

Docket No. RP06-
Statement H-3

Northern Border Pipeline Company
Income Taxes
As of Twelve Months Ended July 31, 2005 as Adjusted

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	F/N ID
1	Rate Base Per Statement E	<u>\$1,149,197,241</u>	
2	Return @ 10.56%	121,355,229	
3	Income Deductions	<u>(40,911,422)</u>	
4	Taxable Portion of Return	80,443,807	
	Tax Adjustment:		
5	Depreciation of AFUDC Equity	3,520,332	
6	Taxable Income After Income Taxes	<u>83,964,139</u>	
7	Taxable Net Income Before Income Taxes (Line 6 / (1 - 38.51%))	136,549,259	
8	State Income Taxes @ 5.4%	<u>7,373,660</u>	
9	Taxable Net Income After State Income Taxes	<u>129,175,599</u>	
10	Federal Income Taxes @ 35%	<u>45,211,460</u>	
11	Flowback of Excess Deferred Taxes	(1,739,136)	
12	Total Federal and State Income Taxes (Line 8 + Line 10+ Line 11)	<u>\$50,845,984</u>	