

March 31, 2009



NORTHERN NATURAL GAS COMPANY

Northern Notes

Northern Places First in Mastio & Company Mega-Pipeline Customer Satisfaction Index

Northern Natural Gas ranked first out of 16 mega-pipelines and third out of 41 interstate pipelines for customer service based on the Mastio & Company 13th edition customer satisfaction index. This ranking compares to a ranking of 3 out of 16 mega-pipelines and 5 out of 42 interstate pipelines last year.

Mastio & Company is a marketing and management consulting firm specializing in industrial consumer opinion research for a wide range of industries, including natural gas pipelines. The ranking from this customer survey process is the benchmark used by Northern to determine its customer satisfaction standing among its peers.

In the category of major organizational groups, the combined scores of transportation subsidiaries Northern and Kern River Gas Transmission Company, together known as the MidAmerican Energy Pipeline Group ranked first out of 11 companies for the fourth consecutive year.

"These results demonstrate that our employees are partnering with our customers and following through on our promise to provide excellent customer service," said Mark Hewett, president. "We thank our customers for their continued suggestions for improvement. Through our excellent working relationships, Northern has been able to meet our customers' needs and deliver outstanding service. Our goal is to lead the industry in customer satisfaction, and we will continue our efforts to improve our service."

The 2009 Mastio & Company study is based on interviews with industrials,

local distribution companies, independent power producers, producers and marketers. Each respondent rated the pipelines on 30 attributes, such as representatives who listen well, effective after-hours support, firm gas transportation is highly reliable, timely resolution of problems, overall company performance and how likely would you be to recommend your pipeline.

In this latest study, Northern ranked highest in these areas:

- Financial stability
- Accuracy of gas metering system
- Expertise of representatives to help solve your business needs
- Quality of pipeline-initiated communications
- Effectiveness of capacity release system

"Customer service is one of six core principles around which Northern's business is focused," said Gary Hoogveen, vice president of customer service. "We at Northern believe that only through continued improvement in the level of service we provide, and ultimately, the level of satisfaction our customers feel, can we earn our customers' business."

"We will continue to make customer satisfaction a high priority," Hoogveen said. "A company-wide improvement plan to address feedback from the survey will be finalized in early April. In addition, customer feedback from the Mastio & Company study will be used to develop customer-specific improvement plans."

Northern Lights Update

Contracts have been awarded for the next phase of Northern Lights, the 2009-2010 Zone EF Expansion, and construction is scheduled to begin in May. The Zone EF Expansion projects include 12.4 miles of 30-inch mainline pipe; 46.6 miles of branch-line pipe (8-, 12-, 16- and 20-inch diameters); one compressor station of approximately 15,000 horsepower; modifications to four town border stations; one new town border station and ancillary facility modifications – all in Minnesota. The majority of these projects will be placed in-service in 2009; 33.7 miles of 16-inch branch-line pipe and the new town border station placed in-service in 2010.

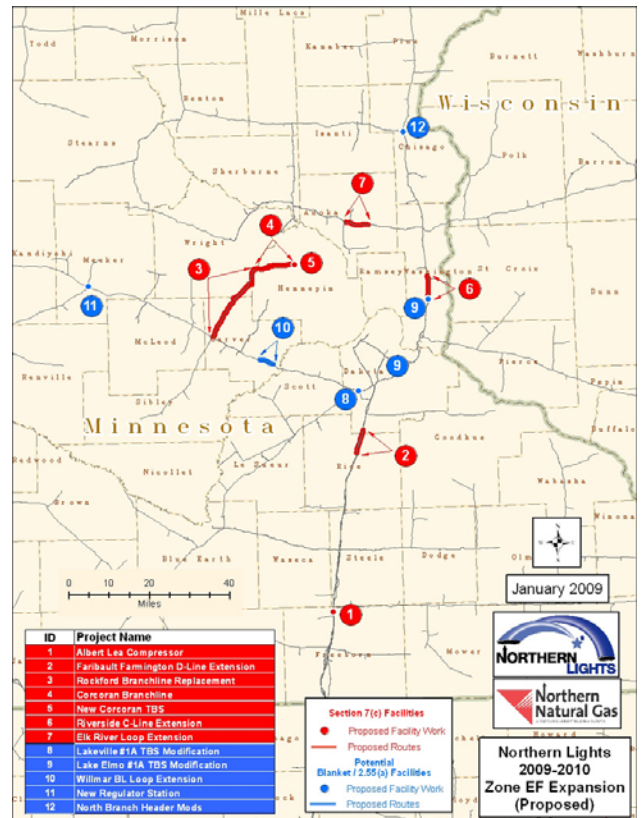
The expansion modifications will provide incremental winter volumes of 151,542 Dth/day in 2011-2012, although most of the volume will be in-service by winter 2010-2011. Specifically, 109,889 Dth/day will be in-service for winter 2009-2010, and an additional 40,322 Dth/day will be in-service for winter 2010-2011. The majority of the expansion projects will be constructed as part of the Zone EF Expansion project under one Federal Energy Regulatory Commission Section 7 filing. Approval of the application is expected in April.

Minnesota Limited, Inc. of Big Lake, Minn., has been contracted to com-

plete the pipeline and town border station projects. Michels Corporation of Brownsville, Wisc., has been contracted to complete the compressor station project. Construction will occur in these Minnesota counties: Freeborn, Rice, Dakota, Anoka, Wright, Hennepin, Carver and Washington. The facilities are on schedule to be in-service by November 1 of the respective contract year. The map below illustrates the 2009-2010 Northern Lights projects. Additional information can be found on [Northern's Web site](#) under Expansion Projects.

Oakland Group Allocation – Nov. 1, 2009, Follow-up Enhancements

In the November 2008 Oakland allocation notification, Northern informed its customers that additional enhancements were required to the existing allocation to better handle the scheduling of FDD storage volumes in relation to the allocation process. For more information, please refer to the [noncritical notice](#) posted March 23.



Northern Surpasses Market Area Delivery Record

In mid-January, Northern delivered a record volume of natural gas on two consecutive days to its market area. On Jan. 14, Northern delivered 4.722 billion cubic feet of natural gas to its market area, followed by a record delivery of 4.817 Bcf Jan. 15. These volumes surpass the previous record of 4.638 Bcf, which was delivered Dec. 15, 2008.

The market area system-weighted temperature Jan. 14 was minus 12 degrees Fahrenheit, and the system-weighted temperature Jan. 15 was minus 13 degrees, which was the coldest system-weighted temperature since February 1996. In comparison, the system-weighted temperature Dec. 15 was minus 6 degrees.

The upper Midwest was in a deep freeze in mid-January after arctic

air descended upon Northern's market area. Record-low temperatures were recorded across the area, eclipsing records that had stood for decades.

Northern's ability to transport record volumes of natural gas to its customers during extreme weather conditions is largely due to the dedication and attention to detail of the employees responsible for the operations and maintenance of the system.

In addition to monitoring the system's equipment during extreme weather conditions, Northern's natural gas storage facilities are utilized. On Dec. 15 when Northern delivered the third highest volume of natural gas in its history, its storage facilities were fully expended. The high demand that day allowed

Northern to achieve a production record of 582,000 Dth from the Redfield storage facility. Northern also reached the facility's maximum withdrawal rate of 600,000 Dth during the day.

Even more remarkable, the production record and maximum withdrawal rate at Redfield were achieved just two weeks after the new facilities of the 8-Bcf storage expansion project were placed in-service. "We were excited to test the increased production capabilities, especially during the adverse weather conditions," said Royce Ramsay, vice president of operations. "Many operations employees were dedicated to the success of the expansion project, and it was good to see the result of their teamwork."

Ogden Recognizes Safety Milestone

On Dec. 18, 2008, Northern's Ogden, Iowa, location celebrated 40 years of service without a lost-time injury. Both retirees and current employees were recognized for this outstanding achievement. Accomplishing such a milestone requires dedication to one's own safety and the safety of others. As team members plan

their workday, they review applicable Job Safety and Environmental Analyses and Gas Management Plans, as well as driving safety. The team also conducts bimonthly safety meetings and participates in

the Des Moines regional and company safety stand-downs each quarter.

"It is with a great sense of pride that we all have contributed to this milestone," said Dave Miller, operations manager. "It means a lot to these employees because they know safety is important to Northern, as well as their families."



On Dec. 18, 2008, members of the Ogden, Iowa, team marked 40 years of service without a lost-time injury.



1111 South 103rd Street
Omaha, NE 68124

For technical inquiries or information:

E-mail: nng_helpdesk@nngco.com

Local to Omaha: 402-398-7664

Out of area: 866-810-5268

If you have any questions or comments,
please contact us at:

nngcustomerservice@nngco.com

Feedback and Suggestions

To provide feedback about *Northern Notes*, or suggestions of newsworthy topics to cover in this electronic publication, contact Steve Gilbert at steve.gilbert@nngco.com

Northern Natural Gas is based in Omaha, Neb., and operates an interstate natural gas pipeline extending from the Permian Basin in Texas to the Upper Midwest. Northern provides transportation and storage services to approximately 75 utilities and numerous end-use customers in the Upper Midwest. Northern provides cross-haul and grid transportation between other interstate and intrastate pipelines in the Permian, Anadarko, Hugoton and Midwest areas. Northern also operates three natural gas storage facilities and two liquid natural gas peaking units. These storage facilities are fully contracted and are central to meeting Northern's customers' peak-day system requirements.

Northern accesses supply from every major Mid-Continent basin, as well as the Rocky Mountain and Western Canadian basins. This supply is ultimately delivered to end-use customers in Minnesota, Iowa, Nebraska, South Dakota, Wisconsin, Illinois and the Upper Peninsula of Michigan.

Helping You Manage Your Business

Northern offers many services and has access to a wide range of supply basins to help you manage your business easily and efficiently. Many of Northern's systems and procedures have been streamlined to make the business Northern does and the information Northern shares timely and accurate.

Driving in Fog

Statistically, fog is the most dangerous driving condition; driving in heavy fog often is compared to driving with a blindfold. When fog reduces visibility, it is important to take safety precautions.

When you encounter foggy conditions, the best advice is to stop at a rest area or park well off the roadway and wait for the fog to lift. However, this is not always practical. Use these tips to drive as safely as possible in foggy conditions:

In normal driving conditions, you should maintain at least a four-second gap between you and the vehicle ahead of you; however, with decreased visibility in foggy conditions, this interval should be increased substantially.

Slow down. Most fog-related traffic fatalities occur because someone

was driving too fast and couldn't stop in time to avoid a collision.

Make sure you can be seen. Turn on your fog lights and use low beams. High beams direct light up into the fog, making it difficult for you to see. Low beams direct light down onto the roadway and help other drivers see you.

If you leave the roadway, be sure to pull off completely. Turn off your driving lights and turn on your flashers so others know you're there but won't think you are driving on the road.

Always use your defroster and windshield wipers in foggy conditions to keep the windows clear.

Keep an eye on your speedometer, and maintain a slow, constant speed.

Remember that fog can leave roadways slick. Signal early, tap your brakes lightly several times, and then slowly depress the brake until you stop.

Source: smartmotorist.com

Fog Advisories—What do they mean?

According to the National Weather Service, a FOG ADVISORY is issued when dense fog covers a widespread area and reduces visibility to a quarter mile or less.

A DENSE FOG ADVISORY can be issued when fog reduces visibility to an eighth of a mile or less, frequently near zero, over a widespread area.