

32.4 Imbalance Value Reconciliation

Northern will record the effects of Storage Encroachment Price Risk (SPR) previously called the System Levelized Account (SLA) on a monthly basis. Such effect shall be separately recorded by cash and liability or asset, including the value from tiering the MIP, and revenues and expenses related to the sale or purchase of gas volumes, including the costs and revenues of managing operational storage purchase and sales obligations through the use of derivative instruments. Regardless of any accounting rule or principle that may apply, the changes in fair value of derivative instruments, if used to manage the SPR, may be included in the cost of service for ratemaking purposes, subject to all parties' rights to challenge on any grounds other than such accounting principles.