

**NORTHERN NATURAL GAS COMPANY**

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**ABBREVIATED APPLICATION REQUESTING A CERTIFICATE  
OF PUBLIC CONVENIENCE AND NECESSITY**

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**Permian Basin Expansion Project**

**Docket No. CP26- 534 -000**

Date filed: May 28, 2026

**UNITED STATES OF AMERICA**  
**Before the**  
**FEDERAL ENERGY REGULATORY COMMISSION**

In the Matter of	§	
	§	Docket No. CP26- -000
NORTHERN NATURAL GAS COMPANY	§	

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**ABBREVIATED APPLICATION A CERTIFICATE  
OF PUBLIC CONVENIENCE AND NECESSITY**

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Northern Natural Gas Company (Northern) makes application to the Federal Energy Regulatory Commission (Commission or FERC) pursuant to Section 7(c) of the Natural Gas Act (NGA), as amended, and Part 157 of the Commission's Regulations for authorization to construct, modify, operate, and maintain the facilities described herein for its Permian Basin Expansion Project (Project).

The Project includes: (1) install 15.1 miles of 24-inch-diameter and 1.1 miles of 16-inch-diameter new pipelines at two distinct locations in New Mexico and Texas; (2) construct a new ISO-rated 7,700-HP Solar Tarus 60 gas turbine compressor station near Hobbs, New Mexico; (3) construct an interconnect; (4) construct a receiver within Northern's existing launcher facility; (5) remove and construct recycle valve; (6) construct a delivery point, with appurtenances all located in various counties in New Mexico and Texas, in order to expand the capacity of Northern's Field Area<sup>1</sup> facilities. Northern also is requesting authorization for a presumption of rolled-in rate treatment of the expansion costs

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<sup>1</sup> Northern's system is divided into two areas: the Field Area and the Market Area. Northern's Field Area is the geographical area located south of the inlet to Northern's Clifton compressor station in Clay County, Kansas.

and Commission issuance of an order granting approval for the proposed Project as expeditiously as possible, but no later than May 2027.

In support of this Application and pursuant to the presently effective Regulations under the Natural Gas Act (NGA) and Rules of Practice and Procedure of the Commission, Northern states and shows the following:

**I.**  
**GENERAL**

The exact legal name of Applicant is Northern Natural Gas Company. Northern is a corporation organized under the laws of the State of Delaware, having its principal office at 1111 South 103rd Street, Omaha, NE 68124-1000.

Northern is a "natural gas company" within the meaning of the NGA and, pursuant to Certificates of Public Convenience and Necessity issued by the Commission, is engaged in the transportation of natural gas in interstate commerce. Northern is authorized to do, and is doing, business in the states of Delaware, Texas, New Mexico, Oklahoma, Kansas, Nebraska, Iowa, Minnesota, Illinois, Michigan, Wisconsin, and South Dakota.

**II.**  
**CORRESPONDENCE AND COMMUNICATIONS**

All correspondence and communications with respect to this application are to be sent to the following:

Kirk Lavengood, VP  
Chief Legal Officer  
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P.O. Box 3330  
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\*Designated to receive service pursuant to section 385.2010(c) of the Commission's Regulations.

**III.**  
**BACKGROUND AND BASIS**

Northern's Field Area system is located in Texas, Oklahoma, New Mexico and Kansas, and provides access to supplies from the Hugoton, Anadarko, Permian and Rocky Mountain supply basins for Northern's Field Area as well as for other Market Area markets and interconnects. These pipeline facilities provide natural gas service in the Field Area and to Northern's Market Area.

The Project is a market-driven expansion designed in response to shipper requests for additional service received during the Permian Basin Area Expansion Open Season, which was held July 2, 2025, through July 22, 2025, (Permian Open Season). The purpose of the Permian Open Season was to determine if customers are in need of expanded firm

transportation service and to identify the need, if any, to construct facilities necessary to provide for this additional need commencing on or after May 1, 2028, from certain points of interest to delivery points located in Northern's Field Area. In the open season, Northern also provided firm customers currently holding capacity in Northern's Field Area an opportunity to turn back capacity that may be used to reduce construction.

Northern received a request in the Permian Open Season from Southwestern Public Service Company (SPS) for a total of 361,600 dekatherms per day (Dth/day) for incremental annual firm service commencing May 1, 2028. Northern has executed a precedent agreement with the customer which is included in Exhibit I as privileged and confidential information. SPS has requested construction of the pipeline lateral by December 31, 2027, to allow for commissioning of the generation facility in advance of the May 1, 2028, in-service date. No turn back capacity requests were received in the open season. The proposed Project facilities will be constructed to meet customer requests from the Permian Open Season.

When placed in service, the proposed facilities will provide for peak day firm transportation service of approximately 361,600 Dth/day to serve a new gas-fired generation facility.

#### **IV.** **DESCRIPTION OF FACILITIES**

Northern is proposing to construct, modify, operate, and maintain the following facilities in various counties in New Mexico and Texas:

- install 15.1 miles of 24-inch-diameter and 1.1 miles of 16-inch-diameter new pipelines at two distinct locations in New Mexico and Texas with varying maximum allowable operating pressures (MAOP);

- construct a new compressor station consisting of one International Organization for Standardization (ISO)-rated 7,700 horsepower (hp) natural gas-fired compressor unit near Hobbs, New Mexico;
- construct an interconnect with Transwestern Pipeline Company, LLC (Transwestern) within the existing Phillip 66 Linam Ranch Plant;
- construct a receiver within Northern's existing launcher facility;
- remove an existing recycle valve and associated equipment within Northern's existing Plains compressor station and install a new recycle valve and associated equipment within Northern's expanded facility south of the Plains compressor station.
- install delivery point at the Southwestern Public Service Company (SPS) Gaines County Generating Station.

### **Pipelines and Facilities**

#### **NMB26801 - Hobbs to SPS Gaines Co. Lateral and TXB92201 - Hobbs to SPS Gaines Co. Lateral (Segment 1)**

Northern proposes to construct and operate an approximately 15.1-mile of 24-inch-diameter pipeline Hobbs to SPS Gaines Co. lateral in Lea County, New Mexico and Gaines County, Texas. Although Segment 1 is one contiguous pipeline, the name changes at the border of New Mexico and Texas. The proposed NMB26801 - Hobbs to SPS Gaines Co. Lateral is the 14.5-mile portion of pipe in Lea County, New Mexico, and the proposed TXB92201 - Hobbs to SPS Gaines Co. Lateral is the 0.6-mile portion of pipe in Gaines County, Texas. Segment 1 will begin at the proposed Hobbs compressor station at milepost (MP) 0.0 in Section (S) 32, Township (T) 18 South, Range (R) 37 East in Lea County, New Mexico. Segment 1 will terminate at the proposed delivery point located in the SPS proposed Gaines County Generating Station in Section 6, Block A12 in Gaines County, Texas.

Northern proposes to construct and operate a new delivery station at the SPS Gaines County Generating Station, which will also be the downstream tie-in location for the

proposed Segment 1 pipeline. The Gaines County Generating Station will be located approximately 0.6 mile from the New Mexico border on the north side of Nadine Road in Gaines County, Texas. The delivery station facility will require approximately 6.9 acres of land for construction, which includes ETWS. The facility will occupy approximately 0.9 acre for operations. When construction is completed, the remaining ETWS will be restored to preconstruction conditions.

The facility will be within a fenced/gated facility and include a receiver, separator, meter, and a control valve. Northern will construct a sunshade over the metering equipment and a 16-foot by 8-foot building will house electrical controls. Access to the facility during construction will be from Nadine Road, which extends to the pipeline construction workspace along an existing private drive and a new access to the new delivery station.

The pipeline will be installed within a 100-foot-wide nominal construction corridor. At horizontal directional drill (HDD) locations, Northern will only use a travel lane to monitor HDD activities. Northern will use existing public roads, temporary workspace (TWS), extra temporary workspace (ETWS), temporary access roads (TAR), permanent drives (PD), and staging areas (SA) during construction activities. Northern will maintain a 50-foot-wide permanent right of way centered over the proposed pipelines. Northern is in the process of obtaining new permanent pipeline and facility easements, where required.

#### NMB26901 - Hobbs to Mark West Lateral (Segment 2)

Northern proposes to construct and operate an approximately 1.1 miles of 16-inch-diameter pipeline. Segment 2 will begin at the proposed Hobbs compressor station at MP 0.0 in Lea County, New Mexico. Segment 2 will terminate at the existing Hobbs - Plains bi-directional launcher facility in S31, T18S, R37E in Lea County, New Mexico.

The proposed Segment 2 pipeline will be parallel with the Phillips 66 - UGG4 natural gas pipeline between Segment 2 MP 0.07 to 0.97 and will have an offset of 50 feet. Segment 2 will be installed within a 100-foot-wide nominal construction corridor in uplands. Construction equipment will access the Segment 2 construction workspace from the Hobbs compressor station and the Hobbs - Plains bi-directional receiver. Northern will maintain a 50-foot-wide permanent right of way centered over the proposed pipelines. Northern is in the process of obtaining new permanent pipeline and facility easements, where required.

Within the existing Phillips 66 Linam Ranch Plant, Northern proposes to construct a new receipt point that will receive natural gas from Transwestern and tie into Northern's existing M836B pipeline in S6, T19 South, R37 East, Lea County, New Mexico. The facility will require approximately 1.9 acres of land for construction, which includes ETWS. The facility will occupy approximately 0.4 acre for operations, which is entirely within the existing Phillips 66 Linam Ranch Plant. When construction is completed, the remaining ETWS will be restored to preconstruction conditions.

The facility will be within a fenced/gated facility and include a filter/separator, a meter, and associated valves and piping. Access to the facility during construction will be from US Highway 62 via the Phillips 66 Linam Ranch Plant's existing road which is about 20 feet wide and 3,390 feet long.

The existing Hobbs - Plains bi-directional launcher fence will be expanded within the existing permanent easement to accommodate the new receiver in S31, T18 South, R37 East, Lea County, New Mexico. The facility construction workspace will overlap with the Segment 2 workspace, including the ETWS. The operational land will remain 1.2 acres.

When construction is completed, the remaining ETWS will be restored to preconstruction conditions.

In addition to the receiver, the facility will include a 16-foot by 8-foot auxiliary building and a sunshade. Access to the facility during construction will be from US Highway 62, which is about 20 feet wide by 1,088 feet long and will be improved with gravel.

Northern plans to remove an existing recycle valve, control valve, and separator that is within the fence of the Plains compressor station and install a new recycle valve setting at Northern's existing launcher facility south of the Plains compressor station in Yoakum County, Texas. The new recycle valve location and larger size will increase recycle capacity allowing bi-directional flow on Northern's existing 26-inch-diameter M820B and 30-inch-diameter M840B mainlines via a new 45.7-foot-long 24-inch-diameter pipe.

Removing the existing recycle valve and installing a new recycle valve will require approximately 8.3 acres of land for construction, which includes ETWS. To accommodate the new recycle valve setting, Northern will expand its existing launcher facility to 0.6 acre. When construction is completed, the remaining ETWS will be restored to preconstruction conditions.

The expanded facility will include an 8-foot by 10-foot electrical building. A tie-over with a 16-inch control valve and 12-inch actuated valve outlets will be installed between Northern's existing mainlines. A 12-inch-diameter tie-in pipe will be installed from the expanded facility approximately 186.5 feet north into the Plains compressor station where a new scrubber and 12-inch control valve will be installed and tied into existing piping. This new tie-in pipe will be centered in a new 0.2-acre permanent easement. Access

during construction and operation will be from County Road 355 via the Plains compressor station's existing roads.

### **Compressor Station**

#### **Hobbs compressor station**

Northern proposes to construct and operate an ISO-rated 7,700-HP Solar Tarus 60 gas turbine, compressor station in S32, T18 South, R37 East, Lea County, New Mexico. The Hobbs compressor station will be tied into Northern's existing 26-inch-diameter NMM10101 B-line. The compressor will require approximately 11.8 acres of land for construction, which includes ETWS. The facility will be fenced with a gate and occupy approximately 5.2 acres for operations, which Northern purchased from a private landowner. When construction is completed, the remaining ETWS will be restored to preconstruction conditions.

The Hobbs compressor station will be within a fenced/gated facility and include a 42-foot by 60-foot compressor building that will house one centrifugal gas compressor driven by a natural gas fired turbine. A 60-foot by 100-foot auxiliary building will house electrical components and provide office and warehouse spaces for field operations staff. A 60-foot by 30-foot building will house air compressors, a nitrogen (N<sub>2</sub>) generator, and a natural gas fired generator. Additionally, the compressor station will include auxiliary equipment such as a suction scrubber, gas cooler, fuel gas heater, fuel gas coalescer, seal gas filter, condensate tank, lube oil cooler, fuel meters, and numerous actuated valves. Two pig launchers will be installed inside the compressor facility fenceline to inspect the Segment 1 and 2 pipelines with smart pig tools. Site utilities will be connected to local service providers. A new 20-foot-wide permanent driveway constructed of gravel will be utilized to

access the facility from US Highway 62 for construction and operation. The compressor station plot plan is depicted in Figure 1-6, Resource Report 1. Due to the engineering specifics the site plan has been designated and labeled “**CUII//CEII – DO NOT RELEASE**” (Critical Energy Infrastructure Information). The air emissions and noise impacts anticipated from the Hobbs compressor station are discussed in Resource Report 9.

### **Miscellaneous**

A detailed description of the proposed facilities, construction workspace and construction activities are included in Resource Report 1, Exhibit F-1. The location and design of the facilities and workspaces are shown in more detail on U.S. Geological Survey 7.5-minute topographic maps and aerial photo-based alignment sheets and aerial photographs provided in Resource Report 1. Certain of the information provided on the maps and aerial alignment sheets contains sensitive environmental information and/or landowner names. Accordingly, Northern has marked these documents “**CUII//PRIV – DO NOT RELEASE**” (privileged information) and has segregated the documents in Volume II.

Map depicting the general location of the Project facilities in relationship to Northern’s existing facilities are included at Exhibit F and is attached to this application. Flow diagrams reflecting Northern’s system before and after the proposed pipelines and facility installations are included in Exhibit G in Volume III and labeled “**CUII//CEII – DO NOT RELEASE**” (Critical Energy Infrastructure Information).

**V.**  
**COST OF FACILITIES**

The cost to construct the proposed Project facilities is \$104,996,682 as detailed in the attached Exhibit K; a spreadsheet showing Northern's calculation of its allowance for funds used during construction is included.

Exhibit N provides separate analyses of the estimated cost of service and revenues for the proposed Project. Additionally, stated on a per unit basis as illustrated in Exhibit P, the Project produces a rate reduction for the existing maximum rate customers. Northern is requesting a presumption of rolled-in rate treatment for the expansion costs for the Project. The data set forth in Exhibits N and P demonstrates that cumulative incremental revenues exceed the incremental cost of service and that existing customers will not be subsidizing the proposed project.

**VI.**  
**MARKET DATA**

Northern has binding commitment for firm throughput service with a shipper for service commencing May 1, 2028. The commitment totals an incremental expansion entitlement of 361,600 Dth/day. The 361,600 Dth/day will serve Northern's customer new gas-fired generation facility. Copy of the precedent agreement is included in Exhibit I. Prior to construction, Northern will have executed throughput agreement to replace the precedent agreement.

Northern understands that the shipper participating in the proposed project will have either acquired gas supplies or have ongoing negotiations for the acquisition of the gas supplies related to the project. The primary sources of supplies for the additional capacity will be from sources directly or indirectly connected to Northern's system. In the

event upstream throughput services are required, Northern anticipates that each shipper will obtain such service and that it will be performed under Part 284 of the Commission's Regulations.

## **VII.** **OPERATIONAL BENEFITS**

Construction of the Project facilities will provide benefits to Northern's existing system through increased reliability and system flexibility, as further described below.

The expansion facilities will be integrated with Northern's existing system and will complement the operation of Northern's existing facilities and provide increased reliability for Northern's existing infrastructure and operations, as well as flexibility for future expansions.

The Project requires additional pipelines and a new compressor station in the Field Area to increase transport capacity. The pipelines and new compressor station will increase operational flexibility and improve system resiliency.

## **VIII.** **ENVIRONMENTAL**

The Project has been designed and will be constructed in a manner to minimize environmental impacts. The Project will not impact any wetlands, waterbodies, cultural sites, forested areas, or public access points. Exhibit F-1 (environmental report) provides an analysis of the existing environmental conditions and the impact of the proposed facilities on the environment.

The proposed pipelines and aboveground facilities have been designed and will be constructed in a manner to minimize environmental impacts. Northern will be utilizing construction corridor of 100 feet in width. Northern will use a horizontal directional drill to

cross three roads and a railroad, which will eliminate impacts from construction activities. Construction activities will be conducted in accordance with the May 2013 version of FERC's Upland Erosion Control, Revegetation, and Maintenance Plan (Plan) and the Wetland and Waterbody Construction and Mitigation Procedures (Procedures) to minimize environmental impacts. No modifications to the Plan or Procedures are proposed.

The predominant land use impacted by the proposed Project, is open land. Disruption of open land should occur only during the construction phase, after which the surface will be restored pursuant to its pre-construction condition, or pursuant to landowner agreements with the exception of the aboveground appurtenant facilities. No residences are located within 25 feet of the proposed Project. Additional land use and construction mitigation measures are more fully described in Resource Report 8

Northern will employ at least one environmental inspector (EI) per spread for the proposed project. The EI will be responsible for monitoring and ensuring compliance with all mitigation measures required by the Project, clearances and permits. The EI will be empowered to order correction of acts that violate environmental requirements. The EI will be empowered to issue stop-work orders and will be able to approve and implement any necessary impact mitigation measures.

Northern reviewed alternatives to the proposed pipelines and, as described in Resource Report 10, Northern's proposed routes represent the least or similar impact to the environment and/or landowners when compared to the alternatives analyzed.

A listing of federal authorizations that are required for the project and the status of these authorizations from the appropriate federal and state agencies for the project is detailed in Resource Report 1, Table 1.8-1. Agency correspondence sent and received to

date is included in appendices of respective resource reports included in Exhibit F-1. Copies of the archeological, architectural and cultural resources reports are included in Volume II and have been labeled “CUII//PRIV – DO NOT RELEASE.”

Northern has included topographical maps, aerial photographs and aerial alignment sheets depicting the location of the proposed facilities for the project in Resource Report 1. Alignment sheets containing landowner names and the location of sensitive environmental sites are provided in Resource Report 1, Figures 1-5; due to the sensitive nature of the information, these figures are labeled “CUI//PRIV – DO NOT RELEASE” and segregated in Volume II.

A list of the affected landowners is provided in Resource Report 1, Appendix 1D, and is filed as privileged information in Volume II. A list of the agencies involved with the projects as well as other interested stakeholders is included in Resource Report 1, Appendix 1E. Pursuant to section 157.6(d) of the commission’s regulations, within three business days following the date the Commission issues a notice of the application, affected landowners and other stakeholders will be mailed a notice of the proposed project. A listing of the newspapers and libraries, which are located within the counties of the proposed project is included in Appendix 1E of Resource Report 1. Northern will make a good faith effort to publish a notice of the project twice in the applicable newspapers within 14 days from the date a docket number is assigned to the instant application. Pursuant to section 157.10(c), a copy of the public information included in the instant application will be available for public viewing at the applicable libraries.

Northern has established an Environmental Complaint Resolution Procedure that will be provided to landowners whose properties will be crossed by the project with clear

and simple directions for identifying and resolving environmental mitigation problems or concerns; a copy of the Environmental Complaint Resolution Procedure that will be sent to landowners directly affected by the project is attached to Resource Report 1, Appendix 1F. The document includes information on how a landowner may contact Northern's toll-free number 24/7 or directly contact commission staff.

## **IX.** **PUBLIC CONVENIENCE AND NECESSITY**

The Certificate Policy Statement<sup>2</sup> explained that the Commission, in deciding whether to authorize the construction of major new pipeline facilities, balances the public benefits against the potential adverse consequences. Under its policy, the Commission's threshold requirement for approval of new projects is that the applicant must be prepared to financially support the project without relying on subsidization from its existing customers. The next step is to determine whether the applicant has made efforts to eliminate or minimize any adverse effects the project might have on the applicant's existing customers, existing pipelines in the market and their captive customers, and landowners and communities affected by the route of the new pipelines. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, the Commission will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. This is essentially an economic test. Only when the benefits outweigh the adverse effects on economic interests will the Commission proceed to complete the environmental analysis, where other

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<sup>2</sup> Certification of New Interstate Natural Gas Facilities (Certificate Policy Statement) 88 FERC ¶ 61,227 (1999), *order clarifying statement of policy*, 90 FERC ¶ 61,128 (2000), *Order further clarifying statement of policy*, 92 FERC ¶ 61,094 (2000).

interests are considered.

As illustrated in Exhibit N, the incremental revenues exceed the incremental cost of service. Exhibit P shows the Project produces a rate reduction to the existing maximum rate customers. Therefore, the Certificate Policy Statement's threshold requirement of no-subsidy is satisfied.

In addition, there will be no adverse impacts on existing customers and other pipelines or their captive customers. The proposed project will not degrade any existing service on Northern's system. Further, the project is not intended to replace existing transportation service on other pipelines.

Northern has taken steps to minimize impacts on landowners, communities, and the environment that might be affected by the project. The proposed facilities will be operated in an integrated manner with Northern's existing facilities, thereby providing additional pipeline reliability and flexibility for Northern's existing customers.

Northern construction activities will be conducted in accordance with the May 2013 version of FERC's Plan and Procedures. No modifications to the Plan or Procedures are proposed. The predominant land use impacted by the proposed project is open land; the majority of which will return to open land use following construction.

Finally, the Statement of Policy provides that a pipeline should indicate whether the need to construct additional facilities can be mitigated by measures such as capacity reallocation or released capacity. Northern received no requests in the open season to turn back capacity. Northern has executed binding commitments supporting additional peak day firm transportation entitlement of 361,600 Dth/day.

Based upon the benefits of the Project, Northern's proposal is clearly required and permitted by the public convenience and necessity.

**X.**  
**AUTHORIZATION REQUESTED**

Northern respectfully requests approval to construct, modify, operate, and maintain the facilities: (1) install 15.1 miles of 24-inch-diameter and 1.1 miles of 16-inch-diameter new pipelines at two distinct locations in New Mexico and Texas; (2) construct a new ISO-rated 7,700-HP Solar Tarus 60 gas turbine compressor station near Hobbs, New Mexico; (3) construct an interconnect; (4) construct a receiver within Northern's existing launcher facility; (5) remove and construct recycle valve; (6) construct a delivery point, with appurtenances all located in various counties in New Mexico and Texas. Northern also is requesting approval for a predetermination of rolled-in rate treatment of the Project costs.

Northern requests the Commission to issue an order granting approval for the installation of the proposed facilities for the Project and a presumption of rolled-in rate treatment of the expansion costs for the Project as expeditiously as possible, but no later than May 2027, to enable Northern to timely receive a notice to proceed with construction.

**XI.**  
**CERTIFICATION**

Northern is willing and able to do the acts and perform the services for which application is made, and in so doing, to conform to the provisions of the NGA and the regulations promulgated thereunder.

Pursuant to the provisions of the Natural Gas Pipeline Safety Act of 1968, Northern certifies that the proposed facilities will be designed, constructed, abandoned, removed,

inspected, tested, operated, and maintained in accordance with the requirements of Title 49, Part 192, Code of Federal Regulations, or any superseding state or federal safety code applicable to gas transmission pipelines.

**XII.**  
**DESCRIPTION OF EXHIBITS**

This is an abbreviated application pursuant to Section 157 of the regulations of the commission. For convenience purposes, Northern has addressed each of the exhibits required under Section 157.14 of said regulations. These exhibits are attached, incorporated by reference, or omitted for the reasons indicated.

**NOTICE**                      **NOTICE OF APPLICATION**  
Submitted.

**EXHIBIT A**                      **ARTICLES OF INCORPORATION AND BYLAWS**  
Omitted. This information is filed at Docket No. CP91-1680-000 as Exhibit A and incorporated in this application for all purposes.

**EXHIBIT B**                      **STATE AUTHORIZATIONS**  
Omitted. This information is filed at Docket No. CP91-1680-000 as Exhibit B and incorporated in this application for all purposes.

**EXHIBIT C**                      **COMPANY OFFICIALS**  
Omitted. Information regarding Northern's company officials can be viewed on the following website:

<http://www.northernnaturalgas.com/aboutus/Pages/ManagementTeam.aspx>

**EXHIBIT D**                      **SUBSIDIARIES AND AFFILIATIONS**  
Omitted. Northern does not directly or indirectly own, control, or hold with power to vote 10 percent or more of the outstanding voting securities of any other person or organized group of persons engaged in the production, transportation, distribution, or sale of natural gas or of any person or organized group of persons engaged in the construction or financing of such enterprises or operations.

- EXHIBIT E**                    **OTHER PENDING APPLICATIONS AND FILINGS**  
Omitted. Northern is not aware of any pending applications on file with the Commission which affect the instant application.
- EXHIBIT F**                    **LOCATION OF FACILITIES**  
Submitted.
- EXHIBIT F-I**                **ENVIRONMENTAL REPORT**  
Submitted.
- EXHIBIT G**                **FLOW DIAGRAMS SHOWING DAILY DESIGN CAPACITY**  
Submitted as CEII in Volume III.
- EXHIBIT G-I**              **FLOW DIAGRAMS SHOWING MAXIMUM CAPABILITIES**  
Omitted. Exhibit G reflects maximum capacities.
- EXHIBIT G-II**            **FLOW DIAGRAMS DATA**  
Submitted as CEII in Volume III.
- EXHIBIT H**                **GAS SUPPLY**  
Omitted.
- EXHIBIT I**                **MARKET DATA**  
Submitted in Volume II and labeled “CUI//PRIV – DO NOT RELEASE” is a precedent agreement for a shipper which participated in the open season.
- EXHIBIT J**                **FEDERAL AUTHORIZATIONS**  
Please refer to Resource Report 1, Table 1.8-1 for federal and state permits and approvals.
- EXHIBIT K**                **COST OF FACILITIES**  
Submitted. Included with Exhibit K is a spreadsheet showing Northern’s calculation of its allowance for funds used during construction.
- EXHIBIT L**                **FINANCING**  
Omitted. The proposed construction will be financed with internally generated funds.

- EXHIBIT M**                    **CONSTRUCTION, OPERATION AND MANAGEMENT**  
Omitted. Northern and/or independent contractors will accomplish the proposed construction. Employees of Northern will carry out operation and maintenance activities during the ordinary course of business.
- EXHIBIT N**                    **REVENUES, EXPENSES AND INCOME**  
Submitted. Exhibit N includes the analysis of the proposed Project.
- EXHIBIT O**                    **DEPRECIATION AND DEPLETION**  
Omitted. Northern will depreciate the facilities at the rate in effect, from time to time, as approved by the Commission.
- EXHIBIT P**                    **TARIFF**  
Submitted for the Permian Basin Expansion Project.

**XIII.**  
**CONCLUSION**

W H E R E F O R E, Northern respectfully requests that the Commission issue pursuant to Section 7(c) of the NGA, an order providing authorization to construct, modify, operate, and maintain the facilities: (1) install 15.1 miles of 24-inch-diameter and 1.1 miles of 16-inch-diameter new pipelines at two distinct locations in New Mexico and Texas; (2) construct a new ISO-rated 7,700-HP Solar Tarus 60 gas turbine compressor station near Hobbs, New Mexico; (3) construct an interconnect; (4) construct a receiver within Northern's existing launcher facility; (5) remove and construct recycle valve; (6) construct a delivery point, with appurtenances all located in various counties in New Mexico and Texas.

Northern also is requesting a presumption of rolled-in rate treatment for Permian Basin Expansion Project and the Commission grant approval for the installation of the proposed facilities as expeditiously as possible, but no later than May 2027.

Northern further requests that the intermediate decision procedure be omitted and that this Application be disposed of pursuant to Rules 801 and 802 of the Commission's

Rules of Practice and Procedure (18 C.F.R. §§ 385.801 and 385.802) providing shortened procedures for non-contested proceedings. If the Commission grants such request, Northern waives oral hearing and opportunity for filing exceptions to the decisions of the Commission.

Respectfully submitted,  
NORTHERN NATURAL GAS COMPANY

*/s/ Kirk Lavengood*

Kirk Lavengood, VP  
Chief Legal Officer

## **NOTICE OF APPLICATION**



<http://www.ferc.gov> using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, DC. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Any questions regarding this application should be directed to Bret Fritch, Regulatory Specialist for Northern, 1111 South 103rd Street, Omaha, NE 68124, at (402) 398-7140.

There are two ways to become involved in the Commission's review of the proposed project. First, any person wishing to obtain legal status by becoming a party to the proceeding for the project should, on or before the comment date stated below file with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426, a motion to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR §§ 385.214 or 385.211) and the Regulations under the NGA (18 CFR § 157.10). A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies of all documents filed by the applicant and by all other parties. Only parties to the proceeding can ask for court review of Commission orders in the proceeding.

However, a person does not have to intervene in order to have comments considered. The second way to participate is by filing with the Secretary of the Commission, as soon as possible, an original and two copies of comments in support of or in opposition to this project. The Commission will consider these comments in deeming the appropriate action to be taken, but the filing of a comment alone will not serve to make the filer a party to the proceeding. The Commission’s rules

require that persons filing comments in opposition to the project provide copies of their protests only to the party or parties directly involved in the protest.

Persons who wish to comment only on the environmental review of this project should submit an original and two copies of their comments to the Secretary of the Commission. Environmental commenters will be placed on the Commission's environmental mailing list, will receive copies of the environmental documents, and will be notified of meetings associated with the Commission's environmental review process. Environmental commenters will not be required to serve copies of filed documents on all other parties. However, the non-party commenters will not receive copies of all documents filed by other parties or issued by the Commission (except for the mailing of environmental documents issued by the Commission) and will not have the right to seek court review of the Commission's final order.

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 5 copies of the protest or intervention to the Federal Energy regulatory Commission, 888 First Street, NE, Washington, D.C. 20426.

Comment Date:                   , 2026

Debbie-Anne Reese,

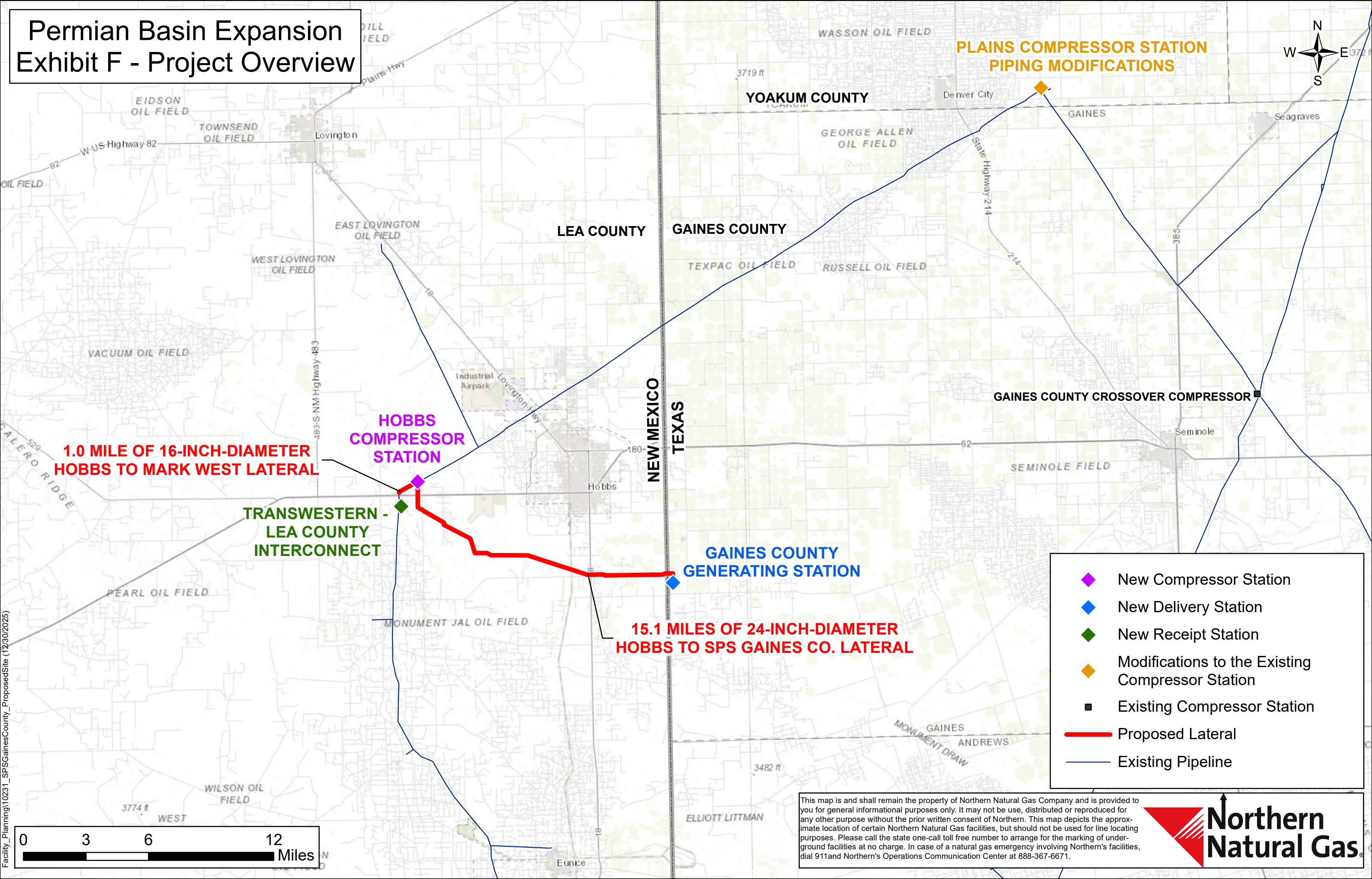
Secretary

**EXHIBIT F**

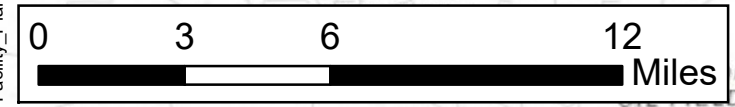
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**LOCATION OF FACILITIES**

# Permian Basin Expansion Exhibit F - Project Overview



- ◆ New Compressor Station
- ◆ New Delivery Station
- ◆ New Receipt Station
- ◆ Modifications to the Existing Compressor Station
- Existing Compressor Station
- Proposed Lateral
- Existing Pipeline



This map is and shall remain the property of Northern Natural Gas Company and is provided to you for general informational purposes only. It may not be use, distributed or reproduced for any other purpose without the prior written consent of Northern. This map depicts the approximate location of certain Northern Natural Gas facilities, but should not be used for line locating purposes. Please call the state one-call toll free number to arrange for the marking of underground facilities at no charge. In case of a natural gas emergency involving Northern's facilities, dial 911 and Northern's Operations Communication Center at 888-367-6671.



Facility\_Planning\1023\_1\_SPSGainesCounty\_ProposedSite (12/30/2025)

**EXHIBIT F-I**

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**ENVIRONMENTAL REPORT**

See Volume I

**EXHIBIT G**

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**FLOW DIAGRAM SHOWING DAILY DESIGN CAPACITY**

Contains CEII – Do Not Release

See Volume III

**EXHIBIT G-II**

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**FLOW DIAGRAMS DATA**

Contains CEII – Do Not Release

See Volume III

**EXHIBIT I**

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**Market Data**

Filed as Privileged Information

See Volume II

**EXHIBIT J**

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**FEDERAL AUTHORIZATIONS**

See Resource Report 1, Table 1.8-1

**EXHIBIT K**

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**COST OF FACILITIES**

Exhibit K - Cost Summary of Project Estimates

Description	Total Cost	Right of Way	Surveys	Materials	Labor	Engineering & Inspection	Taxes	Freight	Environmental	Overhead	AFUDC	Contingencies
Hobbs to SPS Gaines Co. Lateral	\$51,676,830	\$2,020,000	\$1,420,000	\$9,824,938	\$26,100,000	\$4,675,000	\$2,252,499	\$0	\$1,200,000	\$1,081,559	\$1,040,859	\$2,061,975
Hobbs to Mark West Lateral	\$2,241,065	\$51,000	\$35,000	\$910,000	\$730,000	\$200,000	\$0	\$0	\$30,000	\$75,000	\$50,976	\$159,089
Hobbs Compressor Station	\$40,520,000	\$220,000	\$210,000	\$19,500,000	\$13,250,000	\$2,320,000	\$0	\$0	\$500,000	\$720,000	\$1,553,531	\$2,246,469
Transwestern - Lea County Interconnect	\$2,037,370	\$46,000	\$23,000	\$785,973	\$687,022	\$176,000	\$0	\$0	\$31,000	\$80,162	\$46,154	\$162,059
Plains Recycle Valve	\$5,164,136	\$65,000	\$25,000	\$1,558,200	\$2,526,700	\$350,000	\$0	\$0	\$25,000	\$159,246	\$124,126	\$330,864
Gaines County Generating Station	\$3,357,281	\$0	\$42,500	\$1,511,356	\$987,832	\$315,000	\$0	\$0	\$43,200	\$112,169	\$80,364	\$264,860
<b>GRAND TOTAL</b>	<b>\$104,996,682</b>	<b>\$2,402,000</b>	<b>\$1,755,500</b>	<b>\$34,090,467</b>	<b>\$44,281,554</b>	<b>\$8,036,000</b>	<b>\$2,252,499</b>	<b>\$0</b>	<b>\$1,829,200</b>	<b>\$2,228,136</b>	<b>\$2,896,011</b>	<b>\$5,225,315</b>

**EXHIBIT N**

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**REVENUES, EXPENSES AND INCOME**

**NORTHERN NATURAL GAS COMPANY**  
**PERMIAN BASIN EXPANSION**  
**ESTIMATED INCREMENTAL REVENUE**  
**(IN \$000)**

<b>LINE No.</b>	<b>DESCRIPTION</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>
1	INCREMENTAL REVENUES 1/	\$ 32,147	\$ 32,147	\$ 32,147	\$ 32,147
2	INCREMENTAL COST OF SERVICE	15,733	15,201	14,699	14,224
3	DIFFERENCE	<u>\$ 16,414</u>	<u>\$ 16,946</u>	<u>\$ 17,448</u>	<u>\$ 17,923</u>

1/ Incremental revenues are based on the reservation rates agreed to in the contracts.

**NORTHERN NATURAL GAS COMPANY**  
**PERMIAN BASIN EXPANSION**  
Estimated Incremental Cost of Service

Line No.	Description	Year 1 (1)	Year 2 (2)	Year 3 (3)	Year 4 (4)
1	Operating Expenses 1/	\$ 230,000	\$ 235,750	\$ 241,644	\$ 247,685
2	Depreciation and				
3	Amortization Expenses 2/	\$ 2,719,414	\$ 2,719,414	\$ 2,719,414	\$ 2,719,414
4	Taxes				
5	Federal Income Tax 3/	\$ 2,066,242	\$ 1,975,198	\$ 1,889,199	\$ 1,807,714
6	State Income Tax 4/	\$ 642,142	\$ 613,848	\$ 587,121	\$ 561,798
7	Other 5/	\$ 673,491	\$ 673,491	\$ 673,491	\$ 673,491
8	Return @ 9.25% 6/	\$ 9,401,743	\$ 8,983,442	\$ 8,588,320	\$ 8,213,937
9	<b>Total Cost of Service</b>	<b><u>\$ 15,733,033</u></b>	<b><u>\$ 15,201,143</u></b>	<b><u>\$ 14,699,190</u></b>	<b><u>\$ 14,224,040</u></b>

1/ Incremental O&M

2/ From Exhibit N, Page 3, Line 11

3/ From Exhibit N, Page 7, Line 12

4/ From Exhibit N, Page 7, Line 15

5/ From Exhibit N, Page 4, Line 2

6/ From Exhibit N, Page 5, Line 5

**NORTHERN NATURAL GAS COMPANY**  
**PERMIAN BASIN EXPANSION**  
Estimated Incremental Depreciation Expense

Line No.	Description	Months in Service				
		Year 1	Year 1	Year 2	Year 3	Year 4
		(1)	(2)	(3)	(4)	
	<u>Rate 1/</u>					
1	Depreciation Rate	2.59%				
2	Compression Facilities	\$ 40,520,000	\$ 40,520,000	\$ 40,520,000	\$ 40,520,000	
4	Town Border Stations	\$ 10,558,787	\$ 10,558,787	\$ 10,558,787	\$ 10,558,787	
5	Main Line Extension	\$ 53,917,895	\$ 53,917,895	\$ 53,917,895	\$ 53,917,895	
6	Pipeline Tie Over	\$ -	\$ -	\$ -	\$ -	
7	Underground Storage	\$ -	\$ -	\$ -	\$ -	
8	Branch Line Loops	\$ -	\$ -	\$ -	\$ -	
9	Total	<u>\$ 104,996,682</u>	<u>\$ 104,996,682</u>	<u>\$ 104,996,682</u>	<u>\$ 104,996,682</u>	
10	Land/ Non Depr Plant	\$ -	\$ -	\$ -	\$ -	
11	<u>Depreciation and Amortization Expense</u>					
12	Depreciation - @ 2.59%	12 \$2,719,414	\$2,719,414	\$2,719,414	\$2,719,414	
13	Incremental Depreciation Exp.	<u>\$2,719,414</u>	<u>\$2,719,414</u>	<u>\$2,719,414</u>	<u>\$2,719,414</u>	

1/ The 2.59% rate represents Northern's current book depreciation and negative salvage rates for transmission assets

**NORTHERN NATURAL GAS COMPANY**  
**PERMIAN BASIN EXPANSION**  
**Estimated Incremental Taxes Other**

<u>Line No.</u>	<u>Description</u>	<u>Year 1</u> (1)	<u>Year 2</u> (2)	<u>Year 3</u> (3)	<u>Year 4</u> (4)
1	Ad Valorem Taxes	\$ 673,491	\$ 673,491	\$ 673,491	\$ 673,491
2	Total Taxes - Other	<u>\$673,491</u>	<u>\$673,491</u>	<u>\$673,491</u>	<u>\$673,491</u>

**NORTHERN NATURAL GAS COMPANY**  
**PERMIAN BASIN EXPANSION**  
Estimated Return

Line No.	Description	Year 1 (1)	Year 2 (2)	Year 3 (3)	Year 4 (4)
1	Plant	\$ 104,996,682	\$ 104,996,682	\$ 104,996,682	\$ 104,996,682
	Less:				
	Accumulated Provision for				
2	Depreciation and Amort.	(\$2,719,414)	\$ (5,438,828)	\$ (8,158,242)	\$ (10,877,656)
	Accumulated Deferred				
3	Income Taxes	\$ (616,443)	\$ (2,420,109)	\$ (3,973,139)	\$ (5,301,915)
4	<b>Total Rate Base</b>	<b>\$ 101,660,825</b>	<b>\$ 97,137,745</b>	<b>\$ 92,865,301</b>	<b>\$ 88,817,110</b>
5	<b>Total Rate of Return @9.25% 1/</b>	<b>\$ 9,401,743</b>	<b>\$ 8,983,442</b>	<b>\$ 8,588,320</b>	<b>\$ 8,213,937</b>
6	Return on Equity	\$ 7,698,000	\$ 7,355,501	\$ 7,031,982	\$ 6,725,443
7	Return on Debt	\$ 1,703,743	\$ 1,627,940	\$ 1,556,338	\$ 1,488,494
8	<b>Total Return on Rate Base</b>	<b>\$ 9,401,743</b>	<b>\$ 8,983,442</b>	<b>\$ 8,588,320</b>	<b>\$ 8,213,937</b>

1/ The 9.25% Rate of Return is based on a 12.05% .return on equity from the 2025 Form 2 and 4.51% cost of debt

**NORTHERN NATURAL GAS COMPANY**  
**PERMIAN BASIN EXPANSION**  
Estimated Incremental Deferred Taxes

Line No.	Description	Year 1 (1)	Year 2 (2)	Year 3 (3)	Year 4 (4)
1	Tax Plant	\$ 102,100,671	\$ 102,100,671	\$ 102,100,671	\$ 102,100,671
2	Plant Addition (Excludes Equity AFUDC)		\$ -	\$ -	\$ -
	Total Plant in Service	<u>\$ 102,100,671</u>	<u>\$ 102,100,671</u>	<u>\$ 102,100,671</u>	<u>\$ 102,100,671</u>
4	Accumulated Deferred Taxes:				
5	Accumulated Tax Depreciation %	5.00%	14.50%	23.05%	30.75%
6	Accumulated Tax Depreciation	<u>\$ 5,105,034</u>	<u>\$ 14,804,597</u>	<u>\$ 23,534,205</u>	<u>\$ 31,395,956</u>
7	Accumulated Book Depreciation % 1/	2.59%	5.18%	7.77%	10.36%
8	Accumulated Book Depreciation	<u>\$2,719,414</u>	<u>\$5,438,828</u>	<u>\$8,158,242</u>	<u>\$10,877,656</u>
9	Accumulated Excess Tax Depreciation	\$ 2,385,619	\$ 9,365,769	\$ 15,375,962	\$ 20,518,300
10	CIAC payment to NNG	\$ -			
11	Effective Tax Rate 2/	25.84%			
12	Total end of year Accumulated Deferred				
13	Taxes Balance - Credit	<u>\$ 616,443</u>	<u>\$ 2,420,109</u>	<u>\$ 3,973,139</u>	<u>\$ 5,301,915</u>

1/ The 2.59% rate represents Northern's current book depreciation and negative salvage rate for transmission plant.

2/ The 25.84% rate represents Northern's composite income tax rate, which reflects a composite state income tax rate of 6.13%

**NORTHERN NATURAL GAS COMPANY**  
**PERMIAN BASIN EXPANSION**  
**Estimated Federal and State Income Taxes**

Line No.	Description	Year 1 (1)	Year 2 (2)	Year 3 (3)	Year 4 (4)
1	Return on Equity 1/	\$ 7,698,000	\$ 7,355,501	\$ 7,031,982	\$ 6,725,443
2	Return on Debt 1/	\$ 1,703,743	\$ 1,627,940	\$ 1,556,338	\$ 1,488,494
3	Total Return	\$ 9,401,743	\$ 8,983,442	\$ 8,588,320	\$ 8,213,937
	Less:				
4	Interest expense	\$ (1,703,743)	\$ (1,627,940)	\$ (1,556,338)	\$ (1,488,494)
	Other Adjustments:				
5	Amortization of AFUDC Equity 2/	\$ 75,007	\$ 75,007	\$ 75,007	\$ 75,007
6	Subtotal	\$ (1,628,737)	\$ (1,552,934)	\$ (1,481,332)	\$ (1,413,488)
7	Taxable Income After Adjustments	\$ 7,773,006	\$ 7,430,508	\$ 7,106,988	\$ 6,800,450
8	Federal Income Tax (26.582% of line 7)	\$ 2,066,242	\$ 1,975,198	\$ 1,889,199	\$ 1,807,714
9	Taxable Income Before Income Taxes	\$ 9,839,248	\$ 9,405,706	\$ 8,996,188	\$ 8,608,164
	Federal Income Tax Applicable to :				
10	Common Equity	\$ 2,046,304	\$ 1,955,260	\$ 1,869,261	\$ 1,787,776
11	Other Tax Adjustments	\$ 19,938	\$ 19,938	\$ 19,938	\$ 19,938
12	Total Federal Income Tax	\$ 2,066,242	\$ 1,975,198	\$ 1,889,199	\$ 1,807,714
	State Income Tax Applicable to:				
13	Common Equity	\$ 635,946	\$ 607,652	\$ 580,925	\$ 555,601
14	Other Tax Adjustments	\$ 6,196	\$ 6,196	\$ 6,196	\$ 6,196
15	Total State Income Tax (6.53% of Line 9) 3/	\$ 642,142	\$ 613,848	\$ 587,121	\$ 561,798

1/ The 9.25% Rate of Return is based on a 12.05% .return on equity from the 2025 Form 2 and 4.51% cost of debt

2/ AFUDC Equity is taxed as it is recovered.

3/ Northern's composite state income tax rate of 6.13% is the rate filed Docket No. RP25-989

**EXHIBIT P**

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**TARIFF**

**NORTHERN NATURAL GAS COMPANY  
PROJECT - PERMIAN BASIN AREA EXPANSION  
RATE COMPARISON**

	<u>Interim Settlement Rates 1/</u>	<u>Adjusted Rates 2/</u>	<u>Rate Difference</u>	<u>Percent of Change</u>
<b><u>RATE SCHEDULE</u></b>				
<b>TFX Summer</b>	\$10.225	\$8.762	(\$1.463)	-14.3%
<b>TFX Winter</b>	\$18.408	\$15.772	(\$2.636)	-14.3%

ASSUMPTIONS:

1/ Interim Settlement Rates submitted in Docket No. RP25-989-006, effective February 1, 2026

2/ Per Exhibit N, reflects the addition of the Permian Basin Area Expansion project billing determinants representing the revenue and cost of service of \$32.1m and \$15.7m, respectively