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June 5, 2007

Mr. Ivan Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
Room 462
901 Locust Street
Kansas City, MO 64106

RE: CPF 3-2007-1010W

Dear Mr. Huntoon:

Northern Natural Gas Company (Northern) received a Warning Letter dated May 21, 2007, from the U.S. Department of Transportation-Pipeline and Hazardous Material Safety Administration (PHMSA) resulting from the failure to follow up on a safety related condition report to the Minnesota Office of Pipeline Safety (MN-OPS). That report was filed on September 22, 2006 to PHMSA in response to a corrosion anomaly discovered on the Northern Natural Gas Welcome to Minneapolis (MNM80501-M460B) 16-inch mainline, MP 88 near Minnesota Highway 19, in Rice County, Minnesota. Although Northern understands that a formal response is not required, Northern is submitting this letter for the record in response to the issue noted in the Warning Letter.

The following is an excerpt from the Warning Letter with Northern's response in italics:

1. §191.7 Addressee for written reports.

191.7 requires that each written report required by this part must be made to the Information Resources Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, Room 2103, 400 Seventh Street, SW., Washington, DC 20590. However, incident and annual reports for intrastate pipeline subject to the jurisdiction of a State agency pursuant to a certification under section 5(a) of the Natural Gas Pipeline Safety Act of 1968 may be submitted in duplicate to that State agency if the regulations of that agency require submission of these reports and provide for further transmittal of one copy within 10 days of receipt of incident reports and not later than March 15 for annual reports to the Information Resources Manager. Safety related condition reports required by §191.23 for intrastate pipeline

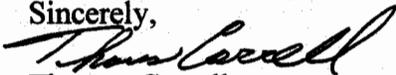
transportation must be submitted concurrently to that State agency, and if that agency acts as an agent of the Secretary with respect to interstate transmission facilities, safety-related condition reports for these facilities must be submitted concurrently to that agency.

It appears that Northern personnel did not send a copy of the report to MN-OPS, an interstate agent for transmission gas facilities in Minnesota, when it was filed with PHMSA on September 22, 2006.

Northern's operating procedure 10.104, section 5.2.3 tracks the federal regulation and states that a state agency acting as an interstate agent for DOT must be sent a copy of the report. Since September 2006, Northern Natural Gas has developed an internal tracking system for safety related conditions to avoid this type of over-sight in the future and keep the agencies updated as the issue is resolved.

Northern trusts that this response adequately addresses the concerns of the Warning Letter. Please contact me at (402) 398-7715 if you have any questions or require additional information in regard to this letter.

Sincerely,



Thomas Correll

Director Pipeline Safety and Integrity

Cc: Lisa Kallberg- MN-OPS