



PAIUTE PIPELINE COMPANY  
COMPARISON AND RECONCILIATION OF ESTIMATED OPERATING  
REVENUES WITH COST-OF-SERVICE

Line No.	Rate Schedule (a)	Estimated Operating Revenue		Allocated Cost of Service		Line No.
		Reference (b)	Amount (c)	Reference (d)	Amount (e)	
	Transmission					
1	Schedule FT-1	Sch G-2	\$ 24,379,810	Sch I-3	\$ 24,379,784	1
2	Lake Tahoe Expansion	Sch G-2	1,468,543	Sch I-1(b)	1,468,538	2
3	Carson Lateral Expansion	Sch G-2	224,636	Sch I-1(b)	224,636	3
4	2003 Paiute Expansion	Sch G-2	1,159,174	Sch I-1(b)	1,159,173	4
5	Elko Lateral Expansion	Sch G-2	319,915	Sch I-1(b)	319,916	5
6	Schedule IT-1	Sch G-2	151,268	Sch I-3	151,247	6
7	Total Transmission		\$ 27,703,346		\$ 27,703,293	7
	Storage					
8	Schedule LGS-1	Sch G-2	6,882,535	Sch I-1(a)	6,882,635	8
9	Total Revenues		\$ 34,585,881		\$ 34,585,928	9

**PAIUTE PIPELINE COMPANY  
SUMMARY OF BILLING DETERMINANTS  
IN DEKATHERMS**

Line No.	Customer	Reservation Charge Billing Determinants			Line No.
		Winter Nov. - Mar.	Summer Apr. - Oct.	Annual Total	
	(a)	(b)	(c)	(d)	
<b><u>Schedule FT-1</u></b>					
	System (Non-incremental) Firm Transportation				
1	CYANCO Company	10,000	10,318	20,318	1
2	EP Minerals, LLC	7,650	9,457	17,107	2
3	Harrah's Club	2,500	2,583	5,083	3
4	Harvey's Resort Hotel/Casino	1,900	1,960	3,860	4
5	IGI Resources Inc.	6,520	8,057	14,577	5
6	Lake Tahoe Horizon Resort	1,125	1,162	2,287	6
7	MontBleu Resort	1,500	1,547	3,047	7
8	Newmont Mining Corporation	5,500	5,677	11,177	8
9	Premier Chemicals, LLC	4,250	4,389	8,639	9
10	Sierra Pacific Power Co.	458,480	427,308	885,788	10
11	Southwest Gas Corporation				11
	Northern California	158,330	130,445	288,775	
12	Southwest Gas Corporation				12
	Northern Nevada	555,470	458,423	1,013,893	
13	Winnemucca Farms	750	1,050	1,800	13
14	Total (Non-incremental) Firm Transportation	1,213,975	1,062,376	2,276,351	14
	System (Incremental) Firm Transportation				
15	SWG-No Calif-Lake Tahoe			123,996	15
16	SWG-No Nevada-2003 Exp.			70,416	16
17	SWG - No. Nevada - Elko			17,952	17
18	SWG-No. Nevada-Lake Tahoe			29,460	18
19	SWG-No. Nevada-Carson Lat.			129,600	19
20	Total (Incremental) Firm Transportation			371,424	20
21	<b>Total FT-1</b>			<b>2,647,775</b>	21
<b><u>Schedule IT-1</u></b>					
22	Deliveries			441,786	22
23	Billing Determinants (100% Load Factor)			14,524	23
<b><u>Schedule LGS-1</u></b>					
		Delivery	Storage		
24	Sierra Pacific Power Company	276,000	3,643,248		24
	Southwest Gas Corporation				
25	Northern California	136,800	1,805,832		25
	Southwest Gas Corporation				
26	Northern Nevada	450,708	5,949,384		26
27	<b>Total LGS-1</b>	<b>863,508</b>	<b>11,398,464</b>		27

PAIUTE PIPELINE COMPANY  
DERIVATION OF RATES

Line No.	Description (a)	Cost of Service (b)	Billing Determinants (c)	Rate Per Dth Per Month (d)	Line No.
<b><u>Rate Schedule FT-1</u></b>					
1	System (Non-incremental) Firm Transportation	\$ 24,379,784	2,341,151	\$ 10.4136	1
2	Lake Tahoe Expansion (Incremental)	\$ 1,468,538	153,456	\$ 9.5698	2
3	Carson Lateral Expansion (Incremental) [1]	\$ 224,636	64,800	\$ 3.4666	3
4	2003 Paiute Expansion (Incremental)	\$ 1,159,173	70,416	\$ 16.4618	4
5	Elko Lateral Expansion (Incremental)	\$ 319,916	17,952	\$ 17.8206	5
<b><u>Rate Schedule IT-1</u></b>					
6	Interruptible Transportation (100% Load Factor) Rate per Dth.	\$ 151,247	441,726	\$ 0.3424	6
<b><u>Rate Schedule LGS-1</u></b>					
7	Delivery Charge	\$ 3,441,317	863,508	\$ 3.9853	7
8	Storage Charge	\$ 3,441,317	11,398,464	\$ 0.3019	8
<b><u>Rate Schedule LGS-2</u></b>					
9	Interruptible Storage Charge			\$ 0.6038	9

[1] For purposes of rate derivation, one-half of the cost of service and billing determinants is included in the Carson Lateral Expansion incremental rate and one-half of the cost of service and billing determinants is included in the System Firm Transportation rate.

PAIUTE PIPELINE COMPANY  
DERIVATION OF RATES

Line No.	Description (a)	Rate Per Dth Per Month (b)	Line No.
<b><u>Rate Schedule LGS-2</u></b>			
1	LGS-1 Delivery Charge	\$ 3.9853	1
2	Divided by Number of Days Deliverability	<u>13.2</u>	2
3	LGS-1 Delivery 100% Load Factor Charge	\$ 0.3019	3
4	LGS-1 Storage Charge	<u>\$ 0.3019</u>	4
5	Total LGS-2 Deliver & Storage Charge	<u><u>\$ 0.6038</u></u>	5