

Northern Border Partners, L.P.
Non-GAAP Reconciliations
Last Updated: February 15, 2006

Management uses EBITDA (earnings before interest, taxes, depreciation and amortization and allowance for equity funds used during construction (AFUDC)) to compare the financial performance of Northern Border Partners' segments and to internally manage those business segments. Management believes that EBITDA and DCF provide useful information to investors as a measure of comparability to peer companies but should not be considered an alternative to, or more meaningful than, the Partnership's reported GAAP results. DCF is not necessarily the same as available cash as defined in the Partnership Agreements. In accordance with the Securities and Exchange Commission's Regulation G, the following tables provide reconciliations of non-GAAP measures to the most closely-related GAAP measure.

	2000	2001	2002	2003	2004	2005
Reconciliation of EBITDA to Net Income (Loss)						
Interstate Natural Gas Pipeline Segment						
EBITDA	\$ 249	\$ 258	\$ 263	\$ 281	\$ 301	\$ 286
Minority Interest	(38)	(42)	(43)	(44)	(50)	(46)
Interest Expense, Net	(65)	(55)	(52)	(48)	(44)	(45)
Depreciation & Amortization Expense	(57)	(60)	(61)	(66)	(67)	(68)
Income Taxes	-	-	(1)	(4)	(5)	(4)
AFUDC	-	1	-	-	-	1
Net Income	\$ 89	\$ 102	\$ 107	\$ 120	\$ 135	\$ 124
Natural Gas Gathering & Processing Segment						
EBITDA	\$ 4	\$ 39	\$ 48	\$ 50	\$ 60	\$ 84
Interest Expense, Net	-	(1)	(1)	(1)	-	-
Depreciation & Amortization Expense	(3)	(20)	(12)	(233)	(15)	(16)
Income Taxes	-	-	-	-	-	-
Net Income	\$ 1	\$ 18	\$ 36	\$ (183)	\$ 44	\$ 68
Coal Slurry Pipeline Segment						
EBITDA	\$ 8	\$ 8	\$ 7	\$ 7	\$ 8	\$ 8
Interest Expense, Net	(2)	(1)	-	-	-	-
Depreciation & Amortization Expense	(3)	(2)	(2)	(2)	(4)	(3)
Income Taxes	-	(1)	(1)	(1)	-	(1)
Net Income	\$ 3	\$ 4	\$ 4	\$ 4	\$ 3	\$ 4
Other						
EBITDA	\$ (2)	\$ (2)	\$ (1)	\$ 3	\$ (2)	\$ (5)
Interest Expense, Net	(15)	(34)	(31)	(31)	(33)	(42)
Depreciation & Amortization Expense	-	(1)	(1)	(1)	-	-
Income Taxes	-	-	(1)	-	(3)	(1)
Net Income	\$ (16)	\$ (37)	\$ (34)	\$ (29)	\$ (38)	\$ (48)
Consolidated						
EBITDA	\$ 259	\$ 303	\$ 317	\$ 342	\$ 367	\$ 372
Minority Interest	(38)	(42)	(43)	(44)	(50)	(46)
Interest Expense, Net	(81)	(91)	(83)	(79)	(77)	(87)
Depreciation & Amortization Expense	(63)	(83)	(76)	(302)	(87)	(86)
Income Taxes	-	-	(2)	(4)	(8)	(7)
AFUDC	-	1	-	-	-	1
Net Income	\$ 77	\$ 88	\$ 114	\$ (88)	\$ 145	\$ 147
Net Income per Unit	\$ 2.50	\$ 2.12	\$ 2.44	\$ (2.08)	\$ 2.89	\$ 2.93
Credit Ratios ⁽¹⁾						
Consolidated Debt			\$ 1,348	\$ 1,369	\$ 1,300	\$ 1,335
Consolidated Interest			\$ 83	\$ 79	\$ 77	\$ 87
Debt/EBITDA			4.25	4.00	3.54	3.59
EBITDA/Interest			3.83	4.33	4.77	4.28
Debt/Net Income			11.82	(15.56)	8.97	9.08
Net Income/Interest			1.37	(1.11)	1.88	1.69
Reconciliation of EBITDA to Distributable Cash Flow						
EBITDA			\$ 317	\$ 342	\$ 367	\$ 372
Interest Expense, Net			(83)	(79)	(77)	(87)
Maintenance Capital			(14)	(17)	(21)	(30)
Distributions to Minority Interest			(49)	(46)	(62)	(61)
Other			4	(5)	(3)	(3)
Distributable Cash Flow			\$ 175	\$ 195	\$ 204	\$ 191
Distributable Cash Flow per Unit			\$ 3.86	\$ 4.05	\$ 4.15	\$ 3.88
Distributable Cash Flow/Distribution			1.21	1.26	1.30	1.21

⁽¹⁾ Consolidated debt to EBITDA and EBITDA to consolidated interest ratios are measures management provides since they are commonly used by lenders, rating agencies and fixed income investors to determine the Partnership's ability to meet its debt obligations. To comply with the SEC's Regulation G, consolidated debt to net income and net income to consolidated interest are provided to show these ratios using the most directly comparable GAAP financial measure.