



Maintenance Capital Update (RP19-1353)

December 21, 2021

Northern Natural Gas is pleased to report that it is on track to meet its 2021 annual maintenance capital projection with a forecast of \$537 million.

In the settlement of its 2019 rate actions, Northern memorialized its plan for annual maintenance capital investment and committed to a rate case moratorium until the later of June 30, 2022, or the date on which it has cumulative maintenance capital investment of at least \$525 million. As stated above, Northern is on track to meet its reported April 2021 annual maintenance capital projection with a forecast of \$537 million, and Northern has met the cumulative maintenance capital investment of \$525 million. Northern also agreed in the settlement that its minimum annual capital investment would be equal to depreciation expense reported in its FERC Form 2 (forecasted at \$162.1 million for 2021); Northern is on track to significantly exceed this requirement in 2021. See Tables 1 and 2 below for a comparison of Northern’s investment forecast and the amounts identified in the settlement.

**Table 1**

<b>2021 Annual Maintenance Capital</b>				
<b>Minimum</b>	<b>Settlement Target</b>	<b>April Projection</b>	<b>Forecast</b>	<b>On Track?</b>
\$162.1 million	\$369 million	\$520 million	\$537 million	✓

**Table 2**

<b>2020-2022 Cumulative Maintenance Capital</b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>	<b>Achieved?</b>
December 2021 Projection	\$505 million	\$537 million	\$509 million	\$1,551 million	✓
Settlement Cumulative Investment				\$525 million	
Projected Excess				\$1,026 million	

Attached is Northern’s semi-annual update to its Maintenance Capital Plan. The Maintenance Capital Plan was initially published in the settlement agreement approved by FERC, referenced as Appendix D. The attached Appendix D reflects Northern’s current projections and will be updated and reconciled no later than March 15, 2022. Northern will schedule a customer meeting by mid-April 2022 to present the Plan and address any questions.

