



**PAIUTE PIPELINE COMPANY**  
**COST OF SERVICE SUMMARY**  
**FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2008, AS ADJUSTED**

Line No.	Description (a)	Reference (b)	Recorded (c)	Adjustments (d)	As Adjusted (e)	Deficiency (f)	After Rate Relief (g)	Line No.
1	Revenues	Stmnt G	\$ 30,979,098	\$ (260,381)	\$ 30,718,718	\$ 3,867,213	\$ 34,585,930	1
2	Gas Cost		0	0	0	0	0	2
3	Total Margin		\$ 30,979,098	\$ (260,381)	\$ 30,718,718	\$ 3,867,213	\$ 34,585,930	3
4	Expenses							4
5	Manufactured Gas Production	Stmnt H-1	\$ 0	0	0	\$	0	5
6	Other Storage	Stmnt H-1	1,794,020	360,750	2,154,770		2,154,770	6
7	Transmission	Stmnt H-1	6,753,675	446,503	7,200,178		7,200,178	7
8	Customer Accounts	Stmnt H-1	16,253	582	16,836		16,836	8
9	Administrative & General	Stmnt H-1	5,257,886	440,364	5,698,250		5,698,250	9
10	Depreciation & Amortization	Stmnt H-2	5,496,959	395,435	5,892,394		5,892,394	10
11	Other Taxes	Stmnt H-4	702,044	33,496	735,540		735,540	11
	Income Taxes	Stmnt H-3	2,985,985	(693,274)	2,292,711	1,353,524	3,646,235	
12	Total Expenses		\$ 23,006,821	\$ 983,857	\$ 23,990,678	\$ 1,353,524	\$ 25,344,202	12
13	Net Income		\$ 7,972,278	\$ (1,244,237)	\$ 6,728,040	\$ 2,513,688	\$ 9,241,728	13
14	Rate Base							14
15	Gas Plant in Service	Sch C-1B	\$ 173,093,155	\$ 3,654,790	\$ 176,747,945		\$ 176,747,945	15
16	Accumulated Provision for Depreciation and Amortization	Stmnt D	68,109,442	3,441,475	71,550,917		71,550,917	16
17	Net Plant in Service		\$ 104,983,714	\$ 213,314	\$ 105,197,028		\$ 105,197,028	17
18	Working Capital	Sch E-2 & E-3	\$ 490,495	0	\$ 490,495		\$ 490,495	18
19	Deferred Taxes	Sch B-1	\$ (21,893,857)	\$ 1,070,690	\$ (20,823,167)		\$ (20,823,167)	19
20	Rate Base		\$ 83,580,352	\$ 1,284,004	\$ 84,864,356		\$ 84,864,356	20
	Rate Of Return	Stmnt F-2	9.54%	-1.61%	7.93%		10.89%	
	Deficiency							

**PAIUTE PIPELINE COMPANY**  
**SUMMARY OF OPERATING INCOME ADJUSTMENTS**  
**FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 3008**

Line No.	Description (a)	Accumulated Deferred Income Taxes Adj. No. 1 (b)	Estimated Plant Additions Adj. No. 2 (c)	Remove Plant in Excess of Agreement Adj. No. 3 (d)	Remove Accum. Depr. for Plant in Excess of Agreement Adj. No. 4 (e)	Add'l Accum. Depr. through 8/31/09 Adj. No. 5 (f)	Revenues Adj. No. 6 (g)	Labor Adj. No. 7 (h)	Line No.
1	Revenues	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	(260,381) \$	0	1
2	Gas Cost	0	0	0	0	0	0	0	2
3	Total Margin	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	(260,381) \$	0	3
<b>Expenses</b>									
4	Manufactured Gas Production	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0	4
5	Other Storage	0	0	0	0	0	0	96,037	5
6	Transmission	0	0	0	0	0	0	230,697	6
7	Customer Accounts	0	0	0	0	0	0	179	7
8	Total O & M	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	326,913	8
9	Administrative and General	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	98,585	9
10	Depreciation and Amortization	0	0	0	0	0	0	0	10
11	Other Taxes	0	0	0	0	0	0	0	11
12	Total A & G and Other	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	98,585	12
13	Total Expenses	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	425,499	13
14	Income Taxes	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	(91,133) \$	(148,924)	14
15	Net Income	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	(169,247) \$	(276,574)	15
<b>Rate Base</b>									
16	Gas Plant in Service	\$ 0 \$	6,959,656 \$	(3,304,866) \$	0 \$	0 \$	0 \$	0	16
17	Accumulated Provision for Depreciation and Amortization	0	0	0	(844,474)	4,285,949	0	0	17
18	Net Plant in Service	\$ 0 \$	6,959,656 \$	(3,304,866) \$	844,474 \$	(4,285,949) \$	0 \$	0	18
19	Working Capital	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0	19
20	Deferred Taxes	\$ 1,070,690 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0	20
21	Rate Base	\$ 1,070,690 \$	6,959,656 \$	(3,304,866) \$	844,474 \$	(4,285,949) \$	0 \$	0	21

Adjustments

PAIUTE PIPELINE COMPANY  
SUMMARY OF OPERATING INCOME ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 3008

Line No.	Description (a)	Other Non-Labor O&M Expense Adj. No. 8 (b)	LNG Maintenance Expense Adj. No. 9 (c)	TRIMP Expense Adj. No. 10 (d)	Allocate SWG A & G Exp. to Paiute Adj. No. 11 (e)	Rent on Southwest Gas General Plant Adj. No. 12 (f)	Regulatory Commission Expenses Adj. No. 13 (g)	Remove FERC ACA Expense Adj. No. 14 (h)	Line No.
1	Revenues	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1
2	Gas Cost	0	0	0	0	0	0	0	2
3	Total Margin	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	3
4	Expenses								
5	Manufactured Gas Production	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	4
6	Other Storage	13,213	251,500	0	0	0	0	0	5
7	Transmission	104,979	0	110,827	0	0	0	0	6
8	Customer Accounts	404	0	0	0	0	0	0	7
9	Total O & M	118,595 \$	251,500 \$	110,827 \$	0 \$	0 \$	0 \$	0 \$	8
10	Administrative and General	0 \$	0 \$	0 \$	276,318 \$	79,014 \$	56,680 \$	(70,233)	9
11	Depreciation and Amortization	0	0	0	0	0	0	0	10
12	Other Taxes	0	0	0	0	0	0	0	11
13	Total A & G and Other	0 \$	0 \$	0 \$	276,318 \$	79,014 \$	56,680 \$	(70,233)	12
14	Total Expenses	118,595 \$	251,500 \$	110,827 \$	276,318 \$	79,014 \$	56,680 \$	(70,233)	13
15	Income Taxes	(41,508) \$	(88,025) \$	(38,789) \$	(96,711) \$	(27,655) \$	(19,838) \$	24,582	14
16	Net Income	(77,087) \$	(163,475) \$	(72,037) \$	(179,606) \$	(51,359) \$	(36,842) \$	45,851	15
17	Rate Base								
18	Gas Plant in Service	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	16
19	Accumulated Provision for Depreciation and Amortization	0	0	0	0	0	0	0	17
20	Net Plant in Service	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	18
21	Working Capital	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	19
22	Deferred Taxes	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	20
23	Rate Base	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	21

Adjustments

PAIUTE PIPELINE COMPANY  
SUMMARY OF OPERATING INCOME ADJUSTMENTS  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 3008

Line No.	Description (a)	Depreciation & Amortization - Current Rates (b)		Amortization of LNG Studies (c)		Property Taxes (d)		Total Adjustments (e)		Line No.
		Adj. No. 15		Adj. No. 16		Adj. No. 17		Adj. No. 17		
1	Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (260,381)		1
2	Gas Cost	0		0		0		0		2
3	Total Margin	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (260,381)		3
4	Expenses									
5	Manufactured Gas Production	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0		4
6	Other Storage	0		0		0		360,750		5
7	Transmission	0		0		0		446,503		6
8	Customer Accounts	0		0		0		582		7
9	Total O & M	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 807,836		8
10	Administrative and General	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	440,364		9
11	Depreciation and Amortization	363,114		32,321		0		395,435		10
12	Other Taxes	0		0		33,496		33,496		11
13	Total A & G and Other	\$ 363,114	\$ 32,321	\$ 32,321	\$ 33,496	\$ 33,496	\$ 33,496	\$ 869,295		12
14	Total Expenses	\$ 363,114	\$ 32,321	\$ 32,321	\$ 33,496	\$ 33,496	\$ 33,496	\$ 1,677,131		13
15	Income Taxes	\$ (127,090)	\$ (11,312)	\$ (11,312)	\$ (11,724)	\$ (11,724)	\$ (11,724)	\$ (678,129)		14
16	Net Income	\$ (236,024)	\$ (21,009)	\$ (21,009)	\$ (21,772)	\$ (21,772)	\$ (21,772)	\$ (1,259,382)		15
17	Rate Base	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,654,790		16
18	Gas Plant in Service	0		0		0		3,441,475		17
19	Accumulated Provision for Depreciation and Amortization	0		0		0		213,314		18
20	Net Plant in Service	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0		19
21	Working Capital	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,070,690		20
22	Deferred Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,284,004		21
23	Rate Base	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0		

Adjustments

**PAIUTE PIPELINE COMPANY**  
**COMPUTATION OF GROSS REVENUE CONVERSION FACTOR**  
**FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 3008**

Line No.	Description (a)	Base Amount (b)	Rate (c)	Amount (d)	Line No.
1	Gross Operating Revenues			\$ 1,000.00	1
2	Less: Federal Income Tax	\$ 1,000.00	35.00%	<u>350.00</u>	2
3	Total			<u>\$ 650.00</u>	3
4	Gross Revenue Conversion Factor ( Ln 1 / Ln 3)			<u>1.53846</u>	4