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PAIUTE PIPELINE COMPANY
STATEMENT OF INCOME
(UNAUDITED)

Line No.	Description	Twelve Months Ended 11/30/08	Twelve Months Ended 11/30/07	Line No.
	(a)	(b)	(c)	
	UTILITY OPERATING INCOME			
1	Operating Revenues (400)	\$ 30,986,816	\$ 30,064,869	1
	Operating Expenses:			
2	Operations Expense (401)	8,836,955	9,089,814	2
3	Maintenance Expense (402)	4,984,879	3,791,476	3
4	Depreciation Expense (403)	5,496,959	5,238,257	4
5	Amortization of Utility Plant (404.3)	-	53,760	5
6	Amortization of Regulatory Assets (407.3)	86,385	129,577	6
7	Taxes Other than Income Taxes (408.1)	702,045	719,223	7
8	Federal Income Taxes (409.1)	1,929,627	2,496,592	8
9	Provision for Deferred Income Taxes (410.1)	1,940,408	940,360	9
10	Provision for Deferred Income Taxes - credit (411.1)	(349,431)	16,164	10
11	TOTAL UTILITY OPERATING EXPENSES	23,627,827	22,475,223	11
12	Net Utility Operating Income	7,358,989	7,589,646	12
	OTHER INCOME AND DEDUCTIONS			
	Other Income:			
13	Interest and Dividend Income (419)	-	-	13
14	Allowance for Equity Funds Used During Construction (419.1)	(8,040)	37,752	14
15	Miscellaneous Nonoperating Income (421)	24,982	15,254	15
16	Gain on Disposition of Property (421.1)	-	928,546	16
17	TOTAL OTHER INCOME	16,942	981,552	17
	Other Income Deductions:			
18	Miscellaneous Income Deductions (426.1-426.5)	-	(1,157)	18
19	TOTAL OTHER INCOME DEDUCTIONS	-	(1,157)	19
	Taxes Applicable to Other Income and Deductions			
20	Federal Income Taxes (409.2)	5,929	343,948	20
21	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	5,929	343,948	21
22	Net Other Income and Deductions	11,013	638,761	22
	INTEREST CHARGES			
23	Interest on Debt to Associated Companies (430)	819,434	1,261,474	23
24	Other Interest Expense (431)	-	-	24
25	Allowance for Borrowed Funds Used During Construction (432)	(13,375)	37,722	25
26	Net Interest Charge	832,809	1,223,752	26
27	NET INCOME	\$ 6,537,193	\$ 7,004,655	27

PAIUTE PIPELINE COMPANY
STATEMENT OF RETAINED EARNINGS
(UNAUDITED)

Line No.	Description (a)	Amount (b)	Line No.
1	Balance at November 30, 2006	\$ 48,627,545	1
	Net Income for Twelve Months		
2	Ended November 30, 2007	<u>7,004,655</u>	2
3	Balance at November 30, 2007	\$ 55,632,200	3
	Net Income for Twelve Months		
4	Ended November 30, 2008	<u>6,537,193</u>	4
5	Balance at November 30, 2008	<u><u>\$ 62,169,393</u></u>	5