

Northern Border Pipeline Company  
State Income Tax Apportionment  
For the Year Ended December 31, 2004

Line No.	State		Amount Within	Total	Factor	Weight	Combined Factor	SIT Rate	Weighted (%)	F/N ID
1	ILLINOIS	Traffic Units	36,884,454,110	820,532,031,258	4.4952%	100.00%	4.495%	7.300%	0.328%	
2		Miles Of Pipe	184.9	1,249.6	14.7980%	0.00%				
3		Property	330,547,199	2,446,100,363	13.5132%	0.00%				
4		Sales (POD)	108,528,547	345,385,981	31.4224%	0.00%				
5		Sales (MOP)	48,702,477	345,385,981	14.1009%	0.00%				
6		Payroll	392,166	11,219,987	3.4952%	0.00%				
7										
8	INDIANA	Traffic Units	2,117,874	820,532,031,258	0.0003%	0.00%	0.000%	7.900%	0.000%	3
9		Miles Of Pipe	0.1	1,249.6	0.0000%	0.00%				
10		Property	3,863,077	2,446,100,363	0.0003%	25.00%				
11		Sales (POD)	7,069,887	345,385,981	0.0000%	0.00%				
12		Sales (MOP)	28,972	345,385,981	0.0003%	50.00%				
13		Payroll	0	11,219,987	0.0003%	25.00%				
14										
15	IOWA	Traffic Units	156,732,539,930	820,532,031,258	19.1013%	100.00%	19.101%	9.900%	1.891%	1
16		Miles Of Pipe	293.0	1,249.6	23.4491%	0.00%				
17		Property	568,629,490	2,446,100,363	23.2464%	0.00%				
18		Sales (POD)	177,873,859	345,385,981	51.5000%	0.00%				
19		Sales (MOP)	78,294,774	345,385,981	22.6688%	0.00%				
20		Payroll	716,701	11,219,987	6.3877%	0.00%				
21										
22	MINNESOTA	Traffic Units	104,756,622,006	820,532,031,258	12.7669%	0.00%	9.311%	9.800%	0.912%	
23		Miles Of Pipe	130.4	1,249.6	10.4325%	0.00%				
24		Property	240,187,682	2,446,100,363	9.8192%	12.50%				
25		Sales (POD)	28,882,117	345,385,981	8.3623%	0.00%				
26		Sales (MOP)	37,226,958	345,385,981	10.7784%	75.00%				
27		Payroll	0	11,219,987	0.0000%	12.50%				
28										
29	MONTANA	Traffic Units	139,323,301,296	820,532,031,258	16.9796%	0.00%	11.864%	6.750%	0.801%	
30		Miles Of Pipe	181.0	1,249.6	14.4819%	0.00%				
31		Property	334,774,035	2,446,100,363	13.6860%	33.33%				
32		Sales (POD)	107,449	345,385,981	0.0311%	0.00%				
33		Sales (MOP)	47,724,606	345,385,981	13.8178%	33.33%				
34		Payroll	907,626	11,219,987	8.0894%	33.33%				
35										
36	NEBRASKA	Traffic Units	0	820,532,031,258	0.0000%	0.00%	3.270%	7.810%	0.255%	
37		Miles Of Pipe	0.0	1,249.6	0.0000%	0.00%				
38		Property	19,558,694	2,446,100,363	0.7996%	0.00%				
39		Sales (POD)	11,293,810	345,385,981	3.2699%	100.00%				
40		Sales (MOP)	11,293,810	345,385,981	3.2699%	0.00%				
41		Payroll	6,306,875	11,219,987	56.2111%	0.00%				
42										
43	NORTH DAKOTA	Traffic Units	229,136,169,664	820,532,031,258	27.9253%	0.00%	17.702%	6.825%	1.208%	2
44		Miles Of Pipe	277.8	1,249.6	22.2286%	0.00%				
45		Property	584,623,607	2,446,100,363	23.9002%	33.33%				
46		Sales (POD)	2,878,773	345,385,981	0.8335%	0.00%				
47		Sales (MOP)	73,872,334	345,385,981	21.3883%	33.33%				
48		Payroll	877,337	11,219,987	7.8194%	33.33%				
49										
50	SOUTH DAKOTA	Traffic Units	153,696,826,378	820,532,031,258	18.7314%	0.00%	0.000%	0.000%	0.000%	
51		Miles Of Pipe	182.5	1,249.6	14.6011%	0.00%				
52		Property	361,746,004	2,446,100,363	14.7887%	0.00%				
53		Sales (POD)	8,751,541	345,385,981	2.5338%	0.00%				
54		Sales (MOP)	48,242,051	345,385,981	13.9676%	0.00%				
55		Payroll	432,366	11,219,987	3.8535%	0.00%				
56										
57	EVERYWHERE	Traffic Units	820,532,031,258							
58		Miles Of Pipe	1,250							
59		Property	2,446,100,363							
60		Sales (POD)	345,385,981							
61		Sales (MOP)	345,385,981							
62		Payroll	11,219,987							
63										
63						State Income Tax Rate			5.396%	
64						Federal Income Tax Rate			35.000%	
65						Composite Federal and State Rate			38.507%	

Footnotes:

- 1 IA adjusted for federal tax deduction:  $.12[X-.5(.35X)]=9.90\%$
- 2 ND adjusted for federal tax deduction:  $.105(X-.35X)=6.825\%$
- 3 IN factor is specially calculated per IN Schedule E-7 for pipelines - do not alter.