



Northern Natural Gas Company  
P.O. Box 3330  
Omaha, NE 68103-0330  
402 398-7200

January 21, 2020

**Via eFiling**

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington D.C. 20426

RE: Northern Natural Gas Company  
Northern Lights 2019/Rochester Expansion Projects  
Docket No. CP18-534-000  
Cost True-up

Dear Ms. Salas:

Pursuant to Ordering Paragraph (B)(2) of the Federal Energy Regulatory Commission's (Commission) Order Issuing Certificate and Approving Abandonment issued February 21, 2019, in the above-referenced docket and Section 157.20(c)(3) of the Commission's regulations, Northern Natural Gas (Northern) hereby files with the Commission Northern's statement showing the comparison of actual/projected and estimated costs (per the Section 7 application – Exhibit K) for the construction of the Northern Lights 2019/Rochester expansion facilities.

Any questions regarding the filing should be directed to the undersigned at (402) (402) 398-7103.

Respectfully submitted,

/signed/ Michael T. Loeffler

Michael T. Loeffler  
Sr. Director, Certificates and External Affairs

attachment

	GRAND TOTAL	NL 2019	Rochester	
Actual thru 01/20/2020	\$201,918,100	\$157,948,691	\$43,969,409	
Forecast to Complete	\$468,000	\$443,000	\$25,000	
Total Cost	\$202,386,100	\$158,391,691	\$43,994,409	
Estimate	\$189,487,349	\$158,070,870	\$31,416,479	
Variance \$	\$12,898,751	\$320,821	\$12,577,930	
Variance %	6.37%	0.20%	28.59%	

Cost Summary of Project Actuals

Description	Total Cost	Right of Way	Surveys	Materials	Labor <sub>1</sub>	Engineering & Inspection <sub>3</sub>	Taxes <sub>4</sub>	Freight <sub>2</sub>	Environmental	Overheads	AFUDC	Contingencies
<b>Twin Cities Area (NL 2019)</b>	<b>\$158,391,691</b>	<b>\$5,608,331</b>	<b>\$880,802</b>	<b>\$49,820,562</b>	<b>\$77,096,623</b>	<b>\$13,780,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,662,933</b>	<b>\$1,423,236</b>	<b>\$5,118,616</b>	<b>\$0</b>
<b>Owatonna 2 Compression</b>												
Actuals thru 01/20/2020	\$29,679,944	\$87,634	\$23,199	\$13,487,463	\$11,923,295	\$2,388,494	\$0	\$0	\$194,006	\$265,666	\$1,310,186	\$0
Forecast to Complete	\$7,500								\$7,500			
Total Cost	\$29,687,444	\$87,634	\$23,199	\$13,487,463	\$11,923,295	\$2,388,494	\$0	\$0	\$201,506	\$265,666	\$1,310,186	\$0
Estimate	\$32,231,000	\$150,000	\$20,000	\$14,985,000	\$10,860,000	\$2,245,000	\$0	\$0	\$210,000	\$835,000	\$1,391,000	\$1,535,000
Variance \$	(\$2,543,556)	(\$62,366)	\$3,199	(\$1,497,537)	\$1,063,295	\$143,494	\$0	\$0	(\$8,494)	(\$569,334)	(\$80,814)	(\$1,535,000)
Variance %	-8.57%											
<b>Faribault 3 Compression</b>												
Actuals thru 01/20/2020	\$32,003,631	\$117,157	\$16,457	\$13,825,639	\$13,895,251	\$1,866,542	\$0	\$0	\$612,079	\$286,889	\$1,383,616	\$0
Forecast to Complete	\$5,000								\$5,000			
Total Cost	\$32,008,631	\$117,157	\$16,457	\$13,825,639	\$13,895,251	\$1,866,542	\$0	\$0	\$617,079	\$286,889	\$1,383,616	\$0
Estimate	\$33,239,243	\$200,000	\$10,000	\$16,841,475	\$10,709,824	\$1,400,000	\$0	\$0	\$375,000	\$938,671	\$1,181,452	\$1,582,821
Variance \$	(\$1,230,612)	(\$82,843)	\$6,457	(\$3,015,836)	\$3,185,427	\$466,542	\$0	\$0	\$242,079	(\$651,782)	\$202,164	(\$1,582,821)
Variance %	-3.84%											
<b>Carver Compression</b>												
Actuals thru 01/20/2020	\$27,947,021	\$1,013,472	\$20,422	\$11,368,403	\$11,991,910	\$1,846,007	\$0	\$0	\$351,369	\$238,179	\$1,117,260	\$0
Forecast to Complete	\$20,000								\$20,000			
Total Cost	\$27,967,021	\$1,013,472	\$20,422	\$11,368,403	\$11,991,910	\$1,846,007	\$0	\$0	\$371,369	\$238,179	\$1,117,260	\$0
Estimate	\$27,371,000	\$315,000	\$25,000	\$12,027,000	\$10,085,000	\$1,974,000	\$0	\$0	\$150,000	\$520,000	\$972,000	\$1,303,000
Variance \$	\$596,021	\$698,472	(\$4,578)	(\$658,597)	\$1,906,910	(\$127,993)	\$0	\$0	\$221,369	(\$281,821)	\$145,260	(\$1,303,000)
Variance %	2.13%											
<b>Alexandria Loop (4.2 miles of 8-inch)</b>												
Actuals thru 01/20/2020	\$8,340,897	\$422,378	\$108,840	\$805,867	\$5,069,951	\$950,967	\$0	\$0	\$723,801	\$77,869	\$181,223	\$0
Forecast to Complete	\$25,000								\$25,000			
Total Cost	\$8,365,897	\$422,378	\$108,840	\$805,867	\$5,069,951	\$950,967	\$0	\$0	\$748,801	\$77,869	\$181,223	\$0
Estimate	\$8,577,738	\$331,219	\$160,000	\$628,091	\$5,441,944	\$921,975	\$0	\$0	\$219,700	\$269,364	\$238,964	\$366,481
Variance \$	(\$211,841)	\$91,159	(\$51,160)	\$177,776	(\$371,993)	\$28,992	\$0	\$0	\$529,101	(\$191,495)	(\$57,741)	(\$366,481)
Variance %	-2.53%											
<b>Willmar Loop (2.7 miles of 24-inch)</b>												
Actuals thru 01/20/2020	\$10,034,622	\$390,006	\$100,519	\$2,441,514	\$5,149,690	\$1,196,544	\$0	\$0	\$430,553	\$106,039	\$219,757	\$0
Forecast to Complete	\$350,000	\$325,000							\$25,000			
Total Cost	\$10,384,622	\$715,006	\$100,519	\$2,441,514	\$5,149,690	\$1,196,544	\$0	\$0	\$455,553	\$106,039	\$219,757	\$0
Estimate	\$14,001,645	\$811,488	\$145,000	\$2,718,622	\$7,210,228	\$1,430,000	\$0	\$0	\$390,000	\$439,133	\$259,715	\$597,459
Variance \$	(\$3,617,023)	(\$96,482)	(\$44,481)	(\$277,108)	(\$2,060,538)	(\$233,456)	\$0	\$0	\$65,553	(\$333,094)	(\$39,958)	(\$597,459)
Variance %	-34.83%											
<b>New Prague Loop (1.6 miles of 6-inch)</b>												
Actuals thru 01/20/2020	\$2,844,105	\$163,186	\$44,665	\$208,500	\$1,260,121	\$741,140	\$0	\$0	\$365,378	\$26,793	\$34,324	\$0
Forecast to Complete	\$10,500								\$10,500			
Total Cost	\$2,854,605	\$163,186	\$44,665	\$208,500	\$1,260,121	\$741,140	\$0	\$0	\$375,878	\$26,793	\$34,324	\$0
Estimate	\$2,668,437	\$125,790	\$90,000	\$238,502	\$1,462,952	\$398,000	\$0	\$0	\$105,829	\$83,796	\$49,560	\$114,008
Variance \$	\$186,168	\$37,396	(\$45,335)	(\$30,002)	(\$202,831)	\$343,140	\$0	\$0	\$270,049	(\$57,003)	(\$15,236)	(\$114,008)
Variance %	6.52%											
<b>Rockford-to-Buffalo Lateral (10.2 miles of 24-inch)</b>												
Actuals thru 01/20/2020	\$47,098,470	\$3,089,497	\$566,700	\$7,683,176	\$27,806,404	\$4,790,895	\$0	\$0	\$1,867,747	\$421,802	\$872,250	\$0
Forecast to Complete	\$25,000								\$25,000			
Total Cost	\$47,123,470	\$3,089,497	\$566,700	\$7,683,176	\$27,806,404	\$4,790,895	\$0	\$0	\$1,892,747	\$421,802	\$872,250	\$0
Estimate	\$39,981,807	\$3,700,000	\$356,000	\$7,117,827	\$21,776,741	\$1,930,000	\$0	\$0	\$1,400,000	\$1,253,819	\$741,544	\$1,705,876
Variance \$	\$7,141,663	(\$610,503)	\$210,700	\$565,349	\$6,029,663	\$2,860,895	\$0	\$0	\$492,747	(\$832,017)	\$130,706	(\$1,705,876)
Variance %	15.16%											
<b>Rochester</b>	<b>\$43,994,409</b>	<b>\$2,395,953</b>	<b>\$544,149</b>	<b>\$5,053,381</b>	<b>\$28,262,987</b>	<b>\$4,594,653</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,632,959</b>	<b>\$405,240</b>	<b>\$105,087</b>	<b>\$0</b>
<b>Rochester Lateral (12 miles of 16-inch to the station)</b>												
Actuals thru 01/20/2020	\$39,269,661	\$2,279,963	\$528,982	\$4,112,584	\$26,035,546	\$3,587,607	\$0	\$0	\$2,319,640	\$364,892	\$40,447	\$0
Forecast to Complete	\$25,000								\$25,000			
Total Cost	\$39,294,661	\$2,279,963	\$528,982	\$4,112,584	\$26,035,546	\$3,587,607	\$0	\$0	\$2,344,640	\$364,892	\$40,447	\$0
Estimate	\$27,920,745	\$3,529,036	\$240,000	\$4,382,636	\$14,796,213	\$1,810,058	\$0	\$0	\$562,000	\$509,495	\$865,971	\$1,225,336
Variance \$	\$11,373,916	(\$1,249,073)	\$288,982	(\$270,052)	\$11,239,333	\$1,777,549	\$0	\$0	\$1,782,640	(\$144,603)	(\$825,524)	(\$1,225,336)
Variance %	28.95%											
<b>Modify La Crosse Branch Line Take-off Setting</b>												
Actuals thru 01/20/2020	\$1,206,815	\$2,639	\$1,537	\$265,414	\$595,052	\$245,836	\$0	\$0	\$71,589	\$10,525	\$14,223	\$0
Forecast to Complete	\$0											
Total Cost	\$1,206,815	\$2,639	\$1,537	\$265,414	\$595,052	\$245,836	\$0	\$0	\$71,589	\$10,525	\$14,223	\$0
Estimate	\$534,344	\$6,305	\$0	\$133,782	\$246,909	\$67,672	\$0	\$0	\$35,300	\$12,616	\$15,390	\$16,370
Variance \$	\$672,471	(\$3,666)	\$1,537	\$131,632	\$348,143	\$178,164	\$0	\$0	\$36,289	(\$2,091)	(\$1,167)	(\$16,370)
Variance %	55.72%											
<b>Uprate 8 miles of La Crosse Branch Line (Includes Line Pack)</b>												
Actuals thru 01/20/2020	\$2,624,251	\$48,116	\$9,510	\$414,200	\$1,249,143	\$646,781	\$0	\$0	\$199,082	\$23,755	\$33,663	\$0
Forecast to Complete	\$0											
Total Cost	\$2,624,251	\$48,116	\$9,510	\$414,200	\$1,249,143	\$646,781	\$0	\$0	\$199,082	\$23,755	\$33,663	\$0
Estimate	\$2,056,878	\$137,000	\$18,000	\$343,969	\$1,109,673	\$168,000	\$0	\$0	\$90,000	\$63,472	\$38,388	\$88,376
Variance \$	\$567,373	(\$88,884)	(\$8,490)	\$70,231	\$139,470	\$478,781	\$0	\$0	\$109,082	(\$39,717)	(\$4,725)	(\$88,376)
Variance %	21.62%											
<b>New Unregulated Rochester TBS</b>												
Actuals thru 01/20/2020	\$868,682	\$65,235	\$4,120	\$261,182	\$383,246	\$114,429	\$0	\$0	\$17,648	\$6,068	\$16,754	\$0
Forecast to Complete	\$0											
Total Cost	\$868,682	\$65,235	\$4,120	\$261,182	\$383,246	\$114,429	\$0	\$0	\$17,648	\$6,068	\$16,754	\$0
Estimate	\$904,512	\$42,500	\$6,000	\$236,211	\$436,939	\$83,664	\$0	\$0	\$20,000	\$17,131	\$23,989	\$38,078
Variance \$	(\$35,830)	\$22,735	(\$1,880)	\$24,971	(\$53,693)	\$30,765	\$0	\$0	(\$2,352)	(\$11,063)	(\$7,235)	(\$38,078)
Variance %	-4.12%											
<b>GRAND TOTAL</b>	<b>\$202,386,100</b>	<b>\$8,004,284</b>	<b>\$1,424,951</b>	<b>\$54,873,942</b>	<b>\$105,359,610</b>	<b>\$18,375,242</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,295,892</b>	<b>\$1,828,476</b>	<b>\$5,223,703</b>	<b>\$0</b>

<sup>1</sup> Taxes are included in total cost of materials

<sup>2</sup> Freight cost are included in total cost of materials

<sup>3</sup> District labor was included in the labor total for the estimate (original Exhibit K). The actual costs for district labor are included in the engineering & inspection totals. Engineering & inspection costs were underestimated for the La Crosse branch line uprate.

<sup>4</sup> Contract labor was overestimated for the installation of the Willmar loop. Due largely to amount of rainfall received, contract labor was underestimated for the installation of the Rockford-to-Buffalo lateral, the Rochester lateral and the modifications at the La Crosse branch line take-off.