

# Northernnotes

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

NOVEMBER 2023



## A MESSAGE FROM LAURA DEMMAN

Throughout the summer, I witnessed the mutually beneficial relationships that Northern Natural Gas enjoys with its customers. Regardless of where our businesses fall on the path from well-head to burner tip, we share many similarities. One key commonality is that in order to serve our respective customers well, thousands of details must be executed properly, every day, around the clock.

Like you, we spend countless hours planning and carefully executing our business and when an unexpected challenge occurs, we understand it is a matter of personal integrity to remedy the situation with a sense of urgency. We know this is what our customers expect and deserve, and my hope is that you as Northern's customer have witnessed a swift and thorough response to any issue you have experienced. After each challenge is resolved, we ensure that our team has learned from it and examined how we can work together to prevent a similar issue from occurring in the future.

As we enter another winter season, the entire Northern team is excited to tackle any challenge head-on while delivering industry-leading reliability and customer service – it is what we prepare for all year.

Thank you for your partnership!

President, Northern Natural Gas

## NORTHERN NATURAL GAS PRINCIPLES

Northern Natural Gas' principles define 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 and inclusive work environment. We make no compromise when it comes to safety.



### ENVIRONMENTAL RESPECT

We are committed to using natural 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.

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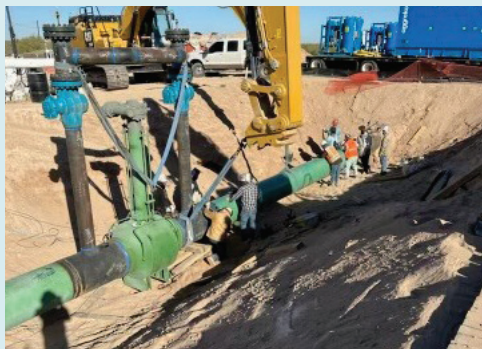


## COYANOSA-TO-KERMIT MAINLINE RETURNS TO SERVICE

On August 16, 2023, Northern Natural Gas' mainline segment between Coyoanosa, Texas, and Kermit, Texas, ruptured in a remote area. Northern immediately mobilized its emergency management response team to isolate the area, assess the damage and repair the mainline. The repair scope included installation of 128 feet of 30-inch-diameter pipe to replace damaged pipe.

To ensure the pipeline's integrity prior to returning it to service, Northern recommended hydrotesting the line to reestablish the 1,000-psig maximum allowable operating pressure to the Pipeline and Hazardous Material Safety Administration. Northern mobilized three contractors to complete the work. The contractors divided the 43.5-mile segment of mainline into five sections ranging from six to 11 miles in length. The contractors utilized lake tanks to store approximately 2.5 million gallons of water for the pressure tests.

In addition to the hydrotests, Northern utilized the outage to accelerate a scheduled 2027 in-line inspection modification project. This project included installing a 30- by 36-inch-diameter launcher and receiver, replacing a block valve, removing three abandoned interconnect tees and replacing one reducing tee. The additional modifications and out-of-scope work eliminate the need for a future outage and enable Northern to perform additional in-line inspections of the Coyoanosa-to-Kermit mainline.



While preparing for the hydrotests, the contractor ran cleaning and caliper tools to verify the mainline was both clean and had no deformations. These tool inspections and ground surveys identified nine locations requiring replacement prior to testing. The contractors worked to complete these repairs, along with the in-line inspection modifications prior to completing the return to service pressure tests.

The project team worked diligently to complete the project within an accelerated timeframe and returned the pipeline to service November 2, 2023.

## NORTHERN NATURAL GAS 2023 WINTER FORUM

Members of Northern Natural Gas' commercial and operations teams hosted over 70 customer representatives September 20-22, 2023, at Northern's annual Winter Forum in Nashville, Tennessee. Northern's customer service team provided gas scheduling training and also delivered sessions on Northern's commitment to customer service, recent pipeline expansion projects, environmental accomplishments and operational updates.

Ann Bluntzer, executive director of Texas Christian University's Ralph Lowe Energy Institute, served as a guest speaker and led a discussion on the role of natural gas in the future energy landscape.

Northern's 2024 Winter Forum will take place September 18-20, 2024, in Charleston, South Carolina.

We hope to see you there!







## OWATONNA TECHNICAL TRAINING CENTER TEACHES ADVANCED SKILLS TO PIPELINE TECHNICIANS

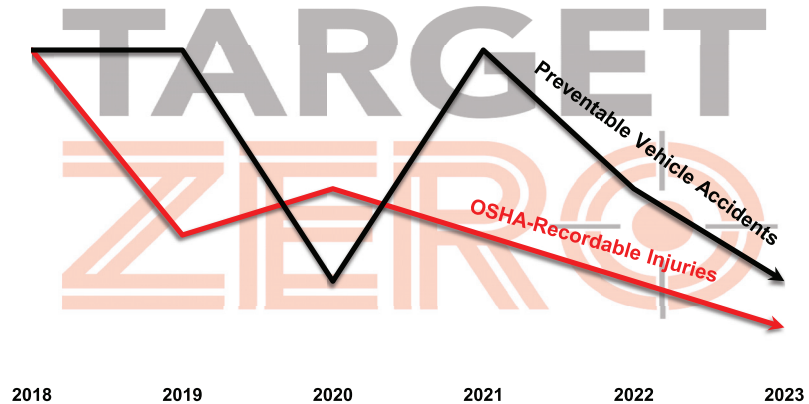
Northern Natural Gas is committed to developing pipeline technicians' skills for the safe, reliable and efficient operation of natural gas pipelines; the Owatonna Technical Training Center will advance that commitment.

With a focus on operational excellence, Northern provides advanced training on technical areas related to pipeline operation and maintenance. Located in Owatonna, Minnesota, and opened in 2021, the state-of-the-art facility can accommodate 24 participants at a time and provides space for classroom instruction, including labs for controls and electronics, mechanical maintenance, corrosion analysis and mitigation, and gas measurement. The facility serves as a hub for the transfer of expertise from experienced pipeline technicians and technical specialists to their peers in a safe, high-quality and consistent environment.

The center has 45 weeks of training scheduled in 2023, with additional courses continually being developed. This facility provides a platform for training employees on new equipment and technologies as they are adopted by the industry to better prepare our technicians for the future.

## TARGET ZERO

Target Zero is a companywide initiative dedicated to ensuring that every employee works each day, week, month and year without getting injured or being involved in a preventable vehicle accident. This focus has led to advancements in training, technology, processes and employee engagement, and has resulted in Northern recently achieving Target Zero for 200 consecutive days and being on track to finish 2023 with its best-ever safety performance.



## UNITED WAY GOLF EVENT

In 2022, Northern Natural Gas' Lindsay LaBonte and Madison Miller started Northern United on the Green, a non-profit organization that hosts a charity golf tournament benefitting the local community. The first annual tournament was held August 12, 2022, with 120 golfers and raised \$30,000 for the United Way of the Midlands organization. This year, on October 20, 2023, the second golf outing hosted 180 golfers and raised \$48,500. Northern and its third-party contractors use the annual event to come together and build on their relationships while supporting the community.



Left to right is Mia Jewett, Lindsay LaBonte, Madison Miller

## HAVE YOU MET ...?



### Mat Ellman

Mat Ellman began his career at Northern Natural Gas in June 2022 as an operations manager in Platteville, Wisconsin. In June 2023, Mat accepted the position as director regional operations, North Region. Prior to working at Northern, Mat worked at other energy pipelines for 24 years in varying operations positions.

Mat graduated from the University of Northwest Ohio with an associate degree in business administration.

In his free time, Mat enjoys outdoor activities such as fishing and working on manual labor projects.



## NORTHERN PRIORITIZES GREENHOUSE GAS EMISSION REDUCTIONS

In August 2016, Our Nation's Energy Future Coalition, Inc. (ONE Future), a nonprofit natural gas industry coalition, published a protocol to calculate and report methane emissions in a consistent manner, using methane emissions values already reported to the Environmental Protection Agency by industry. The estimation protocol developed by ONE Future quantifies national methane emissions as a function of natural gas production throughput. Northern Natural Gas became the 14th member company of ONE Future in August 2018. As of August 2023, there were a total of 54 member companies.

Northern continues to be an industry leader in methane emissions reduction. In 2022, Northern reported an annual methane intensity (methane emissions/throughput) of 0.049% compared to the baseline natural gas transmission and storage industry average of 0.26%, established in 2016. As a company, Northern takes additional steps to significantly reduce and avoid releases of methane, which results in reducing greenhouse gas emissions, enhancing pipeline integrity, making operations safer and reducing costs for customers through reductions in lost gas. Northern utilizes existing compressor stations to reroute gas to low-pressure systems, flaring, portable compression and hot tapping to eliminate methane emissions.



## RATE CASE UPDATE

After working with customers, Northern Natural Gas filed an unopposed settlement agreement with the Federal Energy Regulatory Commission on June 23, 2023, effectively concluding Northern's Section 4 general rate case proceeding that began in July 2022. The settlement is the culmination of efforts by all parties to reach a balanced outcome that allows Northern to recover costs associated with \$1.6 billion in investment in the reliability and modernization of its systems since its last rate case; provides certainty for all parties, including a moratorium through June 2024; concludes an expensive and time intensive process; and hastens the implementation of final rates and refunds. The settlement supports Northern's capability to continue investing in the modernization of its pipeline system, ensuring that customers continue to receive the industry-leading reliability that they have grown to expect from Northern.

FERC approved the settlement September 7, 2023. Northern issued refunds on September 2023 invoices.

Going forward, Northern will continue to assess the need for a rate case at the expiration of the moratorium and will commence further discussions with customers in early 2024.



## PAULLINA HORSEPOWER REPLACEMENT PROJECT

Northern Natural Gas recently replaced the 1947 vintage compression at the Paullina, Iowa, compressor station as part of Northern's asset modernization program.

Northern commenced construction of the original Paullina, Iowa, compressor station in 1946 to compress natural gas to 800-psig in a 16-inch-diameter pipeline between South Sioux City, Nebraska, and Minneapolis, Minnesota. In 1947, to support natural gas demand in the upper Midwest, Northern commissioned Paullina Units 1 through 5, consisting of five 880-horsepower Ingersoll Rand reciprocating engines, totaling 4,400 horsepower. At the time Units 1 through 5 were decommissioned in April 2023, they were the oldest operating compressor units within Northern's fleet.

The vintage Paullina units were replaced by two new Ariel JGC/4 compressors powered by Caterpillar 3608TA engines having a combined 5,000 horsepower. The two 2,500-horsepower gas-fueled reciprocating compressor units were selected for the replacement project since they were the closest like-for-like units with equivalent horsepower available. The facility upgrades were completed under Section 2.55(b) of the Federal Energy Regulatory Commission regulations.

Northern contracted Manhattan Pipeline to complete the new installation. Manhattan Pipeline commenced construction in June 2022 and installed a total of 7,300 feet of pipe, 179,000 feet of wire, 1,600 yards of concrete and two new buildings. The project was completed using 120,000 man-hours, with zero lost time incidents. Northern placed the new station in-service in August 2023.

Northern's commitment to modernize its gas transmission assets will ensure existing and future customers will continue to have safe, reliable service.





## MARKET AREA EXPANSION AND FUTURE OF NATURAL GAS

Today it is not hard to find an abundance of opinions related to the demise of natural gas.

Our team at Northern Natural Gas would rather take its cue from our customers, who through their actions, continue to tell us that the future of natural gas as a low-cost, reliable, low-carbon fuel remains bright. Over the last five years, customers have continued to support growth on Northern's system. Since 2018, Northern has completed 12 expansion projects for over 30 customers and totaling almost 350,000 Dth/day of incremental capacity. Going forward, Northern continues to see significant interest in incremental natural gas needs for both space heating and as a reliable replacement for coal in electric generation.

## CUSTOMER COMMITMENT

### Northern Natural Gas' 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 Natural Gas' 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 what we promise on time.
- 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.

## 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 numerous utilities and end-use customers in the Upper Midwest. Northern provides cross-haul and grid transportation between other interstate and intrastate pipelines in the Permian, Mid-Continent 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 Permian, 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.

### For technical inquiries or information

Customer Service: 402-960-7947 or 402-960-7948

### Questions or comments

If you have questions or comments, contact us at [nngcustomerservice@nngco.com](mailto:nngcustomerservice@nngco.com).

### Feedback and Suggestions

To provide feedback about Northern Notes or suggestions of newsworthy topics to cover in this electronic publication, contact Fletcher McMeen at [Fletcher.McMeen@nngco.com](mailto:Fletcher.McMeen@nngco.com).

