

GAS TRANSMISSION NORTHWEST CORPORATION

Derivation of Rates  
For the Twelve Months Ended March 31, 2006, As Adjusted  
Coyote Springs Lateral

Line No.	Rate Schedule	Reference	Allocated Costs			
			Reservation Non-Mileage	Reservation Mileage	Delivery	
	(a)	(b)	(c)	(d)	(e)	
1	Total COS for Rate Design	Stmt J, page 3, line 15	\$ 146,661	\$ 1,394,792	\$ 0	
2	Total Billing Determinants for Rate Design	Schedule J-1, page 3, column d	Billing Determinants			
			Reservation Non-Mileage <sup>1</sup>	Reservation Mileage <sup>1</sup>	Delivery	
			40,162,260	742,785,811	347,331,783	
3	FTS-1 E-3		Recourse Rates			
			Reservation Non-Mileage	Reservation Mileage	Delivery	Full Haul Unit Rate <sup>2</sup>
			\$ 0.003652	\$ 0.001878	\$ 0	\$ 0.038395
4	ITS-1 E-3		Non-Mileage Delivery Rate per Dth	Mileage Delivery Rate per MMBtu-mi	100% LF Unit Rate	
			\$ 0.003652	\$ 0.001878	\$ 0.038395	

<sup>1</sup>For purposes of rate design, non-mileage and mileage reservation billing determinants are multiplied by 365 days.

<sup>2</sup>Full haul on the Coyote Springs Lateral is 18.50 miles. The full haul 100% load factor rate is calculated as follows:

(Reservation Non-Mileage Rate) + (Reservation Mileage Rate X 18.50) + (Delivery Rate X 18.50) = Full Haul 100% LF Rate.