

GAS TRANSMISSION NORTHWEST CORPORATION

Comparison and Reconciliation of Estimated Revenue with Cost of Service
For the Twelve Months Ended March 31, 2006, As Adjusted
Medford Lateral

Line No.	Description (a)	Total (b)	Non-Mileage Reservation (c)	Mileage Reservation (d)	Delivery (e)
1	Operating Revenues				
2	Estimated Operating Revenue ¹				
3	FTS-1 E-1	\$ 53,272	\$ 7,536	\$ 45,736	\$ 0
4	FTS-1 E-2 (WWP)	4,253,015	174,162	4,075,486	3,367
5	FTS-1 E-2 (Diamond 1&2)	3,038,394	430,612	2,607,782	0
6	Total Revenues	<u>7,344,681</u>	<u>612,310</u>	<u>6,729,004</u>	<u>3,367</u>
7	Operation and Maintenance Expense				
8	Transmission	\$ 186,589	\$ 0	\$ 176,589	\$ 10,000
9	Administrative and General	612,308	612,308	0	0
10	Total Operation and Maintenance Expense	<u>\$ 798,897</u>	<u>\$ 612,308</u>	<u>\$ 176,589</u>	<u>\$ 10,000</u>
11	Depreciation Expense	\$ 1,610,887	\$ 0	\$ 1,610,887	\$ 0
12	Taxes Other Than Income Taxes	204,057	0	204,057	0
13	Return	3,150,880	0	3,150,880	0
14	Federal Income Tax	1,367,343	0	1,367,343	0
15	State Income Taxes	219,763	0	219,763	0
16	Net E-1 Cost of Service for Rate Design	<u>\$ 7,351,827</u>	<u>\$ 612,308</u>	<u>\$ 6,729,519</u>	<u>\$ 10,000</u>
17	Variance (line 6 - line 16) ²	<u>\$ (7,146)</u>	<u>\$ 2</u>	<u>\$ (515)</u>	<u>\$ (6,633)</u>

¹The majority of contracts on the Medford Lateral are at negotiated rates. Revenue calculated on this sheet assumes all contracts are at the maximum tariff rate.

²Variance created by rate rounding to six places.