

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Trunkline LNG Company, LLC § Docket No. RP09-____-000

**PREPARED DIRECT TESTIMONY
OF
WILLIAM W. GRYGAR**

1 **Q. Please state your name and business address.**

2 A. My name is William W. Grygar. My business address is 5444 Westheimer Road,
3 Houston, Texas 77056.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am Vice President of Rates and Regulatory Affairs for Panhandle Eastern Pipe
6 Line Company, LP (“Panhandle”) and Florida Gas Transmission Company, LLC
7 (“FGT”). I supervise the Rates and Regulatory Affairs Department for the
8 Panhandle Energy pipeline group of companies. In addition to Panhandle and
9 FGT, these companies include Trunkline Gas Company, LLC, Trunkline LNG
10 Company, LLC (“Trunkline LNG”), Sea Robin Pipeline Company, LLC and
11 Southwest Gas Storage Company.

12 **Q. What is your employment history with the Panhandle Energy pipeline group?**

13 A. Starting in February 1973, I have held various positions of increasing
14 responsibility relating to rates and regulatory affairs for the interstate pipelines.

1 **Q. What is your educational background?**

2 A. I graduated from the University of Texas in May 1969 with a Bachelor of Business
3 Administration Degree with a major in Finance. In December 1972, I received a
4 Master of Business Administration degree from Southwest Texas State University.
5 I am a certified public accountant.

6 **Q. Are you a member of any professional associations?**

7 A. Yes. I am a member of the American Institute of Certified Public Accountants, the
8 Texas Society of Certified Public Accountants, and the Rate Committee of the
9 Interstate Natural Gas Association of America (“INGAA”).

10 **Q. Have you previously given testimony before the Federal Energy Regulatory**
11 **Commission?**

12 A. Yes. I have submitted testimony in Panhandle Eastern Pipe Line Co., Docket No.
13 RP92-166-000, in Sea Robin Pipeline Company, LLC, Docket No. CP95-168-000,
14 in Trunkline Gas Co., Docket No. RP96-129-000, in Transwestern Pipeline
15 Company, LLC, Docket No. RP06-614-000, in Sea Robin Pipeline Company,
16 LLC, Docket No. RP07-513-000, and most recently in Southwest Gas Storage
17 Company, Docket No. RP07-541-000.

18 **Q. What is the purpose of your testimony in this proceeding?**

19 A. My testimony will discuss Classification, Cost Allocation and Rate Design for the
20 Trunkline LNG filing in this proceeding. Specifically, I will discuss: (1) certain
21 aspects of cost classification, cost allocation and rate design methodologies, and
22 the assignment and allocation of costs to Trunkline LNG’s services; and (2) the

1 LNG terminaling volumes and reservation units upon which Trunkline LNG's
2 rates are based.

3 **Q. What Base Period is utilized by Trunkline LNG for this filing?**

4 A. The Base Period in this filing is the twelve months ended March 31, 2009. The
5 Base Period data has been adjusted to reflect known and measurable changes of a
6 normalizing nature in costs.

7 **Q. What exhibits are you responsible for in this proceeding?**

8 A. I am responsible for the following exhibits:

9	<u>Exhibit No.</u>	<u>Reference</u>	<u>Description</u>
10	TLNG-23	Schedule I-1	Functionalization of Cost of Service
11	TLNG-24	Schedule I-2	Classification of Cost of Service,
12			Twelve Months Ended March 31,
13			2009, As Adjusted
14	TLNG-25	Schedule I-1(a)	Allocation of Cost of Service, Twelve
15			Months Ended March 31, 2009, As
16			Adjusted
17	TLNG-26	Schedule I-1(d)	Methodology to Allocate Common or
18			Joint Costs, Twelve Months Ended
19			March 31, 2009, As Adjusted
20	TLNG-27	STATEMENT J	Comparison of Estimated Revenues
21			with Cost of Service, Twelve Months
22			Ended March 31, 2009, As Adjusted
23	TLNG-28	Schedule J-1	Summary of Billing Determinants
24	TLNG-29	Schedule J-2	Proposed Base Rates
25			Derivation of Rates
26			

Rate Design Methodology

Q. What rate design underlies the rates included in the current filing?

A. Trunkline LNG continues to use the Straight Fixed Variable (“SFV”) cost classification, cost allocation and rate design methodology, as previously approved in Docket No. CP02-60-000. For Rate Schedules FTS-2 and ITS-2, the rates are designed using the cost classification, cost allocation and rate design features which the Commission has approved for use on Trunkline LNG, updated for the current cost of service. Trunkline LNG proposes terminaling rates associated with the Expansion Facilities that: (1) reflect costs directly attributable or properly allocated to the Expansion Facilities; and (2) use the billing determinants that appropriately reflect the maximum certificated LNG volumes to be received, stored and delivered with the Expansion Facilities. In addition, rates for interruptible terminal service under Rate Schedule ITS-2 continue to be derived based on the annual average days inventory. Rates for Rate Schedule FTS-2, the rate schedule applicable to the Expansion Facilities, continue to reflect a reservation rate calculated on the historical methodology for this service.

Functionalization

Q. How is Trunkline LNG’s cost of service functionalized?

A. Exhibit No. TLNG-23 sets forth the functionalization of the Cost of Service associated with the Expansion Facilities. That exhibit reflects the Cost of Service provided by Trunkline LNG witness Mr. Biediger. This functionalization reflects

that all of the Cost of Service is classified as LNG Terminaling and Processing for the Expansion Facilities.

3 Classification

4 **Q. Are these functionalized costs further classified?**

5 A. Yes, the functionalized costs have been classified in relationship to their
6 characteristics as either fixed or variable costs. This classification is shown in
7 Columns (a) through (c) of my Exhibit No. TLNG-24 for the cost of service for the
8 twelve months ended March 31, 2009, as adjusted.

9 **Q. For purposes of your testimony and exhibits, how do you define fixed costs**
10 **and variable costs?**

11 A. Fixed costs are those costs which do not vary materially when gas throughput
12 varies and variable costs are those costs which vary directly and materially with
13 system throughput.

14 **Q. Once costs have been classified as either fixed or variable, how are they**
15 **further classified?**

16 A. Once costs have been identified as either fixed or variable, the costs are then
17 classified for purposes of cost allocation and rate design as either reservation or
18 usage. Columns (e) and (f) of my Exhibit No. TLNG-24 reflect this classification,
19 which is based on the Straight Fixed-Variable (“SFV”) methodology.

20 **Q. How does Trunkline LNG use the SFV methodology in its filing?**

21 A. Trunkline LNG uses the SFV methodology for cost classification, cost allocation
22 and rate design. Under this method, all of the LNG terminaling fixed costs,

1 including return on equity and related income taxes, are included in the reservation
2 component of terminaling rates, and all variable costs are included in the usage
3 component of terminaling rates.

4 **Cost Assignment and Allocation**

5 **Q. What is the basis for the cost assignment and allocation underlying Trunkline**
6 **LNG's terminaling rates?**

7 A. A separate cost of service has been determined for the Expansion Facilities, as
8 shown on Exhibit No. TLNG-23. Rate Base and Cost of Service components
9 identifiable by area were assigned directly to the appropriate rate area, while
10 common or general components were allocated based on direct plant and direct
11 labor factors. The allocation methods used are consistent with the settlement of
12 Docket No. RP01-445-000. The methodology to develop the cost of service for
13 each rate area is consistent with the Commission's policy to avoid subsidization of
14 some shippers by others.

15 Exhibit No. TLNG-25 summarizes the allocation of the cost of service for
16 the Expansion Facilities. Trunkline LNG has maintained its books and records in
17 such a way as to facilitate the identification of costs applicable to its Base Facilities
18 (those LNG terminaling facilities constructed and placed in service prior to the
19 Expansion Facilities constructed under Docket No. CP02-60-000, et al.) or the
20 Expansion Facilities for use in the derivation of rates for each service. Supporting
21 details for the methodology used to allocate common or joint costs to the Base
22 Facilities or the Expansion Facilities are included in Exhibit No. TLNG-26.

1 **Q. Please explain your Exhibit No. TLNG-26.**

2 A. Exhibit No. TLNG-26 reflects the method and calculations used to assign and, in
3 appropriate circumstances, to allocate common or general costs and certain
4 miscellaneous items to the Base Facilities or the Expansion Facilities. Page 1 of
5 my Exhibit No. TLNG-26 reflects allocation units and resulting factors used to
6 allocate General or Common Costs to the rate areas by utilizing ratios of direct
7 plant or direct labor. Page 2 reflects allocation units and factors based on O&M
8 Expenses for the Base and Expansion Facilities. The LNG Terminal Base
9 Facilities and Expansion Facilities are operated on an integral basis. Thus, the
10 allocation of operation and maintenance expenses for the twelve months ended
11 March 31, 2009, as adjusted, is based on historical costs reflected in previous
12 filings. Pages 3 through 16 detail the allocation of the components of the Cost of
13 Service that are not directly assigned to each terminaling service.

14 **Rate Design Determinants**

15 **Q. How are Trunkline LNG's rate design units determined?**

16 A. Trunkline LNG's reservation and usage design units are based on the design
17 capacity and deliverability of the Expansion Facilities as directed by the
18 Commission in the August 27, 2002 Order. Trunkline LNG does not anticipate
19 any changes to the reservation and usage design units. Exhibit No. TLNG-28
20 shows the summary of billing determinants utilized to calculate Trunkline LNG's
21 terminaling rates associated with the Expansion Facilities.

1 The units used to calculate reservation rates are based on the Expansion
2 Facilities' design deliverability; and a projected level of imputed contract demand
3 of zero applicable to Rate Schedule ITS-2 customers, based on no historical or
4 projected throughput volumes. Last, no level of imputed contract demand has been
5 included for contract overrun volumes.

6 The usage rate design units of 427,050,000 Dt are equivalent to the
7 maximum design quantity for all service associated with the Expansion Facilities,
8 as shown on my Exhibit No. TLNG-28.

9 **Q. Upon what design units are Trunkline LNG's rates based?**

10 A. Trunkline LNG's design units for the Rate Schedule FTS-2 reservation component
11 of rates are 98,550,000 Dt, and are equivalent to one-tenth (1/10th) the daily
12 capacity of 2,700,000, or 270,000 Dt, associated with the Expansion Facilities
13 annualized. The Rate Schedule FTS-2 usage component of rates is 427,050,000
14 Dt, which is the daily deliverability of 1,170,000 Dt associated with the Expansion
15 Facilities, annualized. For the Rate Schedule ITS-2 inventory component of rates
16 the volumes are 16,200,000 Dt, and again, for the usage component of rates, the
17 volumes are 427,050,000 Dt. As mentioned above, these rate design units are
18 based on the Expansion Facilities' maximum sustained capacity and sendout
19 volumes stated in dekatherms.

20 **Derivation of Rates**

21 **Q. Please explain your Exhibit No. TLNG-27.**

1 A. Exhibit No. TLNG-27 is a reconciliation of the Schedule G terminaling service
2 revenues as shown on Mr. Biediger's Exhibit No. TLNG-14 to the Total Cost of
3 Service for the Expansion Facilities as shown on my Exhibit No. TLNG-23.

4 **Q. How are Trunkline LNG's proposed terminaling rates for the Expansion**
5 **Facilities derived?**

6 A. Exhibit No. TLNG-29, Page 1, shows the derivation of the Rate Schedule FTS-2
7 terminaling base rates. The Rate Schedule FTS-2 reservation component of the
8 terminaling rates has been designed to recover the reservation costs. The
9 reservation rate component is calculated by dividing the total allocated reservation
10 costs associated with the Expansion Facilities by the reservation design units for
11 that service. The usage rate component is calculated by dividing the total allocated
12 usage costs associated with the Expansion Facilities by the usage design units for
13 that service.

14 Page 2 shows the derivation of the Rate Schedule ITS-2 terminaling base
15 rates. The inventory rate for Rate Schedule ITS-2 is derived using the annual
16 average day inventory of 16,200,000 Dt, as shown on Page 3 of my Exhibit No.
17 TLNG-29.

18 **Q. Does Trunkline LNG have any negotiated rate agreements?**

19 A. Yes. Trunkline LNG has a negotiated rate under Rate Schedule FTS-2 with BG
20 LNG Services, Inc. ("BG LNG"). The negotiated rate is shown in Exhibit No.
21 TLNG-3, which is included and discussed in the testimony of Trunkline LNG's
22 witness Mr. Langston.

1 **Q.** **Does this complete your prepared direct testimony?**

2 **A.** Yes, it does.

The State of Texas }
 } SS.
County of Harris }

BEFORE ME, the undersigned authority, on this day personally appeared
William W. Grygar, who being by me first duly sworn, on oath deposes and says:

That he is the William W. Grygar, offering the foregoing prepared direct testimony
and that all statements of fact contained therein are true and correct to the best of his
knowledge, information and belief.

 /s/ William W. Grygar
William W. Grygar

Subscribed and sworn to before me this 30th day of June, 2009.

 /s/ Suzanne Samano
Notary Public

My Commission Expires:

 April 6, 2010

TRUNKLINE LNG COMPANY, LLC

Functionalization of
Cost of Service - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	LNG Terminaling & Processing (a)	Total (b)
	<u>Operating Expenses</u>		
1	Operations and Maintenance	\$ 2,808,569	\$ 2,808,569
2	Administrative & General	<u>2,971,289</u>	<u>2,971,289</u>
3	Total Operating Expenses	5,779,858	5,779,858
4	Depreciation Expense	12,342,411	12,342,411
5	Taxes Other Than Income	618,824	618,824
6	Return @ 11.00%	22,974,446	22,974,446
7	Federal Income Taxes	10,380,273	10,380,273
8	State Income Taxes	<u>2,578,950</u>	<u>2,578,950</u>
9	Total	<u>\$ 54,674,762</u>	<u>\$ 54,674,762</u>

TRUNKLINE LNG COMPANY, LLC

Classification of LNG Terminating & Processing - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Acct. No.	Description	Total (a)	Fixed (b)	Variable (c)	Total (d)	Reservation (e)	Usage (f)
		<u>LNG Terminating & Processing Expenses</u>						
		Operation						
1	844.10	Supervision and Engineering	\$ 645,731	\$ 645,731	\$ -	\$ 645,731	\$ 645,731	\$ -
2	844.20	LNG Processing Terminal Labor and Expenses	1,048,963	1,048,963	-	1,048,963	1,048,963	-
3	844.70	Communication System Expenses	11,134	11,134	-	11,134	11,134	-
4	845.40	Demurrage Charges	16,441	16,441	-	16,441	16,441	-
5	846.20	Other Expenses	(3,159)	(3,159)	-	(3,159)	(3,159)	-
6		Total Operation	1,719,110	1,719,110	-	1,719,110	1,719,110	-
		<u>Maintenance</u>						
7	847.10	Supervision and Engineering	710	710	-	710	710	-
8	847.20	Structures and Improvements	123,982	123,982	-	123,982	123,982	-
9	847.30	LNG Processing Terminal Equipment	856,974	856,974	-	856,974	856,974	-
10	847.80	Other Equipment	107,793	107,793	-	107,793	107,793	-
11		Total Maintenance	1,089,459	1,089,459	-	1,089,459	1,089,459	-
12		Administrative & General Expense	2,971,289	2,971,289	-	2,971,289	2,971,289	-
13		Total Operating Expenses	5,779,858	5,779,858	-	5,779,858	5,779,858	-
14		Depreciation, Depl. And Amortization	12,342,411	12,342,411	-	12,342,411	12,342,411	-
15		Taxes-Other than Income	618,824	618,824	-	618,824	618,824	-
16		Return @ 11.00%	22,974,446	22,974,446	-	22,974,446	22,974,446	-
17		Federal Income Taxes	10,380,273	10,380,273	-	10,380,273	10,380,273	-
18		State Income Taxes	2,578,950	2,578,950	-	2,578,950	2,578,950	-
19		Total LNG Terminating & Processing	\$ 54,674,762	\$ 54,674,762	\$ -	\$ 54,674,762	\$ 54,674,762	\$ -

TRUNKLINE LNG COMPANY, LLC
Cost of Service - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)
	<u>Operating Expenses</u>		
	<u>LNG Terminaling & Processing</u>		
1	Operations and Maintenance	Schedule I-1(a), Page 2	\$ 2,808,569
2	Administrative & General	Schedule I-1(d), Page 4	<u>2,971,289</u>
3	Total Operating Expenses		5,779,858
4	Depreciation Expense	Schedule I-1(a), Page 3	12,342,411
5	Taxes Other Than Income	Schedule I-1(a), Page 4	618,824
6	Return @ 11.00%	Schedule I-1(a), Page 5	22,974,446
7	Federal Income Taxes	Schedule I-1(a), Page 9	10,380,273
8	State Income Taxes	Schedule I-1(a), Page 9	<u>2,578,950</u>
9	Total		\$ <u><u>54,674,762</u></u>

TRUNKLINE LNG COMPANY, LLC

Operation and Maintenance Expenses - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	FERC Acct	Description	Expansion 1/		
			Labor (a)	S&E (b)	Total (c)
		<u>LNG Terminating & Processing Expenses</u>			
1	844.10	Supervision and Engineering	\$ 319,636	\$ 326,095	\$ 645,731
2	844.20	LNG Processing Terminal Labor and Expenses	316,490	732,473	1,048,963
3	844.30	Liquefaction Processing Labor and Expenses	-	-	-
4	844.40	LNG Transportation Labor and Expenses	-	-	-
5	844.50	Measuring and Regulating Labor and Expenses	-	-	-
6	844.60	Compressor Station Labor and Expenses	-	-	-
7	844.70	Communication System Expenses	2,558	8,576	11,134
8	844.80	System Control and Load Dispatching	-	-	-
9	845.10	Fuel	-	-	-
10	845.20	Power	-	-	-
11	845.30	Rents	-	16,441	16,441
12	845.40	Demurrage Charges	-	-	-
13	845.50	Wharfage Receipts-Credits	-	-	-
14	845.60	Processing Liquified or Vaporized Gas by Others	-	-	-
15	846.10	Gas Losses	-	-	-
16	846.20	Other Expenses	-	-	-
17		Total Operation	638,684	(3,159)	(3,159)
				1,080,426	1,719,110
		<u>Supervision and Engineering</u>			
18	847.10	Structures and Improvements	-	710	710
19	847.20	LNG Processing Terminal Equipment	27,461	96,521	123,982
20	847.30	LNG Transportation Equipment	230,736	626,238	856,974
21	847.40	Measuring and Regulating Equipment	-	-	-
22	847.50	Compressor Station Equipment	-	-	-
23	847.60	Communication Equipment	-	-	-
24	847.70	Other Equipment	-	-	-
25	847.80	Total Maintenance	68,655	39,138	107,793
26			326,852	762,607	1,089,459
27		Total Terminating and Processing Expenses	965,536	1,843,033	2,808,569

TRUNKLINE LNG COMPANY, LLC

Depreciation, Depletion and Amortization - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Depreciable Plant 1/ (a)	Depreciation Rate (b)	Depreciation Expense (c)
	<u>Account 403 - Depreciation</u>			
	<u>LNG Terminaling & Processing</u>			
	<u>Direct</u>			
1	Expansion	244,771,339	5.00%	12,238,567
2	Total LNG Terminaling & Processing - Direct	244,771,339		12,238,567
	<u>General Plant Allocated</u>			
	<u>Expansion</u>			
3	Office Furniture & Equipment	311,273	3.50%	10,895
4	Computer Equipment	88,002	12.50%	11,000
5	Autos & Pickups	65,689	25.00%	16,422
6	Tools Shop & Lab Equip	332,339	1.86%	6,182
7	Power Operated Equipment	23,549	8.00%	1,884
8	Total Expansion General Plant	820,852		46,383
	<u>Account 404 - Amortization</u>			
	<u>LNG Terminaling & Processing - Leaseholds - Allocated</u>			
9	Expansion	808,638	1.86%	15,041
10	Total LNG Terminaling & Processing Leaseholds - Allocated	808,638		15,041
	<u>Intangible - Allocated</u>			
11	Expansion	283,745	14.950%	42,420
12	Total Allocated Intangible Plant	283,745		42,420
13	Total Account 404 - Amorization Plant	1,092,383		57,461
14	Total Depreciation, Depletion & Amortization	\$ 246,684,574		\$ 12,342,411

1/ See Schedule I-1(d), Page 5

TRUNKLINE LNG COMPANY, LLC

Summary - Other Taxes - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Total (a)</u>
1	Ad Valorem	Schedule 1-1(d), Page 14	\$ 321,913
2	Franchise	Schedule 1-1(d), Page 15	161,871
3	Payroll	Schedule 1-1(d), Page 15	109,945
4	Other State Taxes	Schedule 1-1(d), Page 15	<u>25,095</u>
5	Total Taxes Other Than Income		\$ <u><u>618,824</u></u>

TRUNKLINE LNG COMPANY, LLC
Rate Base and Return - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Total (a)</u>
1	Plant	Schedule 1-1(a), Page 6	\$ 248,434,557
2	Accumulated Provision for Depreciation	Schedule 1-1(a), Page 7	<u>(36,200,619)</u>
3	Net Plant		212,233,938
4	Accumulated Deferred Income Taxes	Schedule 1-1(d), Page 16	(5,060,831)
5	Working Capital	Schedule 1-1(d), Page 13	<u>1,685,496</u>
6	Rate Base		\$ <u>208,858,603</u>
7	Return on Rate Base at 11%		\$ <u>22,974,446</u>

TRUNKLINE LNG COMPANY, LLC
Gas Plant In Service Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)
1	<u>Plant</u> LNG Terminating & Processing	Schedule I-1(d), Page 5, Line 1	\$ 244,771,339
2	Intangible	Schedule I-1(d), Page 5, Line 2	-
3	Allocated LNG Terminating & Processing	Schedule I-1(d), Page 5, Line 6	903,011
4	Allocated General Plant	Schedule I-1(d), Page 5, Line 12	820,852
5	Allocated Intangible Plant	Schedule I-1(d), Page 5, Line 14	283,745
6	Heel Gas	Schedule I-1(d), Page 5, Line 17	<u>1,655,610</u>
7	Total Plant		<u>\$ 248,434,557</u>

TRUNKLINE LNG COMPANY, LLC

Accumulated Provision for Depreciation, Depletion and Amortization - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)
	Account 108 Accumulated Provisions for Depreciation of Gas Plant in Service		
1	LNG Terminaling & Processing	Schedule I-1(d), Page 11, Line 1	\$ (35,061,498)
2	Intangible	Schedule I-1(d), Page 11, Line 2	-
3	Allocated LNG Terminaling & Processing	Schedule I-1(d), Page 11, Line 6	(626,598)
4	Allocated General Plant	Schedule I-1(d), Page 11, Line 12	(400,706)
5	Allocated Intangible Plant	Schedule I-1(d), Page 11, Line 14	<u>(111,817)</u>
6	Subtotal		(36,200,619)
7	Retirement Work In Progress		<u>-</u>
8	Total Accumulated Provision		\$ <u><u>(36,200,619)</u></u>

TRUNKLINE LNG COMPANY, LLC

Working Capital - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Total (a)</u>
1	Cash Working Capital		\$ -
2	Materials and Supplies	Schedule I-1(d), Page 13	1,587,830
3	Prepayments	Schedule I-1(d), Page 13	<u>97,666</u>
4	Total Working Capital		\$ <u><u>1,685,496</u></u>

TRUNKLINE LNG COMPANY, LLC

Income Taxes - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)
	<u>Federal Income Tax</u>		
1	Return on Rate Base @ 11.00%	Schedule B, Line 7	\$ <u>22,974,446</u>
	<u>Federal Income Tax Adjustments</u>		
2	Interest and Debt Expense	Schedule I-1(a), Page 10 , Line 3	<u>(3,696,797)</u>
3	Net FIT Adjustment		<u>(3,696,797)</u>
4	Return after FIT Adjustments		\$ <u><u>19,277,649</u></u>
	<u>Federal Income Taxes @ 35%</u>		
5	Tax on Tax Rate of 53.846154%		\$ <u><u>10,380,273</u></u>
	<u>State Tax Rate @ 8%</u>		
6	Tax on Tax Rate of 8.695652%		\$ <u><u>2,578,950</u></u>

TRUNKLINE LNG COMPANY, LLC

Federal and State Income Tax Deductions - Expansion Facilities

Twelve Months Ended March 31, 2009, As Adjusted

EXHIBIT NO. TLNG-25
Page 10
Docket No. RP09-____-000
Schedule I-1(a)
Page 10

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Total (a)</u>
1	Rate Base	Schedule 1-1(a), Page 5	\$ 208,858,603
2	Rate of Return on Long Term Debt	Schedule F-2	<u>1.77%</u>
3	Interest and Debt Expense		\$ <u><u>3,696,797</u></u>

TRUNKLINE LNG COMPANY, LLC

Basis of Allocation of General or Common Costs to Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Direct Plant		Direct Labor	
		Amount (a)	Percentage To System (b)	Amount (c)	Percentage To System (d)
	<u>Direct LNG Terminaling & Processing Facilities</u>				
1	Base	\$ 490,129,907	66.69330%	\$ 3,936,445	80.30310%
2	Expansion	244,771,339	33.30670%	965,536	19.69690%
3	Total Direct LNG Facilities	\$ 734,901,246	100.00000%	\$ 4,901,981	100.00000%

TRUNKLINE LNG COMPANY, LLC

Basis for Allocation of Operation and Maintenance Expenses
Between Base and Expansion Facilities

Line No.	Description	Operation and Maintenance Expenses 1/		Allocation Factor - Percentage to Total	
		Base (a)	Expansion (b)	Base (d)	Expansion (e) Total (f)
	Operations				
1	Labor	\$ 2,678,493	\$ 481,217	\$ 3,159,710	
2	Supplies & Expenses	716,082	623,933	1,340,015	100.00%
3	Subtotal	3,394,575	1,105,150	4,499,725	100.00%
	Maintenance				
4	Labor	676,840	579,932	1,256,772	
5	Supplies & Expenses	1,446,229	761,586	2,207,815	100.00%
6	Subtotal	2,123,069	1,341,518	3,464,587	100.00%
7	Total Operations & Maintenance	\$ 5,517,644	\$ 2,446,668	\$ 7,964,312	

1/ Operation and maintenance expenses for the Base facilities are as filed in Docket No. RP01-445. Operation and maintenance expenses for the Expansion facilities are the sum of those as filed in Docket Nos. CP02-60-003 and CP02-60-004.

TRUNKLINE LNG COMPANY, LLC

Operation and Maintenance Expenses
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	FERC Acct	Description	Total Per Books, As Adjusted						Expansion S&E (h)	Total (i)
			Labor (a)	S&E (b)	Total (c)	Labor (d)	Base S&E (e)	Total (f)	Labor (g)	Total (i)
1	844.10	LNG Terminaling & Processing Expenses								
2	844.20	Supervision and Engineering	\$ 2,088,724	\$ 700,375	\$ 2,789,099	\$ 1,779,088	\$ 374,280	\$ 2,153,368	\$ 319,636	\$ 326,095
3	844.30	LNG Processing Terminal Labor and Expenses	2,078,070	1,573,181	3,651,251	1,761,560	840,708	2,602,268	316,490	645,731
4	844.40	Liquefaction Processing Labor and Expenses	-	-	-	-	-	-	-	1,048,963
5	844.50	LNG Transportation Labor and Expenses	-	-	-	-	-	-	-	-
6	844.60	Measuring and Regulating Labor and Expenses	-	-	-	-	-	-	-	-
7	844.70	Compressor Station Labor and Expenses	-	-	-	-	-	-	-	-
8	844.80	Communication System Expenses	16,796	18,420	35,216	14,238	9,844	24,082	2,568	11,134
9	845.10	System Control and Load Dispatching	-	-	-	-	-	-	-	-
10	845.20	Fuel	-	-	-	-	-	-	-	-
11	845.30	Power	-	-	-	-	-	-	-	-
12	845.40	Rents	-	-	-	-	-	-	-	-
13	845.50	Demurrage Charges	-	35,311	35,311	-	18,870	18,870	-	16,441
14	845.60	Wharfage Receipts-Credits	-	-	-	-	-	-	-	-
15	846.10	Processing, Liquefied or Vaporized Gas by Others	-	-	-	-	-	-	-	-
16	846.20	Gas Losses	-	-	-	-	-	-	-	-
17		Other Expenses	-	-	-	-	-	-	-	-
		Total Operation	4,193,590	(6,785)	(6,785)	3,554,906	(3,826)	(3,826)	638,684	(3,159)
				2,320,502	6,514,092		1,240,076	4,794,982		1,080,426
18	847.10	Supervision and Engineering	-	2,057	2,057	-	1,347	1,347	-	710
19	847.20	Structures and Improvements	59,517	279,772	339,289	32,056	183,251	215,307	27,461	123,982
20	847.30	LNG Processing Terminal Equipment	500,077	1,815,183	2,315,260	269,341	1,188,945	1,458,286	230,736	855,974
21	847.40	LNG Transportation Equipment	-	-	-	-	-	-	-	-
22	847.50	Measuring and Regulating Equipment	-	-	-	-	-	-	-	-
23	847.60	Compressor Station Equipment	-	-	-	-	-	-	-	-
24	847.70	Communication Equipment	-	-	-	-	-	-	-	-
25	847.80	Other Equipment	148,797	113,444	262,241	80,142	74,306	154,448	68,655	107,793
26		Total Maintenance	708,391	2,210,456	2,918,847	381,539	1,447,849	1,829,388	326,852	1,089,459
27		Total Terminaling and Processing Expenses	4,901,981	4,530,958	9,432,939	3,936,445	2,687,925	6,624,370	965,536	1,843,033
										\$ 2,808,589
28		Allocation Percentages								
29		Operations	100.00%	100.00%		84.77%	53.44%		15.23%	46.56%
		Maintenance	100.00%	100.00%		53.86%	65.50%		46.14%	34.50%

TRUNKLINE LNG COMPANY, LLC

Allocation of A&G Expenses
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	FERC Acct.	Description	Total Expenses (a)	Labor (b)	Plant (c)	Other (d)	LNG Services	
							Base (e)	Expansion (f)
1	903.00	Customer Accounts Expense						
2	904.00	Customer Records & Collections	\$ 45	\$ 45	\$ -	\$ -		
		Uncollectible Accounts 1/	-	-	-	-		
3		Total Customer Accounts Expense	45	45	-	-		
4		Sales Expense						
	912.00	Office Supplies & Expenses	33,350	33,350	-	-		
5		Total Customer Accounts & Sales Expense	33,395	33,395	-	-		
6		A&G - Allocated						
7	920.00	Administrative & General Expenses	\$ 4,205,787	\$ 4,205,787	\$ -	\$ -		
8	921.00	Office Supplies & Expenses	4,246,561	4,246,561	-	-		
9	922.00	Admin. Expenses Transferred	(441,092)	(441,092)	-	-		
10	923.00	Outside Services Employed	391,898	-	-	391,898		
11	924.00	Property Insurance	1,635,116	-	1,635,116	-		
12	925.00	Injuries & Damages	430,199	430,199	-	-		
13	926.00	Employee Pensions & Benefits	1,447,533	1,447,533	-	-		
14	928.00	Regulatory Commission Expenses	4,597	-	-	4,597		
15	930.10	General Advertising Expense	-	-	-	-		
16	930.20	Miscellaneous General Expenses	1,422,556	-	-	1,422,556		
17	931.00	Rents	406,933	406,933	-	-		
	935.00	Maintenance of General Plant	-	-	-	-		
18		Total A&G Expense	13,750,088	10,295,921	1,635,116	1,819,051		
19		Facility Percentages						
20		LNG Base Facilities		80.3031%	66.6933%			
		Expansion Facilities		19.6969%	33.3067%			
21		A&G Allocation						
22		Plant					\$ 8,294,761	\$ 2,034,555
							1,090,513	544,603
23		A&G Labor/Plant Allocation					9,385,274	2,579,158
24		Other						
25		LNG Base Facilities				78.4431%	1,426,920	-
		Expansion Facilities				21.5569%	-	392,131
26		Total A&G Allocation					\$ 10,812,194	\$ 2,971,289

TRUNKLINE LNG COMPANY, LLC

Total Plant With Allocations
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Base (a)	Expansion (b)	Total (c)
Direct Plant				
Gas Plant In Service				
1	LNG Terminaling & Processing	\$ 490,129,907	\$ 244,771,339	\$ 734,901,246
	Depreciable			
2	Intangible	1,085,309	-	1,085,309
	Amortization			
3	Total Direct Plant	491,215,216	244,771,339	735,986,555
Allocated				
LNG Terminaling & Processing 1/				
4	Leasholds	1,619,217	808,638	2,427,855
5	Land Owned in Fee	188,972	94,373	283,345
6	Total Allocated LNG Terminaling & Processing Plant	1,808,189	903,011	2,711,200
General Plant 1/				
7	Office Furniture & Equipment	623,293	311,273	934,566
8	Computer Equipment	176,215	88,002	264,217
9	Autos & Pickups	131,536	65,689	197,225
10	Tools Shop & Lab Equip	665,475	332,339	997,814
11	Power Operated Equipment	47,154	23,549	70,703
12	Total Allocated General Plant	1,643,673	820,852	2,464,525
Intangible 1/				
13	Computer Software	568,172	283,745	851,917
14	Total Allocated Intangible Plant	568,172	283,745	851,917
15	Total LNG Terminaling & Process, General & Intangible Allocated	4,020,034	2,007,608	6,027,642
16	Total Gas Plant In Service	495,235,250	246,778,947	742,014,197
17	Heel Gas	1,348,554	1,655,610	3,004,164
18	Total Gas Plant	496,583,804	248,434,557	745,018,361
1/ Allocated using Direct Plant on Schedule I-1(d), Page 1		66.69330%	33.30670%	100.00000%

TRUNKLINE LNG COMPANY, LLC

Total Depreciable Plant With Allocations
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Base (a)	Expansion (b)	Total (c)
Direct Plant				
Gas Plant In Service				
1	LNG Terminaling & Processing Depreciable	\$ 490,129,907	\$ 244,771,339	\$ 734,901,246
2	Intangible Amortization	1,085,309	-	1,085,309
3	Total Direct Plant	491,215,216	244,771,339	735,986,555
Allocated				
4	LNG Terminaling & Processing 1/			
5	Leaseholds	1,619,217	808,638	2,427,855
6	Land Owned in Fee	-	-	-
	Total Allocated LNG Terminaling & Processing Plant	1,619,217	808,638	2,427,855
7	General Plant 1/			
8	Office Furniture & Equipment	623,293	311,273	934,566
9	Computer Equipment	176,215	88,002	264,217
10	Autos & Pickups	131,536	65,689	197,225
11	Tools Shop & Lab Equip	665,475	332,339	997,814
	Power Operated Equipment	47,154	23,549	70,703
12	Total Allocated General Plant	1,643,673	820,852	2,464,525
13	Intangible 1/			
	Computer Software	568,172	283,745	851,917
14	Total Allocated Intangible Plant	568,172	283,745	851,917
15	Total LNG Terminaling & Processing, General & Intangible Allocated	3,831,062	1,913,235	5,744,297
16	Total Gas Plant In Service - Depreciable	\$ 495,046,278	\$ 246,684,574	\$ 741,730,852
17	Heel Gas	\$ -	\$ -	\$ -
	1/ Allocated using Direct Plant on Schedule I-1(d), Page 1	66.69330%	33.30670%	100.00000%

TRUNKLINE LNG COMPANY, LLC

Total Non-Depreciable Plant With Allocations
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Base (a)	Expansion (b)	Total (c)
Direct Plant				
Gas Plant In Service				
<u>LNG Terminaling & Processing</u>				
1	Depreciable	\$ -	\$ -	\$ -
<u>Intangible</u>				
2	Amortization	-	-	-
3	Total Direct Plant	-	-	-
Allocated				
<u>LNG Terminaling & Processing 1/</u>				
4	Leaseholds	-	-	-
5	Land Owned in Fee	188,972	94,373	283,345
6	Total Allocated LNG Terminaling & Processing Plant	188,972	94,373	283,345
<u>General Plant 1/</u>				
7	Office Furniture & Equipment	-	-	-
8	Computer Equipment	-	-	-
9	Autos & Pickups	-	-	-
10	Tools Shop & Lab Equip	-	-	-
11	Power Operated Equipment	-	-	-
12	Total Allocated General Plant	-	-	-
<u>Intangible 1/</u>				
13	Computer Software	-	-	-
14	Total Allocated Intangible Plant	-	-	-
15	Total LNG Terminaling & Processing, General & Intangible Allocated	188,972	94,373	283,345
16	Total Gas Plant In Service - Non-Depr	\$ 188,972	\$ 94,373	\$ 283,345
17	Heel Gas	\$ 1,348,554	\$ 1,655,610	\$ 3,004,164
1/ Allocated using Direct Plant on Schedule I-1(d), Page 1		66.69330%	33.30670%	100.000000%

TRUNKLINE LNG COMPANY, LLC

General Plant Allocation - Summary
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Base (a)	Expansion (b)	Total (c)
Allocated				
<u>LNG Terminaling & Processing 1/</u>				
1	Leaseholds	\$ 1,619,217	\$ 808,638	\$ 2,427,855
2	Land Owned in Fee	188,972	94,373	283,345
3	Total Allocated LNG Terminaling & Processing Plant	1,808,189	903,011	2,711,200
<u>General Plant 1/</u>				
4	Office Furniture & Equipment	623,293	311,273	934,566
5	Computer Equipment	176,215	88,002	264,217
6	Autos & Pickups	131,536	65,689	197,225
7	Tools Shop & Lab Equip	665,475	332,339	997,814
8	Power Operated Equipment	47,154	23,549	70,703
9	Total Allocated General Plant	1,643,673	820,852	2,464,525
<u>Intangible 1/</u>				
10	Computer Software	568,172	283,745	851,917
11	Total Allocated Intangible Plant	568,172	283,745	851,917
12	Total LNG Terminaling & Processing, General & Intangible Allocated	\$ 4,020,034	\$ 2,007,608	\$ 6,027,642

1/ Allocated using Direct Plant on Schedule I-1(d), Page 1

100.000000%

33.30670%

66.69330%

TRUNKLINE LNG COMPANY, LLC

General Plant Allocation - Depreciable
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Base (a)	Expansion (b)	Total (c)
Allocated				
<u>LNG Terminaling & Processing 1/</u>				
1	Leaseholds	\$ 1,619,217	\$ 808,638	\$ 2,427,855
2	Land Owned in Fee	-	-	-
3	Total Allocated LNG Terminaling & Processing Plant	1,619,217	808,638	2,427,855
<u>General Plant 1/</u>				
4	Office Furniture & Equipment	623,293	311,273	934,566
5	Computer Equipment	176,215	88,002	264,217
6	Autos & Pickups	131,536	65,689	197,225
7	Tools Shop & Lab Equip	665,475	332,339	997,814
8	Power Operated Equipment	47,154	23,549	70,703
9	Total Allocated General Plant	1,643,673	820,852	2,464,525
<u>Intangible 1/</u>				
10	Computer Software	568,172	283,745	851,917
11	Total Allocated Intangible Plant	568,172	283,745	851,917
12	Total LNG Terminaling & Processing, General & Intangible Allocated	\$ 3,831,062	\$ 1,913,235	\$ 5,744,297
1/ Allocated using Direct Plant on Schedule I-1(d), Page 1			66.693330%	33.30670%
				100.000000%

TRUNKLINE LNG COMPANY, LLC

General Plant Allocation - Non-Depreciable
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Base (a)	Expansion (b)	Total (c)
Allocated				
<u>LNG Terminaling & Processing 1/</u>				
1	Leaseholds	\$ -	\$ -	\$ -
2	Land Owned in Fee	188,972	94,373	283,345
3	Total Allocated LNG Terminaling & Processing Plant	188,972	94,373	283,345
<u>General Plant 1/</u>				
4	Office Furniture & Equipment	-	-	-
5	Computer Equipment	-	-	-
6	Autos & Pickups	-	-	-
7	Tools Shop & Lab Equip	-	-	-
8	Power Operated Equipment	-	-	-
9	Total Allocated General Plant	-	-	-
<u>Intangible 1/</u>				
10	Computer Software	-	-	-
11	Total Allocated Intangible Plant	-	-	-
12	Total LNG Terminaling & Processing, General & Intangible Allocated	\$ 188,972	\$ 94,373	\$ 283,345
1/ Allocated using Direct Plant on Schedule I-1(d), Page 1		66.693330%	33.30670%	100.000000%

TRUNKLINE LNG COMPANY, LLC

Total Plant Provision for Accumulated Depreciation, Depletion and Amortization Summary
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Base (a)	Expansion (b)	Total (c)
	Direct Plant			
	Gas Plant In Service			
	<u>LNG Terminaling & Processing</u>			
1	Depreciable	\$ (338,072,413)	\$ (35,061,498)	\$ (373,133,911)
	<u>Intangible</u>			
2	Amortization	(827,598)	-	(827,598)
3	Total Direct Plant	(338,900,011)	(35,061,498)	(373,961,509)
	Allocated			
	<u>LNG Terminaling & Processing 1/</u>			
4	Leaseholds	(1,254,699)	(626,598)	(1,881,297)
5	Land Owned in Fee	-	-	-
6	Total Allocated LNG Terminaling & Processing Plant	(1,254,699)	(626,598)	(1,881,297)
	<u>General Plant 1/</u>			
7	Office Furniture & Equipment	(320,645)	(160,131)	(480,776)
8	Computer Equipment	(36,043)	(18,000)	(54,043)
9	Autos & Pickups	(31,062)	(15,513)	(46,575)
10	Tools Shop & Lab Equip	(413,052)	(206,279)	(619,331)
11	Power Operated Equipment	(1,567)	(783)	(2,350)
12	Total Allocated General Plant	(902,369)	(400,706)	(1,203,075)
	<u>Intangible 1/</u>			
13	Computer Software	(223,902)	(111,817)	(335,719)
14	Total Allocated Intangible Plant	(223,902)	(111,817)	(335,719)
15	Total LNG Terminaling & Processing, General & Intangible Allocated	(2,280,970)	(1,139,121)	(3,420,091)
16	Total Accumulated DD & A	\$ (341,180,981)	\$ (36,200,619)	\$ (377,381,600)
	1/ Allocated using Direct Plant on Schedule I-1(d), Page 1	66.69330%	33.30670%	100.00000%

TRUNKLINE LNG COMPANY, LLC

General Plant Provision for Accumulated Depreciation, Depletion and Amortization
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Base (a)	Expansion (b)	Total (c)
Allocated				
<u>LNG Terminaling & Processing 1/</u>				
1	Leaseholds	\$ (1,254,699)	\$ (626,598)	\$ (1,881,297)
2	Land Owned in Fee	-	-	-
3	Total Allocated LNG Terminaling & Processing Plant	<u>(1,254,699)</u>	<u>(626,598)</u>	<u>(1,881,297)</u>
<u>General Plant 1/</u>				
4	Office Furniture & Equipment	(320,645)	(160,131)	(480,776)
5	Computer Equipment	(36,043)	(18,000)	(54,043)
6	Autos & Pickups	(31,062)	(15,513)	(46,575)
7	Tools Shop & Lab Equip	(413,052)	(206,279)	(619,331)
8	Power Operated Equipment	(1,567)	(783)	(2,350)
9	Total Allocated General Plant	<u>(802,369)</u>	<u>(400,706)</u>	<u>(1,203,075)</u>
<u>Intangible 1/</u>				
10	Computer Software	(223,902)	(111,817)	(335,719)
11	Total Allocated Intangible Plant	<u>(223,902)</u>	<u>(111,817)</u>	<u>(335,719)</u>
12	Total LNG Terminaling & Processing, General & Intangible Allocated	<u><u>\$ (2,280,970)</u></u>	<u><u>\$ (1,139,121)</u></u>	<u><u>\$ (3,420,091)</u></u>
1/ Allocated using Direct Plant on Schedule I-1(d), Page 1		66.693330%	33.30670%	100.000000%

TRUNKLINE LNG COMPANY, LLC
Working Capital Allocated
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages 1/ (a)	Total As Adjusted (b)	Allocated Amount (c)
1	Materials and Supplies				
2	Base	Schedule I-1(d), Page 1	66.69330%	\$ 4,767,299	\$ 3,179,469
3	Expansion	Schedule I-1(d), Page 1	33.30670%		1,587,830
4	Prepayments - Insurance			293,233	
5	Base	Schedule I-1(d), Page 1	66.69330%		195,567
6	Expansion	Schedule I-1(d), Page 1	33.30670%		97,666
7	Total Working Capital			\$ <u>5,060,532</u>	\$ <u>5,060,532</u>

1/ Allocated using Direct Plant on Schedule I-1(d), Page1

TRUNKLINE LNG COMPANY, LLC
Ad Valorem Taxes Allocated
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages 1/ (a)	Total As Adjusted (b)	Allocated Amount (c)
	Ad Valorem				
1	Louisiana			\$ 966,511	\$
2	Base	Schedule I-1(d), Page 1	66.69330%		644,598
3	Expansion	Schedule I-1(d), Page 1	33.30670%		321,913
4	Total Ad Valorem Taxes			\$ <u>966,511</u>	\$ <u>966,511</u>

1/ Allocated using Direct Plant on Schedule I-1(d), Page1

TRUNKLINE LNG COMPANY, LLC
Miscellaneous Taxes Other Than Income Taxes Allocated
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages 1/ (a)	Total As Adjusted (b)	Allocated Amount (c)
1	Franchise (Louisiana)			\$ 486,000	\$
2	Base	Schedule I-1(d), Page 1	66.69330%		324,129
3	Expansion	Schedule I-1(d), Page 1	33.30670%		161,871
4	Payroll			558,184	
5	Base	Schedule I-1(d), Page 1	80.30310%		448,239
6	Expansion	Schedule I-1(d), Page 1	19.69690%		109,945
	Compressor Usage Tax				
7	Louisiana			75,121	
8	Base	Schedule I-1(d), Page 1	66.69330%		50,101
9	Expansion	Schedule I-1(d), Page 1	33.30670%		25,020
	Other State Taxes				
10	Delaware			200	
11	Base	Schedule I-1(d), Page 1	66.69330%		133
12	Expansion	Schedule I-1(d), Page 1	33.30670%		67
12	Louisiana			25	
13	Base	Schedule I-1(d), Page 1	66.69330%		17
14	Expansion	Schedule I-1(d), Page 1	33.30670%		8
15	Total Miscellaneous Taxes Other Than Income			<u>1,119,530</u>	<u>1,119,530</u>
16	Total Taxes Other Than Income			<u>\$ 2,086,041</u>	<u>\$ 2,086,041</u>

1/ Allocated using Direct Plant on Schedule I-1(d), Page1

TRUNKLINE LNG COMPANY, LLC
Deferred Income Taxes - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages 1/ (a)	Detail (b)	Amount (c)
1	Deferred Income Taxes - Allocable			\$ <u>285,683</u>	
2	Base	Schedule I-1(d), Page 1	66.69330%	\$ 190,531	\$
3	Expansion	Schedule I-1(d), Page 1	33.30670%		95,152
4	Deferred Income Taxes - Direct	Schedule B-2, Page 2			<u>(5,155,983)</u>
5	Total Deferred Income Taxes - Expansion Facilities				\$ <u>(5,060,831)</u>

1/ Allocated using Direct Plant on Schedule I-1(d), Page1

TRUNKLINE LNG COMPANY, LLC

Comparison of Actual Revenues with Cost of Service - Expansion Facilities
Twelve Months Ended March 31, 2009, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Actual Revenues (a)</u>	<u>Cost of Service (b)</u>
1	Terminaling & Processing	\$ 68,521,680	\$ 54,674,762
2	Other	<u>-</u>	<u>-</u>
3	Total	\$ <u>68,521,680</u> 1/	\$ <u>54,674,762</u> 2/

1/ Schedule G, Page 1, Column (a), Line 13, excluding ACA, and Electric Power which is direct billed pursuant to Section 20 of Trunkline LNG's FERC Gas Tariff, Second Revised Volume No. 1-A.

2/ Schedule I-1, Column (a), Line 9.

TRUNKLINE LNG COMPANY, LLC

Summary of Billing Determinants
Twelve Months Ended March 31, 2009, As Adjusted

Line No.	Description	Annual Reservation Units			Annual Usage Units		
		Schedule G-2 (a)	Adjustment (b)	Schedule J-2 (c)	Schedule G-2 (d)	Adjustment (e)	Schedule J-2 (f)
1	Rate Schedule FTS-2						
2	Reservation Overrun	427,050,000 1/	-	98,550,000 2/	427,050,000	-	427,050,000
		-	-	-	-	-	-
3	Total Rate Schedule FTS-2	427,050,000	-	98,550,000	427,050,000	-	427,050,000
4	Rate Schedule ITS-2	-	16,200,000	16,200,000 3/	-	427,050,000	427,050,000
5	Total Rate Schedule ITS-2	-	16,200,000	16,200,000	-	427,050,000	427,050,000

1/ Reflects negotiated rate agreement billing determinants.

2/ Reflects annual rate design determinants equivalent to 1/10th of the expansion capacity (270,000 Dt) times the number of days in the year (365), per Rate Schedule FTS-2.

3/ Reflects Annual Average Day Inventory. See Schedule J-2, Page 3.

TRUNKLINE LNG COMPANY, LLC

Rate Schedule FTS-2
Derivation of Rates

Line No.	Description	Firm Service	
		Daily Reservation	Usage
		(a)	(b)
<u>FTS-2 Terminal Service</u>			
1	Annual Costs	<u>\$ 54,674,762</u>	<u>\$ -</u>
	<u>Reservation</u>		
2	Daily Design Units	270,000 1/	1,170,000
3	Annualization Factor	<u>365</u>	<u>365</u>
4	Daily Design Units	<u>98,550,000</u>	<u>427,050,000</u>
5	Daily Rate	<u>\$ 0.5548</u>	<u>\$ -</u>
	<u>Overrun</u>		
6	Daily Costs	\$ 149,794	
7	Design Units	<u>2,700,000 2/</u>	
8	Overrun Rate	<u>\$ 0.0555</u>	

1/ Reflects 1/10th of the Maximum Contract Storage Capacity (MCSC) associated with the Expansion Facilities.

2/ Reflects the Maximum Contract Storage Capacity (MCSC) associated with the Expansion Facilities.

TRUNKLINE LNG COMPANY, LLC

Rate Schedule ITS-2
Derivation of Rates

Line No.	Description	Interruptible Service	
		Inventory (a)	Usage (b)
	<u>ITS-2 Terminal Service</u>		
1	Annual Costs	\$ 54,674,762	\$ -
2	Design Units	<u>16,200,000</u> 1/	<u>427,050,000</u> 2/
3	Inventory Rate	<u>\$ 3.3750</u>	
4	Usage Rate		<u>\$ -</u>

1/ Reflects Annual Average Day Inventory. See Schedule J-2, Page 3.

2/ Reflects Maximum Design Deliverability units. See Schedule J-1.

TRUNKLINE GAS COMPANY, LLC

Rate Schedule ITS-2
Calculation of Interruptible Service Design Units

Line No.	Day (a)	Injection (b)	Withdrawal (c)	Balance (d)
1	1	2,700,000	-	2,700,000
2	2		93,103	2,606,897
3	3		93,103	2,513,793
4	4		93,103	2,420,690
5	5		93,103	2,327,586
6	6		93,103	2,234,483
7	7		93,103	2,141,379
8	8		93,103	2,048,276
9	9		93,103	1,955,172
10	10		93,103	1,862,069
11	11		93,103	1,768,966
12	12		93,103	1,675,862
13	13		93,103	1,582,759
14	14		93,103	1,489,655
15	15		93,103	1,396,552
16	16		93,103	1,303,448
17	17		93,103	1,210,345
18	18		93,103	1,117,241
19	19		93,103	1,024,138
20	20		93,103	931,034
21	21		93,103	837,931
22	22		93,103	744,828
23	23		93,103	651,724
24	24		93,103	558,621
25	25		93,103	465,517
26	26		93,103	372,414
27	27		93,103	279,310
28	28		93,103	186,207
29	29		93,103	93,103
30	30		93,103	-
31	Average Day			1,350,000
32	Annual Average Day			<u><u>16,200,000</u></u>