553
Utility plant, net	19,209	17,281
AROs	8,700	12,971
State carryforwards	6,729	6,101
Net unrealized losses on derivative contracts	3,286	25,616
Acquired goodwill	—	2,262
Other	16,964	21,856
Total deferred income tax assets	176,631	96,640
Valuation allowance	(2,028)	(667)
Total deferred income tax assets, net	174,603	95,973
Deferred income tax liabilities:		
Utility plant, net	(625,662)	(857,431)
Regulatory assets	(34,173)	(60,472)
Employee benefits	(8,126)	(9,888)
Other	(1,715)	(940)
Total deferred income tax liabilities	(669,676)	(928,731)
Net deferred income tax liability	\$ (495,073)	\$ (832,758)

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The Respondent did not have federal net operating loss or credit carryforwards as of December 31, 2017. The following table provides the Respondent's state net operating loss and credit carryforwards and expiration dates as of December 31, 2017 (in thousands):

Net operating loss carryforwards	\$	100,636
Deferred income taxes on net operating loss carryforwards	\$	6,720
Expiration dates		2018-2035
Other tax credits	\$	9
Expiration dates		2018-2027

Acquired goodwill resulted from the income tax treatment by the Respondent's predecessor owners of their January 2002 acquisition of the Respondent. Acquired goodwill was amortized for tax purposes through January 2017 and was fully amortized as of December 31, 2017.

The valuation allowance primarily relates to Iowa state credit carryforwards that are not expected to be realized.

The United States Internal Revenue Service has effectively settled examination of BHE's income tax returns through December 31, 2009, including components related to the Respondent. State tax agencies have closed their examinations of, or the statute of limitations has expired for, BHE's income tax returns through December 31, 2007 for Kansas and Minnesota, through December 31, 2008 for Illinois, through December 31, 2009 for Nebraska and through December 31, 2013 for Iowa. The closure of examinations, or the expiration of the statute of limitations, for state filings may not preclude the state from adjusting the state net operating loss carryforward utilized in a year for which the examination is not closed.

(7) 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. Employees hired on or after January 1, 2008 for the pension plan or after June 30, 2004 for the other postretirement plan are not eligible to participate. Benefit obligations under the pension plan are based on a cash balance arrangement for salaried employees. Under the other postretirement plan, certain employees may become eligible for these benefits if they reach retirement age while working for the Respondent. Effective January 1, 2012, MEC changed the medical benefits for all Medicare-eligible participants in its other postretirement benefit plan. Medicare-eligible participants now enroll in individual medical plans, rather than company-sponsored plans, under which MEC contributes fixed amounts to the participant's health reimbursement account. Benefit obligations under the pension plan and other postretirement plans are determined for the Respondent's employees by an independent actuary.

Net Periodic Benefit Cost

For purposes of calculating the expected return on pension plan assets, a market-related value is used. The market-related value of plan assets is calculated by spreading the difference between expected and actual investment

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returns on equity investments over a five-year period beginning after the first year in which they occur.

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

	Pension		Other Postretirement	
	2017	2016	2017	2016
Service cost	\$ 9	\$ 10	\$ 5	\$ 5
Interest cost	31	34	9	10
Expected return on plan assets	(44)	(44)	(14)	(13)
Net amortization	2	2	(4)	(4)
Net periodic benefit cost (credit)	\$ (2)	\$ 2	\$ (4)	\$ (2)

The Respondent's share of pension cost totaled \$0.8 million and \$0.9 million for the years ended December 31, 2017 and 2016, respectively. The Respondent's share of other postretirement cost totaled \$(2.0) million for each of the years ended December 31, 2017 and 2016.

Funded Status

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

	Pension		Other Postretirement	
	2017	2016	2017	2016
Plan assets at fair value, beginning of year	\$ 684	\$ 678	\$ 252	\$ 249
Employer contributions	7	7	1	1
Participant contributions	—	—	1	1
Actual return on plan assets	114	57	36	14
Benefits paid	(60)	(58)	(13)	(13)
Plan assets at fair value, end of year	\$ 745	\$ 684	\$ 277	\$ 252

The Respondent's contributions to the pension plan and the other postretirement plan totaled \$0.8 million and \$0.9 million for the years ended December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, the fair value of plan assets attributable to the Respondent in the pension plan was \$27.2 million and \$26.4 million, respectively, and the other postretirement plan was \$48.2 million and \$43.9 million, respectively. Amounts attributable to the Respondent were allocated from MEC to the Respondent in accordance with the intercompany administrative service agreement.

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

	Pension		Other Postretirement	
	2017	2016	2017	2016
Benefit obligation, beginning of year	\$ 773	\$ 785	\$ 233	\$ 234
Service cost	9	10	5	5
Interest cost	31	34	9	10
Participant contributions	—	—	1	1
Actuarial loss (gain)	46	2	11	(4)
Benefits paid	(60)	(58)	(13)	(13)
Benefit obligation, end of year	\$ 799	\$ 773	\$ 246	\$ 233
Accumulated benefit obligation, end of year	\$ 790	\$ 764		

MEC paid benefits from the plans to the Respondent's participants totaling \$6.3 million and \$6.2 million for the years ended December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, the benefit obligation attributable to the Respondent for the pension plan was \$34.2 million and \$32.8 million, respectively, and for the other postretirement plan was \$18.0 million and \$19.0 million, respectively.

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

	Pension		Other Postretirement	
	2017	2016	2017	2016
Plan assets at fair value, end of year	\$ 745	\$ 684	\$ 277	\$ 252
Less - benefit obligation, end of year	799	773	246	233
Funded status	\$ (54)	\$ (89)	\$ 31	\$ 19

As of December 31, 2017, the Respondent recorded in other long-term liabilities its portion of the underfunded status of the pension plan and in other assets its portion of the over funded status of the other postretirement plan of \$7.1 million and \$30.2 million, respectively. As of December 31, 2016, the Respondent recorded in other long-term liabilities its portion of the underfunded 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.

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Unrecognized Amounts

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

	Pension		Other Postretirement	
	2017	2016	2017	2016
Net loss	\$ (11)	\$ 15	\$ 23	\$ 36
Prior service cost (credit)	1	1	(25)	(31)
Total	\$ (10)	\$ 16	\$ (2)	\$ 5

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A reconciliation of the amounts not yet recognized as components of net periodic benefit cost for MEC and its participating affiliates for the years ended December 31, 2017 and 2016 is as follows (in millions):

	Regulatory Asset	Regulatory Liability	Receivables (Payables) with Affiliates	Total
<u>Pension</u>				
Balance, December 31, 2015	\$ 22	\$ —	\$ 6	\$ 28
Net loss (gain) arising during the year	1	(11)	—	(10)
Net amortization	(1)	(1)	—	(2)
Total	—	(12)	—	(12)
Balance, December 31, 2016	22	(12)	6	16
Net gain arising during the year	4	(29)	1	(24)
Net amortization	(2)	—	—	(2)
Total	2	(29)	1	(26)
Balance, December 31, 2017	\$ 24	\$ (41)	\$ 7	\$ (10)

	Regulatory Asset	Regulatory Liability	Receivables (Payables) with Affiliates	Total
<u>Other Postretirement</u>				
Balance, December 31, 2015	\$ 17	\$ —	\$ (11)	\$ 6
Net gain arising during the year	(2)	—	(3)	(5)
Net amortization	3	—	1	4
Total	1	—	(2)	(1)
Balance, December 31, 2016	18	—	(13)	5
Net gain arising during the year	(7)	—	(4)	(11)
Net amortization	3	—	1	4
Total	(4)	—	(3)	(7)
Balance, December 31, 2017	\$ 14	\$ —	\$ (16)	\$ (2)

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The net loss and prior service cost (credit) for MEC and its participating affiliates that will be amortized in 2018 into net periodic benefit cost are estimated to be as follows (in millions):

	Net Loss	Prior Service Cost (Credit)	Total
Pension	\$ 1	\$ 1	\$ 2
Other postretirement	1	(5)	(4)
Total	\$ 2	\$ (4)	\$ (2)

The net loss and prior service cost amounts expected to be recognized by the Respondent for the year ended December 31, 2018 for the pension plan and the other postretirement plan are an insignificant loss and a credit of \$0.7 million, respectively.

Plan Assumptions

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

	Pension		Other Postretirement	
	2017	2016	2017	2016
Benefit obligations as of December 31:				
Discount rate	3.60%	4.10%	3.50%	3.90%
Rate of compensation increase	2.75%	2.75%	N/A	N/A
Net periodic benefit cost for the years ended December 31:				
Discount rate	4.10%	4.50%	3.90%	4.25%
Expected return on plans assets (1)	6.75%	7.00%	6.50%	6.75%
Rate of compensation increase	2.75%	2.75%	N/A	N/A

- (1) Amounts reflected are pre-tax values. Assumed after-tax returns for a taxable, non-union other postretirement plan were 4.81% for 2017 and 5.00% for 2016.

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

	2017	2016
Assumed healthcare cost trend rates as of December 31:		
Healthcare cost trend rate assumed for next year	7.10%	7.40%
Rate that the cost trend rate gradually declines to	5.00%	5.00%
Year that the rate reaches the rate it is assumed to remain at	2025	2025

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

	One Percentage-Point	
	Increase	Decrease
Increase (decrease) in:		
Total service and interest cost for the year ended December 31, 2017	\$ —	\$ —
Other postretirement benefit obligation as of December 31, 2017	3	(3)

Contributions and Benefit Payments

MEC's contributions to its pension and other postretirement benefit plans are expected to be \$8 million and \$1 million, respectively, during 2018. Funding to MEC's pension benefit plan trust is based upon the actuarially determined costs of the plan and the requirements of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006, as amended. MEC considers contributing additional amounts from time to time in order to achieve certain funding levels specified under the Pension Protection Act of 2006, as amended. MEC's funding policy for its other postretirement benefit plan is to generally contribute amounts consistent with its rate regulatory arrangements.

The Respondent's contributions to the pension plan and the other postretirement plan are expected to be \$0.8 million and \$- million, respectively, during 2018.

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Net periodic benefit costs assigned to MEC affiliates are reimbursed currently in accordance with the intercompany administrative services agreement. The expected benefit payments to participants in MEC's pension and other postretirement benefit plans for 2018 through 2021 and for the five years thereafter are summarized below (in millions):

	Projected Benefit Payments	
	Pension	Other Postretirement
2018	\$ 60	\$ 19
2019	61	20
2020	60	21
2021	59	22
2022	57	21
2023-2027	256	98

Plan Assets

Investment Policy and Asset Allocations

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

The target allocations (percentage of plan assets) for MEC's pension and other postretirement benefit plan assets are as follows as of December 31, 2017:

	Pension	Other Postretirement
Debt securities ⁽¹⁾	20-50%	25-45%
Equity securities ⁽¹⁾	60-80%	45-80%
Real estate funds	2-8%	—
Other	0-3%	0-5%

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

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Fair Value Measurements

A financial asset or liability classification within the three levels of the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that an entity has the ability to access at the measurement date.
- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 - Unobservable inputs reflect an entity's judgment about the assumptions market participants would use in pricing the asset or liability since limited market data exists. An entity develops these inputs based on the best information available, including its own data.

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

	Input Levels for the Fair Value Measurements				
	Level 1	Level 2	Level 3	Total	
As of December 31, 2017					
Cash equivalents	\$ —	\$ 17	\$ —	\$ 17	
Debt securities:					
United States government obligations	21	—	—	21	
Corporate obligations	—	59	—	59	
Municipal obligations	—	7	—	7	
Agency, asset and mortgage-backed obligations	—	33	—	33	
Equity securities:					
United States companies	137	—	—	137	
International equity securities	44	—	—	44	
Investment funds (1)	74	—	—	74	
Total assets in the hierarchy	\$ 276	\$ 116	\$ —	392	
Investment funds measured at net asset value				353	
Total				\$ 745	
As of December 31, 2016					
Cash equivalents	\$ —	\$ 17	\$ —	\$ 17	
Debt securities:					
United States government obligations	9	—	—	9	
Corporate obligations	—	53	—	53	
Municipal obligations	—	6	—	6	
Agency, asset and mortgage-backed obligations	—	22	—	22	
Equity securities:					
United States companies	130	—	—	130	
International equity securities	39	—	—	39	
Investment funds (1)	63	—	—	63	
Total assets in the hierarchy	\$ 241	\$ 98	\$ —	339	
Investment funds measured at net asset value				345	
Total				\$ 684	

- (1) Investment funds are comprised of mutual funds and collective trust funds. These funds consist of equity and debt securities of approximately 69% and 31%, respectively, for 2017 and 74% and 26%, respectively, for 2016. Additionally, these funds are invested in United States and international securities of approximately 72% and 28%, respectively, for 2017 and 71% and 29%, respectively, for 2016.

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

	Input Levels for the Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
<u>As of December 31, 2017</u>				
Cash equivalents	\$ 6	\$ —	\$ —	\$ 6
Debt securities:				
United States government obligations	5	—	—	5
Corporate obligations	—	14	—	14
Municipal obligations	—	44	—	44
Agency, asset and mortgage-backed obligations	—	12	—	12
Equity securities:				
United States companies	84	—	—	84
Investment funds (1)	112	—	—	112
Total	<u>\$ 207</u>	<u>\$ 70</u>	<u>\$ —</u>	<u>\$ 277</u>
<u>As of December 31, 2016</u>				
Cash equivalents	\$ 10	\$ —	\$ —	\$ 10
Debt securities:				
United States government obligations	5	—	—	5
Corporate obligations	—	11	—	11
Municipal obligations	—	37	—	37
Agency, asset and mortgage-backed obligations	—	11	—	11
Equity securities:				
United States companies	122	—	—	122
Investment funds (1)	56	—	—	56
Total	<u>\$ 193</u>	<u>\$ 59</u>	<u>\$ —</u>	<u>\$ 252</u>

(1) Investment funds are comprised of mutual funds and collective trust funds. These funds consist of equity and debt securities of approximately 81% and 19%, respectively, for 2017 and 70% and 30%, respectively, for 2016. Additionally, these funds are invested in United States and international securities of approximately 42% and 58%, respectively, for 2017 and 30% and 70%, respectively, for 2016.

When available, a readily observable quoted market price or net asset value of an identical security in an active market is used to record the fair value. In the absence of a quoted market price or net asset value of an identical security, the fair value is determined using pricing models or net asset values based on observable market inputs and quoted market prices of securities with similar characteristics. When observable market data is not available, the fair value is determined using unobservable inputs, such as estimated future cash flows, purchase multiples paid in other comparable third-party transactions or other information.

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The Respondent participates in the MEC sponsored defined contribution plan and contributed \$5.1 million and \$4.8 million for the years ended December 31, 2017 and 2016, respectively.

(8) Asset Retirement Obligations

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

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

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

	2017	2016
Beginning balance	\$ 32,676	\$ 30,994
Change in estimated costs	(1,365)	556
Accretion	1,056	1,126
Ending balance	\$ 32,367	\$ 32,676

The Respondent's ARO liability relates to the abandonment of pipeline assets located in offshore waters. The change in estimated costs did not impact earnings in 2017 or 2016.

(9) 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 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

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purchase compressor fuel and system use gas from the Respondent. These contracts, which will terminate in October 2018, have an estimated remaining purchase obligation of 0.5 Bcf. The Respondent has entered into swap agreements to hedge against the related price exposure.

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

There have been no significant changes in the Respondent's accounting policies related to derivatives. Refer to Notes 2 and 10 for additional information on derivative contracts.

The following table, which reflects master netting arrangements and excludes contracts that have been designated as normal under the normal purchases or normal sales exception afforded by GAAP, summarizes the fair value of the Respondent's derivative contracts not designated as hedging contracts, on a gross basis, and reconciles those amounts to the amounts presented on a net basis on the Balance Sheets (in thousands):

	Derivative Liabilities		
	Current	Noncurrent	Total
As of December 31, 2017			
Commodity assets ⁽¹⁾	\$ 982	\$ —	\$ 982
Commodity liabilities ⁽¹⁾	(13,206)	—	(13,206)
Total derivatives - net basis⁽²⁾	\$ (12,224)	\$ —	\$ (12,224)
As of December 31, 2016			
Commodity assets ⁽¹⁾	\$ 502	\$ 59	\$ 561
Commodity liabilities ⁽¹⁾	(14,527)	(50,566)	(65,093)
Total derivatives - net basis⁽²⁾	\$ (14,025)	\$ (50,507)	\$ (64,532)

- (1) The Respondent's commodity derivatives not designated as hedging contracts are generally included in regulated rates, and as of December 31, 2017 and 2016, a regulatory asset of \$12.2 million and \$64.5 million, respectively, was recorded related to the net derivative liability of \$12.2 million and \$64.5 million, respectively.
- (2) The net notional amounts of outstanding commodity derivative contracts with fixed price terms that comprise the mark-to-market values included above is 0.4 million and 9 million dth of natural gas purchases, net, as of December 31, 2017 and 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 years ended December 31 (in thousands):

	2017	2016
Beginning balance	\$ 64,532	\$ 74,963
Changes in fair value recognized in regulatory assets	1,365	2,349
Net gains (losses) reclassified to gas operating revenues	191	(152)
Termination of remaining contract value	(42,624)	—
Net losses reclassified to operating expenses	(11,240)	(12,628)
Ending balance	\$ 12,224	\$ 64,532

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 December 31, 2017, the Respondent's credit ratings from the three recognized credit rating agencies were investment grade.

The aggregate fair value of the Respondent's derivative contracts in liability positions with specific credit-risk-related contingent features totaled \$13.2 million and \$64.5 million as of December 31, 2017 and 2016, respectively. As a result of customer contract renewal, the Company issued cash payments of \$42.6 million during 2017 to terminate derivative contracts that were purchased to hedge price exposure on anticipated fuel purchases. If all credit-risk-related contingent features for derivative contracts in liability positions had been triggered as of December 31, 2017 and 2016, the

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Respondent would have been required to post \$12.2 million and \$64.5 million, respectively, of collateral. The Respondent's collateral requirements could fluctuate considerably due to market price volatility, changes in credit ratings, changes in legislation or regulation, or other factors.

(10) 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
As of December 31, 2017					
Assets:					
Commodity derivatives	\$ —	\$ 982	\$ —	\$ (982)	\$ —
Money market mutual funds ⁽²⁾	30,876	—	—	—	30,876
Investment funds	8,298	—	—	—	8,298
	<u>\$ 39,174</u>	<u>\$ 982</u>	<u>\$ —</u>	<u>\$ (982)</u>	<u>\$ 39,174</u>
Liabilities - commodity derivatives	<u>\$ —</u>	<u>\$ (13,206)</u>	<u>\$ —</u>	<u>\$ 982</u>	<u>\$ (12,224)</u>
As of December 31, 2016					
Assets:					
Commodity derivatives	\$ —	\$ 561	\$ —	\$ (561)	\$ —
Money market mutual funds ⁽²⁾	67,046	—	—	—	67,046
Investment funds	4,433	—	—	—	\$ 4,433
	<u>\$ 71,479</u>	<u>\$ 561</u>	<u>\$ —</u>	<u>\$ (561)</u>	<u>\$ 71,479</u>
Liabilities - commodity derivatives	<u>\$ —</u>	<u>\$ (65,093)</u>	<u>\$ —</u>	<u>\$ 561</u>	<u>\$ (64,532)</u>

(1) Represents netting under master netting arrangements.

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

Derivative contracts are recorded on the Balance Sheets as either assets or liabilities and are stated at estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. When available, the fair value of derivative contracts is estimated using unadjusted quoted prices for identical contracts in the market in which the Respondent transacts. When quoted prices for identical contracts are not available, the Respondent uses forward price curves. Forward price curves represent the Respondent's estimates of the prices at which a buyer or seller could contract today for delivery or settlement at future dates. The Respondent bases its forward price curves upon market price quotations, when available, or internally developed and commercial models, with internal and external fundamental data inputs. Market price quotations are obtained from independent energy brokers, exchanges, direct communication with market participants and actual transactions executed by the Respondent. Market price quotations for certain major natural gas and crude oil trading hubs are generally readily obtainable for the applicable term of the Respondent's outstanding derivative contracts; therefore, the Respondent's forward price curves for those locations and periods reflect observable market quotes. The estimated fair value of these derivative contracts is a function of underlying forward commodity prices, related volatility, counterparty creditworthiness and duration of contracts. Refer to

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Note 9 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.

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

	2017		2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 799,503	\$ 850,493	\$ 799,781	\$ 817,625

(11) Credit Risk

The Respondent has a concentration of customers in the electric and gas utility industries, principally in the upper Midwestern states. This concentration of customers may impact the Respondent's overall exposure to credit risk in that the customer base may be similarly affected by changes in economic, industry, weather or other conditions. The Respondent's ten largest customers accounted for 65% of its system-wide transportation and storage revenue in 2017.

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

	Revenue		Accounts Receivable	
	2017	2016	2017	2016
Xcel Energy, Inc.(1)	13 %	14 %	11 %	13 %
CenterPoint Energy Resources Corporation(2)	11	11	13	15
MEC	10	11	9	9

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

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

For shippers that have withdrawn gas prior to injection under the Respondent's deferred delivery services, the Respondent is exposed to credit risk with respect to those counterparties based upon the value of the gas withdrawn. The balances in miscellaneous current and accrued assets were \$14.1 million and \$12.0 million as of December 31, 2017 and 2016,

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respectively. Included in these amounts were balances owed of \$9.2 million and \$9.6 million as of December 31, 2017 and 2016, respectively, which were related to the Respondent's deferred delivery services.

As a general policy, collateral is not required for receivables from creditworthy customers. Customers' financial condition and creditworthiness are regularly evaluated, and historical losses have been minimal. In order to provide protection against credit risk, and as permitted by the terms of the Respondent's tariff, the Respondent has, among other alternatives, required customers that lack creditworthiness as defined by the tariff to provide letters of credit, cash security deposits or to establish separate legally restricted escrow funds to be held until these customers' creditworthiness can be demonstrated. As of December 31, 2017 and 2016, the Respondent has reflected on the Balance Sheets escrow funds of \$2.9 million and \$3.0 million, respectively, in special deposits and \$5.8 million and \$8.8 million, respectively, in other special funds with offsetting amounts in customer deposits.

(12) 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. 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. In August 2017, the requests for rehearing were not granted and the case was 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

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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 related to production of storage gas before the date of the certificate expansion order have been dismissed. In May 2016, the court issued an order lifting the stay that had been in place since August 2011. The trial set for June 2018 has been indefinitely postponed because of the retirement of the presiding judge.

- 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 appealed the decision to the Kansas Court of Appeals and the case was transferred to the Kansas Supreme Court in October 2017. 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.

Purchase Obligations

The Respondent expects to incur significant future capital expenditures to meet increased customer growth and system reliability objectives. As of December 31, 2017, the Respondent had firm construction commitments of \$43.3 million, primarily related to branch line and compressor replacements. Capital expenditure needs are reviewed regularly by management and may change significantly as a result of such reviews. Estimates may change significantly at any time as a result of, among other factors, changes in rules and regulations, including environmental; changes in income tax laws; general business conditions; load projections; system reliability standards; the cost and efficiency of construction labor, equipment, and materials; and the cost and availability of capital. Additionally, the Respondent has commitments to two of its largest customers to meet minimum levels of incremental capacity requests through 2027 and 2034.

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Operating Leases, Easements and Maintenance Contracts

The Respondent has non-cancelable operating leases primarily for office space and rights-of-way. The minimum payments under these leases as of December 31, 2017 were \$1.3 million, \$1.2 million, \$1.1 million, \$1.0 million and \$1.0 million for the years 2018 through 2022, respectively, and \$4.9 million for the total of the years thereafter. These amounts are not reflected on the Balance Sheets. Rent expense on non-cancelable operating leases totaled \$4.0 million for each of the years ended December 31, 2017 and 2016, and was included in operating expense on the Statements of Income.

(13) Other Related Party Transactions

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

The Respondent provided gas transportation, storage and other services to MEC totaling \$64.8 million and \$64.5 million for the years ended December 31, 2017 and 2016, respectively. MEC provides certain administrative and management services, including executive, financial, legal, human resources, payroll and tax, to the Respondent. Expenses incurred by MEC and billed to the Respondent are based on the individual services and expense items provided and were \$7.0 million and \$5.8 million for the years ended December 31, 2017 and 2016, respectively. MEC also provided electricity and other services to the Respondent of \$0.6 million for each of the years ended December 31, 2017 and 2016. The Respondent reimbursed MEC \$67.6 million and \$64.1 million for the years ended December 31, 2017 and 2016, respectively, for payroll, healthcare benefits and other benefit payments that MEC processed on behalf of the Respondent.

BHE provides certain administrative and management services, including executive, financial, legal and tax, to the Respondent. Expenses incurred by BHE and billed to the Respondent are based on the individual services and expense items provided and were \$3.3 million and \$2.7 million for the years ended December 31, 2017 and 2016, respectively. Income tax transactions with BHE resulted in net payments of \$47.5 million and net receipts of \$32.7 million for the years ended December 31, 2017 and 2016, respectively.

As of December 31, 2017 and 2016, the Respondent had net accounts payable to BHE and certain subsidiaries for intercompany transactions totaling \$1.4 million and \$1.3 million, respectively. The Respondent also had accounts receivable from affiliates of \$19.2 million and \$8.7 million as of December 31, 2017 and 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 \$2.2 million and \$1.8 million for the years ended December 31, 2017 and 2016, respectively, for these services.

The Respondent possesses demand promissory notes from BHE. The balance of the demand promissory notes as of December 31, 2017 and 2016 was \$175.0 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 \$4.0 million and \$1.4 million was recorded for the years ended December 31, 2017 and 2016, respectively.

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(14) Subsequent Events

In January 2018, the Respondent distributed dividends on common stock of \$30.0 million. In February 2018, BHE issued a promissory note to the Respondent for \$30.0 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)	3,900,067,823
4	Property Under Capital Leases	
5	Plant Purchased or Sold	11,668
6	Completed Construction not Classified	320,673,581
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	4,220,753,072
9	Leased to Others	
10	Held for Future Use	103,181
11	Construction Work in Progress	72,370,196
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	4,293,226,449
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,356,633,146
15	Net Utility Plant (Total of lines 13 and 14)	2,936,593,303
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,239,031,897
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	8,366,756
21	Amortization of Other Utility Plant	109,131,312
22	TOTAL In Service (Total of lines 18 thru 21)	1,356,529,965
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)	1,356,633,146

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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		3,900,067,823		
4				
5		11,668		
6		320,673,581		
7				
8		4,220,753,072		
9				
10		103,181		
11		72,370,196		
12				
13		4,293,226,449		
14		1,356,633,146		
15		2,936,593,303		
16				
17				
18		1,239,031,897		
19				
20		8,366,756		
21		109,131,312		
22		1,356,529,965		
23				
24				
25				
26				
27				
28		103,181		
29				
30		103,181		
31				
32				
33		1,356,633,146		

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

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	4,841,691	
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	142,181,151	5,567,919
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	147,022,842	5,567,919
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines	1,528,820	
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment	16,922	
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and	5,141,015	
27	TOTAL Production and Gathering Plant (Enter Total of lines 8	6,686,757	
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

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

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

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

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

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

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				4,841,691
3				
4	18,152			147,730,918
5	18,152			152,572,609
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				1,528,820
20				
21				16,922
22				
23				
24				
25				
26		(555,223)		4,585,792
27		(555,223)		6,131,534
28				
29				
30				
31				
32				
33				

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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
34	345 Compressor Equipment			
35	346 Gas Measuring and Regulating Equipment			
36	347 Other Equipment			
37	348 Asset Retirement Costs for Products Extraction Plant			
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)			
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and	6,686,757		
40	Manufactured Gas Production Plant (Submit Supplementary			
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	6,686,757		
42	NATURAL GAS STORAGE AND PROCESSING PLANT			
43	Underground Storage Plant			
44	350.1 Land	2,010,941		
45	350.2 Rights-of-Way	2,362,236		
46	351 Structures and Improvements	28,389,426	332,687	
47	352 Wells	120,958,541	3,668,614	
48	352.1 Storage Leaseholds and Rights	20,473,558		
49	352.2 Reservoirs	18,577,421		
50	352.3 Non-recoverable Natural Gas	25,907,473		
51	353 Lines	78,052,648	2,456,133	
52	354 Compressor Station Equipment	85,099,759	8,664,117	
53	355 Other Equipment	15,436,574	25,947	
54	356 Purification Equipment	58,846,282	6,331	
55	357 Other Equipment	4,040,705	7,993	
56	358 Asset Retirement Costs for Underground Storage Plant			
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	460,155,564	15,161,822	
58	Other Storage Plant			
59	360 Land and Land Rights	639,698		
60	361 Structures and Improvements	9,574,322	143,416	
61	362 Gas Holders	20,121,837		
62	363 Purification Equipment	9,817,611	183,004	
63	363.1 Liquefaction Equipment	7,578,977	3,238,312	
64	363.2 Vaporizing Equipment	13,853,429	72,094	
65	363.3 Compressor Equipment	38,506,564	705,493	
66	363.4 Measuring and Regulating Equipment	2,570,064		
67	363.5 Other Equipment		4,397,230	
68	363.6 Asset Retirement Costs for Other Storage Plant			
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)	102,662,502	8,739,549	
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant			
71	364.1 Land and Land Rights			
72	364.2 Structures and Improvements			
73	364.3 LNG Processing Terminal Equipment	5,769,558		
74	364.4 LNG Transportation Equipment	1,619,443		
75	364.5 Measuring and Regulating Equipment	67,378		
76	364.6 Compressor Station Equipment			
77	364.7 Communications Equipment			
78	364.8 Other Equipment			
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas			
80	TOTAL Base Load Liquefied Nat'l Gas, Terminaling and	7,456,379		

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/Q4</u>
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39		(555,223)		6,131,534
40				
41		(555,223)		6,131,534
42				
43				
44				2,010,941
45				2,362,236
46	50,833		549,669	29,220,949
47	(17,219)		(1,832,488)	122,811,886
48				20,473,558
49			(2,056)	18,575,365
50				25,907,473
51	694		(557,266)	79,950,821
52	1,122,490		675,057	93,316,443
53	(102,894)		1,401,853	16,967,268
54	(63,004)	(118,520)	(63,206)	58,733,891
55			14,367	4,063,065
56				
57	990,900	(118,520)	185,930	474,393,896
58				
59				639,698
60	6,721		171,497	9,882,514
61				20,121,837
62	9,000		1,722,984	11,714,599
63			60,447	10,877,736
64			(486,462)	13,439,061
65	40,089		(1,500,913)	37,671,055
66			79,019	2,649,083
67				4,397,230
68				
69	55,810		46,572	111,392,813
70				
71				
72				
73				5,769,558
74				1,619,443
75				67,378
76				
77				
78				
79				
80				7,456,379

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/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,	570,274,445	23,901,371
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights	2,755,814	11,669
84	365.2 Rights-of-Way	86,716,224	2,628,090
85	366 Structures and Improvements	104,819,166	4,364,983
86	367 Mains	1,935,734,655	107,736,064
87	368 Compressor Station Equipment	728,888,998	79,563,399
88	369 Measuring and Regulating Station Equipment	288,610,142	21,985,544
89	370 Communication Equipment	272,806	146,765
90	371 Other Equipment	2,230,934	
91	372 Asset Retirement Costs for Transmission Plant	18,091,324	
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)	3,168,120,063	216,436,514
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights		
95	375 Structures and Improvements		
96	376 Mains		
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General		
99	379 Measuring and Regulating Station Equipment-City Gate		
100	380 Services		
101	381 Meters		
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment		
106	386 Other Property on Customers' Premises		
107	387 Other Equipment		
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)		
110	GENERAL PLANT		
111	389 Land and Land Rights	1,948,874	
112	390 Structures and Improvements	21,208,780	16,842
113	391 Office Furniture and Equipment	14,652,797	2,225,132
114	392 Transportation Equipment	17,969,540	2,178,726
115	393 Stores Equipment		
116	394 Tools, Shop, and Garage Equipment	23,457,491	1,547,081
117	395 Laboratory Equipment	702,195	1,224
118	396 Power Operated Equipment	7,724,436	1,141,865
119	397 Communication Equipment	3,221,536	86,731
120	398 Miscellaneous Equipment	45,084	
121	Subtotal (Enter Total of lines 111 thru 120)	90,930,733	7,197,601
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	90,930,733	7,197,601
125	TOTAL (Accounts 101 and 106)	3,983,034,840	253,103,405
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant in Service (Enter Total of lines 125 thru 128)	3,983,034,840	253,103,405

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/Q4
Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)					
Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	
81	1,046,710	(118,520)	232,502	593,243,088	
82					
83			9,000	2,776,483	
84	(7,779)		30,933	89,383,026	
85	441,969		6,125,673	114,867,853	
86	983,809		(188,528)	2,042,298,382	
87	7,635,015		(1,552,405)	799,264,977	
88	2,256,922		(4,552,230)	303,786,534	
89	26,314		(240,788)	152,469	
90	43,417			2,187,517	
91		3,279,376		21,370,700	
92	11,379,667	3,279,376	(368,345)	3,376,087,941	
93					
94					
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96					
97					
98					
99					
100					
101					
102					
103					
104					
105					
106					
107					
108					
109					
110					
111				1,948,874	
112	93,749		(11,458)	21,120,415	
113	988,189		(35,895)	15,853,845	
114	1,366,823			18,781,443	
115					
116	2,088,104		192,837	23,109,305	
117				703,419	
118	696,437			8,169,864	
119	312,975		(9,641)	2,985,651	
120				45,084	
121	5,546,277		135,843	92,717,900	
122					
123					
124	5,546,277		135,843	92,717,900	
125	17,990,806	2,605,633		4,220,753,072	
126					
127					
128					
129	17,990,806	2,605,633		4,220,753,072	

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Gas Property and Capacity Leased to Others

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

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

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/Q4
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Gas Plant Held for Future Use (Account 105)

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

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Respondent has property held for future use			103,181
2	less than 1,000,000			
3				
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45	Total			103,181

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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Construction Work in Progress-Gas (Account 107)

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

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Cedar Station Upgrade	11,156,216	32,048,423
2	Lake Mills Compressor Station	5,720,262	24,948,727
3	Permian IV Expansion Bakersfield	14,054,885	12,677,428
4	Rochester Branch Line	332,022	25,007,481
5	UMERC Expansion	1,202,049	19,653,640
6	TMS Nominations Seg 2	5,996,191	9,985,025
7	Wrenshall 4160 Power Distribution	4,271,990	4,201,260
8	M640D-30"-X-I-Mods17 Bushton-Tescott	2,002,295	3,632,557
9	A-Line Tie Over Lincoln to Missouri River	681,977	819,581
10	M580B Glenwood to Oakland In-Line Insp MODS	169,182	6,754,842
11	M660C-26"-X-I-Mods18 Macksville-Bushton	17,814	6,390,419
12	M630B-24"-X-I-Mods18 Tescott-Clifton	27,847	6,096,299
13	M630C-26"-X-I-Mods18 Tescott-Clifton	10,309	5,657,752
14	M580B-26"-I-X-Mods17 Palmyra-Oakland	1,104,223	4,377,500
15	M630D-30"-X-I-Mods18 Tescott-Clifton	8,337	5,393,200
16	M590B-24"-X-I-Mods18 Beatrice-Palmyra	22,826	4,455,530
17	Palmyra Units 21 through 25 Aftercoolers	27,187	4,074,736
18	NL 2017 Expansion Compression	1,430,973	122,807
19	Wrenshall 480 Power Distribution-PR	2,295	3,921,290
20	Hobbs-Plains M820B In-Line Inspection MODS	3,390,622	449,958
21	Top 20 CSCs hardware	3,412,406	72,307
22	Cunningham Well Site Controls Upgrade	7,168	3,468,177
23	Omaha 3rd Tie-Over	2,543,680	916,650
24	Farmington Emissions Reduction Unit	451,091	2,604,600
25	Redfield Controls Upgrade	512,452	2,408,803
26	Clifton Machine and Welding Shop Expansion	2,418	2,638,022
27	Cunningham Liquids Facility Upgrade	20,109	2,607,023
28	A-Line Abandonment Tie Overs to C & D Lines	136,612	2,472,334
29	M510B-34.33-HDD18 Waterloo-Dubuque	7,592	2,455,396
30	Council Bluffs Branch Line Tie-Over	55,777	2,147,334
31	Palmyra - Platte River A-Line Pressure Reduction	269,833	1,753,808
32	Beatrice-Palmyra B-Line Pipe Replacement	9,496	2,092,148
33	Garner/Ventura Interconnect Meter & Valve	17,597	1,923,483
34	Mitchell-to-Plymouth Mainline	842,369	1,031,243
35	Redfield Separator Replacement 2018	7,054	1,866,860
36	Omaha 2nd Tie-Over	1,484,761	223,577
37	WIB13101-2.74-C16 Shullsburg Branch Line	1,246	1,415,076
38	Cunningham Elevated Well Runs 2018	1,423	1,313,994
39	Imbalance Resolution Rewrite	183,726	1,121,968
40	WIB22601-1.55-HDD18 Black River Falls	5,679	1,292,983
41	IAB71801 8" I Mod16 Waverly BL Removal	909,676	356,560
42	FDD Electric Generation	406,896	784,883
43	EJB Removal	664,079	401,880
44	Various Projects Under \$1,000,000	8,787,554	20,155,086
45	Total	72,370,196	238,192,650

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Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.

2. In column b, list the CP Docket Number where the Commission authorized the facility.

3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)

4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.

5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)
1	Redfield, IA Storage Expansion	CP-07-108-000	Market-Based	53,337,912
2				
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	Total			53,337,912

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/Q4
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Non-Traditional Rate Treatment Afforded New Projects (continued)

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

Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1	11,093,380	6,716,769	443,109	311,683	1,296,409	727,197	11,621,371
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	11,093,380	6,716,769	443,109	311,683	1,296,409	727,197	11,621,371

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
General Description of Construction Overhead Procedure			

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

Administrative and General Overhead

(a) Engineering, supervision, general office salaries and expenses, including the cost of construction engineering and supervision services provided by others, related to the general oversight of capital construction or software development projects are charged to an overhead work order. In addition, costs to certify Respondent's and third party welding personnel that will construct Respondent's capital projects are directly charged to an overhead work order.

(b) Engineering and operations payroll that support construction are direct charged to the overhead work order for allocation to capital construction projects. Property accounting payroll incurred in support of capital construction and software development projects is also charged directly to the overhead work order for allocation to both construction and software development projects. A study was conducted to determine which other employees devote a portion of their time in support of construction or software development activities. Based on this study a fixed amount of payroll and a proportionate share of Respondent's Omaha office cost are charged each month to the overhead work order to be allocated to both construction and software development projects.

(c) The overhead costs are allocated to individual projects based on direct charges to each capital construction or internally developed software project. Allocation rates are periodically adjusted throughout the year based on the forecast of overhead costs to direct capital charges to ensure that the balance of the overhead work order at the end of the year is cleared.

(d) Separate overhead allocation rates are developed for construction and software development projects.

(e) Overhead rates are based on the ratio of charges forecast to be charged as capital overhead to the total forecast of capital construction and software development expenditures to be charged directly to projects. Engineering and operations related overheads are allocated to capital construction projects and information technology related overhead charges are allocated to software development projects. General office salaries and expenses are allocated to both construction and software development projects.

(f) Overhead is directly assigned to each work order based on current month charges to the project excluding overheads.

Engineering As-Built Overhead

(a) Engineering, supervision, general office salaries and expenses, including the cost of engineering and supervision services provided by others, related to the creation of construction as-built drawings are charged to an overhead work order set up solely to capture as-built construction costs. The costs charged to this work order are separate from and are not included in the administrative and general overhead.

(b) Engineering payroll and charges for engineering services provided by others incurred for the creation of capital construction as-built drawings and records are charged directly to the as-built overhead work order. A study was conducted to determine the ratio of engineering payroll capitalized for creation of as-built records for capital construction and based on this study a pro-rata share of Respondent's office building space and related costs is charged to the as-built overhead work order each month.

(c) The overhead costs are allocated to individual projects based on direct charges to each capital construction. The allocation rate is periodically adjusted throughout the year based on the forecast of overhead costs to direct capital charges to ensure that the balance in the overhead work order at the end of the year is cleared.

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/Q4
General Description of Construction Overhead Procedure			

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

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General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.
3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S		
	(2) Short-Term Interest			s
	(3) Long-Term Debt	D 800,000,000	33.61	d 4.96
	(4) Preferred Stock	P		p
	(5) Common Equity	C 1,580,037,816	66.39	c 12.00
	(6) Total Capitalization		100.00	
	(7) Average Construction Work In Progress Balance	W 92,752,377		

2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$ 1.67

3. Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$ 7.97

4. Weighted Average Rate Actually Used for the Year:

- a. Rate for Borrowed Funds - 1.67
- b. Rate for Other Funds - 7.97

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Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> <p>5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.</p>					
Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	1,198,865,034	1,198,761,853	103,181	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	68,411,575	68,411,575		
4	(403.1) Depreciation Expense for Asset Retirement Costs	836,761	836,761		
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):	33,824	33,824		
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	69,282,160	69,282,160		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(17,980,433)	(17,980,433)		
13	Cost of Removal	(8,422,022)	(8,422,022)		
14	Salvage (Credit)	(2,861,336)	(2,861,336)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(23,541,119)	(23,541,119)		
16	Other Debit or Credit Items (Describe) (footnote details):	(489,461)	(489,461)		
17					
18	Book Cost of Asset Retirement Costs	(4,981,536)	(4,981,536)		
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	1,239,135,078	1,239,031,897	103,181	
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas				
22	Production and Gathering-Natural Gas	1,006,074	1,006,074		
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	153,198,771	153,198,771		
25	Other Storage Plant	45,592,873	45,592,873		
26	Base Load LNG Terminating and Processing Plant	1,218,769	1,218,769		
27	Transmission	996,718,839	996,615,658	103,181	
28	Distribution				
29	General	41,399,752	41,399,752		
30	TOTAL (Total of lines 21 thru 29)	1,239,135,078	1,239,031,897	103,181	

Name of Respondent Northern Natural Gas Company				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of <u>2017/Q4</u>	
Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)									
<p>1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.</p> <p>2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.</p> <p>3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).</p>									
Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	28,429,396	41,211,532		7,624,545				77,265,473
2	Gas Delivered to Storage				80,632,452				80,632,452
3	Gas Withdrawn from				78,490,385				78,490,385
4	Other Debits and Credits				(6,028,864)				(6,028,864)
5	Balance at End of Year	28,429,396	41,211,532		3,737,748				73,378,676
6	Dth	37,219,100	14,000,000		1,067,922				52,287,022
7	Amount Per Dth	0.7638	2.9437		3.5000				1.4034

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/Q4
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Investments (Account 123, 124, and 136)

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

Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Account 136 - Temporary Cash Investments			
2				
3	Short-term Money Market Investments		56,326,887	505,826,033
4				
5	Total Account 136		56,326,887	505,826,033
6				
7				
8				
9				
10	Account 145 - Notes Receivable - Associated Companies			
11	Promissory notes issued by Berkshire Hathaway Energy Company payable on demand		155,000,000	240,000,000
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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Investments (Account 123, 124, and 136) (continued)

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

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

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

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

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

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2					
3	536,898,298		25,254,622	220,445	
4					
5	536,898,298		25,254,622		
6					
7					
8					
9					
10					
11	220,000,000		175,000,000	4,025,335	
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

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

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	1,282,571
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	3,900,413
6	TOTAL	5,182,984

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Other Regulatory Assets (Account 182.3)							
<p>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).</p> <p>2. For regulatory assets being amortized, show period of amortization in column (a).</p> <p>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.</p> <p>4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.</p> <p>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).</p>							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Deferred regulatory commission expense	504,044	125,004	928	257,041		372,007
2							
3	Asset retirement obligation	29,260,794			7,178,094		22,082,700
4							
5	Deferred FERC annual charge	1,011,975	1,351,470	928	1,349,842		1,013,603
6							
7	Deferred income taxes for AFUDC equity	22,275,981	3,718,911	421	3,442,906		22,551,986
8							
9	Smartpigging/hydrostatic testing	28,385,813	7,500,000	833,863	8,425,219		27,460,594
10							
11	Deferred unamortized loss on derivative contracts	64,532,387	43,989,508	438,803	53,673,516		54,848,379
12							
13	Defined benefit pension plan	6,438,979	7,062,647		6,438,979		7,062,647
14							
15	Fuel, unaccounted for, and other trackers		18,566,949	813,855	11,836,868		6,730,081
16							
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40	Total	152,409,973	82,314,489		92,602,465	0	142,121,997

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Accumulated Deferred Income Taxes (Account 190)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	93,710,586	61,582,890	29,855,668
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	93,710,586	61,582,890	29,855,668
6	Other (Specify) (footnote details)	2,262,132	967,106	15,868
7	TOTAL Account 190 (Total of lines 5 thru 6)	95,972,718	62,549,996	29,871,536
8	Classification of TOTAL			
9	Federal Income Tax	71,143,033	53,679,919	25,377,722
10	State Income Tax	24,829,685	8,870,077	4,493,814
11	Local Income Tax			

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Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits	Debits	Credits	Credits	
	(e)	(f)	Account No. (g)	Amount (h)	Account No. (i)	Amount (j)	(k)
1							
2							
3	49,377	65,110					61,999,097
4							
5	49,377	65,110					61,999,097
6	3,316,625	1,054,493	254	93,644,153	254	207,199,822	112,604,431
7	3,366,002	1,119,603		93,644,153		207,199,822	174,603,528
8							
9	2,861,760	1,057,942		89,418,339		171,808,239	123,426,918
10	504,242	61,661		4,225,814		35,391,583	51,176,610
11							

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Capital Stock (Accounts 201 and 204)

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

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Account 201			
2	Common stock - not listed on any stock exchange	10,000	1.00	
3	Total common stock	10,000		
4				
5	Account 204			
6	Preferred stock - not listed on any stock exchange	1,000	1.00	
7	(Series A, 6%, cumulative)			
8	Total preferred stock	1,000		
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Capital Stock (Accounts 201 and 204)

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

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

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

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

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

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Long-Term Debt (Accounts 221, 222, 223, and 224)

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

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	Account 221			
2	5.80% Senior Bonds due 02/15/2037	02/12/2007	02/15/2037	150,000,000
3	4.10% Senior Bonds due 09/15/2042	08/27/2012	09/15/2042	250,000,000
4	Subtotal			400,000,000
5				
6	Account 224			
7	5.75% Senior Notes due 07/15/2018	07/15/2008	07/15/2018	200,000,000
8	4.25% Senior Notes due 06/01/2021	04/20/2011	06/01/2021	200,000,000
9	Subtotal			400,000,000
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40	TOTAL			800,000,000

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Long-Term Debt (Accounts 221, 222, 223, and 224)

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

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)
1					
2	5.800	8,700,000			
3	4.100	10,250,000			
4		18,950,000			
5					
6					
7	5.750	11,500,000			
8	4.250	8,500,000			
9		20,000,000			
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40		38,950,000			

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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)					
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt. 2. Show premium amounts by enclosing the figures in parentheses. 3. In column (b) show the principal amount of bonds or other long-term debt originally issued. 4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.					
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	Account 181 Unamortized Debt Expense				
2	5.75% Senior Notes due 07/15/2018	200,000,000	1,794,586	07/15/2008	07/15/2018
3	4.25% Senior Notes due 06/01/2021	200,000,000	2,026,005	04/20/2011	06/01/2021
4	5.80% Senior Bonds due 02/15/2037	150,000,000	1,012,926	02/12/2007	02/15/2037
5	4.10% Senior Bonds due 09/15/2042	250,000,000	2,202,472	08/27/2012	09/15/2042
6	Total 181	800,000,000	7,035,989		
7					
8	Account 226 Unamortized Debt Discount				
9	5.75% Senior Notes Due 2018	200,000,000	46,000	07/15/2008	07/15/2018
10	4.25% Senior Notes Due 2021	200,000,000	44,000	04/20/2011	06/01/2021
11	5.80% Senior Bonds Due 2037	150,000,000	106,500	02/12/2007	02/15/2037
12	4.10% Senior Bonds Due 2042	250,000,000	435,000	08/27/2012	09/15/2042
13	Total 226	800,000,000	631,500		
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

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

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

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

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2	348,515		222,587	125,928
3	993,522		209,051	784,471
4	845,382		22,894	822,488
5	2,022,706		45,243	1,977,463
6	4,210,125		499,775	3,710,350
7				
8				
9	8,933		5,705	3,228
10	21,571		4,541	17,030
11	88,885		2,408	86,477
12	399,420		8,936	390,484
13	518,809		21,590	497,219
14				
15				
16				
17				
18				
19				
20				
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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/Q4
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Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

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

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

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	170,619,753
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions in aid of construction	15,838,975
6	Section 263A - Capitalized interest	5,624,510
7	Other	3,897,060
8	TOTAL	25,360,545
9	Deductions Recorded on Books Not Deducted for Return	
10	Current federal income tax expense	27,583,962
11	Current state income tax expense	6,984,190
12	Other	167,516,899
13	TOTAL	202,085,051
14	Income Recorded on Books Not Included in Return	
15	Equity AFUDC	5,624,521
16	Debt AFUDC	1,319,708
17	Other	1,193,124
18	TOTAL	8,137,353
19	Deductions on Return Not Charged Against Book Income	
20	Federal tax depreciation	190,334,134
21	Tax goodwill	5,698,785
22	Repairs deduction	44,124,468
23	Regulatory assets/liabilities	4,551,916
24	Federal tax fixed asset gain/loss	8,078,006
25	Other	51,625,021
26	TOTAL	304,412,330
27	Federal Tax Net Income	85,515,666
28	Show Computation of Tax:	
29	Federal taxable income	85,515,666
30	Federal statutory rate	35
31	Federal income tax	29,930,483
32	Prior year adjustments	(2,346,521)
33	Federal income tax accrual	27,583,962
34		
35		

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/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

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

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Real and Personal Property Tax		
2			
3	Illinois 2017		
4	Illinois 2016	5,256	
5	Iowa 2017		
6	Iowa 2016	14,050,001	
7	Iowa 2015	6,739,492	
8	Kansas 2017		
9	Kansas 2016	7,022,056	
10	Louisiana 2017		
11	Louisiana 2016	4	
12	Michigan 2017		
13	Michigan 2016	669,901	
14	Minnesota 2017		
15	Minnesota 2016	18,329,999	
16	Minnesota 2015		
17	Nebraska 2017		
18	Nebraska 2016	1,891,997	
19	New Mexico 2017		
20	New Mexico 2016	21,062	
21	North Dakota 2017		
22	North Dakota 2016	504	
23	Oklahoma 2017		
24	Oklahoma 2016	293,097	
25	South Dakota 2017		
26	South Dakota 2016	522,485	
27	Texas 2017		
28	Texas 2016	984,176	
29	Wisconsin 2017		
30	Wisconsin 2016	(2)	
31			
32			
33			
34	Subtotal Real and Personal Property Tax	50,530,028	
35			
36			
37	Federal Income Tax	1,437,199	
38	Other		
39	FICA	281,979	

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/Q4</u>
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

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

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3	5,500			5,500	
4	176	5,432			
5	13,980,000	29		13,979,971	
6	(449,812)	6,811,926		6,788,263	
7	3,724	6,743,216			
8	13,930,223	6,959,299		6,970,924	
9	(4,147)	7,017,909			
10	1,054	1,053		1	
11	(4)				
12	1,310,800	692,633		618,167	
13	7,460	677,361			
14	17,353,200			17,353,200	
15	(662,750)	17,667,249			
16					
17	1,884,000			1,884,000	
18	(74,561)	1,817,436			
19	42,250	21,125		21,125	
20	3	21,065			
21	486			486	
22	(69)	435			
23	590,895	295,448		295,447	
24	(11,312)	281,785			
25	453,600			453,600	
26	(77,498)	444,987			
27	1,967,500	417,810		1,549,690	
28	7,966	992,142			
29	1,408,800	1,408,600		200	
30	26	24			
31					
32					
33					
34	51,667,510	52,276,964		49,920,574	
35					
36					
37	27,583,962	38,361,679	9,340,518		
38					
39	5,843,548	5,850,458		275,069	

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/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

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

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3		5,500		
4		176		
5		13,980,000		
6		(449,812)		
7		3,724		
8		13,930,223		
9		(4,147)		
10		1,054		
11		(4)		
12		1,310,800		
13		7,460		
14		17,353,200		
15		(662,750)		
16				
17		1,884,000		
18		(74,561)		
19		42,250		
20		3		
21		486		
22		(69)		
23		590,895		
24		(11,312)		
25		453,600		
26		(77,498)		
27		1,967,500		
28		7,966		
29		1,408,800		
30		26		
31				
32				
33				
34		51,667,510		
35				
36				
37		24,597,204		2,986,758
38				
39		5,191,740		

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/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

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

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

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39				651,808	

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/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Federal Unemployment	944	
2			
3	Subtotal Federal Tax	1,720,122	
4			
5	State Income Tax		
6			
7	Illinois	(4,804)	
8	Iowa	357,578	
9	Kansas	348,329	
10	Michigan	(2,342)	
11	Minnesota	240,690	
12	Nebraska	278,934	
13	New Mexico	3,210	
14	North Dakota	(1,793)	
15	Oklahoma	81,365	
16	Texas	55,576	
17	Wisconsin	92,503	
18	Other		
19			
20	Subtotal State Income Tax	1,449,246	
21			
22	State Unemployment Tax (SUTA)		
23			
24	Illinois		
25	Iowa		
26	Kansas	57	
27	Michigan	27	
28	Minnesota	262	
29	Nebraska	554	
30	New Mexico		
31	Oklahoma		
32	South Dakota		
33	Texas	63	
34	Wisconsin		
35			
36	Subtotal State Unemployment Tax	963	
37			
38			
39			

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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)					
Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1	41,624	41,617		951	
2					
3	33,469,134	44,253,754	9,340,518	276,020	
4					
5					
6					
7	19,793	58,000	43,011		
8	3,218,802	4,423,557	847,177		
9	1,008,695	891,660	(465,364)		
10	43,464	57,241	16,119		
11	1,094,983	2,012,919	677,246		
12	1,098,235	1,182,827	(194,342)		
13	18,938		(22,148)		
14	1,729		64		
15	181,680	50,000	(213,045)		
16	98,562	99,670	(54,468)		
17	199,309	315,383	23,571		
18					
19					
20	6,984,190	9,091,257	657,821		
21					
22					
23					
24					
25					
26	3,097	3,147		7	
27	697	724			
28	12,011	11,930		343	
29	21,399	21,395		558	
30					
31	405	405			
32	825	825			
33	3,655	3,618		100	
34	1,094	1,094			
35					
36	43,183	43,138		1,008	
37					
38					
39					

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

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

Line No.	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1		36,931		
2				
3		29,825,875		2,986,758
4				
5				
6				
7		17,999		1,794
8		2,927,044		291,758
9		917,265		91,430
10		39,524		3,940
11		995,732		99,251
12		998,689		99,546
13		17,221		1,717
14		1,572		157
15		165,213		16,467
16		89,628		8,934
17		181,243		18,066
18				
19				
20		6,351,130		633,060
21				
22				
23				
24				
25				
26		2,792		
27		642		
28		10,587		
29		18,986		
30				
31		360		
32		732		
33		3,211		
34		971		
35				
36		38,281		
37				
38				
39				

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

(continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)					
Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1				4,693	
2					
3				656,501	
4					
5					
6					
7					0.04
8					2.84
9					1.24
10					0.04
11					1.59
12					1.09
13					0.03
14					
15					0.27
16					
17					0.30
18					
19					
20					
21					
22					
23					
24					
25					
26				305	
27				55	
28				1,424	
29				2,413	
30					
31				45	
32				93	
33				444	
34				123	
35					
36				4,902	
37					
38					
39					

Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)					
Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)		
1					
2					
3					
4					
5	Use Tax				
6					
7	Illinois	1,113			
8	Iowa	227,743			
9	Kansas	179,790			
10	Louisiana				
11	Michigan	173			
12	Minnesota	138,264			
13	Nebraska	90,961			
14	New Mexico				
15	North Dakota				
16	Oklahoma	13,234			
17	South Dakota	3,734			
18	Texas	32,198			
19	Wisconsin	12,414			
20					
21	Subtotal Use Tax	699,624			
22					
23	Franchise Tax				
24	Nebraska				
25	Delaware				
26	Oklahoma				
27					
28	Subtotal Franchise Tax				
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL		54,399,983			

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

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3					
4					
5					
6					
7	173	1,113		173	
8	1,058,772	1,086,283		200,232	
9	500,344	604,650		75,484	
10					
11	11,559	5,672		6,060	
12	1,837,137	1,845,588		129,813	
13	235,611	211,749		114,823	
14	16,287	12,816		3,471	
15	20	20			
16	10,601	22,938		897	
17	43,127	45,272		1,589	
18	441,194	354,279		119,113	
19	20,515	28,767		4,162	
20					
21	4,175,340	4,219,147		655,817	
22					
23					
24					
25	675	675			
26	20,100	20,100			
27					
28	20,775	20,775			
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL	96,360,132	109,905,035	9,998,339	50,853,419	

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/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

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

Line No.	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12		300,312		
13				
14				
15				
16				
17				
18				
19				
20				
21		300,312		
22				
23				
24				
25		675		
26		20,100		
27				
28		20,775		
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
TOTAL		88,203,883		3,619,818

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/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

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

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
6					
7				173	
8				1,058,772	
9				500,344	
10					
11				11,559	
12				1,536,825	
13				235,611	
14				16,287	
15				20	
16				10,601	
17				43,127	
18				441,194	
19				20,515	
20					
21				3,875,028	
22					
23					
24					
25					
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TOTAL				4,536,431	

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/Q4
Miscellaneous Current and Accrued Liabilities (Account 242)					
1. Describe and report the amount of other current and accrued liabilities at the end of year. 2. Minor items (less than \$250,000) may be grouped under appropriate title.					
Line No.	Item (a)	Balance at End of Year (b)			
1	Transportation and exchange gas payable	11,167,305			
2	Accrued vacation and other employee benefits	8,586,881			
3	Contract retainage	5,479,797			
4	Accrued Department of Transportation safety user fees	1,308,625			
5	Minor items	255,465			
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45	Total	26,798,073			

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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/Q4
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Accumulated Deferred Income Taxes-Other Property (Account 282)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas	857,430,863	282,424,195	512,606,459
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	857,430,863	282,424,195	512,606,459
6	Other (Specify) (footnote details)		295,297,533	4,845,457
7	TOTAL Account 282 (Enter Total of lines 5 thr	857,430,863	577,721,728	517,451,916
8	Classification of TOTAL			
9	Federal Income Tax	715,531,151	550,884,429	501,197,708
10	State Income Tax	141,899,712	26,837,299	16,254,208
11	Local Income Tax			

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

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

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3	8,460,732	10,047,308					625,662,023
4							
5	8,460,732	10,047,308					625,662,023
6	2,513,863	41,249	254	4,886,706	254	297,811,396	
7	10,974,595	10,088,557		4,886,706		297,811,396	625,662,023
8							
9	10,189,207	9,465,523				297,811,396	468,130,160
10	785,388	623,034		4,886,706			157,531,863
11							

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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Accumulated Deferred Income Taxes-Other (Account 283)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas	71,299,756	16,571,857	43,852,319
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	71,299,756	16,571,857	43,852,319
6	Other (Specify) (footnote details)		15,673,818	207,340
7	TOTAL Account 283 (Total of lines 5 thru	71,299,756	32,245,675	44,059,659
8	Classification of TOTAL			
9	Federal Income Tax	58,325,775	29,439,413	40,260,295
10	State Income Tax	12,973,981	2,806,262	3,799,364
11	Local Income Tax			

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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Accumulated Deferred Income Taxes-Other (Account 283) (continued)

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

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3	437	4,892					44,014,839
4							
5	437	4,892					44,014,839
6			254	207,340	254	15,673,818	
7	437	4,892		207,340		15,673,818	44,014,839
8							
9	359	4,878				15,673,818	31,826,556
10	78	14		207,340			12,188,283
11							

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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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	815,244	131	693,290		1,634,813	1,756,767
2							
3	Employee benefits	24,910,661	128	24,910,661		30,231,160	30,231,160
4							
5	Encroachment revaluation	482,497	182.3	482,497		3,632,334	3,632,334
6							
7	Carlton resolution credits	889,795	131	2,544,357		2,688,202	1,033,640
8							
9	Fuel, unaccounted for, and other trackers	9,585,408	182.3	16,879,985		7,430,030	135,453
10							
11	Excess deferred income taxes					418,909,220	418,909,220
12							
13	Bankruptcy proceeds					2,526,772	2,526,772
14							
15							
16							
17							
18							
19							
20							
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44							
45	Total	36,683,605		45,510,790	0	467,052,531	458,225,346

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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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Monthly Quantity & Revenue Data by Rate Schedule

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

Line No.	Item	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)	32,112			421,936	421,936
2	Transportation of Gas for Others (489.2 and 489..3)					
3	TF	33,233,619		43,680	9,313,241	9,356,921
4	TFX	54,755,433		70,679	20,809,841	20,880,520
5	GS-T					
6	TI	4,577,552		5,777	405,021	410,798
7	ILD				6,184	6,184
8	SMS	1,740,672			919,781	919,781
9	Less: ILD units in other rate schedules					
10	Less: SMS units in other rate schedules	-1,740,672				
11						
12						
13						
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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/Q4
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Monthly Quantity & Revenue Data by Rate Schedule

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

Line No.	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	87,474			743,204	743,204	1,107,514			4,355,844	4,355,844
2										
3	34,698,664		44,860	26,259,719	26,304,579	38,556,407		50,730	26,357,237	26,407,967
4	62,461,589		82,270	50,563,778	50,646,048	83,624,528		108,127	52,217,939	52,326,066
5						16,445		1	11,312	11,313
6	3,899,853		5,365	519,930	525,295	4,559,006		6,046	883,695	889,741
7	1,451			(380)	(380)	1,553			4,271	4,271
8	2,725,285			944,870	944,870	2,776,241			944,205	944,205
9	-1,451					-1,553				
10	-2,725,285					-2,776,241				
11										
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Item	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
50						
51						
52						
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55						
56						
57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	92,566,604		120,136	31,454,068	31,574,204
64	Storage (489.4)					
65	FDD-1	287,157			7,466,665	7,466,665
66	IDD-1	2,110,255			257,054	257,054
67	PDD-1	4,061,290			1,018,427	1,018,427
68						
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89						
90	Total Storage	6,458,702			8,742,146	8,742,146
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)				3,031	3,031
98	Other Gas Revenues (495)				121,787	121,787
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				124,818	124,818
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	99,057,418		120,136	40,742,968	40,863,104

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/Q4	
Monthly Quantity & Revenue Data by Rate Schedule (continued)										
Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
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49										
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52										
53										
54										
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56										
57										
58										
59										
60										
61										
62										
63	101,060,106		132,495	78,287,917	78,420,412	126,756,386		164,904	80,418,659	80,583,563
64										
65	861,682			2,291,554	2,291,554	5,703,034			2,375,694	2,375,694
66	1,868,765			187,775	187,775	1,067,455			215,071	215,071
67	2,536,997			916,589	916,589	39,000			1,523,168	1,523,168
68										
69										
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89										
90	5,267,444			3,395,918	3,395,918	6,809,489			4,113,933	4,113,933
91										
92										
93										
94										
95										
96						1,053			9,219	9,219
97									3,632	3,632
98				133,771	133,771				1,736,097	1,736,097
99										
100				133,771	133,771	1,053			1,748,948	1,748,948
101	106,415,024		132,495	82,560,810	82,693,305	134,674,442		164,904	90,637,384	90,802,288

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/Q4
Gas Operating Revenues					
1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages. 2. Revenues in columns (b) and (c) include transition costs from upstream pipelines. 3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.					
Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities			1,475,875	1,496,315
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:			1,475,875	1,496,315
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:			1,475,875	1,496,315

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/Q4
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Gas Operating Revenues

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

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1						
2	5,972,772	5,275,767	5,972,772	5,275,767	438,803	460,594
3						
4	22,463,568	4,597,062	22,463,568	4,597,062	7,302,738	2,107,499
5						
6						
7						
8						
9						
10	588,637,797	555,272,256	590,113,672	556,768,571	1,134,620,073	1,087,819,998
11						
12	70,774,271	68,700,816	70,774,271	68,700,816	141,046,348	131,178,122
13						
14						
15	16,421	98,268	16,421	98,268		
16	38,726	56,140	38,726	56,140		
17						
18	4,058,869	953,075	4,058,869	953,075		
19	691,962,424	634,953,384	693,438,299	636,449,699		
20						
21	691,962,424	634,953,384	693,438,299	636,449,699		

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 <u>2017/Q4</u>
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

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

Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	GS-T			28	15
2	SMS				
3	TF			470,425	475,514
4	TFX			947,541	964,717
5	TI			57,881	56,069
6	CS-1				
7	ILD				
8	Deduct SMS units in other rate schedule				
9	Deduct ILD units in other rate schedule				
10	Deduct CS-1 units in other rate schedule				
11	Total			1,475,875	1,496,315
12					
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Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

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

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	16,797	15,922	16,825	15,937	24,051	24,262
2	10,813,396	10,318,498	10,813,396	10,318,498	25,359,994	22,597,073
3	192,037,380	188,464,852	192,507,805	188,940,366	361,522,082	345,769,989
4	380,858,243	352,150,135	381,805,784	353,114,852	728,641,878	701,121,809
5	4,892,714	4,201,159	4,950,595	4,257,228	44,432,062	40,903,938
6						
7	19,267	121,690	19,267	121,690	6,740	44,694
8					(25,359,994)	(22,597,073)
9					(6,740)	(44,694)
10						
11	588,637,797	555,272,256	590,113,672	556,768,571	1,134,620,073	1,087,819,998
12						
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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/Q4
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Revenues from Storing Gas of Others (Account 489.4)

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

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	FDD-1				
2	IDD-1				
3	PDD-1				
4					
5					
6	Total				
7					
8					
9					
10					
11					
12					
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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/Q4
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Revenues from Storing Gas of Others (Account 489.4)

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

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	52,494,335	49,415,146	52,494,335	49,415,146	60,966,679	59,110,563
2	2,784,934	2,821,642	2,784,934	2,821,642	17,873,411	18,485,495
3	15,495,002	16,464,028	15,495,002	16,464,028	62,206,258	53,582,064
4						
5						
6	70,774,271	68,700,816	70,774,271	68,700,816	141,046,348	131,178,122
7						
8						
9						
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Name of Respondent Northern Natural Gas Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
Other Gas Revenues (Account 495)				
Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.				
Line No.	Description of Transaction (a)	Amount (in dollars) (b)		
1	Commissions on Sale or Distribution of Gas of Others			
2	Compensation for Minor or Incidental Services Provided for Others			
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale			
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments			
5	Miscellaneous Royalties			
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495			
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures			
8	Gains on Settlements of Imbalance Receivables and Payables	2,217,985		
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	1,600,662		
10	Revenues from Shipper Supplied Gas			
11	Other revenues (Specify):	240,222		
12				
13				
14				
15				
16				
17				
18				
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39				
	Total	4,058,869		

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/Q4
Discounted Rate Services and Negotiated Rate Services					
1. In column b, report the revenues from discounted rate services. 2. In column c, report the volumes of discounted rate services. 3. In column d, report the revenues from negotiated rate services. 4. In column e, report the volumes of negotiated rate services.					
Line No.	Account (a)	Discounted Rate Services Revenue (b)	Discounted Rate Services Volumes (c)	Negotiated Rate Services Revenue (d)	Negotiated Rate Services Volumes (e)
1	Account 489.1, Revenues from transportation of gas of others through gathering facilities.				
2	Account 489.2, Revenues from transportation of gas of others through transmission facilities.	220,709,348	577,898,069	69,859,498	70,106,229
3	Account 489.4, Revenues from storing gas of others.	14,952,460	60,749,239		
4	Account 495, Other gas revenues.				
5					
6					
7					
8					
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37					
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39					
	Total	235,661,808	638,647,308	69,859,498	70,106,229

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Gas Operation and Maintenance Expenses				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering	0	0	
8	751 Production Maps and Records	0	0	
9	752 Gas Well Expenses	0	0	
10	753 Field Lines Expenses	0	0	
11	754 Field Compressor Station Expenses	0	0	
12	755 Field Compressor Station Fuel and Power	0	0	
13	756 Field Measuring and Regulating Station Expenses	0	0	
14	757 Purification Expenses	0	0	
15	758 Gas Well Royalties	0	0	
16	759 Other Expenses	0	0	
17	760 Rents	0	0	
18	TOTAL Operation (Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering	0	0	
21	762 Maintenance of Structures and Improvements	0	0	
22	763 Maintenance of Producing Gas Wells	0	0	
23	764 Maintenance of Field Lines	0	0	
24	765 Maintenance of Field Compressor Station Equipment	0	0	
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0	
26	767 Maintenance of Purification Equipment	0	0	
27	768 Maintenance of Drilling and Cleaning Equipment	0	0	
28	769 Maintenance of Other Equipment	0	0	
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering	0	0	
34	771 Operation Labor	0	0	
35	772 Gas Shrinkage	0	0	
36	773 Fuel	0	0	
37	774 Power	0	0	
38	775 Materials	0	0	
39	776 Operation Supplies and Expenses	0	0	
40	777 Gas Processed by Others	0	0	
41	778 Royalties on Products Extracted	0	0	
42	779 Marketing Expenses	0	0	
43	780 Products Purchased for Resale	0	0	
44	781 Variation in Products Inventory	0	0	
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0	
46	783 Rents	0	0	
47	TOTAL Operation (Total of lines 33 thru 46)	0	0	
48	Maintenance			
49	784 Maintenance Supervision and Engineering	0	0	
50	785 Maintenance of Structures and Improvements	0	0	
51	786 Maintenance of Extraction and Refining Equipment	0	0	
52	787 Maintenance of Pipe Lines	0	0	
53	788 Maintenance of Extracted Products Storage Equipment	0	0	
54	789 Maintenance of Compressor Equipment	0	0	
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0	
56	791 Maintenance of Other Equipment	0	0	
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0	

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Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
59	C. Exploration and Development				
60	Operation				
61	795 Delay Rentals	0	0		
62	796 Nonproductive Well Drilling	0	0		
63	797 Abandoned Leases	0	0		
64	798 Other Exploration	0	0		
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0		
66	D. Other Gas Supply Expenses				
67	Operation				
68	800 Natural Gas Well Head Purchases	0	0		
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0		
70	801 Natural Gas Field Line Purchases	0	0		
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0		
72	803 Natural Gas Transmission Line Purchases	41,303,806	18,486,679		
73	804 Natural Gas City Gate Purchases	0	0		
74	804.1 Liquefied Natural Gas Purchases	0	0		
75	805 Other Gas Purchases	(13,503,324)	(1,667,911)		
76	(Less) 805.1 Purchases Gas Cost Adjustments	0	0		
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	27,800,482	16,818,768		
78	806 Exchange Gas	2,828,363	(1,172,452)		
79	Purchased Gas Expenses				
80	807.1 Well Expense-Purchased Gas	0	0		
81	807.2 Operation of Purchased Gas Measuring Stations	0	0		
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0		
83	807.4 Purchased Gas Calculations Expenses	0	0		
84	807.5 Other Purchased Gas Expenses	0	0		
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	0	0		

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
86	808.1 Gas Withdrawn from Storage-Debit	78,490,385	39,952,364	
87	(Less) 808.2 Gas Delivered to Storage-Credit	80,632,452	45,601,856	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0	
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0	
90	Gas used in Utility Operation-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit	29,103,192	18,293,877	
92	811 Gas Used for Products Extraction-Credit	0	0	
93	812 Gas Used for Other Utility Operations-Credit	10,833,149	6,518,477	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	39,936,341	24,812,354	
95	813 Other Gas Supply Expenses	12,266,953	7,695,682	
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	817,390	(7,119,848)	
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	817,390	(7,119,848)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering	335,934	313,234	
102	815 Maps and Records	0	0	
103	816 Wells Expenses	2,751,053	3,416,039	
104	817 Lines Expense	784,556	716,335	
105	818 Compressor Station Expenses	1,257,643	1,202,131	
106	819 Compressor Station Fuel and Power	2,902,986	1,875,834	
107	820 Measuring and Regulating Station Expenses	408,683	414,068	
108	821 Purification Expenses	745,289	691,551	
109	822 Exploration and Development	0	0	
110	823 Gas Losses	0	0	
111	824 Other Expenses	1,059,304	1,170,180	
112	825 Storage Well Royalties	0	0	
113	826 Rents	891,722	881,405	
114	TOTAL Operation (Total of lines of 101 thru 113)	11,137,170	10,680,777	

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Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
115	Maintenance				
116	830 Maintenance Supervision and Engineering	393,444	307,839		
117	831 Maintenance of Structures and Improvements	550,055	382,625		
118	832 Maintenance of Reservoirs and Wells	7,170,403	3,676,439		
119	833 Maintenance of Lines	3,552,088	3,694,857		
120	834 Maintenance of Compressor Station Equipment	2,311,113	1,153,751		
121	835 Maintenance of Measuring and Regulating Station Equipment	214,356	278,977		
122	836 Maintenance of Purification Equipment	741,401	1,003,639		
123	837 Maintenance of Other Equipment	846,169	210,568		
124	TOTAL Maintenance (Total of lines 116 thru 123)	15,779,029	10,708,695		
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	26,916,199	21,389,472		
126	B. Other Storage Expenses				
127	Operation				
128	840 Operation Supervision and Engineering	179,112	233,314		
129	841 Operation Labor and Expenses	2,852,792	2,646,837		
130	842 Rents	2,772	2,728		
131	842.1 Fuel	654,441	557,083		
132	842.2 Power	105,130	606,044		
133	842.3 Gas Losses	0	0		
134	TOTAL Operation (Total of lines 128 thru 133)	3,794,247	4,046,006		
135	Maintenance				
136	843.1 Maintenance Supervision and Engineering	0	0		
137	843.2 Maintenance of Structures	262,983	163,114		
138	843.3 Maintenance of Gas Holders	80,475	80,171		
139	843.4 Maintenance of Purification Equipment	89,864	86,341		
140	843.5 Maintenance of Liquefaction Equipment	2,000,071	1,753,132		
141	843.6 Maintenance of Vaporizing Equipment	149,656	102,849		
142	843.7 Maintenance of Compressor Equipment	219,715	274,026		
143	843.8 Maintenance of Measuring and Regulating Equipment	43,624	40,121		
144	843.9 Maintenance of Other Equipment	126,521	123,013		
145	TOTAL Maintenance (Total of lines 136 thru 144)	2,972,909	2,622,767		
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	6,767,156	6,668,773		

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Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)		Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses				
148	Operation				
149	844.1 Operation Supervision and Engineering	0		0	
150	844.2 LNG Processing Terminal Labor and Expenses	0		0	
151	844.3 Liquefaction Processing Labor and Expenses	0		0	
152	844.4 Liquefaction Transportation Labor and Expenses	0		0	
153	844.5 Measuring and Regulating Labor and Expenses	0		0	
154	844.6 Compressor Station Labor and Expenses	0		0	
155	844.7 Communication System Expenses	0		0	
156	844.8 System Control and Load Dispatching	0		0	
157	845.1 Fuel	0		0	
158	845.2 Power	0		0	
159	845.3 Rents	0		0	
160	845.4 Demurrage Charges	0		0	
161	(less) 845.5 Wharfage Receipts-Credit	0		0	
162	845.6 Processing Liquefied or Vaporized Gas by Others	0		0	
163	846.1 Gas Losses	0		0	
164	846.2 Other Expenses	0		0	
165	TOTAL Operation (Total of lines 149 thru 164)	0		0	
166	Maintenance				
167	847.1 Maintenance Supervision and Engineering	0		0	
168	847.2 Maintenance of Structures and Improvements	0		0	
169	847.3 Maintenance of LNG Processing Terminal Equipment	0		0	
170	847.4 Maintenance of LNG Transportation Equipment	0		0	
171	847.5 Maintenance of Measuring and Regulating Equipment	0		0	
172	847.6 Maintenance of Compressor Station Equipment	0		0	
173	847.7 Maintenance of Communication Equipment	0		0	
174	847.8 Maintenance of Other Equipment	0		0	
175	TOTAL Maintenance (Total of lines 167 thru 174)	0		0	
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0		0	
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	33,683,355		28,058,245	

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Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
178	3. TRANSMISSION EXPENSES				
179	Operation				
180	850 Operation Supervision and Engineering	6,170,232	5,894,222		
181	851 System Control and Load Dispatching	4,367,626	3,377,313		
182	852 Communication System Expenses	1,337,474	1,332,656		
183	853 Compressor Station Labor and Expenses	10,886,772	10,284,152		
184	854 Gas for Compressor Station Fuel	27,304,791	16,753,278		
185	855 Other Fuel and Power for Compressor Stations	2,411,214	3,020,197		
186	856 Mains Expenses	19,738,128	19,279,067		
187	857 Measuring and Regulating Station Expenses	4,121,013	4,525,369		
188	858 Transmission and Compression of Gas by Others	1,969	3,406		
189	859 Other Expenses	2,456,591	2,675,928		
190	860 Rents	310,864	240,084		
191	TOTAL Operation (Total of lines 180 thru 190)	79,106,674	67,385,672		
192	Maintenance				
193	861 Maintenance Supervision and Engineering	0	0		
194	862 Maintenance of Structures and Improvements	1,247,501	1,123,891		
195	863 Maintenance of Mains	32,866,319	25,044,772		
196	864 Maintenance of Compressor Station Equipment	17,903,883	14,779,952		
197	865 Maintenance of Measuring and Regulating Station Equipment	3,143,396	2,713,677		
198	866 Maintenance of Communication Equipment	93,952	115,473		
199	867 Maintenance of Other Equipment	1,196,012	1,119,631		
200	TOTAL Maintenance (Total of lines 193 thru 199)	56,451,063	44,897,396		
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	135,557,737	112,283,068		
202	4. DISTRIBUTION EXPENSES				
203	Operation				
204	870 Operation Supervision and Engineering	0	0		
205	871 Distribution Load Dispatching	0	0		
206	872 Compressor Station Labor and Expenses	0	0		
207	873 Compressor Station Fuel and Power	0	0		

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
208	874 Mains and Services Expenses	0	0	
209	875 Measuring and Regulating Station Expenses-General	0	0	
210	876 Measuring and Regulating Station Expenses-Industrial	0	0	
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0	
212	878 Meter and House Regulator Expenses	0	0	
213	879 Customer Installations Expenses	0	0	
214	880 Other Expenses	0	0	
215	881 Rents	0	0	
216	TOTAL Operation (Total of lines 204 thru 215)	0	0	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	0	0	
219	886 Maintenance of Structures and Improvements	0	0	
220	887 Maintenance of Mains	0	0	
221	888 Maintenance of Compressor Station Equipment	0	0	
222	889 Maintenance of Measuring and Regulating Station Equipment-General	0	0	
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	0	0	
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0	
225	892 Maintenance of Services	0	0	
226	893 Maintenance of Meters and House Regulators	0	0	
227	894 Maintenance of Other Equipment	0	0	
228	TOTAL Maintenance (Total of lines 218 thru 227)	0	0	
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	0	0	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	0	0	
233	902 Meter Reading Expenses	0	0	
234	903 Customer Records and Collection Expenses	0	0	

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Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
235	904 Uncollectible Accounts	0	0		
236	905 Miscellaneous Customer Accounts Expenses	0	0		
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	0	0		
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
239	Operation				
240	907 Supervision	0	0		
241	908 Customer Assistance Expenses	0	0		
242	909 Informational and Instructional Expenses	0	0		
243	910 Miscellaneous Customer Service and Informational Expenses	0	1,000		
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	0	1,000		
245	7. SALES EXPENSES				
246	Operation				
247	911 Supervision	0	0		
248	912 Demonstrating and Selling Expenses	326	0		
249	913 Advertising Expenses	4,983	4,604		
250	916 Miscellaneous Sales Expenses	0	0		
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	5,309	4,604		
252	8. ADMINISTRATIVE AND GENERAL EXPENSES				
253	Operation				
254	920 Administrative and General Salaries	34,943,032	32,134,520		
255	921 Office Supplies and Expenses	9,093,454	9,536,846		
256	(Less) 922 Administrative Expenses Transferred-Credit	2,211,561	2,117,743		
257	923 Outside Services Employed	19,222,892	16,523,949		
258	924 Property Insurance	781,114	870,403		
259	925 Injuries and Damages	1,262,800	1,673,370		
260	926 Employee Pensions and Benefits	10,963,490	10,952,577		
261	927 Franchise Requirements	0	0		
262	928 Regulatory Commission Expenses	1,606,883	1,758,356		
263	(Less) 929 Duplicate Charges-Credit	0	0		
264	930.1General Advertising Expenses	0	0		
265	930.2Miscellaneous General Expenses	2,523,398	2,463,577		
266	931 Rents	532,949	582,819		
267	TOTAL Operation (Total of lines 254 thru 266)	78,718,451	74,378,674		
268	Maintenance				
269	932 Maintenance of General Plant	846	0		
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	78,719,297	74,378,674		
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	248,783,088	207,605,743		

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Gas Used in Utility Operations

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

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit	854/819	10,002,802	29,103,192		
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6	Construction	107/856	12,711	34,018		
7	LNG Compressor Station Fuel	842.1	220,410	654,441		
8	Line Operations	856	1,757,709	5,126,862		
9	Purification Underground Storage	821	67,620	205,157		
10	Other Underground Storage Operations	817/819	210,619	639,990		
11	Condensate	856	1,919	16,421		
12	Unaccounted For	813	1,430,643	4,156,260		
13						
14						
15						
16						
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23						
24						
25	Total		13,704,433	39,936,341		

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/Q4
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Transmission and Compression of Gas by Others (Account 858)

1. Report below details concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.
2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1	El Paso Natural Gas Company - Receipt at Pecos, TX and delivery at Plains, TX		1,969	189,375
2				
3				
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24				
25	Total		1,969	189,375

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/Q4
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Other Gas Supply Expenses (Account 813)

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

Line No.	Description (a)	Amount (in dollars) (b)
1	Loss on replacement of encroachment volumes	6,245,405
2	Revaluation of encroachments	1,849,569
3	Unaccounted for gas	4,156,260
4	Other	15,719
5		
6		
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25	Total	12,266,953

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/Q4</u>
Miscellaneous General Expenses (Account 930.2)					
1. Provide the information requested below on miscellaneous general expenses. 2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.					
Line No.	Description (a)				Amount (in dollars) (b)
1	Industry association dues.				80,584
2	Experimental and general research expenses.				
	a. Gas Research Institute (GRI)				
	b. Other				
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent				
4	Marketing support payments				2,345,000
5	Other expenses - 28 items				97,814
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24					
25	Total				2,523,398

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/Q4
Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)					
<p>1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.</p> <p>2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are</p>					
Section A. Summary of Depreciation, Depletion, and Amortization Charges					
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas	3,986,996			
4	Products extraction plant				
5	Underground gas storage plant	6,021,552			253,770
6	Other storage plant	1,333,015			
7	Base load LNG terminaling and processing plant	236,118			
8	Transmission plant	49,594,576			
9	Distribution plant				
10	General plant	7,239,318			
11	Common plant-gas				
12	TOTAL	68,411,575	0		253,770

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/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

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

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

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

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	6,621,046		6,621,046	Intangible plant
2				Production plant, manufactured gas
3			3,986,996	Production and gathering plant, natural gas
4				Products extraction plant
5	31,336		6,306,658	Underground gas storage plant
6			1,333,015	Other storage plant
7			236,118	Base load LNG terminaling and processing plant
8	1,590,894		51,185,470	Transmission plant
9				Distribution plant
10			7,239,318	General plant
11				Common plant-gas
12	8,243,276		76,908,621	TOTAL

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/Q4
Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)					
4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.					
Section B. Factors Used in Estimating Depreciation Charges					
Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)		
1	Production and Gathering Plant				
2	Offshore (footnote details)	0	4.64		
3	Onshore (footnote details)				
4	Underground Gas Storage Plant (footnote details)	410,695	1.25		
5	Transmission Plant				
6	Offshore (footnote details)	37	4.64		
7	Onshore (footnote details)	3,274,038	1.50		
8	General Plant (footnote details)	91,102	0.00		
9	ARO, Offshore (footnote details)	25,697	0.00		
10	Base Load LNG Plant (footnote details)	7,456	0.00		
11	Intangible (footnote details)	161,509	0.00		
12	Market Basked Underground Storage (footnote detail)	55,588	2.34		
13	Other Gas Storage (footnote detail)	110,286	1.25		
14	Storage Plant Computer & Comm (footnote detail)	7,572	10.00		
15	Transmission Plant, Computers (footnote detail)	37,402	10.00		

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/Q4
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Particulars Concerning Certain Income Deductions and Interest Charges Accounts

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

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

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

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

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

Line No.	Item (a)	Amount (b)
1	426.1 - Donations under \$250,000	255,987
2		
3	426.4 - Expenditures for Certain Civic, Political, and Related	45,602
4	Activities under \$250,000	
5		
6	426.5 - Other Deductions under \$250,000	9,734
7		
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15	431 - Other Interest Expense - primarily interest on trackers	61,810
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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/Q4
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Regulatory Commission Expenses (Account 928)

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

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission RP04-155 Rate Case (over 5 years starting the month after incurred)				504,044
2	Federal Energy Regulatory Commission Order No. 472 2016 FERC Annual Charge (Oct 16 - Sep 17)	1,349,300			1,011,975
3	Federal Energy Regulatory Commission Order No. 472 2017 FERC Annual Charge (Oct 17 - Sep 18)	1,351,470			
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24					
25	Total	2,700,770			1,516,019

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/Q4
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Regulatory Commission Expenses (Account 928)

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

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1				125,004	182.3	257,041	372,007
2					182.3	1,011,975	
3				1,351,470	182.3	337,867	1,013,603
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25				1,476,474		1,606,883	1,385,610

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Employee Pensions and Benefits (Account 926)					
1. Report below the items contained in Account 926, Employee Pensions and Benefits.					
Line No.	Expense (a)				Amount (b)
1	Pensions – defined benefit plans				845,415
2	Pensions – other				6,425,526
3	Post-retirement benefits other than pensions (PBOP)				
4	Post- employment benefit plans				
5	Other (Specify)				
6	Healthcare and other benefits				3,692,549
7					
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39					
	Total				10,963,490

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Distribution of Salaries and Wages

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

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (line 6)				
22	Customer Service and Informational (line 7)				
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply				
31	Storage, LNG Terminaling and Processing	3,973,914			3,973,914
32	Transmission	21,641,568	4,358		21,645,926
33	Distribution				
34	Customer Accounts				
35	Customer Service and Informational				
36	Sales				
37	Administrative and General	32,813,726	1,181,941		33,995,667
38	TOTAL Operation (Total of lines 28 thru 37)	58,429,208	1,186,299		59,615,507
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing	2,992,854			2,992,854
44	Transmission	12,715,230			12,715,230
45	Distribution				

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Distribution of Salaries and Wages (continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)	15,708,084			15,708,084
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(Il. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)				
53	Storage, LNG Terminaling and Processing (Total of Il. 31 and 43)	6,966,768			6,966,768
54	Transmission (Total of lines 32 and 44)	34,356,798	4,358		34,361,156
55	Distribution (Total of lines 33 and 45)				
56	Customer Accounts (Total of line 34)				
57	Customer Service and Informational (Total of line 35)				
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	32,813,726	1,181,941		33,995,667
60	Total Operation and Maintenance (Total of lines 50 thru 59)	74,137,292	1,186,299		75,323,591
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	74,137,292	1,186,299		75,323,591
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant	13,219,058	7,349	3,285,032	16,511,439
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	13,219,058	7,349	3,285,032	16,511,439
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant	369,376			369,376
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	369,376			369,376
75	Other Accounts (Specify) (footnote details)	942,334	5		942,339
76	TOTAL Other Accounts	942,334	5		942,339
77	TOTAL SALARIES AND WAGES	88,668,060	1,193,653	3,285,032	93,146,745

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Charges for Outside Professional and Other Consultative Services

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

(a) Name of person or organization rendering services.

(b) Total charges for the year.

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

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

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

Line No.	Description (a)	Amount (in dollars) (b)
1	MICHELS CORPORATION	25,483,285
2	APPALACHIAN PIPELINE CONTRACTORS LLP	13,284,867
3	MINNESOTA LIMITED LLC	12,882,347
4	K K INC	12,099,788
5	AVERY TECHNICAL RESOURCES INC	8,426,401
6	GAS GATHERING SPECIALISTS INC	7,532,016
7	TRES MANAGEMENT INC	5,547,062
8	STRIKE LLC	5,443,207
9	VENABLES CONSTRUCTION INC	5,440,978
10	MANHATTAN PIPELINE LLC	5,237,729
11	SCG LLC	4,865,165
12	YOH SERVICES LLC	4,838,427
13	T AND C MFG AND OPERATING INC	4,224,654
14	XCEL NDT LLC	3,630,673
15	PL ENERSERV LLC	3,543,829
16	OR INSPECTION INC	3,479,916
17	JOMAX CONSTRUCTION CO INC	3,156,342
18	TDW SERVICES INC	2,659,094
19	GLENN E SESSIONS AND SONS INC	2,557,043
20	ROSEN USA INC	2,467,177
21	D E RICE CONSTRUCTION COMPANY	2,379,493
22	HUNT ELECTRIC CORPORATION	2,180,267
23	NBG ENTERPRISES	2,153,417
24	SOVDE ENTERPRISES INC	1,895,486
25	AVERY PIPELINE SERVICES INC	1,824,655
26	EGAN FIELD AND NOWAK INC	1,658,787
27	CSE SERVICES LLC	1,658,236
28	ENERGY ECONOMICS INC	1,413,121
29	WEST CONTINENT ENERGY SERVICES LLC	1,360,193
30	PROSOURCE TECHNOLOGIES LLC	1,265,932
31	LIBERTY CORE CONSULTANTS LLC	1,162,167
32	LONQUIST FIELD SERVICE LLC	1,132,022
33	UPS MIDSTREAM SERVICES INC	1,116,845
34	PROKARMA INC	1,049,450
35	EXLINE INC	1,046,306

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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	FOLEY EQUIPMENT COMPANY	1,034,491
2	SHERMCO INDUSTRIES INC	1,019,750
3	SEPTAGON CONSTRUCTION CO INC	1,003,205
4	MERJENT INC	995,390
5	STANTEC CONSULTING SERVICES INC	994,991
6	RICOH USA INC	975,621
7	SCHMID PIPELINE CONSTRUCTION INC	947,418
8	ENCOMPASS SERVICES LLC	919,941
9	TETRA TECH ROONEY	906,121
10	BLACKEAGLE ENERGY SERVICES	859,951
11	BAKER HUGHES PROCESS AND PIPELINE SERVICES LLC	804,923
12	EPIC INDUSTRIAL SOLUTIONS LLC	795,569
13	BOCKMANN INC	659,994
14	BLACK AND VEATCH CORPORATION	629,595
15	L CON INC	600,857
16	MAC SUPPLY INC ELECTRICAL CONTRACTORS	598,864
17	SAMUEL ENGINEERING INC	574,955
18	CLEAN HARBORS ENVIRONMENTAL SERVICES INC	573,018
19	GENERAL CORROSION CORPORATION	564,276
20	DRESSER RAND SERVICES INC	557,189
21	NORTHERN CLEARING INCORPORATED	539,862
22	EAGLE SKY PATROL INC	537,156
23	OSI ENVIRONMENTAL INC	523,890
24	MECO LAND SERVICES	511,507
25	TEG SOLUTIONS LLC	481,482
26	PERGAM TECHNICAL SERVICES	480,431
27	SOLAR TURBINES INCORPORATED	456,306
28	MARIOS CONTRACTOR CORP	451,205
29	MCGILL RESTORATION INC	444,354
30	KUTAK ROCK	403,419
31	ALARM SYSTEMS INC	392,052
32	RYAN WHALEY COLDIRON JANTZEN PETERS AND WEBER PLLC	390,485
33	KOLEY JESSEN PC	386,453
34	KENTON BROWN	376,005
35	ASSOCIATED FIRE PROTECTION	367,494

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/Q4
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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	ALLIANT ENERGY IPL	349,904
2	TK AND COMPANY INC	347,427
3	HOLLOMAN CORPORATION	337,174
4	ROTEK SERVICES INC	336,335
5	WILLIAM M COBB AND ASSOCIATES	314,109
6	MCDANIEL TECHNICAL SERVICES INC	310,479
7	DREILING PIPELINE LLC	298,127
8	HAYES MECHANICAL	296,384
9	TRANSCONTINENTAL GAS PIPELINE	295,591
10	YOKA INC	290,744
11	ALLIED VALVE INC	285,019
12	BELKNAP ELECTRIC INC	283,828
13	CED AUTOMATION	279,938
14	HARDINGER CONSTRUCTION	276,101
15	CARDIS MFG CO INC	270,376
16	SULZER TURBO SERVICES	268,670
17	COMMTECH GLOBAL SOLUTIONS	267,313
18	SPIRE CONSULTING GROUP LLC	263,170
19	INTERSTATE TREE LANDSCAPING CO	263,063
20	PERCHERON LLC	261,026
21	UNIVERSAL FIELD SERVICES INC	260,821
22	CAPSTONE CONSULTING INC	254,199
23	ASBESTROL INC	252,847
24	LOCKE LORD LLP	250,008
25	OTHER	23,239,302
26	TOTAL	213,006,552
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Transactions with Associated (Affiliated) Companies

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

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	IT shared services	MidAmerican Energy Company ("MEC")	165,923	3,685,536
3	Other-goods and services under \$250,000	MEC	Various	1,253,410
4	Software leases, maintenance contracts and other charges	MEC	165,923	975,199
5	Executive Management support services	MEC	426.1,426.5,850,923	723,198
6	Electricity, construction and other services	MEC	Various	636,540
7	Tax compliance services	MEC	426.4,923	322,165
8	Other-goods and services under \$250,000	Berkshire Hathaway Energy Company ("BHEC")	Various	2,154,711
9	Software leases, maintenance contracts and other charges	BHEC	165,923	1,162,552
10	Natural gas swap settlements	Wells Fargo Bank	803,808.2,921	17,582,766
11	Labor and other-goods and services	International Business Machines	165,921	489,896
12	Other-goods and services under \$250,000	Various		429,948
13	Transportation Equipment	Husker Auto Group	107	323,252
14	Total			29,739,173
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19				
20	Goods or Services Provided for Affiliated Company			
21	Tranportation and storage services	MEC	Various	64,592,262
22	Other-goods and services under \$250,000	MEC	Various	182,340
23	Financing services (demand promissory notes)	BHEC	419	4,025,335
24	Other-goods and services under \$250,000	BHEC	Various	552,741
25	Finance and accounting services	Kern River Gas Transmission Co. ("Kern River")	408.1,920,921,926	768,145
26	Other-goods and services under \$250,000	Kern River	Various	1,460,421
27	Storage services	Wells Fargo Commodities, LLC	489.4	345,274
28	Other-goods and services under \$250,000	Various		350,386
29	Total			72,276,904
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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/Q4
Compressor Stations					
<p>1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.</p> <p>2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.</p>					
Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)	
1	Underground Storage: Underground Storage Compression:				
2	Underground Storage: Cunningham, Kansas	6	14,050	39,028,556	
3	Underground Storage: Redfield, Iowa	7	16,760	51,758,511	
4	Total Underground Storage	13	30,810	90,787,067	
5					
6	Transmission: Transmission Compression:				
7	Transmission: Fort Buford, North Dakota	3	3,100	5,071,247	
8	Transmission: Spencer, South Dakota	1	1,100	4,499,793	
9	Transmission: Willow Lake, South Dakota	1	1,590	12,390,290	
10	Transmission: Albert Lea, Minnesota	1	15,000	21,118,557	
11	Transmission: Carlton, Minnesota	2	8,000	9,520,959	
12	Transmission: Alexandria, Minnesota	1	800	3,606,570	
13	Transmission: Farmington, Minnesota	7	20,200	43,417,499	
14	Transmission: North Branch, Minnesota	4	8,000	13,684,553	
15	Transmission: Pierz, Minnesota	1	800	5,209,002	
16	Transmission: Owatonna, Minnesota	1	13,037	16,426,998	
17	Transmission: Faribault, Minnesota	2	29,036	45,283,935	
18	Transmission: Hugo, Minnesota	1	5,967	11,471,556	
19	Transmission: Chatfield, Minnesota	2	4,250	8,138,869	
20	Transmission: LaCrescent, Minnesota	1	1,250	4,682,091	
21	Transmission: Popple Creek, Minnesota	1	2,000	4,439,308	
22	Transmission: Elk River, Minnesota	1	1,100	5,955,012	
23	Transmission: Belleville, Wisconsin	4	4,640	5,735,866	
24	Transmission: Spring Green, Wisconsin	1	1,100	4,928,667	
25	Transmission: Galena, Illinois	2	7,600	8,716,390	

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Compressor Stations									
Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.									
3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.									
Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)	
1									
2	448,394	818,191	3,659,740	158,689	9,764,553	12,555	5	05/28/2017	
3	1,350,007	434,696	9,814,324	458,183	3,019,500	30,935	5	12/27/2017	
4	1,798,401	1,252,887	13,474,064	616,872	12,784,053	43,490	10		
5									
6									
7	195,419		127,340	64,809		6,619	3	04/23/2017	
8		24,215	143,343		384,000	610	1	12/27/2017	
9	68,603	32,295	207,065	22,862	273,440	2,192	1	01/06/2017	
10	390,026	30,354	128,737	124,327	225,680	1,499	1	12/07/2017	
11	299,614	29,005	539,440	100,584	230,900	5,037	2	12/28/2017	
12	1,733	109,466	106,744	582	818,880	2,360	1	12/27/2017	
13	480,806	147,199	1,638,036	163,216	1,276,320	13,072	6	12/27/2017	
14	393,205	58,127	1,011,959	134,611	474,200	12,723	4	10/02/2017	
15	9,997	173,781	96,901	3,458	1,466,500	4,787	1	02/24/2017	
16	391,126	26,445	113,645	127,439	233,100	1,402	1	01/12/2017	
17	857,943	28,285	316,958	271,013	180,400	2,872	2	12/27/2017	
18	79,863	14,319	171,402	25,048	126,960	596	1	01/06/2017	
19		23,741	90,779		270,894	151	1	12/27/2017	
20		12,090	84,485		53,498				
21		43,776	74,823		503,125	1,751	1	12/26/2017	
22		14,782	148,134		260,400	288	1	12/26/2017	
23	420,133	19,096	418,643	151,108	149,686	12,052	3	04/07/2017	
24		16,323	31,448		144,134	14	1	01/08/2017	
25	766,350	13,170	197,295	267,742	121,042	8,058	1	12/30/2017	

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Compressor Stations (continued)					
Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)	
1	Transmission: Hubbard, Iowa	1	8,000	12,121,550	
2	Transmission: Earlville, Iowa	1	15,000	13,943,599	
3	Transmission: Ventura, Iowa	5	12,330	16,445,542	
4	Transmission: Waterloo, Iowa	8	16,250	29,381,599	
5	Transmission: Ogden, Iowa	10	30,400	29,441,320	
6	Transmission: Paullina, Iowa	5	4,400	8,193,389	
7	Transmission: Oakland, Iowa	6	30,500	30,274,548	
8	Transmission: Guthrie Center, Iowa	1	5,667	10,777,501	
9	Transmission: Palmyra, Nebraska	12	31,755	49,140,242	
10	Transmission: Beatrice, Nebraska	8	32,500	42,195,206	
11	Transmission: Fremont, Nebraska	1	4,700	15,792,590	
12	Transmission: Homer, Nebraska	4	9,480	34,007,234	
13	Transmission: Clifton, Kansas	5	24,200	20,231,765	
14	Transmission: Tescott, Kansas	1	9,100	11,127,005	
15	Transmission: Bushton, Kansas	10	39,500	64,911,417	
16	Transmission: Macksville, Kansas	5	33,900	28,999,466	
17	Transmission: Mullinville, Kansas	7	25,900	44,690,674	
18	Transmission: Beaver, Oklahoma	7	28,500	38,110,779	
19	Transmission: Plains, Texas	1	3,546	7,634,139	
20	Transmission: Sunray, Texas	7	14,000	21,323,286	
21	Transmission: Spraberry, Texas	6	7,702	17,206,154	
22	Transmission: Pampa, Texas	1	9,300	4,572,547	
23	Transmission: Plainview, Texas	1	9,300	6,728,691	
24	Transmission: Seminole, Texas	1	9,300	7,799,030	
25	Transmission: Claude, Texas	1	9,300	3,729,363	

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Compressor Stations (continued)									
Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)	
1		35,784	259,786		499,900	3	1	05/19/2017	
2	115,880	16,004	222,105	37,526	169,344	330	1	12/27/2017	
3	429,893	52,280	789,130	140,739	492,541	5,040	5	12/27/2017	
4	1,201,771	68,160	2,446,296	412,980	616,892	23,797	8	12/26/2017	
5	2,651,152	103,311	2,063,795	918,748	518,100	36,759	7	02/16/2017	
6	35,308	26,552	304,333	11,005	238,040	2,034	3	12/31/2017	
7	607,149	63,546	1,907,186	207,131	559,800	6,521	6	10/31/2017	
8	362,594	6,399	112,111	125,510	122,500	2,400	1	12/26/2017	
9	2,854,015	100,921	1,897,459	987,586	1,434,624	45,145	10	12/27/2017	
10	1,386,396	78,899	1,312,035	464,616	887,100	19,130	8	01/06/2017	
11	83,255	18,052	81,224	27,843	189,984	1,241	1	12/26/2017	
12	619,930	51,288	266,398	215,710	468,080	17,329	3	12/26/2017	
13	1,593,380	81,030	1,744,407	539,984	1,199,100	7,320	5	12/27/2017	
14	399,714	36,492	212,033	127,861	253,594	1,006	1	01/06/2017	
15	1,969,555	234,040	4,581,408	679,206	3,339,040	29,350	7	12/26/2017	
16	87,577	60,962	826,692	26,441	592,000	1,820	3	12/28/2017	
17	1,150,652	45,907	1,603,952	403,163	552,497	16,684	6	12/30/2017	
18	895,748	32,061	1,454,847	321,442	4,441,200	15,679	6	12/30/2017	
19	137,000	10,126	394,414	46,513	105,905	1,350	1	04/01/2017	
20	922,233	80,042	1,730,340	319,305	1,069,800	24,701	7	03/09/2017	
21	1,056,475	49,129	1,694,429	369,489	824,900	40,650	6	11/14/2017	
22	89,191	12,655	323,714	31,350	108,762	607	1	12/30/2017	
23	286,915	16,517	174,607	101,684	129,600	2,234	1	12/30/2017	
24	18,194	21,622	222,118	6,477	139,680	75	1	08/15/2017	
25	189,422	14,637	207,893	67,210	127,680	1,471	1	12/30/2017	

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Compressor Stations (continued)				
Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Transmission: Brownfield, Texas	1	9,300	7,397,081
2	Transmission: Kermit, Texas	1	15,900	24,261,595
3	Transmission: Gaines County, Texas	2	18,089	31,844,046
4	Total Transmission Compression	156	596,389	866,578,520
5				
6	Other Storage Compression			
7	Other: Garner, IA LNG Plant	4	11,300	15,628,762
8	Other: Wrenshall, MN LNG Plant	6	8,230	21,872,316
9	Total Other Storage	10	19,530	37,501,078
10				
11	Offshore Compression			
12	Offshore: South Pelto 13	1	477	137,963
13	Total Offshore Compression	1	477	137,963
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Compressor Stations (continued)

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1	695,459	17,701	186,706	241,428	209,640	4,286	1	12/30/2017
2	2,071,160	62,761	198,170	720,056	874,600	8,723	1	04/20/2017
3	1,020,256	37,986	148,525	371,351	461,600	8,632	2	12/30/2017
4	27,285,092	2,251,333	33,013,290	9,379,153	27,819,662	400,400	136	
5								
6								
7	105,462	1,181,041	2,425,592	35,688	16,472,400	7,570	3	10/31/2017
8	548,979	639,343	2,266,654	184,722	6,275,000	16,626	4	01/12/2017
9	654,441	1,820,384	4,692,246	220,410	22,747,400	24,196	7	
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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/Q4
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Gas Storage Projects

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

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (In Dth)			
1	Gas Delivered to Storage			
2	January	(262,979)	1,759,971	1,496,992
3	February	(3,453,442)	6,338,253	2,884,811
4	March	(5,019,250)	7,387,720	2,368,470
5	April	(7,990,849)	14,893,923	6,903,074
6	May	(2,759,051)	11,074,567	8,315,516
7	June	(15,425,563)	17,460,925	2,035,362
8	July	(13,155,569)	17,458,361	4,302,792
9	August	(5,091,853)	18,444,572	13,352,719
10	September	(4,994,437)	20,925,545	15,931,108
11	October	125,821	17,997,178	18,122,999
12	November	8,380,098	4,317,221	12,697,319
13	December	(3,554,399)	3,679,159	124,760
14	TOTAL (Total of lines 2 thru 13)	(53,201,473)	141,737,395	88,535,922
15	Gas Withdrawn from Storage			
16	January	(997,299)	23,187,207	22,189,908
17	February	(5,038,031)	14,507,512	9,469,481
18	March	(5,816,485)	14,478,173	8,661,688
19	April	(4,854,823)	7,043,139	2,188,316
20	May	(1,653,239)	2,350,921	697,682
21	June	(12,355,347)	14,720,333	2,364,986
22	July	(12,965,815)	15,048,096	2,082,281
23	August	(4,866,071)	5,626,173	760,102
24	September	(4,741,978)	6,458,702	1,716,724
25	October	(929,440)	5,267,444	4,338,004
26	November	6,344,344	6,809,489	13,153,833
27	December	(4,268,426)	29,707,231	25,438,805
28	TOTAL (Total of lines 16 thru 27)	(52,142,610)	145,204,420	93,061,810

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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Gas Storage Projects

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

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	58,875,424
2	Cushion Gas (Including Native Gas)	128,435,001
3	Total Gas in Reservoir (Total of line 1 and 2)	187,310,425
4	Certificated Storage Capacity	224,050,000
5	Number of Injection - Withdrawal Wells	224
6	Number of Observation Wells	107
7	Maximum Days' Withdrawal from Storage	1,524,200
8	Date of Maximum Days' Withdrawal	12/27/2017
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

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Transmission Lines

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

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1	Op by resp: Illinois		21.80
2	Op by resp: Iowa		4,384.70
3	Op by resp: Kansas	*	1,727.80
4	Op by resp: Michigan		268.40
5	Op by resp: Minnesota		3,346.70
6	Op by resp: Nebraska	*	1,647.90
7	Op by resp: New Mexico		76.20
8	Op by resp: Oklahoma		233.60
9	Op by resp: South Dakota	*	791.10
10	Op by resp: Texas	*	951.10
11	Op by resp: Wisconsin		1,338.40
12			
13	Total		14,787.70
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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/Q4
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Transmission System Peak Deliveries

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

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date: December 26, 2017			
2	Volumes of Gas Transported			
3	No-Notice Transportation		89,298	89,298
4	Other Firm Transportation	182,161	4,989,304	5,171,465
5	Interruptible Transportation	(3,137)	160,542	157,405
6	Other (Describe) (footnote details)			
7	TOTAL	179,024	5,239,144	5,418,168
8	Volumes of gas Withdrawn form Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage		943,587	943,587
11	Interruptible Storage		446,443	446,443
12	Other (Describe) (footnote details)			
13	TOTAL		1,390,030	1,390,030
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations		1,256,700	1,256,700
16	Reduction in Line Pack		207,400	207,400
17	Other (Describe) (footnote details)			
18	TOTAL		1,464,100	1,464,100
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates: December 25, 26, 27, 2017			
21	Volumes of Gas Transported			
22	No-Notice Transportation		225,692	225,692
23	Other Firm Transportation	559,202	14,414,417	14,973,619
24	Interruptible Transportation	(2,222)	359,905	357,683
25	Other (Describe) (footnote details)			
26	TOTAL	556,980	15,000,014	15,556,994
27	Volumes of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage		2,685,535	2,685,535
30	Interruptible Storage		1,380,799	1,380,799
31	Other (Describe) (footnote details)			
32	TOTAL		4,066,334	4,066,334
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations		3,694,600	3,694,600
35	Reduction in Line Pack		358,800	358,800
36	Other (Describe) (footnote details)			
37	TOTAL		4,053,400	4,053,400

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/Q4
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Auxiliary Peaking Facilities

- Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
- For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
- For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1	Gamer, Iowa	LNG	300,000	62,192,769	Yes
2	Wrenshall, Minnesota	LNG	300,000	49,223,925	Yes
3					
4					
5					
6					
7					
8					
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10					
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12					
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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/Q4
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Gas Account - Natural Gas

- The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
- Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
- If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
- 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.
- Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
- 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.
- 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)		10,180,893	6,067,334
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	1,134,620,073	320,383,096
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307	141,737,395	25,993,558
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	3,226,121	593,451
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332	189,375	189,375
12	Other Gas Withdrawn from Storage (Explain)		93,061,810	42,930,642
13	Gas Received from Shippers as Compressor Station Fuel		9,484,468	2,762,153
14	Gas Received from Shippers as Lost and Unaccounted for		(310,327)	451,106
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		1,392,189,808	399,370,715
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		7,741,541	1,227,100
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305	1,134,620,073	320,383,096
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307	145,204,420	41,784,164
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	2,194,044	1,381,102
26	Deliveries of Gas to Others for Transportation (Account 858)	332	189,375	189,375
27	Other Gas Delivered to Storage (Explain)		88,535,922	30,945,078
28	Gas Used for Compressor Station Fuel	509	10,002,802	3,220,700
29	Other Deliveries and Gas Used for Other Operations		2,270,988	527,711
30	Total Deliveries (Total of lines 18 thru 29)		1,390,759,165	399,658,326
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		1,430,643	(287,611)
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		1,392,189,808	399,370,715

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/Q4
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Shipper Supplied Gas for the Current Quarter

- Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
- On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
- On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
- Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
- Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
- On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
- On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (c) 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	358,972	38,486	233,252	630,710
5	Distribution				
6	Storage			202,516	202,516
7	Total Shipper Supplied Gas	358,972	38,486	435,768	833,226
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	372,225	39,891	241,828	653,944
12	Distribution				
13	Storage			61,894	61,894
14	Total gas used in compressors	372,225	39,891	303,722	715,838
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	54,006	5,788	35,087	94,881
19	Distribution				
20	Storage			7,958	7,958
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	54,006	5,788	43,045	102,839
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	175,684	18,828	114,139	308,651
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	175,684	18,828	114,139	308,651

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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	983,086	105,355	638,696	1,727,137					805	805
5										
6			551,429	551,429					805	805
7	983,086	105,355	1,190,125	2,278,566						
8										
9										
10										
11	1,013,717	108,638	658,596	1,780,951					854	810
12										
13			168,562	168,562					819	810
14	1,013,717	108,638	827,158	1,949,513						
15										
16										
17										
18	147,081	15,762	95,556	258,399					See footnote	812
19										
20			21,673	21,673					See footnote	812
21										
22	147,081	15,762	117,229	280,072						
23										
24										
25										
26	478,457	51,275	310,846	840,578					813	812
27										
28										
29										
30	478,457	51,275	310,846	840,578						

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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	(242,943)	(26,021)	(157,802)	(426,766)
35	Distribution				
36	Storage			132,664	132,664
37	Total Net Excess Or (Deficiency)	(242,943)	(26,021)	(25,138)	(294,102)
	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	Gas to be returned to shippers				
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	(242,943)	(26,021)	(25,138)	(294,102)
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	(242,943)	(26,021)	(25,138)	(294,102)
SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT					
66	Forwardhaul Volume in Dths for the Quarter	320,383,096			
67	Backhaul Volume in Dths for the Quarter				
68	TOTAL (Lines 66 and 67)	320,383,096			

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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	(656,169)	(70,320)	(426,302)	(1,152,791)						
35										
36			361,194	361,194						
37	(656,169)	(70,320)	(65,108)	(791,597)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	(656,169)	(70,320)	(65,108)	(791,597)					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	(656,169)	(70,320)	(65,108)	(791,597)						

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/Q4
Shipper Supplied Gas for the Current Quarter					
<p>1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.</p> <p>2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).</p> <p>3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).</p> <p>4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).</p> <p>5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.</p> <p>6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.</p> <p>7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).</p> <p>8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).</p> <p>9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.</p> <p>10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.</p>					
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	532,313	35,101	333,274	900,688
5	Distribution				
6	Storage			166,678	166,678
7	Total Shipper Supplied Gas	532,313	35,101	499,952	1,067,366
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	591,017	39,001	370,011	1,000,029
12	Distribution				
13	Storage			87,206	87,206
14	Total gas used in compressors	591,017	39,001	457,217	1,087,235
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	82,766	5,462	51,817	140,045
19	Distribution				
20	Storage			9,702	9,702
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	82,766	5,462	61,519	149,747
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	(833,859)	(55,026)	(522,043)	(1,410,928)
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	(833,859)	(55,026)	(522,043)	(1,410,928)

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/Q4
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
1										
2										
3										
4	1,443,028	95,225	903,418	2,441,671					805	805
5										
6			450,528	450,528					805	805
7	1,443,028	95,225	1,353,946	2,892,199						
8										
9										
10										
11	1,570,168	103,615	983,016	2,656,799					854	810
12										
13			235,631	235,631					819	810
14	1,570,168	103,615	1,218,647	2,892,430						
15										
16										
17										
18	223,615	14,756	139,996	378,367					See footnote	812
19										
20			26,215	26,215					See footnote	812
21										
22	223,615	14,756	166,211	404,582						
23										
24										
25										
26	(2,417,526)	(159,532)	(1,513,512)	(4,090,570)					812	813
27										
28										
29										
30	(2,417,526)	(159,532)	(1,513,512)	(4,090,570)						

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/Q4
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	692,389	45,664	433,489	1,171,542
35	Distribution				
36	Storage			69,770	69,770
37	Total Net Excess Or (Deficiency)	692,389	45,664	503,259	1,241,312
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	Gas to be returned to shippers	692,389	45,664	503,259	1,241,312
45					
46					
47					
48					
49					
50					
51	Total Disposition Of Excess Gas	692,389	45,664	503,259	1,241,312
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/Q4
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
31										
32										
33										
34	2,066,771	136,386	1,293,918	3,497,075						
35										
36			188,682	188,682						
37	2,066,771	136,386	1,482,600	3,685,757						
38										
39										
40										
41										
42										
43										
44	2,066,771	136,386	1,482,600	3,685,757					805	182.3
45										
46										
47										
48										
49										
50										
51	2,066,771	136,386	1,482,600	3,685,757						
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63										
64										
65										

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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Shipper Supplied Gas for the Current Quarter

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

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission	647,570	140,257	522,038	1,309,865
5	Distribution				
6	Storage			2,802	2,802
7	Total Shipper Supplied Gas	647,570	140,257	524,840	1,312,667
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission	660,638	143,111	532,492	1,336,241
12	Distribution				
13	Storage			81,386	81,386
14	Total gas used in compressors	660,638	143,111	613,878	1,417,627
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	117,314	25,413	94,558	237,285
19	Distribution				
20	Storage			32,493	32,493
21	Other Deliveries (specify) (footnote details)				
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations	117,314	25,413	127,051	269,778
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission	402,771	87,251	324,644	814,666
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	Total Gas Lost And Unaccounted For	402,771	87,251	324,644	814,666

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/Q4</u>
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	(533,153)	(115,518)	(429,656)	(1,078,327)
35	Distribution				
36	Storage			(111,077)	(111,077)
37	Total Net Excess Or (Deficiency)	(533,153)	(115,518)	(540,733)	(1,189,404)
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	Gas to be returned to shippers				
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	(533,153)	(115,518)	(540,733)	(1,189,404)
57					
58					
59					
60					
61					
62					
63					
64					
65	Total Gas Acquired To Meet Deficiency	(533,153)	(115,518)	(540,733)	(1,189,404)

Name of Respondent Northern Natural Gas Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
31										
32										
33										
34	(1,492,487)	(323,312)	(1,202,985)	(3,018,784)						
35										
36			(316,233)	(316,233)						
37	(1,492,487)	(323,312)	(1,519,218)	(3,335,017)						
38										
39										
40										
41										
42										
43										
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56	(1,492,487)	(323,312)	(1,519,218)	(3,335,017)					182.3	805
57										
58										
59										
60										
61										
62										
63										
64										
65	(1,492,487)	(323,312)	(1,519,218)	(3,335,017)						

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/Q4
System Maps			

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps:
 - (a) Transmission lines.
 - (b) Incremental facilities.
 - (c) Location of gathering areas.
 - (d) Location of zones and rate areas.
 - (e) Location of storage fields.
 - (f) Location of natural gas fields.
 - (g) Location of compressor stations.
 - (h) Normal direction of gas flow (indicated by arrows).
 - (i) Size of pipe.
 - (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
 - (k) Principal communities receiving service through the respondent's pipeline.
3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

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

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

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

	2017	2016
Regulatory assets	\$ 10,437,391	\$ 10,434,983
Debt discount and expense	521,365	495,885
Total	\$ 10,958,756	\$ 10,930,868

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

	2017	2016
Deferred fuel hedges	\$ (42,624,491)	\$ -
Gas balancing activities	(5,740,267)	(594,969)
Price risk management activities	(9,684,007)	(10,430,513)
Bankruptcy proceeds	(2,526,772)	-
Prepayments and other assets	(582,135)	(431,531)
Gain on the sale of assets	-	1,722
Total	\$ (61,157,672)	\$ (11,455,291)

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

	2017	2016
Net increase in payables and accrued expenses	\$ 3,055,543	\$ 13,589,993

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

	2017	2016
Salvage proceeds	360	-
Sublette tank and discharge line sale	-	224,719
Total	\$ 360	\$ 224,719

Schedule Page: 120 Line No.: 47 Column: b

	2017	2016
Costs incurred for the sale of the Big Lake, TX office	\$ (13,169)	\$ -
Sublette tank and discharge line sale	-	(20,629)
Total	(13,169)	(20,629)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 200 Line No.: 18 Column: d

Balance includes \$3,527,199 for tentative retirements to Account 101 Gas Plant in Service per the schedule below.

ACCOUNT 101 TENTATIVE RETIREMENTS				
Account	Beginning Balance	Reversal	2017 Tentative Retirements	Ending Balance
NATURAL GAS STORAGE AND PROCESSING PLANT				
Underground Storage Plant				
351 Structures & Improvements	44,187	(44,187)	-	-
352 Wells	19,251	(19,251)	-	-
353 Lines	111,756	(111,756)	14,442	14,442
354 Compressor Station Equipment	118,256	(118,256)	963,071	963,071
355 Other Equipment	110,471	(110,471)	1,500	1,500
356 Purification Equipment	66,456	(66,456)	-	-
357 Other Equipment	434	(434)	-	-
Total Underground Storage Plant	470,811	(470,811)	979,013	979,013
Other Storage Plant				
361 Structures and Improvements	4,170	(4,170)	-	-
363 Purification Equipment	659,686	(659,686)	9,000	9,000
3633 Compressor Equipment	915,097	(915,097)	14,880	14,880
Total Other Storage Plant	1,578,953	(1,578,953)	23,880	23,880
Transmission Plant				
366 Structures & Improvements	3,379	(3,379)	-	-
3661 Compressor Station Structures	118,216	(118,216)	12,336	12,336
3662 M&R Station Structures	164,857	(164,857)	39,809	39,809
3663 Other Structures	7,018	(7,018)	3,912	3,912
367 Mains	806,227	(806,227)	1,398,427	1,398,427
368 Compressor Station Equipment	7,873,690	(7,873,690)	362,227	362,227
369 Measuring & Regulating Equipment	1,254,618	(1,254,618)	704,795	704,795
Total Transmission Plant	10,228,005	(10,228,005)	2,521,506	2,521,506
General Plant				
390 Structures and Improvements	167,092	(167,092)	1,800	1,800
394 Tools, Shop and Garage Equipment	20,511	(20,511)	1,000	1,000
397 Communication Equipment	58,156	(58,156)	-	-
Total General Plant	245,759	(245,759)	2,800	2,800
Total Account 101 Tentative Retirements	12,523,528	(12,523,528)	3,527,199	3,527,199

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

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

Below is the supplemental statement showing the account distributions of tentative classifications for Account 106 Completed Construction Not Classified for Column (c), as required by instruction 5 for pages 204-209. (Only affected groups are reported.)

		Acct 101 & 106		Acct 101 Additions		
204-209		Account 106 - Completed Construction Not Classified - Gas				
No.	Account	Balance	Additions	Classified	Transfers	Ending Balance
1	INTANGIBLE PLANT					
4	303 Misc intangible plant	3,825,182	5,567,919	(6,759,780)	-	2,633,321
5	Total Intangible Plant	3,825,182	5,567,919	(6,759,780)	-	2,633,321
42	NATURAL GAS STORAGE & PROCESSING PLANT					
43	Underground Storage Plant					
44	350.1 Land			-	-	-
46	351 Structures and improvements	591,063	877,665	(1,055,645)	-	413,083
47	352 Wells	8,221,623	1,836,126	2,477,183	-	12,534,932
49	352.2 Reservoirs	2,118,242	-	-	(2,055)	2,116,187
51	353 Lines	8,345,275	1,898,866	(2,773,225)	-	7,470,915
52	354 Compressor station equipment	2,969,145	3,233,789	(3,450,352)	-	8,752,582
53	355 Measure/Regulating equip	325,922	1,365,478	(1,581,761)	12,077	721,716
54	356 Purification equipment	3,650,832	-	(2,188,973)	-	1,461,859
55	357 Other equipment	345,275	7,993	(353,268)	-	0
57	Total Underground Storage Plant	27,167,377	15,219,917	(8,926,041)	10,022	33,471,274
58	Other Storage Plant					
60	361 Structures and improvements	3,733,740	312,858	(3,945,864)	2,055	102,790
62	363 Purification equipment	4,018,178	1,905,988	(1,886,488)	-	4,037,678
63	363.1 Liquefaction equipment	174,330	3,298,759	(216,373)	-	3,256,716
64	363.2 Vaporizing equipment	12,576,239	-	(12,229,395)	-	346,844
65	363.3 Compressor equipment	2,766,355	-	(1,292,994)	-	1,473,361
66	363.4 Measuring/Reg equipment	4,455	79,019	(79,019)	-	4,454
67	363.5 Other Equipment	-	4,397,230	-	-	4,397,230
69	Total Other Storage Plant	23,273,297	9,993,854	(19,650,134)	2,055	13,619,072
70	Base Load Liquefied natural Gas Terminating & Processing Plant					
73	364.3 LNG processing term equip	76,417		-	-	76,417
75	364.5 Measure/reg equipment	-		-	-	-
80	Total Base Load Liquefied Nat'l	76,417	-	-	-	76,417
81	Total Natural Gas Storage & Processing	50,517,090	25,213,771	(28,576,175)	12,077	47,166,763
82	TRANSMISSION PLANT					
83	365.1 Land and land rights	67,233	-	-	-	67,233
84	365.2 Rights-of-way	(2)	2,628,090	(2,628,090)	-	(2)
85	366 Structures and improvements	9,711,716	4,364,983	(8,559,490)	-	5,517,210
86	367 Mains	67,332,606	107,736,064	(38,154,019)	-	136,914,651
87	368 Compressor station equipment	67,872,389	79,585,861	(45,947,447)	-	101,490,803
88	369 Measure/reg station equip	15,735,430	21,985,544	(12,264,633)	(12,077)	25,444,264
89	370 Communication equipment	252,166	-	(252,166)	-	0
92	Total Transmission Plant	160,971,538	216,280,542	(107,805,845)	(12,077)	269,434,158
110	GENERAL PLANT					
112	390 Structures and improvements	235,556	16,842	1,960	-	254,358
113	391C Computer Equipment	306,348	2,225,132	(1,809,807)	-	721,673
114	392 Transportation equipment	20,937	2,178,726	(2,173,029)	-	26,633
116	394 Tools, shop and garage equip	817,385	1,791,303	(2,355,664)	-	253,025
118	396 Power operated equipment	110,473	1,141,865	(1,141,865)	-	110,473
119	397 Communication equipment	941,039	86,731	(954,593)	-	73,177
121	Total General Plant	2,431,738	7,440,599	(8,432,998)	-	1,439,339
Total Gas Plant in Service		217,745,549	254,502,831	(151,574,798)	-	320,673,581

Schedule Page: 204 Line No.: 26 Column: e

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/Q4
FOOTNOTE DATA			

Account 339 Asset Retirement Costs for Natural Gas Production negative adjustment in the amount of \$555,223 recognizes later year of abandonment than previously estimated for Respondent's pipeline facilities located in the Gulf of Mexico offshore the coast of Texas.

Schedule Page: 204 Line No.: 54 Column: e

Account 356 Purification Equipment credit adjustment amount of \$118,520 reflects reclass of construction costs from Account 101 Gas Plant in Service to Account 108 Accumulated Provision for Depreciation to record cost of retirement.

Schedule Page: 204 Line No.: 129 Column: d

Below is a supplemental statement showing the Account distributions of tentative retirements for Account 101 Gas Plant in Service reported in Column (d) as required by instruction 5 for pages 204-209. There were no prior tentative retirement classifications. These tentative retirements are reflected and footnoted on pages 200-201 and on page 219.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

ACCOUNT 101 TENTATIVE RETIREMENTS				
Account	Beginning Balance	Reversal	2017 Tentative Retirements	Ending Balance
NATURAL GAS STORAGE AND PROCESSING PLANT				
Underground Storage Plant				
351 Structures & Improvements	44,187	(44,187)	-	-
352 Wells	19,251	(19,251)	-	-
353 Lines	111,756	(111,756)	14,442	14,442
354 Compressor Station Equipment	118,256	(118,256)	963,071	963,071
355 Other Equipment	110,471	(110,471)	1,500	1,500
356 Purification Equipment	66,456	(66,456)	-	-
357 Other Equipment	434	(434)	-	-
Total Underground Storage Plant	470,811	(470,811)	979,013	979,013
Other Storage Plant				
361 Structures and Improvements	4,170	(4,170)		
363 Purification Equipment	659,686	(659,686)	9,000	9,000
3633 Compressor Equipment	915,097	(915,097)	14,880	14,880
Total Other Storage Plant	1,578,953	(1,578,953)	23,880	23,880
Transmission Plant				
366 Structures & Improvements	3,379	(3,379)	-	-
3661 Compressor Station Structures	118,216	(118,216)	12,336	12,336
3662 M&R Station Structures	164,857	(164,857)	39,809	39,809
3663 Other Structures	7,018	(7,018)	3,912	3,912
367 Mains	806,227	(806,227)	1,398,427	1,398,427
368 Compressor Station Equipment	7,873,690	(7,873,690)	362,227	362,227
369 Measuring & Regulating Equipment	1,254,618	(1,254,618)	704,795	704,795
Total Transmission Plant	10,228,005	(10,228,005)	2,521,506	2,521,506
General Plant				
390 Structures and Improvements	167,092	(167,092)	1,800	1,800
394 Tools, Shop and Garage Equipment	20,511	(20,511)	1,000	1,000
397 Communication Equipment	58,156	(58,156)	-	-
Total General Plant	245,759	(245,759)	2,800	2,800
Total Account 101 Tentative Retirements	12,523,528	(12,523,528)	3,527,199	3,527,199

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

Account 372 Asset Retirement Costs for Transmission Plant adjustment of \$3,279,376 was due to change in engineering estimate based on abandonment of each offshore pipeline segment rather than by offshore pipeline system as previously estimated. This increase in Asset Retirement Costs capitalized was offset by a decrease in accumulated accretion in the amount of \$4,089,599 for a net reduction to Account 230 Asset Retirement Obligations of \$810,223. This net decrease to Asset Retirement Obligations reflects later year of abandonment than was previously estimated.

Schedule Page: 204 Line No.: 83 Column: c

Account 365.1 Land and Land Rights addition amount of \$11,669 reflects costs incurred by Respondent for sale of it's Big

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FOOTNOTE DATA			

Lake office lots. Sale was completed on April 2, 2018.

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Northern Natural Gas Company			
FOOTNOTE DATA			

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

In addition to the Account 101 Plant in Service amount reported of \$53,337,912, the Respondent has recorded in Account 106 Completed Construction Not Classified an amount of \$2,366,893 and in Account 117.1 Gas Stored - Base Gas an amount of \$328,390 for total plant in service of \$56,033,195. Below is a summary of plant activity for the reported year.

	Plant in Service
Account 101 Balance 12/31/2016	\$ 51,587,912
Plant Addition	<u>1,750,000</u>
Account 101 Balance 12/31/2017	\$ 53,337,912
Account 106 Balance 12/31/2016	\$ 4,135,388
Compressor Turbine Transferred to 101	<u>-1,768,495</u>
Account 106 Balance 12/31/2017	\$ 2,366,893
Total Tangible & Intangible Plant In Service 12/31/2017	\$ 55,704,805
Account 117.1 Storage Base Gas	328,390
Total Plant in Service 12/31/2017	\$ 56,033,195

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

The net change in accumulated depreciation between what was reported in Respondent's 2016 Form 2 for Market-based storage of \$9,805,825 and the amount reported for 2017 of \$11,093,380 on tangible plant in service of \$55,421,932 is \$1,287,554 which consists of the following: 1) depreciation of \$1,296,409, 2) cost of removal (\$8,855). In addition to accumulated depreciation, the Respondent has recorded \$152,361 to Account 111 Accumulated Provision for Amortization on intangible plant in service of \$282,873. Total accumulated depreciation and amortization for Respondent's Market-based storage is \$11,245,741.

	Accumulated Reserve for Depreciation & Amortization
Accumulated Depreciation	
Beginning Balance	\$ 9,805,824
Depreciation Expense	1,296,409
Cost of Removal	<u>(8,855)</u>
Ending Accumulated Reserve for Depreciation (Acct 108)	\$ 11,093,378
Ending Accumulated Provision for Amortization (Acct 111)	\$ 152,361
Total Accumulated Provision for Depreciation and Amortization	\$ 11,245,739

Depreciation expense reported of \$1,296,409 reflects depreciation accrued on tangible plant in service of \$55,421,932 for the Respondent's market-based storage. In addition to depreciation expense, the Respondent has recorded amortization expense in the amount of \$3,885 on intangible plant in service of \$282,873. Total depreciation and amortization expense for Respondent's Market-based storage is \$1,300,294.

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

Deferred income taxes are recorded in Account 282.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

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

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

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

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

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/Q4
FOOTNOTE DATA			

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

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

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

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

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

The \$489,461 decrease to the balance in Account 108 is comprised of the following items:

1. (\$ 482,266) Accrual adjustment for sale and use tax incentive as a debit to Account 108 and credit to Account 107.
2. (\$ 7,195) Transfer of accumulated depreciation reserve to Account 111 Land Rights.
- (\$ 489,461) Total

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

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

Plant Reserve

Accumulated Depreciation	\$ 32,675,519
Cost of Plant Retired	(39,914,677)
Accumulated Plant Reserve	(\$ 7,239,158)

Negative Salvage

Accumulated provision	\$ 1,514,722
Cost of Removal	(603,629)
Net Negative Salvage	\$ 911,093

Asset Retirement Obligation

Accumulated Depreciation on ARO Capitalized	\$ 4,699,126
---	--------------

Asset Retirement Obligation (ARO) Allowance

Accumulated Annual ARO Allowance	\$ 35,684,176
Accumulated Cost of ARO Retirements	(33,049,163)
Net ARO Cost Recovered in Advance	\$ 2,635,013

Accumulated Provision for Depreciation Gas Gathering	\$ 1,006,074
---	---------------------

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: 219 Line No.: 27 Column: c

Total includes \$1,982,124 accumulated annual ARO allowance, \$2,742,455 of accumulated cost of transmission ARO retirements and \$10,972,816 of accumulated depreciation of 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.

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

The difference of (\$10,373) between the sum of line 12 column b on page 219 and that reported for Gas Plant In Service, Pages 204-209, line 125, column d is due to the following retirements.

1. (\$18,152) Retirement of Leasehold improvements recorded to Account 111.

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FOOTNOTE DATA			

2. \$ 7,779 Retirement of Right-of-Way credit, recorded to Account 111.
(\$ 10,373) **Total**

Plant retired includes \$3,527,199 for tentative retirements to Account 101 Gas Plant in Service per the schedules below.

Account	Tentative Retirements
NATURAL GAS STORAGE AND PROCESSING PLANT	
Underground Storage Plant	
353 Lines	(14,441)
354 Compressor Station Equipment	(963,070)
355 Other Equipment	(<u>1,500</u>)
TOTAL Underground Storage Plant	(979,012)
Other Storage Plant	
363 Purification Equipment	(9,000)
3633 Compressor Equipment	(<u>14,880</u>)
TOTAL Other Storage Plant	(23,880)
TRANSMISSION PLANT	
3661 Compressor Station Structures	(12,336)
3662 M&R Station Structures	(39,808)
3663 Other Structures	(3,912)
3670 Mains	(1,398,427)
3680 Compressor Station Equipment	(362,226)
3690 Measure & Regulating Sta Equipment	(<u>704,795</u>)
TOTAL Transmission Plant	(2,521,506)
GENERAL PLANT	
390 Structures and Improvements	(1,800)
394 Tools, Shop and Garage Equipment	(<u>1,000</u>)
TOTAL General Plant	(2,800)
Total Account 101 Tentative Retirements	(3,527,199)

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FOOTNOTE DATA			

Schedule Page: 219 Line No.: 18 Column: c

Book Cost of Asset Retirement Costs amount of a negative \$4,981,536 reflects retirement of Asset Retirement Obligation capitalized by offshore transmission system that was replaced by Asset Retirement Obligation capitalized by pipeline segment in the amount of \$8,710,473. The associated accretion expense of \$4,089,599 that had accumulated on the retired Asset Retirement Obligation by system was also reversed. In Addition to the retirement of transmission Asset Retirement Obligation, Respondent also reduced its Asset Retirement Obligation capitalized for other offshore transmission segments by \$449,561. This resulted in a net reduction to Account 230 Asset Retirement Obligations of \$810,223. This net reduction in Respondent's Asset Retirement Obligation reflects later year of abandonment than was previously estimated. A summary of Respondent's Asset Retirement Obligation adjustments for transmission plant is provided below.

Retirement of ARO Capitalized by Transmission System	(4,981,536)
ARO Capitalized by Line Segment	8,710,473
Other Transmission ARO Capitalized Revision	(449,561)
Net 2017 Adjustment ARO Capitalized	3,279,376

Reversal of Accumulated Accretion Expense on ARO	
Capitalized by Transmission System	(4,089,599)
Net Revision Transmission ARO	(810,223)

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Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 220 Line No.: 5 Column: b
The Respondent utilizes the fixed asset method to account for the gas.

Schedule Page: 220 Line No.: 5 Column: c
The Respondent utilizes the fixed asset method to account for the gas.

Schedule Page: 220 Line No.: 5 Column: e
The Respondent utilizes the fixed asset method to account for the gas.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2017/Q4
FOOTNOTE DATA			

Schedule Page: 222 Line No.: 10 Column: a

Date Issued	Amount
1/23/2017	40,000,000
2/28/2017	50,000,000
4/30/2017	60,000,000
7/31/2017	25,000,000
	<u>\$ 175,000,000</u>

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Northern Natural Gas Company			2017/Q4
FOOTNOTE DATA			

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

Miscellaneous prepayments include:

Software licenses and maintenance contracts	\$3,108,600
Fees and permits	281,070
Advance payments	333,885
Right of way	176,858
Total	<u>\$3,900,413</u>

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

Regulatory Authorization

Line No.	Description	Regulatory Citation	Amortization Period
1	Deferred regulatory commission expense	RP04-155	Over 60 months
3	Asset retirement obligation	RP04-155	N/A
5	Deferred FERC annual charge	18 CFR Sec 154.402	12 months ending September
7	Deferred income taxes associated with AFUDC equity	RP04-155	Based on life of plant
9	Smartpigging/hydrostatic testing	RP04-155	Over 84 months
11	Deferred unamortized loss on derivative contracts	Orders 552 & 627	N/A
13	Defined benefit pension plan	AI07-1-000 & Order 710	N/A
15	Fuel and storage, unaccounted for gas, and electrical compression trackers	RP97-275	N/A

Schedule Page: 232 Line No.: 40 Column: b

The prior year report contained a regulatory asset for an interest rate lock associated with notes due 6-1-2021. During 2017, this account was reclassified to Account 181 Unamortized Debt Expense. Beginning of year balances have been adjusted to conform to current period presentation.

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Northern Natural Gas Company			2017/Q4
FOOTNOTE DATA			

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

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

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Northern Natural Gas Company			
FOOTNOTE DATA			

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

Regulatory liability - gross up on excess deferred income taxes \$112,604,431

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

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

	<u>Beginning of year</u>	<u>End of year</u>
Net operating loss	\$ 1,892,268	\$ 1,708,590
Regulatory Liabilities	28,146	112,604,431
Depreciable Property	17,280,602	19,209,147
Total	\$ 19,201,016	\$133,522,168

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/Q4
FOOTNOTE DATA			

Schedule Page: 258 Line No.: 3 Column: c

During 2017, the Company reclassified a regulatory asset for an interest rate lock on notes due 6-1-2021 to Unamortized Debt Expense. Total expense premium or discount has been adjusted to conform to current year presentation.

Schedule Page: 258 Line No.: 3 Column: f

During 2017, the company reclassified a regulatory asset for an interest rate lock on notes due 6-1-2021 to Unamortized Debt Expense. Beginning of year balances have been adjusted to conform to current year presentation.

Schedule Page: 258 Line No.: 13 Column: h

Amortization of Debt Expense	\$	499,775
Amortization of Debt Discounts		21,590
Total Account 428, p116	\$	521,365

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Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 7 Column: b

Bankruptcy proceeds	2,526,772
Prior Year State Tax Receipts	915,743
Accrued Current Liability	262,979
Prepaid Insurance	191,408
Amortization of Gain on Reacquired Debt	158
Total Other (Line 7)	3,897,060

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

Deferred income tax expense	84,262,271
Book Depreciation	68,411,575
Book Amortization	8,497,046
Long-Term Incentive Plan	4,934,271
Regulatory Assets/Liabilities	1,172,472
Meals and Entertainment	193,662
Lobbying Expenses and Political Contributions	45,602
Total Other (Line 12)	167,516,899

Schedule Page: 261 Line No.: 17 Column: b

Long Term Incentive Plan Mark to Market Gain/Loss	1,061,101
Accrued Vacation	108,413
Workers Compensation	21,982
Reg Asset - Annual Cost Adjustment	1,628
Total Other (Line 17)	1,193,124

Schedule Page: 261 Line No.: 25 Column: b

Settled hedges - cash	42,624,491
State taxes	8,751,625
Regulatory asset amortization - Pipe Recoating	119,389
Transportation Reserve	62,792
Texas Gross Receipts Tax	54,468
Debt Loss Deferred Tax Asset	12,256
Total Other (Line 25)	51,625,021

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

BHE Sub-Group:

ABA Holding, LLC	CE Red Island Energy LLC	Home Trust Company
ABA Management, L.L.C.	CE Salton Sea Inc	HomeServices Insurance Agency, LLC
Alamo 6 Solar Holdings, LLC	CE Texas Energy, LLC	HomeServices Insurance, Inc
Alamo 6, LLC	CE Texas Fuel LLC	HomeServices Lending, LLC
Alaska Gas Transmission Company, LLC	CE Texas Pipeline LLC	HomeServices MidAtlantic, LLC
Allie Beth Allman Real Estate, Ltd	CE Texas Power LLC	HomeServices Northeast, LLC
Apex Home Maintenance, LLC	CE Texas Resources LLC	HomeServices of Alabama, Inc.
Arizona HomeServices, LLC	CE Turbo LLC	HomeServices of America, Inc
Berkshire Hathaway Energy Company	Champion Realty, Inc	HomeServices of California, Inc
BG Energy Holding Company LLC	Chancellor Title Services, Inc	HomeServices of Colorado, LLC
BHE AC Holding, LLC	Columbia Title of Florida, Inc	HomeServices of Connecticut, LLC
BHE America Transco, LLC	Commonsite, Inc.	HomeServices of Florida, Inc
BHE California Utility Holdco, LLC	Conejo Energy Company	HomeServices of Georgia, LLC
BHE Canada LLC	Connecticut Referral Group, L.L.C.	HomeServices of Illinois Holdings, LLC

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FOOTNOTE DATA			

BHE Geothermal, LLC	Cordova Energy Company, LLC	HomeServices of Iowa, Inc
BHE Hydro, LLC	Cordova Funding Corporation	HomeServices of Kentucky, Inc
BHE Midcontinent Transmission Holdings LLC	CTHM, L.L.C.	HomeServices of MOKAN, LLC
BHE Renewables, LLC	CTRE, L.L.C.	HomeServices of Nebraska, Inc
BHE Solar, LLC	Dakota Dunes Development Company	HomeServices of New Jersey, LLC
BHE Southwest Transmission Holdings LLC	DCCO, Inc	HomeServices of New York, LLC
BHE Texas Transco, LLC	Del Ranch Company	HomeServices of Oregon, LLC
BHE U.K. Electric, Inc	Denver Rental, LLC	HomeServices of Texas, LLC
BHE U.K. Inc	Desert Valley Company	HomeServices of the Carolinas, Inc
BHE U.K. Power, Inc	DG-SB Project Holdings, LLC	HomeServices of Washington, LLC
BHE U.S. Transmission, LLC	Edina Financial Services, Inc	HomeServices of Wisconsin, LLC
BHE Wind, LLC	Edina Realty Insurance, LLC	HomeServices Referral Network, LLC
BHER Santa Rita Holdings, LLC	Edina Realty Referral Network, Inc	HomeServices Relocation, LLC
BHES CSG Holdings, LLC	Edina Realty Title, Inc	HomeSvc of IL LLC d/b/a Koenig & Strey
		GMAC RE
BHH Affiliates, LLC	Edina Realty, Inc	Houlihan Lawrence Affiliates, LLC
BHH KC Real Estate, LLC	Elmore Company	Houlihan Lawrence Commercial Real Estate Group, LLC
		Houlihan/Lawrence Inc.
Big Spring Pipeline Company	Energy West Mining Company	HS Franchise Holding, LLC
Bishop Hill Energy II, LLC	Esslinger-Wooten-Maxwell, Inc	HSGA Real Estate Group, L.L.C.
Bishop Hill II Holdings, LLC	E-W-M Referral Services, Inc.	HSW Affiliates Holding, LLC
Bon Air/Long & Foster Title Agency, LLC	F&R/T LLC	Huff Commercial Group, LLC
BRER Affiliates, LLC	Falcon Power Operating Company	
BRER Real Estate Services, LLC	FFR, Inc	Huff-Drees Realty, Inc
CalEnergy Company, Inc	First Network Realty, Inc.	IES Holding II LLC
CalEnergy Generation Operating Company	First Realty Group, Inc.	IMO Company, Inc
CalEnergy International Services, Inc	First Realty, Ltd	Imperial Magma LLC
CalEnergy Minerals LLC	First Reserve Insurance, Inc	Intero Franchise Services, Inc.
CalEnergy Operating Corporation	First Weber Illinois, LLC	Intero Real Estate Holdings, Inc.
CalEnergy Pacific Holdings Corp	First Weber, Inc.	Intero Real Estate Services, Inc.
California Energy Development Corporation	Florida Network LLC	Intero Referral Services, Inc.
California Energy Management Company	Florida Network Property Management, LLC	Interwest Mining Company
California Energy Yuma Corporation	For Rent, Inc	Iowa Realty Company, Inc
California Title Company	FR Kingfisher Holdings II, LLC	Iowa Realty Insurance Agency, Inc
Capitol Title Company	FR Mariah Holdings II, LLC	Iowa Title Company
CBSHome Commerical, LLC	FRTC, LLC	J.S. White Associates, Inc
CBSHome Real Estate Company	FSRI Holdings, Inc	JBRC, Inc
CBSHome Real Estate of Iowa, Inc	Geronimo Community Solar Gardens Holding Company, LLC	Jim Huff Realty, Inc.
	Geronimo Community Solar Gardens, LLC	JRHBW Realty, Inc d/b/a/ RealtySouth
CE Black Rock Holdings LLC	Gilbraltar Title Services, LLC	Jumbo Road Holdings, LLC
CE Butte Energy Holdings LLC	Glenrock Coal Company	Kansas City Title, Inc
CE Butte Energy LLC	GPSF-B	Kelly Associates Real Estate, Inc.
CE Electric (NY), Inc		
CE Gen Oil Company	Grande Prairie Wind, LLC	Kelly Associates Referral Network LLC
CE Gen Pipeline Corporation	Greystone Partners of Virginia, LLC	Kentucky Residential Referral, LLC
CE Gen Power Corporation	Guarantee Appraisal Corporation	Kentwood City Properties, LLC
CE Generation LLC	Guarantee Real Estate	Kentwood Commercial, LLC
CE Geothermal, Inc.	HMSV Financial Services, Inc	Kentwood DTC, LLC
CE International Investments, Inc	HN Real Estate Group N.C., Inc	Kentwood Real Estate Services, LLC
CE Leathers Company	HN Real Estate Group, LLC	Kentwood, LLC
CE Obsidian Energy LLC	HN Referral Corporation	Kern River Funding Corporation
CE Obsidian Holding LLC	Home Capital Group Inc	Keystone Partners, LLC
CE Red Island Energy Holdings LLC	Home Service Connections, LLC	KR Acquisition 1, LLC

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

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Northern Natural Gas Company		/ /	2017/Q4
FOOTNOTE DATA			

BHE Sub-Group Continued:

KR Acquisition 2, LLC	Northern Natural Gas Company	S.W. Hydro, Inc.
KR Holding, LLC	Novatus Texas Holdings, LLC	Sage Title Group, LLC
L&F/Fonville Morisey Real Estate, LLC	NRS Referral Services, LLC	Salton Sea Brine Processing Company
L&F/Fonville Morisey Title, LLC	NV Energy, Inc. fka Sierra Pacific Resources	Salton Sea Funding Corporation
Lands of Sierra, Inc.	NVE Holdings, LLC	Salton Sea Minerals Corporation
Larabee School of Real Estate & Insurance, Inc	NVE Insurance Co, Inc.	Salton Sea Power Company
LFFS, Inc.	NW Referral Services, LLC	Salton Sea Power Generation Company
Long & Foster Closing Services, LLC	O.E. Merger Sub II, LLC	Salton Sea Power LLC
Long & Foster Institute of Real Estate, Inc.	O.E. Merger Sub III, LLC	Salton Sea Royalty Company
Long & Foster Insurance Agency, Inc.	O.E. Merger Sub Inc.	San Felipe Energy Company
Long & Foster Licensing Company, Inc.	Pacific Minerals, Inc	Saranac Energy Company, Inc
Long & Foster Mortgage Ventures, Inc.	PacifiCorp	SCS Realty Investment Group, LLC
Long & Foster Real Estate Ventures, Inc.	PCG Agencies, Inc.	SECI Holdings, Inc
Long & Foster Real Estate, Inc.	PCRE, L.L.C.	Settlement Professionals, LLC
Long & Foster Settlement Services, LLC	Pearl Solar Holding, LLC	Sierra Gas Holding Company
M & M Ranch Acquisition Company LLC	Pearl Solar, LLC	Sierra Pacific Power Company dba NV Energy
M & M Ranch Holding Company LLC	Pickford Escrow Company, Inc	Solar San Antonio LLC
Magma Land Company I	Pickford Real Estate, Inc	Solar Star 3, LLC
Magma Power Company	Pickford Services Company, Inc	Solar Star California XIX, LLC
Marshall Wind Energy Holdings, LLC	Pilot Butte, LLC	Solar Star California XX, LLC
Marshall Wind Energy, LLC	Pinon Pine Corporation	Solar Star Funding, LLC
MEC Construction Services Company	Pinon Pine Investment Company	Solar Star Projects Holdings, LLC
MEHC Insurance Services Ltd.	Pinyon Pines I Holding Company, LLC	Southwest Relocation, LLC
MEHC Investment, Inc	Pinyon Pines II Holding Company, LLC	SSC XIX, LLC
MEHC Merger Sub Inc	Pinyon Pines Projects Holding, LLC	SSC XX, LLC
Merlin Realty Technologies, LLC	Pinyon Pines Wind I, LLC	The Escrow Firm
MES Holding, LLC	Pinyon Pines Wind II, LLC	The Kentwood Company at Cherry Creek, LLC
Metro Referral Associates, Inc.	PNW Referral, LLC	The Long & Foster Companies, Inc.
MHC Investment Company	PPW Holdings LLC	The Referral Company
MHC, Inc	Preferred Carolinas Realty, Inc	Thoroughbred Title Services, LLC
Mid-America Referral Network, Inc.	Preferred Carolinas Title Agency, LLC	TIAC LLC
MidAmerican Central California Transco LLC	Premier Service Abstract, LLC	TitleSouth, LLC
MidAmerican Energy Company	Priority Title Corporation	TLTC LLC
MidAmerican Energy Machining Services LLC	Professional Referral Organization, Inc	Topaz Solar Farms, LLC
MidAmerican Energy Services, LLC	Prosperity Home Mortgage, LLC	TPZ Holding, LLC
MidAmerican Funding, LLC	Pru-One, Inc.	TRMC LLC
MidAmerican Geothermal Development Corp	Quad Cities Energy Company	Two Rivers, Inc
MidAmerican Wind Tax Equity Holdings, LLC	Real Estate Knowledge Services, L.L.C.	TX Jumbo Road Wind, LLC
Midland Escrow Services, Inc	Real Estate Links, LLC	VPC Geothermal LLC
Mid-States Title Insurance Agency, Inc.	Real Estate Referral Network, Inc	Vulcan Power Company
Midwest Capital Group, Inc	Real Living Real Estate, LLC	Vulcan/BN Geothermal Power Company
Midwest Power Transmission Arkansas LLC	Reece & Nichols Alliance, Inc	Wailuku Holding Company LLC
Midwest Power Transmission Iowa LLC	Reece & Nichols Insurance, LLC	Wailuku Investment LLC
Midwest Realty Ventures, LLC	Reece & Nichols Realtors, Inc	Wailuku River Hydroelectric Power Co, Inc.
MTL Canyon Holdings LLC	Reece Commercial, Inc.	Walker Jackson Mortgage Corporation
Nebraska Land Title & Abstract Company	Referral Associates of Georgia, LLC	Walnut Ridge Wind, LLC
Nebraska Referral, Inc.	Referral Network of Gloria Nilson, LLC	Weathervane Referral Network, Inc.
Nevada Electric Investment Company	Referral Network of NY/NJ, LLC	
Nevada Power Company dba NV Energy	Relocation Advantage Partners, LLC	
New Jersey Realty Services, LLC	RGS Settlements of Pennsylvania, LLC	
Niguel Energy Company	RGS Title of Baltimore, LLC	
NNGC Acquisition LLC	RGS Title, LLC	
Norcon Holdings, Inc	RHL Referral Company, LLC	
North Country Gas Pipeline Corp.	Roberts Brothers, Inc	
Northern Consolidated Power, Inc	Roy H. Long Realty Company, Inc	

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All Other Affiliates:

Acme Brick Company	TOHVT Development, Inc.	Cavalier Homes, Inc.
Acme Brick DFW, Inc.	TXVT Development, Inc.	Fontana Wood Products, Inc.
Acme Brick Sales Company	Van Enterprises, Inc.	CMH Homes, Inc.
Acme Ochs Brick and Stone, Inc.	VNDR Development, Inc.	CMH of KY, Inc.
Innovative Building Products, Inc	VT Insurance Acquisition Sub Inc.	CMH Parks, Inc.
Alpha Cargo Motor Express, Inc	The Ben Bridge Corporation	Chatwell, Inc.
Acme Brick Tile & Stone, Inc. (fka Brick Acquisition Company)	Ben Bridge Jeweler, Inc.	Freedom Warehouse Corp.
Acme Building Brands, Inc	Berkshire Hathaway Credit Corporation	Vanderbilt ABS Corp.
Acme Investment Company	BH Columbia Inc.	Vanderbilt Mortgage and Finance, Inc.
Acme Management Company	Berkshire Hathaway Finance Corporation	Vanderbilt SPC, Inc.
Acme Services Company, L.P.	Berkshire Hathaway Inc.	Vanderbilt Property&Casualty Insurance Co., Ltd.
Denver Brick Company	BH Credit LLC	Homefirst Agency, Inc.
Justin Industries, Inc.	Railsplitter Holdings Corporation	21st Communities, Inc.
AEG Processing Center No. 35, Inc.	Benjamin Moore & Co.	21st Mortgage Corporation
AEG Processing Center No. 58, Inc.	Complementary Coatings Corporation	Henley Holdings, LLC
Applied Processing Center No. 60, Inc.	Eco Color Company	21 SPC, Inc.
American Employers Group, Inc.	The Indecor Group, Inc.	Clayton Homes, Inc.
Applied Group Insurance Holdings, Inc.	Burlington Northern Santa Fe, LLC	CMH Capital, Inc.
Applied Investigations Inc.	FreightWise, Inc.	CMH Services, Inc.
Applied Logistics, Inc.	Transportation Technology Services, Inc.	Clayton Education Corp.
Applied Premium Finance, Inc.	Burlington Northern Santa Fe Insurance Company, Ltd.	Cort Business Services Corporation
Applied Risk Services of New York, Inc.	BNSF Logistics International, Inc.	Central States of Omaha Companies, Inc.
Applied Risk Services, Inc.	Royal Cargo Line, Inc.	Central States Indemnity Co. of Omaha
AU Holding Company, Inc.	Albacor Shipping (USA) Inc.	CSI Life Insurance Company
Applied Underwriters, Inc.	BNSF Railway Company	Roxell USA, Inc.
AU Captive Risk Assurance Co.	Bayport Systems, Inc.	CTB Credit Corp
BH, LLC	Burlington Northern Santa Fe Manitoba, Inc.	CTB Inc.
Berkshire Indemnity Group Inc.	Los Angeles Junction Railway Company	CTB International Corp
Combined Claims Services, Inc.	Star Lake Railroad Company	Ironwood Plastics Inc
Coverage Dynamics Group, Inc.	The BN and SF Railway de Mexico, S.A. de C.V.	CTB IW INC
Commercial General Indemnity, Inc.	The Zia Company	CTB Midwest Inc
California Insurance Company	Santa Fe Pacific Pipeline Holdings, Inc.	CTB MN Investments
Continental Indemnity Company	Burlington Northern Santa Fe British Columbia, Ltd.	Meyn LLC
Applied Underwriters Captive Risk Assurance Company, Inc.	Pine Canyon Land Company	International Dairy Queen, Inc.
Illinois Insurance Company	Santa Fe Pacific Insurance Company	American Dairy Queen Corporation
North American Casualty Co.	Santa Fe Pacific Railroad Company	DQF, Inc.
Promesa Health, Inc.	Western Fruit Express Company	DQGC, Inc.
Pennsylvania Insurance Company	Burlington Northern Railroad Holdings, Inc.	Unified Supply Chain, Inc.
Strategic Staff Management, Inc.	BNSF Railway International Services, Inc.	DQ Funding Corporation
Texas Insurance Company	BN Leasing Corporation	Dairy Queen Of Georgia, Inc.
121 Development, Inc.	Midwest Northwest Properties, Inc.	Karmelkorn Shoppes, Inc.
2150 Cobb Development, Inc.	Santa Fe Pacific Pipelines, Inc.	Orange Julius Of America
2701 Camelback Development, Inc.	BNSF Communications, Inc.	Dairy Queen Corporate Stores, Inc.
6991 Development, Inc.	BNSF Spectrum, Inc.	DQ Managed Stores, Inc.
Berkshire Hathaway Automotive Inc.	Borsheim Jewelry Company, Inc	DQ Wholly-Owned Stores, Inc.
BCC Development, Inc.	Brooks Sports, Inc.	DQ Joint Venture Stores, Inc.
BHA Real Estate Holdings, LLC	Total Quality Apparel Resources	PJR Management, Inc.
Borrego Holdings, Inc.	The Buffalo News, Inc.	The Fechheimer Brothers Co.
BWVT Motors, Inc.	Business Wire, Inc.	Nationwide Uniforms
Courtesy Dealership Property, Inc.	Charter Brokerage Holdings Corp.	Fruit of the Loom, Inc.
DAA Development, Inc.	DL Trading Holdings I, Inc.	Union Underwear Co., Inc

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2017/Q4
FOOTNOTE DATA			

Dynamic Development, Inc.
FFBH Development, Inc.
HFWBH Development, Inc.
MPP Administrators, Inc.
MPP Co., Inc.
MVVT Development, Inc.
Old United Casualty Company
PFVT Development, Inc.
SFVT Development, Inc.
SN Management, Inc.

Clayton Commercial Buildings, Inc.
CMH Hodgenville, Inc.
CMH Manufacturing, Inc.
CMH Set and Finish, Inc.
CMH Manufacturing West, Inc.
AL/TEX Homes, Inc.
BR Agency, Inc.
Giles Industries, Inc.
Southern Energy Homes, Inc.
CMH Transport, Inc.

Cumberland Asset Management, Inc.
Fruit of the Loom Direct, Inc.
Vanity Fair, Inc.
VFI-Mexico, Inc.
The BVD Licensing Corporation
Russell Athletic Corporation
Martin Mills, Inc.
Camp Manufacturing Company
Leesburg Yarn Mills, Inc.
Rabun Apparel, Inc.

All Other Affiliates Continued:

FTL Regional Sales Co., Inc.
Union Sales, Inc.

BH Shoe Holdings, Inc.
Vision Retailing, Inc.
American All Risk Insurance Services Inc.

Marmon Crane Services, Inc.
Marmon Tubing, Fittings & Wire Products, Inc.
Marmon Engineered Components Company
Marmon Retail Technologies Company

Fruit of the Loom Trading Company
Fruit of the Loom, Inc. (Sub)
Forest River Financial Services, Inc.
Forest River Holdings, Inc.

American Commercial Claims Administrators Inc
Brookwood Insurance Company
Berkshire Hathaway Homestate Insurance Company
Continental Divide Insurance Company

Marmon Wire & Cable, Inc.
Lockwood Street Urban Renewal Corporation
Ecodyne Corporation
J.L. Mining Company
Fontaine Truck Equipment Company LLC
Marmon Retail Products, Inc.

Forest River, Inc.
Forest River Manufacturing LLC
Mapletree Transportation, Inc.
Priority One Financial Services, Inc.

Cypress Insurance Company
Oak River Insurance Company
Redwood Fire and Casualty Insurance Company
D.I. Properties Inc.

Morgantown-National Supply, Inc.
Procrane Holdings, Inc.
RCP Investment, Inc.
Tucker Safety Products, Inc.
Marmon Retail Store Equipment LLC
Artform International Inc.

Veritas Insurance Group, Inc.
FlightSafety Capital Corp.
FlightSafety Development Corp.
FlightSafety International Inc.
FlightSafety New York, Inc.
FlightSafety Properties, Inc.
FlightSafety Services Corporation
Garan Central America Corp.
Garan Incorporated
Garan Manufacturing Corp.
Garan Services Corp

ITTI Group USA Holdings, Inc.
Ingersoll Cutting Tool Company
ITTI Investment Holdings, Inc.
Iscar Metals Inc.
Taegutec Inc.

DCI Marketing Inc.
Cannon Equipment LLC
Marmon Merchandising Holdings, Inc.
Marmon Beverage Technologies, Inc.
Cornelius Renew, Inc.
3Wire Group Inc.

Boat Owners Association of the United States
Criterion Insurance Agency

Justin Belt Company, Inc.

Cornelius Inc.
HG-Power Plant. Inc.

GEICO Corporation
Government Employees Financial Corp.
GEICO Insurance Agency
GEICO Products, Inc.

Justin Brands, Inc.
Justin Boot Company

Marmon Energy Services Company
UTLX Company
Marmon Foodservice Technologies LLC

International Insurance Underwriters, Inc.
Maryland Ventures, Inc..
Boat America Corporation
Boat/U.S, Inc.

J.S Justin, Inc.
Nocona Boot Company
Tony Lama Company
Johns Manville Corporation
Johns Manville, Inc.
Seventeenth Street Realty, Inc.
Johns Manville China, Ltd.

Campbell Hausfeld Holdings. Inc.
Western Builders Supply, Inc.
Penn Coal Land, Inc.
TRH Holding Corp.

Plaza Financial Services Co.
Plaza Resources Co.
Top Five Club, Inc.

Jordan's Furniture, Inc.
Albecca, Inc.
Active Organics, Inc.

CCC Lonestar LLC
Marmon Holdings, Inc.
Webb Wheel Products, Inc.
Perfection Hy-Test Company
Marathon Suspension Systems, Inc.

GEICO Marine Insurance Company
GEICO Advantage Insurance Company

Lubrizol Inter-Americas Corporation
Lubrizol Advanced Materials China, Inc.

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GEICO Casualty Co.	The Lubrizol Corporation	Fontaine Trailer Company LLC
GEICO Choice Insurance Company	Chemtool Incorporated	Fontaine Modification Company
GEICO General Insurance Co.	Lubrizol Specialty Products, Inc.	Fontaine Fifth Wheel Company
Government Employees Insurance Co.	Lubrizol Advanced Materials Holding Corporation	Fontaine Commercial Trailer, Inc.
GEICO Indemnity Co.	Lubrizol Advanced Materials International, Inc.	Fontaine Engineered Products, Inc.
GEICO Secure Insurance Company	Lipotec Group Corp.	Marmon-Herrington Company
General Re Corporation	Lubrizol Enterprises, Inc.	Triangle Suspension Systems, Inc.
Elm Street Corporation	Lubrizol International Management Corporation	Fontaine Spray Suppression Company
GRD Holdings Corporation	Lubrizol Overseas Trading Corporation	TSE Brakes, Inc.
Gen Re Intermediaries Corporation	LSP Holding, Inc.	Union Tank Car Company
General Re New England Asset Management	MPP Pipeline Corporation	Uni-Form Components Co.
Genesis Management and Insurance Services Corporation	Noveon Hilton Davis, Inc.	Marmon Distribution Services, Inc.
General Star Management Company	Lubrizol Advanced Materials, Inc.	Railserve, Inc.
United States Aviation Underwriters, Incorporated	Lubrizol Oilfield Solutions, Inc.	Worldwide Containers, Inc.
General Re Financial Products Corporation	P Chem, Inc.	Exsif Worldwide, Inc.
General Reinsurance Corporation	Lubrizol Advanced Materials Gibraltar, Inc.	McLane Southern, Inc.
Faraday Capital Limited	Particle Sciences, Inc.	McLane Western, Inc.
Genesis Insurance Company	Syrgis Holdings, Inc.	McLane Beverage Distribution, Inc.
General Star Indemnity Company	Vesta Funding, Inc.	McLane Beverage Holding, Inc.
General Star National Insurance Company	Vesta Intermediate Funding, Inc.	McLane Minnesota, Inc.
General Re Life Corporation	ExtruMed, Inc.	McLane Ohio, Inc.
Idealife Insurance Company	SSP-SiMatrix Inc.	McLane Express, Inc.
Helzberg's Diamond Shops, Inc.	Lubricant Investments, Inc.	JDS Properties, Inc.
HDS Redevelopment Corporation	Warwick Chemicals USA, Inc.	Intrepid JSB, Inc.
H. H. Brown Shoe Company, Inc.	Marmon Water, Inc.	International Traders, Inc.

All Other Affiliates Continued:

First American Carriers, Inc.	Floors, Inc.	QS Partners LLC
Meadowbrook Meat Company, Inc.	NFM of Kansas, Inc.	Brainy Toys, Inc.
McLane New Jersey, Inc.	LMG Ventures, LLC	OTC Brands, Inc.
Kahn Ventures, Inc.	Nebraska Furniture Mart, Inc.	OTC Direct, Inc.
Empire Distributors, Inc.	NFM SERVICES, LLC	Mindware Corporation
Empire Distributors of North Carolina, Inc.	Homemakers Plaza, Inc.	MW Wholesale, Inc.
Baroness Small Estates, Inc.	TXFM, Inc.	Oriental Trading Company, Inc.
Horizon Wine & Spirits - Nashville, Inc.	WMC Corp.	OTC Worldwide Holdings, Inc.
Horizon Wine & Spirits - Chattanooga, Inc.	First Berkshire Hathaway Life Insurance Company	Smilemakers, Inc.
Delta Wholesale Liquors, Inc.	Berkshire Hathaway Life Insurance Company of Nebraska	Smilemakers Canada Inc.
Salado Sales, Inc.	BHG Life Insurance Company	BH Media Group, Inc.
McLane Foodservice, Inc.	Ringwalt & Liesche Co.	BH Media Group Holdings, Inc.
McCarty-Hull Cigar Company, Inc.	Brilliant National Services, Inc.	Omaha World-Herald Company
Professional Datasolutions, Inc.	Soco West, Inc.	World Investments, Inc.
Claims Services, Inc.	Whittaker, Clark & Daniels, Inc.	WPLG, Inc.
M & C Products, Inc.	L.A. Terminals, Inc.	TPC European Holdings, LTD.
Transco, Inc.	BHG Structured Settlements, Inc.	TPC North America, Ltd.

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McLane Eastern, Inc.	International American Group Inc.	Precision Steel Warehouse - Charlotte
McLane Midwest, Inc.	Northern States Agency, Inc.	Precision Steel Warehouse, Inc.
McLane Suneast, Inc.	Finial Holdings, Inc.	Precision Brand Products, Inc.
McLane Mid-Atlantic, Inc.	GUARDco, Inc.	R.C. Willey Home Furnishings
C & R Insurance Services, Inc.	Affiliated Agency Operations Co.	Richline Group, Inc
Medical Protective Finance Corporation	Hawthorn Life International, Ltd.	Hallmark Sweet, Inc.
The Medical Protective Company	Consolidated Health Plans Inc.	Stern/Leach Company
Medical Protective Insurance Services, Inc.	Affordable Housing Partners, Inc.	Rio Grande, Inc.
Princeton Advertising & Marketing Group, Inc.	Berkshire Hathaway Global Insurance Services, LLC	See's Candies, Inc
PLICO Financial, Inc	Berkshire Hathaway Specialty Concierge, LLC	Sees Candy Shops, Incorporated
PLICO	CoverYourBusiness.com Inc.	BHSF, Inc.
PLICO Sponsored Captive Insurance - Cell 1	Berkshire Hathaway Direct Insurance Company	ScottCare Corporation
PLICO Sponsored Captive Insurance Co.	WestGUARD Insurance Company	The Scott Fetzer Company
Alexander Road Insurance Agency, Inc.	Berkshire Hathaway Assurance Corporation	Campbell Hausfeld/Scott Fetzer Company
Princeton Insurance Company	EastGUARD Insurance Company	Adalet/Scott Fetzer Company
MedPro Group, Inc	National Liability & Fire Insurance Company	Western/Scott Fetzer Company
Princeton Risk Protection, Inc.	National Indemnity Company of Mid-America	Halex/Scott Fetzer Company
Red River Providers Association RPG	National Fire & Marine Insurance Company	Stahl/Scott Fetzer Company
Ridgeline Captive Management, Inc.	National Indemnity Company	SFEG Corp.
MedPro Risk Retention Services, Inc.	Atlanta International Insurance Company	Wayne/Scott Fetzer Company
Somerset Services, Inc	Berkshire Hathaway Specialty Insurance Company	Carefree/Scott Fetzer Company
Accurate Installations, Inc.	Columbia Insurance Company	Scott Fetzer Financial Group, Inc.
Benson, Ltd.	NorGUARD Insurance Company	UCFS Europe Company
Benson Industries, Inc.	Commercial Casualty Insurance Company	BH Finance, Inc.
BuilderMT, Inc.	Unione Italiana Reinsurance Company of America, Inc.	United Consumer Financial Services Company
Cubic Designs, Inc.	Finial Reinsurance Company	United Direct Finance, Inc.
Ellis & Watts Global Industries, Inc.	National Indemnity Company of the South	World Book, Inc.
Hohmann & Barnard, Inc.	AmGUARD Insurance Company	World Book Encyclopedia, Inc.
MiTek Holdings, Inc.	BNJ NetJets, Inc.	World Book/Scott Fetzer Company
HeatPipe Technology, Inc.	Executive Jet Management, Inc.	SHX Flooring, Inc.
Kova Solutions, Inc.	NetJets Aviation, Inc.	Shaw International Services, Inc.
MiTek Industries, Inc.	NetJets Europe Holdings, LLC	Pro Installations, Inc.
M&M Tradition Holdings Corp.	NetJets Inc.	Shaw Contract Flooring Services, Inc.
Miller-Sage, Inc.	NetJets International, Inc.	Spectra Contract Flooring Puerto Rico, Inc.
Rush Air Inc	NetJets Large Aircraft, Inc.	Shaw Industries Group, Inc.
SidePlate Systems, Inc.	NetJets Sales, Inc.	Shaw Industries, Inc.
SSS Acquisition Sub, Corp	NetJets Services, Inc.	Shaw Diversified Services, Inc.
SSS Acquisition Inc.	NetJets U.S., Inc.	Shaw Transport, Inc.
TBS USA, Inc.	NJE Holdings, LLC	Shaw Floors, Inc.
TMI Climate Solutions, Inc.	NJI Sales, Inc.	Shaw Retail Properties, Inc.
MiTek USA, Inc.	Marquis Jet Partners, Inc.	Shaw Funding Company
The Wilkins Corporation	Marquis Jet Holdings, Inc.	Star Furniture Company
121 Acquisition Co., LLC	DragonFly Aeronautics LLC	CJE II

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
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FOOTNOTE DATA			

All Other Affiliates Continued:

Mouser Electronics, Inc.	NSS TECHNOLOGIES INC
Norvell Electronics, Inc	METALAC FASTENERS INC
Sager Electrical Supply Co. Inc	FTI MANUFACTURING INC
Astrex Holding Company	FATIGUE TECHNOLOGY INC
Astrex Electronics, Inc	HOWELL PENNCRAFT, INC.
TTI, Inc.	DESIGNED METAL CONNECTIONS, INC.
Gateway Underwriters Agency, Inc.	PERMASWAGE HOLDINGS, INC.
U.S. Investment Corporation	SPS INTERNATIONAL INVESTMENT COMPANY
United States Liability Insurance Company	HUNTINGTON ALLOYS CORPORATION
Mount Vernon Fire Insurance Company	SPECIAL METALS CORPORATION
Mount Vernon Specialty Insurance Company	CALEDONIAN ALLOYS INC
Radnor Specialty Insurance Company	SOS METALS, INC.
U.S. Underwriters Insurance Co.	SOS METALS SAN DIEGO, LLC
Blue Chip Stamps, Inc.	PRIMUS INTERNATIONAL INC
Montana Retail Properties, Inc.	PRIMUS INTERNATIONAL HOLDING COMPANY
MS Property Company	ACCRA MANUFACTURING INC
AJF Warehouse Distributors, Inc.	EXACTA AEROSPACE INC
XTRA Finance Corporation	AEROSPACE DYNAMICS INTERNATIONAL INC
XTRA Intermodal, Inc.	UNIVERSITY SWAGING CORPORATION
RENTCO Trailer Corporation	KLUNE INDUSTRIES INC
X-L-Co., Inc.	FARROW MACHINE & MANUFACTURING CO INC
XTRA Corporation	PROGRESSIVE INCORPORATED
XTRA Companies, Inc.	SYNCHRONOUS AEROSPACE GROUP
PRECISION CASTPARTS CORP	STRATOFLIGHT
PRECISION MO CORP	COMPASS AEROSPACE NORTHWEST INC
HAMILTON AVIATION INC	BRITAIN MACHINE INC
PCC STRUCTURALS INC	WEAVER MANUFACTURING INC
Composites Horizons LLC	FORTNER AEROSPACE MANUFACTURING INC.
ATLANTIC PRECISION INC	HELICOMB INTERNATIONAL INC
PCC SPECIALTY PRODUCTS INC	PROTECTIVE COATING INC
JL FIBER SERVICES INC	SOUTHWEST UNITED INDUSTRIES INC
WYMAN GORDON COMPANY	PLASMA COATING CORPORATION
PRECISION FOUNDERS INC	KEN'S SPRAY EQUIPMENT, INC.
WYMAN GORDAN INVESTMENT CASTINGS INC	A.E. COMPANY, INC.
Shultz Steel Company	Noranco Manufacturing (USA) Ltd.
CARLTON FORGE WORKS	Andrews Laser Works Corporation
ARCTURUS MANUFACTURING CORPORATION	TITANIUM METALS CORPORATION
WYMAN GORDON FORGINGS INC	TIMET REAL ESTATE CORPORATION
SPECIALIZED PIPE SERVICES, INC.	AIPCF V CHI Blocker Inc
PCC ROLLMET INC	KLUNE HOLDINGS INC
RATHGIBSON HOLDING CO LLC	LJ AERO HOLDINGS INC
Press Forge Company	LJ SYNCH HOLDINGS INC
Alu-Forge, Inc	THI ACQUISITION INC
WYMAN GORDON PENNSYLVANIA LLC	TIMET ASIA INC
WYMAN GORDON FORGINGS CLEVELAND INC	TMCA INTERNATIONAL INC

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
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FOOTNOTE DATA			

MCWILLIAMS FORGE COMPANY	ELIM/STAFF
HACKNEY LADISH INC	Duracell U.S. Operations Inc
TEXAS HONING INC	Duracell Distributing Inc.
AEROCRAFT HEAT TREATING CO INC	Duracell Manufacturing Co.
DICKSON TESTING CO INC	The Duracell Company Inc.
BTM MANUFACTURING LP	Clayton Properties Group II, Inc.
WYMAN SC INC	SchILL Loans, Inc.
PCC FLOW TECHNOLOGIES HOLDINGS INC	Schulz Investment Corporation
ENVIRONMENT ONE CORPORATION	SXP CRA-OCTG Inc.
PCC FLOW TECHNOLOGIES INC.	SXP SCHULZ XTRUDED PRODUCTS LP
SPS TECHNOLOGIES LLC	SCHULZ U.S.A. INC.
CANNON MUSKEGON CORPORATION	
GREENVILLE METALS INC	
AVIBANK MANUFACTURING INC	
AAA AIRCRAFT SUPPLY	
Innovative Coatings Technology Corporation	

Schedule Page: 262 Line No.: 37 Column: f

Amounts are reflected in Account 146 pursuant to the Tax Allocation Agreement with Berkshire Hathaway Energy Company.

Schedule Page: 262.1 Line No.: 7 Column: f

Amounts are reclassified to Account 142.

Schedule Page: 262.1 Line No.: 8 Column: f

Amounts are reclassified to Account 142.

Schedule Page: 262.1 Line No.: 9 Column: f

Amounts are reclassified to Account 142.

Schedule Page: 262.1 Line No.: 10 Column: f

Amounts are reclassified to Account 142.

Schedule Page: 262.1 Line No.: 11 Column: f

Amounts are reclassified to Account 142.

Schedule Page: 262.1 Line No.: 12 Column: f

Amounts are reclassified to Account 142.

Schedule Page: 262.1 Line No.: 13 Column: f

Amounts are reclassified to Account 146.

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

Amounts are reclassified to Account 146.

Schedule Page: 262.1 Line No.: 15 Column: f

Amounts are reclassified to Account 146.

Schedule Page: 262.1 Line No.: 16 Column: f

Amounts are reclassified to Account 142.

Schedule Page: 262.1 Line No.: 17 Column: f

Amounts are reclassified to Account 142.

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

Column J total	88,203,883
less Income Taxes-Federal - column (j.) line 37 (account 409.1)	(24,597,204)
less Income Taxes-State - column (j.) line 20 (account 409.1)	(6,351,130)
Amount charged to Taxes Other Than Income	57,255,549
Taxes (account 408.1) included in column (j.)	
Taxes charged to construction overhead	(76,388)
Taxes billed to others	(111,326)
Sales taxes	(1,996)
Taxes reported on p. 114 line 14 column (c.)	57,065,839

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

These amounts are payroll taxes and sales and use taxes which follow the taxable item and are charged to multiple accounts.

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Northern Natural Gas Company			
FOOTNOTE DATA			

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

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

	<u>Beginning of year</u>	<u>End of year</u>
Depreciable property	\$ 844,871,731	\$616,180,726

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FOOTNOTE DATA			

Schedule Page: 276 Line No.: 7 Column: k

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

	<u>Beginning of year</u>	<u>End of year</u>
Regulatory assets	\$ 14,038,474	\$ 23,024,870

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FOOTNOTE DATA			

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

Regulatory Authorization

Line No.	Description	Regulatory Citation	Amortization Period
1	Penalty and deferred delivery variance charge revenue crediting mechanism	Order 637A	N/A
3	Employee benefits	A107-1-000 & Order 710	N/A
5	Encroachment revaluation	Orders 552 & 627	N/A
7	Carlton resolution credits	RP01-382	N/A
9	Fuel and storage, unaccounted for gas, and electrical compression trackers	RP97-275	N/A
11	Excess deferred income taxes	N/A	Various
13	Bankruptcy proceeds	N/A	Through Nov. 2018

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

Other Revenues consist of:

Three items each less than \$250,000 \$240,222

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FOOTNOTE DATA			

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

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

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

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

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

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

Name of Respondent Northern Natural Gas Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
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Schedule Page: 331 Line No.: 1 Column: b

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

	<u>Gas Used (Dth)</u>	<u>Amount (\$)</u>
Transmission	9,385,930	\$ 27,304,791
Underground Storage	<u>616,872</u>	<u>1,798,401</u>
Total Line 1	<u>10,002,802</u>	<u>\$ 29,103,192</u>

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

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

	<u>Gas Used (Dth)</u>	<u>Amount (\$)</u>
Storage Lines Fuel	167,947	\$ 514,824
Other Underground Storage Facility Fuel	<u>42,672</u>	<u>125,166</u>
Total Line 10	<u>210,619</u>	<u>\$ 639,990</u>

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FOOTNOTE DATA			

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

Production and gathering depreciation expense reported of \$3,986,996 includes \$3,983,132 of the Respondent's annual offshore FAS 143 negative salvage allowance of \$4,325,087 for offshore plant. The balance of the FAS 143 allowance of \$341,955 is included on line 8 of this schedule for transmission plant that is part of an offshore pipeline system. The accumulated reserve for the FAS 143 negative salvage is tracked in a separate sub-account to Account 108 Accumulated provision for depreciation. Actual costs incurred in the settlement of an offshore FAS 143 obligation are charged against this sub-account.

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

Transmission depreciation expense reported of \$49,594,576 includes \$341,955 of the Respondent's annual FAS 143 negative salvage allowance of \$4,325,087 for transmission plant that is part of an offshore pipeline system. The balance of the negative salvage allowance of \$3,983,132 is included on line 3 of this schedule for offshore production and gathering plant. The accumulated reserve for the FAS 143 negative salvage is tracked in a separate sub-account to Account 108 Accumulated provision for depreciation. Actual costs incurred to settle an offshore FAS 143 obligation are charged against this sub-account.

Schedule Page: 336 Line No.: 12 Column: c

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

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

All plant bases are the balances as of 12-31-17.

Depreciation rates are consistent with General Rate Case Docket Nos. RP03-398 and RP04-155 consolidated stipulation and agreement dated March 25, 2005.

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

The 4.64% depreciation rate for Offshore Production and Gathering facilities is applicable to those depreciable assets placed in service after 10/31/98 consistent with the General Rate Case settlement in RP98-203. For the reporting year, Respondent did not have any surviving Offshore Production or Gathering plant with an original in service date of 10/31/98 or later. All surviving offshore plant was installed prior to this date and is fully depreciated. Therefore, no depreciation expense was recognized for the year using the 4.64% rate.

In addition to the 4.64% depreciation rate, the Respondent also accrues negative salvage for interim retirements of offshore plant at an annual rate of 0.25% on all offshore depreciable plant in service. The negative salvage accrual of 0.25% was established in the settlement agreement of Respondent's RP85-206 rate case and reaffirmed in the settlement agreements for each of the subsequent rate cases filed by Respondent. The Offshore Production and Gathering basis for the 0.25% negative salvage accrual as of 12/31/17 was \$1,545,742.

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

The 4.64% depreciation rate for Offshore Transmission facilities is applied to those depreciable assets placed in service after 10/31/98 consistent with the General Rate Case Settlement in RP98-203. All offshore assets installed on or prior to 10/31/98 are fully depreciated. In addition to the 4.64% depreciation rate, the Respondent also accrues for expected negative salvage to be incurred on offshore plant retirements at an annual rate of 0.25% on all offshore facilities in service. The negative salvage accrual of 0.25% was established in the settlement agreement of Respondent's RP85-206 rate case and reaffirmed in the settlement agreements for each of the subsequent rate cases filed by Respondent. The Offshore Transmission basis for the 0.25% negative salvage accrual as of 12/31/17 was \$24,150,829.

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

The depreciation rate of General Plant structures is 2.75% with a plant basis of \$21,122,215 as of 12/31/17. The depreciation rate for Other General Plant is 10.0% with a plant basis of \$69,979,612 as of 12/31/17.

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

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

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

The depreciation rate for Base Load LNG Transportation plant is 10.0% with a plant basis of \$1,619,443 as of 12/31/17.

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The depreciation rate for Base Load LNG Computer equipment is 10.0% with a plant basis of \$13,871 as of 12/31/17. The depreciation rate for Other Base Load LNG equipment is 1.25% with a plant basis of \$5,822,866 as of 12/31/17.

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

For Intangible Plant related to Contributions in aid of Construction and Leasehold Improvements associated with a contract, a separate straight line amortization rate was determined based on the initial term of the contract, otherwise the rate is 10.0%. For all other Intangible Plant which includes software development and organizational costs, the amortization rate is 4.4% as stated in the consolidated rate case settlement of Docket Nos. RP03-398 and RP04-155. The plant basis on which the 4.4% was applied as of December 31, 2017 was \$131,394,522.

Schedule Page: 338 Line No.: 12 Column: c

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2017/Q4
FOOTNOTE DATA			

Schedule Page: 340 Line No.: 15 Column: a

Interest rates used are published by the FERC and updated quarterly.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2017/Q4
FOOTNOTE DATA			

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

The \$942,334 pertains to the following:

Storage study (Account 183.2)	\$ (9,940)
Smartpigging/Hydro testing (Account 182.3)	804,617
Job orders (Account 186)	<u>147,657</u>
Total	\$ 942,334

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

The \$5 pertains to Donations - O&M (Account 426.1)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

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

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

Schedule Page: 358 Line No.: 6 Column: c

Accounts charged or credited for MEC: 107, 816, 819, 852, 855, 856, 857, 859, 863, and 931.

Schedule Page: 358 Line No.: 8 Column: c

Accounts charged or credited for BHEC: 165, 408.1, 426.1, 426.4, 426.5, 920, 923, 924 and 925.

Schedule Page: 358 Line No.: 12 Column: b

Affiliate company includes affiliates of Berkshire Hathaway and Berkshire Hathaway Energy Company for goods and services accounting to \$250,000 of less.

Schedule Page: 358 Line No.: 14 Column: a

Amounts which are chargeable from another affiliate are assigned first by coding to the specific affiliate. These charges were based on actual labor, benefits and operational costs incurred. Amounts not directly assignable to an individual affiliate, such as work performed where multiple affiliates benefit, are assigned on the basis of allocations from Berkshire Hathaway Energy Company, MHC Inc. and MidAmerican Energy Company, as described below:

Allocator	Description
Labor and Assets	An equal weighting of each company's labor and assets expressed as a percentage of the whole ((labor % + assets %) ÷ 2) determines the portion assigned to each company. Labor is 12 months ended through December of the prior year. Assets are total assets at December 31 of the prior year. Eight combinations of this allocator are used for allocating services that benefit different companies within the holding company organization.
Legislative and Regulatory	The Legislative and Regulatory allocator is used to allocate costs incurred by the holding company's Legislative & Regulatory groups. The Legislative & Regulatory groups work on a variety of legislative and regulatory subject matter for select groups of companies within the holding company organization. The Legislative and Regulatory allocation percentages are based on the Legislative & Regulatory groups' estimation of the time and resources that are being spent on these selected companies.
Information Technology Infrastructure	Allocates costs related to shared information technology infrastructure owned by the affiliate to other benefited affiliates based on an aggregation of various measures of usage of such infrastructure including storage capacity utilized, number of servers utilized, server processing times, etc.
Employee Count	This allocator distributes costs to benefited affiliates based on employee counts at such affiliates as of the prior year-end.
Oracle Users	This allocator distributes costs of Oracle software and services based on the number of employees within each affiliate using such software and services.
Processes	This allocator distributes costs of electronic data interchange software and services based on the number of transactions within each affiliate using such software or services.
Plant	This allocator distributes costs of managing the corporate insurance function based on assets for each affiliate.

Schedule Page: 358 Line No.: 21 Column: c

Accounts charged or credited for MEC: 408.1, 489.2, 489.4, 493, 495, 920, 921, 923 and 926.

Schedule Page: 358 Line No.: 22 Column: c

Accounts charged or credited for MEC: 408.1, 493, 806, 920, 921, 923 and 926.

Schedule Page: 358 Line No.: 24 Column: c

Accounts charged or credited for BHEC: 408.1, 426.1, 426.4, 493, 850, 864, 920, 921, 923, 926 and 930.2.

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/Q4
FOOTNOTE DATA			

Schedule Page: 358 Line No.: 26 Column: c
Accounts charged or credited for Kern River: 408.1, 426.1, 850, 920, 921, 923, 926 and 930.2

Schedule Page: 358 Line No.: 28 Column: b
Affiliate company includes affiliates of Berkshire Hathaway and Berkshire Hathaway Energy Company for goods and services amounting to \$250,000 or less.

Schedule Page: 358 Line No.: 29 Column: a
Amounts which are chargeable to another affiliate are assigned first by coding to the specific affiliate. These charges were based on actual labor, benefits and operational costs incurred. Amounts not directly assignable to an individual affiliate, such as work performed where multiple affiliates benefit, are assigned on the basis of allocations to Berkshire Hathaway Energy Company and CalEnergy Generation Operating Company, as described below:

Allocator	Description
Building space	Allocates costs for rent and building services associated with occupied building space in Northern's office building in Omaha, Nebraska to affiliates of BHEC. This allocator distributes costs to benefited affiliates based on the occupied square footage of the office building.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 508 Line No.: 7 Column: a

Pursuant to the Respondent's blanket certificate and Section 157.216(a) of the Commission's regulations, the Fort Buford, North Dakota, compressor station totaling 3,100 horsepower was retired effective June 19, 2017. The compressor station was operated by Bear Paw Energy, Inc.

Schedule Page: 508 Line No.: 17 Column: a

In accordance with Commission order issued January 30, 2017, in Docket No. CP16-472-000 Northern installed an additional 15,900-horsepower compressor unit at its existing Faribault compressor station in Rice County, Minnesota.

Schedule Page: 508 Line No.: 20 Column: a

The LaCrescent, Minnesota, compressor station was not operated in 2017 due to the lack of contract demand. Respondent has no current plans to abandon the station.

Schedule Page: 508.1 Line No.: 6 Column: a

Unit 5 at the Paullina, Iowa, compressor station is classified as "Gas Plant Held For Future Use," and is also reported on Page 214 "Gas Plant Held for Future Use" of the Form 2.

Schedule Page: 508.1 Line No.: 15 Column: a

One of the compressors at Bushton, Kansas, is operated for the Lyons, Kansas, underground storage facility.

Schedule Page: 508.2 Line No.: 4 Column: a

In accordance with Commission order issued June 16, 2016, in Docket No. CP15-552-000, Northern installed an 18,089-horsepower compressor station in Gaines County, Texas.

Schedule Page: 508.2 Line No.: 13 Column: a

The Respondent owns 13.5% of the compressor installed on a platform owned and operated by Reserve Oil Incorporated in South Pelto Block 13 in the Gulf of Mexico offshore Louisiana. The Respondent does not know the ownership percentages of the other owners.

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/Q4
FOOTNOTE DATA			

Schedule Page: 512 Line No.: 28 Column: b

Negative amounts are due to displacement.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

Schedule Page: 514 Line No.: 3 Column: a

Lines held under a title other than full ownership

<u>Designation (Identification)</u>	<u>Co-owner</u>	<u>Total Miles of Pipe</u>	<u>%</u>
KSC81201 Greensburg to Mullinville	ANR	1.8	50.0

Schedule Page: 514 Line No.: 6 Column: a

Lines held under a title other than full ownership

<u>Designation (Identification)</u>	<u>Co-owner</u>	<u>Total Miles of Pipe</u>	<u>%</u>
NEC64201 to LES from NEM50103	Lincoln Electric System	6.3	100.0
NEC64401 to OPPD Cass county generator station	Omaha Public Power District	0.2	100.0

Schedule Page: 514 Line No.: 9 Column: a

Lines held under a title other than full ownership

<u>Designation (Identification)</u>	<u>Co-owner</u>	<u>Total Miles of Pipe</u>	<u>%</u>
SDB96601 Webster branchline	NorthWestern Corporation	50.3	33.6
SDB97001 Parker branchline	NorthWestern Corporation	27.3	55.8
SDB96701 Scotland branchline	NorthWestern Corporation	37.4	75.0

Schedule Page: 514 Line No.: 10 Column: a

Lines held under a title other than full ownership

<u>Designation (Identification)</u>	<u>Co-owner</u>	<u>Total Miles of Pipe</u>	<u>%</u>
TXC90401 Spearman Interconnect from PVR	Penn Virginia Resources	0.3	100.0
TXC90701 Golden Spread Pipeline	Golden Spread Electric Coop	10.0	100.0

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

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

The 10,180,893 Dth represents gas purchases recorded to FERC account 803 Natural Gas Transmission Line Purchases.

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

The 93,061,810 Dth represents gas withdrawn from storage (includes third party and company owned gas).

Schedule Page: 520 Line No.: 18 Column: c

Gas Sales include 7,302,738 Dth of system operation sales that were credited to FERC account 483 Sales for Resale.

Schedule Page: 520 Line No.: 20 Column: c

Volumes transported for others equals invoiced volumes excluding deliveries to pooling points and deferred delivery points other than Ogden, Iowa. For the purpose of calculating the total volume eligible for the ACA surcharge, begin with the deliveries of gas transported for others on page 520, line 20 and adjust that volume by eliminating the December 2016 estimate reversal in January 2017 and the transportation estimate in and for December 2017.

	<u>Amount (Dth)</u>
Line 20 Deliveries of gas transported for others	1,134,620,073
Plus December 2016 throughput estimate reversal	119,742,000
Less December 2017 throughput estimate	(126,021,000)
Total volume eligible for ACA surcharge	<u>1,128,341,073</u>

Gas sales volumes shown on line 18 and deliveries of contract storage gas volumes shown on line 22 are not additive to the calculation above because they are already included in the deliveries of gas transportation volumes shown on line 20.

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

The 88,535,922 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	1,919
Work Order Adjustment	12,711
Gas Used in other O&M Operations	<u>2,256,358</u>
Total	<u>2,270,988</u>

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

The 6,067,334 Dth represents gas purchases recorded to FERC account 803 Natural Gas Transmission Line Purchases.

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

The 42,930,642 Dth represents gas withdrawn from storage (includes third party and company owned gas).

Schedule Page: 520 Line No.: 18 Column: d

Gas Sales include 951,919 Dth of system operation sales that were credited to FERC account 483 Sales for Resale.

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

The 30,945,078 Dth represents gas injected into storage (includes third party and company owned gas).

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Northern Natural Gas Company			2017/Q4
FOOTNOTE DATA			

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

	<u>Amount (Dth)</u>
Drip Shrinkage	1,053
Work Order Adjustment	4,294
Gas Used in other O&M Operations	522,364
Total	<u>527,711</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

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

Gas used for other operation purposes:

		<u>Month 1</u> <u>Gas Used (Dth)</u>	<u>Month 1</u> <u>Amount (\$)</u>
LNG Compressor Station Fuel	842.1	727	1,980
Line Operations	856	94,154	256,419
Purification Underground Storage	821	171	466
Other Underground Storage Operations	817	5,631	15,335
Other Compressor Station Fuel	819	2,156	5,872
		<u>102,839</u>	<u>\$ 280,072</u>

Volume of gas used for other deliveries and gas used for other operations equals the volume reported on line 29 page 520, after adjusting for drip shrinkage and gas associated with work orders which are not considered shipper supplied gas.

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

Gas used for other operation purposes:

		<u>Month 2</u> <u>Gas Used (Dth)</u>	<u>Month 2</u> <u>Amount (\$)</u>
LNG Compressor Station Fuel	842.1	9,362	25,296
Line Operations	856	130,683	353,071
Purification Underground Storage	821	2,017	5,450
Other Underground Storage Operations	817	4,753	12,843
Other Compressor Station Fuel	819	2,932	7,922
		<u>149,747</u>	<u>\$ 404,582</u>

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

Schedule Page: 521 Line No.: 22 Column: 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	39,093	111,157
Line Operations	856	198,192	563,539
Purification Underground Storage	821	8,310	23,629
Other Underground Storage Operations	817	19,087	54,272
Other Compressor Station Fuel	819	5,096	14,490
		<u>269,778</u>	<u>\$ 767,087</u>

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

Schedule Page: 521 Line No.: 44 Column: a

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Northern Natural Gas Company			
FOOTNOTE DATA			

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

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

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

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

The Respondent allocated discounted, negotiated and recourse amounts for lines 11,18,and 26 based on the throughput amounts shown for transmission shipper supplied gas on line 4.

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.