



Northern Lights Project
Frequently Asked Questions (FAQ's)



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General Questions

Who is Northern Natural Gas?

- Northern Natural Gas (Northern) is an interstate transmission pipeline company that owns and operates approximately 16,500 miles of pipeline. Northern serves natural gas markets primarily in Nebraska, Iowa, Minnesota, Michigan, South Dakota and Wisconsin. Northern has been constructing and operating gas pipelines since 1930 and is regulated by the Federal Energy Regulatory Commission (FERC). Northern is committed to safety, customer service, protecting the environment, and treating customers and others with whom it interacts honestly and fairly in all aspects of business.

What is the Northern Lights Project?

- The Northern Lights project is a pipeline expansion project to increase the capacity of Northern's natural gas pipeline. This project will offer an economical way to meet the increased demand for clean, efficient natural gas throughout our market area. The project will deliver natural gas to meet growing energy demand for homes, hospitals, schools and industry. Current plans include construction of new pipeline, some of which will be constructed along Northern's existing pipeline, and modifications to town border stations (TBS) and branch lines. Pipeline diameters will range from 6 to 36 inches. Minor modifications to existing compressor stations are also being planned.

Where will the pipeline be built?

- The pipeline will be built near Northern's existing pipeline system throughout its market area. Northern plans on using existing pipeline corridors as much as possible to minimize the need for additional right-of-way.

Will the pipeline be safe?

- At Northern, safety is paramount. The safety of the employees and the general public is assured throughout each step of the pipeline's operations, including new construction. The United States Department of Transportation considers natural gas pipelines as one of the safest modes of energy transportation. Our company meets and often exceeds all appropriate safety regulations and works closely with all regulatory agencies. Our safety record is consistently at the top of our peer groups. Public safety is, and always will be, our company's top priority.

What is the project schedule?

- The first phase of the project includes construction activities planned for 2007. For the phase covering 2007 planned construction, Northern began contacting affected landowners in August 2005. Northern will also hold a series of public open houses in November 2005. Northern plans to utilize the Federal Energy Regulatory Commission's (FERC) pre-filing process and plans to make the request to use the process in the fall of 2005. The certification application for the project is expected to be filed with the FERC in June 2006. Northern plans to begin construction in the summer of 2007 and to have all of the facilities in service and delivering natural gas to our market areas by the winter season of 2007.

How will landowners be affected?

- Northern understands that landowners along its pipeline system are neighbors and is fully committed to establishing and maintaining positive long-term relationships with all landowners. Northern understands the impact to property owners of having pipelines built on their property. Northern takes pride in its relationship with its neighbors and will take the necessary steps to minimize the amount of land impacted by construction. Northern also takes pride in its land restoration program, which results in minimal impact to the surrounding landowners. Northern separates and restores topsoil, minimizes soil compaction on the surface, pays crop damages, assures drain tile is protected or repaired properly, and allows for crop deficiency payments if future crops are affected. Northern's goal is to work with all affected landowners to provide fair compensation and obtain their agreement for an easement to construct the facilities. During construction, Northern will honor all existing and new landowner agreements and comply with all applicable state, federal and local requirements. Once construction is completed, Northern is thoroughly committed to clean up and restore affected property. In most cases, property owners will be able to use the pipeline right-of-way just as they did before construction. Activities such as growing crops and pasturing livestock can resume after restoration.

Who will be the customers of the Northern Lights project?

- The Northern Lights project will provide needed, clean-burning natural gas to the following:
 - Homes
 - Hospitals and nursing homes
 - Agricultural businesses
 - Schools
 - New electric power plants
 - New ethanol plants
 - Commercial businesses
 - Industrial customers

General Landowner Questions

What does it mean if I let Northern survey my property? Does it obligate me to any future agreements?

- Granting Northern and its agents permission to enter your property for the purpose of conducting a survey simply means that you are allowing Northern (or its agents) to conduct appropriate engineering and environmental analyses. It in no way means that you have agreed to enter into a right-of-way agreement. These engineering and environmental analyses are an important part of the planning process for the project. This is one step of a complex process that involves looking at your land to establish potential route alignments and temporary work space areas and completing surveys required by law to examine potential adverse impacts to environmental, archeological and cultural resources as well as identifying any potential threats to threatened and endangered species. Surveying may mean walking the property; however, occasionally there may be a need to dig a hole in order to obtain a soil sample. After the soil has been sifted, it will be returned to the place from which it was taken.

Does Northern compensate landowners for granting permission to conduct surveys?

- No compensation is offered for survey permission. If a landowner's property is used for the final route, the landowner will be offered fair compensation for the use of their land and access onto the land, and will be reimbursed for any temporary economic loss caused by construction or access onto the land. In most cases, the land will be restored substantially to its original condition.

How is fair compensation determined?

- Fair compensation is determined by the fair market value of the property as determined by comparable sales of similar properties in your area at the time of right-of-way negotiations. After the final route has been determined, landowners along the final route will receive a communication describing the right-of-way acquisition process.

Will Northern use existing rights-of-way or acquire new right-of-way easements?

- To the fullest extent possible, Northern intends to use existing rights-of-way along its existing pipeline corridor. In some areas, however, it will be necessary for Northern to acquire new right-of-way easements to extend the pipeline to serve the increasing natural gas needs of the communities Northern already serves.

Will Northern use eminent domain to acquire property for the construction of the project?

- Northern is committed to make every effort to reach a fair and reasonable agreement with affected landowners. Northern views landowners along its pipeline as neighbors and is fully committed to establishing and maintaining positive long-term relationships with landowners. Be assured that Northern will take all necessary steps to minimize the amount of land impacted by the project. If, for whatever reason, an agreement cannot be reached between Northern and a landowner and the Federal Energy Regulatory Commission (FERC) determines that the public need for the pipeline exists, eminent domain procedures, also known as condemnation, can be used. Northern's objective is to negotiate in good faith to reach a fair settlement with each landowner, and as such, considers eminent domain only as a last resort.

Where can I get information about my rights as a landowner?

- The government agency that regulates the construction activity of interstate pipelines, the Federal Energy Commission (FERC), has information regarding landowner issues on its Web site at <http://www.ferc.gov/for-citizens/citizen-guides/citz-guide-gas.pdf>.

Will Northern restore my agricultural land to its original use after the construction?

- Farming or the use of land for other agricultural purposes over a pipeline is very common. Farmland will be restored in a manner designed to return the land to full production. Farmers will be compensated for the temporary loss of crop production. Once land restoration is completed, Northern will compensate farmers for lower crop yields attributable to the disturbance of land during the construction process.

If construction for the project cuts off access to another part of a property owner's agricultural land, will the landowner be compensated for the inconvenience caused by the construction?

- While Northern will make every effort to minimize the impact of the construction to the property of the landowner, you should be assured that Northern will strive to fairly compensate landowners for any damage or loss incurred from limited access to their property.

If a right-of-way easement agreement is reached, will I still be able to use the property in the right-of-way after the construction of the pipeline is completed?

- Agricultural uses are normally permitted. For reasons of safety, buildings and large trees are not generally permitted. The right-of-way agreement will specify land-use restrictions on the land after construction is completed.

I have heard other landowners have had problems with other pipeline installation on their land. How is Northern different?

- First, Northern has been in the pipeline business for more than 75 years. Northern has extensive and long-standing experience in designing, planning, constructing and operating interstate pipelines. Second, Northern is an interstate pipeline company. Our construction activities are regulated by the Federal Energy Regulatory Commission (FERC). The FERC enforces strict regulations regarding the construction of the pipeline and the remediation efforts required for land disturbed by the construction. Northern is engaging in proactive steps to establish open communications with affected landowners and communities. Open houses, regularly mailed updates, a dedicated Web site and a single source of contact are some of the steps we have taken to ensure a constructive dialogue with landowners and communities. We are doing this because it is good business practice, but we are also doing it because we realize the landowners along the pipeline are our neighbors. As neighbors, we will deal with landowners fairly, honestly and openly. We understand that the industry of bringing needed energy resources to communities also has its responsibilities. These include building and maintaining long-term relationships and a respect for the environment in which we live.

The Pre-filing Process

How will Northern communicate with landowners?

- Northern will participate in a pre-filing process. The process was developed by the Federal Energy Regulatory Commission (FERC), the agency with jurisdiction over interstate natural gas pipelines. The process allows Northern to reach stakeholders in the project, such as landowners and environmental interests, very early in the planning stage. As part of that process, Northern will employ a variety of means to communicate with affected landowners. These include open houses, regular mailings, a dedicated Web site accessible by the public and a single source of contact within Northern to address your questions and concerns.

What are the open houses and when will they take place?

- The open houses will be held in communities along the project route. Affected landowners, Northern customers and local and state officials will receive a mailed invitation. We will also publicize these open houses in the local media. At the open houses, we will have information available on the scope of the project, the project route, company contact information, information on the role of the federal government and landowners' rights, the company's safety commitments, and land restoration and remediation. We expect the open houses to be held in November 2005.

What will be on the Web site and how do I access it?

- The Web site will contain route maps, project updates, landowner information, and contact information for the federal government and to make inquiries directly to Northern. The Web site also will include quarterly newsletters and important information on Northern's application to build the pipeline. The Web address is www.northernnaturalgas.com/expansionprojects.

What if I want to contact Northern directly about a problem, or if I want someone from the company to answer a question that I have?

- There are several ways to contact Northern directly. You can call a 24-hour telephone line that is manned by a "live" operator. Leave the operator your question and someone will get back to you. The telephone number is 1-888-367-6671. You may also send an e-mail to the project director at northernlights@nngco.com or through our Web site, www.northernnaturalgas.com/expansionprojects.

What if I want to contact the Federal Energy Regulatory Commission (FERC)?

- There are two ways to make your views known to the FERC. First, if you want the FERC to consider your views on the various environmental issues involved with the location of the pipeline facilities, you can do so by simply writing a letter. The FERC will undertake a complex and thorough environmental analysis of the project. Details are available through the FERC's Office of External Affairs at 1-866-208-3372, or you may check the FERC's Web site for details at www.ferc.gov. Once Northern has filed its certificate application requesting authorization to construct the proposed facilities (designated as a "CP" docket), you may file as an intervenor. The Office of External Affairs can help you through this process as well. Becoming an intervenor will give you specific rights. As an intervenor, you will receive any filings made by the company as well as other FERC documents related to the case and materials filed by other parties to the application. You will have the right to file legal briefs, appear at hearings and be heard by the courts if you appeal the final ruling of the FERC. However, you should also know that you will be obligated to mail copies of what you file to all the other parties at the time of filing, which in a major case, may be substantial. You must normally file for intervenor status within 21 days of the date of the application's filing notice in the *Federal Register*. Although comments are accepted during the pre-filing process (designated as a "PF" docket) as described above, the FERC pre-filing process procedures do not provide for you to file as an intervenor in that process. To become an intervenor, you must wait until Northern has filed its certificate application.

What other information is available?

- You can ask for a copy of the pamphlet published by the Federal Energy Regulatory Commission titled "*An Interstate Natural Gas Facility on My Land? What Do I Need to Know?*" The pamphlet can also be downloaded from the FERC Web site <http://www.ferc.gov/for-citizens/citizen-guides/citz-guide-gas.pdf>.