“We are in business to serve our customers. Fairly. Efficiently. Reliably.”

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The year 2022 marks an important milestone – the 20-year anniversary of the acquisition of Northern Natural Gas and Kern River Gas Transmission by Berkshire Hathaway Energy, previously known as MidAmerican Energy Holdings Company.

I remember the acquisition effort as challenging yet exciting as our team raced to understand the significant difficulties facing both companies. The energy industry was in turmoil, energy stock prices were falling, oil and gas companies were selling assets, and many energy-related projects were put on hold.

For Kern River, acquired in March 2002, construction on a major expansion project was about to commence. Kern River’s owner at the time was facing a financial crisis and funding for the project was uncertain.

Northern Natural Gas faced challenges of its own, as ownership changed from one failing entity to another. In August 2002, Berkshire Hathaway Energy stepped in, helping to prevent a likely bankruptcy and relieving liquidity issues for the prior owner. More importantly, Berkshire Hathaway Energy brought much needed stability, consistency, customer focus, and safety improvements to a company that had been struggling to perform and was at risk of losing a significant portion of its business.

With the acquisition of BHE GT&S in 2020, BHE Pipeline Group has grown to a company with $20.8 billion in assets, 2,670 employees operating in 25 states, and transporting approximately 15% of the natural gas consumed in the U.S. Our collaboration across all our pipeline companies allows us to share ideas and best practices that benefit each company and its customers.

My team and I are proud to continue to serve you, and we look forward to continuing to partner with you to meet your evolving needs.

Mark Hewett

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Northern is First in its Size Category in Latest Customer Service Survey

In March 2022, the Mastio & Company pipeline customer satisfaction survey results were released, and we are pleased to report Northern placed first in the Mega pipeline category and second among all U.S. interstate pipelines in this year’s survey. Two other BHE Pipeline Group companies – Kern River Gas Transmission and Carolina Gas Transmission – placed first and third, respectively, among all interstate pipelines, resulting in an unprecedented sweep of the top three spots among all interstate pipeline companies surveyed. Notably, Kern River and Northern have placed in the top two spots for the last 13 years of the survey. As the graph on the lower right shows, Northern is ranked “Superior” by its customers compared to other Midwest pipelines. “Northern’s customers deserve – and should expect – the best customer service in the industry. We appreciate the ongoing engagement of our customers to identify ways we can better meet their needs and make it easy to do business on our system,” said Laura Demman, vice president, customer service and business development. These survey results include customer responses to customer service attributes of 35 comparable interstate pipelines. The following are some of the attributes on which Northern excelled.

- Firm gas transportation is highly reliable
- Communicates in an honest and forthright manner
- Scheduled gas volumes are accurate
- Representatives are accessible when needed
- Accurate operational information is readily available
- Representatives who listen well
- Management of pipeline-initiated restrictions
- Pipeline staff provides prompt and accurate responses to questions, requests, and issues

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 across the industry and to identify areas of improvement. Northern will continue its efforts to provide superior value to its customers.

Capital Investment and Rate Case Update

In 2021, Northern completed a total of more than $527 million in capital projects to enhance the safety and reliability of Northern’s system. Projects included the replacement of compressor units at Farmington, Minnesota, and Ogden, Iowa; the abandonment and replacement of 152 miles of mechanically coupled pipeline, primarily on the A-line mainline; and the completion of modifications to accommodate in-line inspection tools, making another 488 miles capable of being in-line inspected.

For 2022, Northern estimates that it will invest $509 million for reliability projects. These projects include abandonment and replacement of 79 miles of mechanically coupled pipeline on the A-line mainline; replacement of 89 miles of vintage branch lines, some of which were installed in 1930; replacement of compressor units at Paulina, Brownfield and Spraberry; replacement of a gas storage well at the Redfield underground storage facility; and completion of modifications to accommodate in-line inspection tools, making another 346 miles capable of being in-line inspected.

In the 2020 settlement of rate actions, Northern identified its continued commitment to maintenance capital investment and has posted several updates to provide customers additional information and detail. From 2020 through the end of 2022, Northern will have invested more than $1.5 billion in capital projects to maintain and modernize its system, which increases its rate base by approximately 33% since the 2020 rate settlement.

Northern’s major investment, which brings significant operational and environmental benefits but has no associated increase in revenue, will require cost recovery through a rate case. As allowed by the 2020 rate case settlement, Northern plans to file a rate case no later than July 1, 2022.

The purpose of the rate case is to recover the cost of Northern’s capital investment. Northern does not plan to file any changes to items addressed in the Tariff Working Group, which was a collaborative effort that resulted from the 2020 rate case settlement. Northern appreciates the continued engagement of customers and is available for rate case discussions at any time.

Northern will hold a customer conference call April 14 to discuss the Maintenance Capital Plan for 2022 through 2023. If you have any questions, contact your marketing representative.
Field Area Expansions

Northern continues expansion projects to increase the volume of transportation services on the south end of its Field Area system. Since 2015, completed expansions have provided approximately 840,000 Dth/day of incremental long-term transportation capacity in the Permian area of Northern’s system.

The most recent expansion is the Spraberry expansion project, which includes the installation of a new compressor unit at Northern’s Spraberry station and station piping. The project will provide an additional 67,000 Dth/day of transportation capacity for associated natural gas produced from Permian’s Midland basin shale oil play, to interconnects with Gulf Coast Express, Atmos Pipeline – Texas, Enterprise Texas Pipeline, and Whistler Pipeline. The Spraberry project is scheduled to be in-service in June 2022. Northern is currently evaluating further expansion in this area and has posted on its website an open season for additional Spraberry deliveries.

Summer Pipeline Maintenance Overview

The 2022 summer facility maintenance season is underway. Due to favorable spring weather, Northern was able to start large-diameter pipe in-line inspection projects in late March, and these projects will continue through the summer. Northern will convert approximately 346 miles of large-diameter pipeline to be inspectable using in-line inspection tools. The nine pipeline segments shown in the table to the right will be converted this summer.

Northern’s modernization efforts this year include compressor station upgrades and major unit overhauls. A new Solar turbine compressor unit will replace the vintage General Electric compressor unit at the Brownfield, Texas, compressor station. The remaining four operational horizontal compressor units at the Ogden, Iowa, compressor station will be retired and replaced with two Solar turbines. These replacements will result in greater efficiencies and reduced methane emissions. Work will begin this summer to replace the four vintage reciprocating compressor units at the Paulinia, Iowa, compressor station with two modernized reciprocating compressor units.

In addition, 17 overhauls are being completed at different compressor stations throughout Northern’s pipeline system. Northern’s A-line abandonment and related replacement projects are ongoing this summer. Work on replacement of the A-line between South Sioux City, Nebraska, and Sioux Falls, South Dakota, is scheduled to be completed in fall 2022. Northern is also preparing to abandon the A-line between Ogden, Iowa, and Ventura, Iowa, in 2023.

Northern has scheduled more than 1,000 maintenance outages during the summer months to complete these projects and other summer maintenance activities.

All maintenance outages are reviewed and planned with the primary goal to minimize customer impacts. Please see the Planned Service Outage Summary for information related to planned outages throughout the maintenance season.

April is National Safe Digging Month

A national survey conducted by the Common Ground Alliance revealed that 58% of American homeowners personally plan to complete a home improvement project involving excavation, such as gardening, building a fence, installing a mailbox and more in the next 12 months. Unfortunately, almost half, or nearly 34.9 million Americans will put themselves and their community at risk by digging without contacting 811 beforehand for a free utility locate.

Third-party damage is a leading cause of natural gas pipeline failure. Northern has a comprehensive third-party damage prevention program that includes aerial patrols, public outreach, and support for stricter One Call laws. Northern meets regularly with public agencies, emergency responders, and contractors to educate them about working and living around pipelines. If you plan to dig, please use the toll-free 811 number to have underground utilities located near your project.
Winter Recap: Mild Start Yields to Colder Temperatures

The 2021-2022 heating season started with mild temperatures, but finished colder than normal with January and February exceeding 10% below normal system-weighted temperatures. On January 6, 2022, Northern set a new peak record for Market Area deliveries of 5.834 Bcf. The previous record of 5.621 Bcf was set January 30, 2019. Northern also set the third-highest Market Area daily delivery of 5.548 Bcf January 25, 2022. The table below shows, by month, the system-weighted temperature variance to normal as a percentage for the past five heating seasons.

The cold weather began in earnest on the first day of 2022 when Northern recorded its first 5.0 Bcf delivery day. Then on 38 out of the next 56 days, the Market Area experienced system-weighted temperatures of less than 10 degrees Fahrenheit. February 2022 was the coldest month of the heating season, in comparison to normal, with temperatures that were 21%, or approximately 10 degrees Fahrenheit, colder than normal. During the month of January, Market Area deliveries were greater than 4.0 Bcf per day on 22 of the 31 days. Northern also set a new heating season record of 11 days of Market Area deliveries of 5.0 Bcf or greater.

Northern delivered 4.0 Bcf per day or more to its Market Area during 56 days of the 2021-2022 heating season, which is a new record – exceeding the previous record of 50 days during the 2018-2019 heating season.

The graph to the left recaps Market Area deliveries for the 2021-2022 heating season compared to the previous two heating seasons. Northern recorded three of its top 10 highest daily Market Area deliveries, all greater than 5.0 Bcf, during the 2021-2022 heating season.

Northern also set a new highest monthly average during January 2022 with an average delivery of 4.448 Bcf/day, exceeding the record of 4.268 Bcf/day set in February 2019.

Northern Files Application for Northern Lights 2023 Expansion Project

On March 28, 2022, Northern filed an application with the Federal Energy Regulatory Commission for authority to construct and operate the facilities supporting the Northern Lights 2023 Expansion project. Northern is proposing to install (1) a 2.79-mile extension of its 36-inch-diameter Ventura North E-line; (2) a 1.07-mile, 30-inch-diameter loop of the 20-inch-diameter Elk River 1st and 2nd branch lines; (3) a 1.14-mile extension of the 24-inch-diameter Willmar D branch line; (4) a 2.48-mile extension of the 8-inch-diameter Princeton tie-over loop; (5) a 2.01-mile loop of the 3-inch-diameter Paynesville branch line; (6) a 0.34-mile extension of the 8-inch-diameter Tomah branch line loop; and (7) aboveground appurtenant facilities. All facilities are located in Minnesota and Wisconsin.

When placed in service in November 2023, the proposed facilities will provide for incremental winter firm service of 44,222 Dth/day serving residential, commercial and industrial customer market growth in Northern’s Market Area and 6,667 Dth/day of additional firm service that will allow a customer enhanced reliability and flexibility in nominating and scheduling natural gas transportation capacity for electric generation. The project will require a capital investment of $48.7 million.
Have you met …?

**Erin Lake**

Erin Lake began her career at Northern in 2018 as a project manager. In July 2021, Erin transitioned to manager, pipeline abandonment. Prior to her employment at Northern, Erin worked for 13 years as a geophysicist in oil and gas exploration and development for Occidental Petroleum; she lived eight years in the Middle East.

Erin graduated from the Colorado School of Mines with a bachelor’s degree in geophysical engineering and a master’s degree in business administration from the University of Mannheim in Germany. Erin and her husband have a son and a daughter. She is a life-long learner and has many interests including traveling, gardening, canning, camping (in a tent!), and taking kickboxing lessons along with her daughter.

**Felipe Valdivia**

Felipe Valdivia will be transitioning to the role of manager, rates and tariffs, in May 2022. Felipe began his career with Northern in 2008, serving in a number of analyst level positions with the financial planning team. In May 2018, Felipe joined Northern’s regulatory affairs department.

Felipe graduated with a bachelor’s degree in industrial engineering from the University of Lima, Peru, and a master’s degree in business administration from the University of Nebraska at Omaha. Felipe and his wife have one daughter and two dogs. Felipe and his family enjoy traveling to new, exciting places in the U.S. and internationally. In his free time, Felipe enjoys cooking with his wife, watching soccer and spending time with friends.

**Bambi Heckerman to Retire**

Bambi Heckerman, director, rates and tariffs, has announced her retirement, effective May 17, 2022, after seven years of service in the regulatory group with Northern and Kern River. Bambi started her career with Northern more than 44 years ago in the regulatory affairs department of Peoples Natural Gas, then the retail division of Northern Natural Gas, for six years before leaving to pursue various financial, accounting, and regulatory positions with several interstate natural gas pipelines.

Bambi returned to Northern in January 2015 to assume her current position. In her retirement, Bambi plans to bicycle, travel, and spend time with family. Bambi’s contributions have been greatly appreciated, and she will be missed.

Felipe Valdivia, a regulatory specialist with Northern, (see article above) will assume the position of manager, rates and tariffs.

**Northern Employees Support Omaha-Area Residents in Need**

On March 5, 2022, a team of Northern employees participated in the 15th annual Heat the Streets Run & Walk for Warmth event, held in midtown Omaha. Since 2007, proceeds from the event, which includes a timed 5K run and an untimed one-mile walk, have benefitted Omaha-area utility assistance programs to help families and neighbors pay their winter utility bills. Northern has been a corporate sponsor for each year of the event.

The event is held in a cold winter month to raise awareness about those who struggle to keep their lights on and their homes heated. The overall message, however, is that utility assistance is a year-round need for those who are economically disadvantaged.

Funds are administered by a non-profit organization and distributed between the Metropolitan Utilities District’s Home Fund and Omaha Public Power District’s Energy Assistance Program. Both MUD and OPPD are customers of Northern. In addition to fielding a run and walk team, Northern employees contributed a total of $865 to support the team. That amount was doubled by a corporate match, making the total community impact $1,730.
About Us

Northern Natural Gas is based in Omaha, Nebraska, and operates the largest interstate natural gas pipeline system in the United States, extending from the Permian Basin in Texas to the Upper Midwest. Northern provides transportation and storage services to approximately 81 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 underground natural gas storage facilities and two liquefied 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.

Northern’s Principles

Northern’s principles define and shape the way we do business. We are committed to an unwavering focus on these principles that shape our business. At the top of the list is Customer Service, followed by five other interrelated principles that are key to providing the service that customers expect:

Customer Service
We are focused on delivering reliability, dependability, fair prices and exceptional service to our customers.

Employee Commitment
We equip employees with the resources and support they need to be successful. We encourage teamwork and provide a safe, rewarding work environment. We make no compromise when it comes to safety.

Environmental Respect
Natural resources are essential for the production of energy. We are committed to using these resources wisely and protecting our environment for the benefit of future generations. Our Environmental RESPECT Policy details this commitment in the areas of Responsibility, Efficiency, Stewardship, Performance, Evaluation, Communication and Training.

Regulatory Integrity
We adhere to a policy of strict regulatory compliance and pursue frequent, open communication with regulators regarding our business performance.

Operational Excellence
Together with our employees, we pride ourselves on excellence in every aspect of our work. Our high standards for operations and system maintenance enable us to meet and exceed our customers' expectations, perform our work safely, and preserve our assets.

Financial Strength
We are excellent stewards of our substantial financial resources. Backed by Berkshire Hathaway, we invest in hard assets and focus on long-term opportunities that will contribute to the future strength of the company.

Customer Commitment

Northern’s Vision Statement
To be the preferred provider of natural gas transportation and storage services based on our integrity, operational excellence, financial strength and environmental responsibility.

Northern’s Mission Statement
We are in business to serve our customers. Fairly. Efficiently. Reliably.

These statements mean that we will focus on these priorities:
• We will deliver on time what we promise.
• We will share the purpose behind our actions.
• We will commit to making it easy to do business with us.
• We will negotiate and perform in good faith.
• We will continue to invest in the pipeline in order to provide you highly reliable service and to meet your future growth needs.

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.

For technical inquiries or information
Email: nng.helpdesk@nngco.com

Questions or comments
If you have questions or comments, 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 Donald Muhr at Donald.Muhr@nngco.com.