

GENERAL TERMS AND CONDITIONS

3. The methodologies used to derive the Transportation Fuel Percentage, FDD Storage Fuel, FDD Storage URR and UAF are as follows:

Transportation Fuel Percentages

Northern has established Sections 1, 2 and 3 for Transportation Fuel Percentages. To calculate the Transportation Fuel Percentages, Northern determines a Fuel retention percentage for each such Fuel Section and then combines the individual Fuel retention percentages for such Fuel Section into Fuel retention percentages for each MID to MID transaction, subject to the methodology described below.

- (a) The individual Fuel retention percentage for each Fuel Section is based on
  - (i) the actual Fuel consumed in such Fuel Sections 1 and 2 during the PRA Period and for Section 3 the applicable Summer or Winter Season as adjusted for changes which are known and measurable with reasonable accuracy, is divided by
  - (ii) the actual Throughput for such Fuel Sections 1 and 2 during the same PRA Period and for Section 3 the applicable season. Each adjustment to the actual data in any PRA filing must be separately identified and supported with detailed work papers in such PRA filing.
- (b) The actual Fuel consumed for each PRA Period for each Fuel Section is the Fuel consumed in the facilities located in the geographic boundaries of such Fuel Section.
- (c) Subject to the other provisions as described in Paragraph (e) below, the actual throughput for each Fuel Section for each PRA Period is determined as follows:
  - (i) The Throughput for Fuel Section 1 is the sum of: (1) all transportation volumes received at any receipt point in Fuel Section 1 and delivered to any delivery point in Fuel Section 1 (Section 1 to Section 1); (2) all transportation volumes received at any receipt point in Fuel Section 1 and delivered to any delivery point in any other Fuel Section (Section 1 to Section 2 and Section 3); and (3) all transportation volumes received at any receipt point in any other Fuel Section and delivered to any delivery point in Fuel Section 1 (Section 2 and Section 3 to Section 1).
  - (ii) The Throughput for Fuel Section 2 is the sum of: (1) all transportation volumes received at any receipt point in Fuel Section 2 and delivered to any delivery point in Fuel Section 2 (Section 2 to Section 2); (2) all transportation volumes received at any receipt point in Fuel Section 2 (except receipts set forth in Paragraph A of Sheet No. 54A) and delivered at any delivery point in Fuel Section 1 (Section 2 less exceptions to Section 1); (3) all transportation volumes received at any receipt point in any other Fuel Section and delivered at any delivery point in Fuel Section 2 (Section 1 or Section 3 to Section 2) (except receipts received at any receipt point in Fuel Section 1 and delivered to the points set forth in Paragraph B of Sheet No. 54A); and (4) all transportation volumes received at any receipt point in Fuel Sections 1 or 2 and delivered at any delivery point in Fuel Section 3 (less volumes received at MID 16B and delivered to Section 3) (Sections 1 or 2 to Section 3).
  - (iii) The Throughput for Fuel Section 3 is the sum of: (1) all transportation volumes received at any receipt point in Fuel Section 3 and delivered at any delivery point in Fuel Section 3 (Section 3 to Section 3) and (2) all transportation volumes received at receipt points in any other Fuel Section and delivered at any delivery point in Fuel Section 3 (Sections 1 or 2 to Section 3).
- (d) Subject to the Other Provisions as described in Paragraph (e) below, the individual fuel retention percentages as determined above for each Fuel Section shall be combined as follows to determine the fuel retention percentages for each MID to MID transaction:
  - (i) The fuel retention percentage for each transaction from any receipt point in any MID in Fuel Section 1 or 3 to any delivery point in any MID in Fuel Sections 1 shall be the derived fuel retention percentage for Fuel Section 1. (Section 1 or 3 to Section 1).