

GENERAL TERMS AND CONDITIONS

(iv) Unaccounted-For

Northern shall annually compare the volume of Unaccounted-for retained for the most recent twelve (12) months ended December 31 with the volume of actual Unaccounted-for for the same period to determine the Unaccounted-for Adjustment Amount. The Unaccounted-for Adjustment Amount will be divided by the applicable throughput to determine the Unaccounted-for Adjustment Percent to be added to the Unaccounted-for retention percentage for the period beginning the subsequent April 1. Under-retainage will result in a positive Adjustment Amount. Over-retainage will result in a negative Adjustment Amount. For purposes of determining the Adjustment Amount for years subsequent to the initial year of the PRA, the Adjustment Amount for the prior year is first added to the actual Unaccounted-for retained for the prior year. To determine the Adjustment Amount for the subsequent year, the balance of the Unaccounted-for retained will be compared to the actual Unaccounted-for.

5. PRA Filing. Northern will file to change the fuel and UAF retained percentages as provided herein. For Market Area mainline fuel, Northern will file each February 1 for the Summer Season mainline fuel to be effective the following April 1; Northern will file each May 1 for the Winter Season mainline fuel to be effective the following November 1. Furthermore, Northern will post on its website by December 1 of each year an estimated Market Area Summer Season mainline fuel to be effective the following April 1. Northern will file each February 1 for the Field Area, Storage and UAF retained percentages to be effective the following April 1. Northern shall not make changes to the fuel rate methodology except as permitted by the Stipulation and Agreement of Settlement in Docket Nos. RP03-398-000, et al. In addition, in the event of a change to the makeup of the Field Area sections in a PRA or Section 4 or Section 5 filing, the effectiveness of the fuel retention percentages derived therefrom shall be prospective only. For in-kind fuel reimbursement procedures, fuel rates will be made effective only at the beginning of the month.