

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

**Florida Gas Transmission Company        §        Docket No. RP10-\_\_\_\_-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, Sea Robin Pipeline Company, LLC and Southwest Gas Storage  
11       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.

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

16   A.    I graduated from the University of Texas in May 1969 with a Bachelor of Business  
17        Administration Degree with a major in Finance. In December 1972, I received a

1 Master of Business Administration degree from Southwest Texas State University.

2 I am a certified public accountant.

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

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

7 **Q. Have you previously given testimony before the Federal Energy Regulatory**  
8 **Commission?**

9 A. Yes. My most recent testimony was submitted in Panhandle Eastern Pipe Line  
10 Co., Docket No. RP92-166-000, Trunkline Gas Co., Docket No. RP96-129-000,  
11 Transwestern Pipeline Company, LLC, Docket No. RP06-614-000, Sea Robin  
12 Pipeline Company, LLC, Docket No. RP07-513-000, Southwest Gas Storage  
13 Company, Docket No. RP07-541-000, and Trunkline LNG Company, LLC,  
14 Docket No. RP09-816-000.

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

16 A. My testimony will discuss Functionalization, Classification, and Allocation of the  
17 Overall Cost of Service for the FGT filing in this proceeding. Specifically, I will  
18 discuss: (1) certain aspects of cost classification, cost allocation, and the  
19 assignment and allocation of costs to FGT’s transportation rate areas, and (2) the  
20 roll-in justification for FGT’s Phase VII expansion project.

21 **Q. What Base Period is utilized by FGT for this filing?**

1 A. FGT has used a Base Period reflecting the actual data for the twelve months ended  
2 May 31, 2009. Adjustments were incorporated for known and measurable changes  
3 which will occur during the nine months succeeding the end of the Base Period,  
4 through February 28, 2010 (“Adjustment Period”). The Base Period, as adjusted  
5 for changes occurring in the Adjustment Period, is referenced as the “Test Period”.

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

7 A. I am responsible for the following exhibits:

8	<u>Exhibit No.</u>	<u>Reference</u>	<u>Description</u>
9	FGT-42	Schedule I-1.1	Functionalization of the Cost of
10		Schedule I-1.2	Service for Non-Incremental
11			Facilities and Incremental Facilities
12	FGT-43	Schedule I-2.1	Classification of the Cost of Service
13		Schedule I-2.2	for Non-Incremental Facilities and
14			Incremental Facilities
15	FGT-44	Schedule I-1(b)	Incremental and Non-Incremental
16			Facilities Cost of Service Detail
17	FGT-45	Schedule I-1(c).1	Cost of Service for Non-Incremental
18			Facilities – Western Division and
19			Market Area
20	FGT-46	Schedule I-1(d)	Allocation of Common or Joint Costs
21		Schedule I-1(d).1	to Non-Incremental Facilities and
22			Incremental Facilities
23	FGT-47	Schedule I-3	Allocation of the Cost of Service to
24			Transportation Services
25	FGT-48	Schedule I-1(c).2	Cost of Service for Incremental
26		Schedule I-1(d).2	Facilities – Phase VII Expansion
27	FGT-49	Schedule J-1.3	Roll-In Analysis – Phase VII
28			Expansion

1    **Q.   Were the statements and schedules contained in the above-referenced exhibits**  
2           **prepared by you or at your direction?**

3    A.   Yes.

4                                   **FUNCTIONALIZATION**

5    **Q.   How is FGT's cost of service functionalized?**

6    A.   Exhibit No. FGT-42 sets forth the functionalization of the Cost of Service for the  
7           Non-Incremental Facilities (Page 1) and the Incremental Facilities (Page 2). This  
8           exhibit reflects the Cost of Service provided by FGT Witness Rickey J. Brocato.  
9           This functionalization reflects that all of the Cost of Service is classified as  
10          transmission. FGT does not have any storage or gathering facilities.

11                                  **CLASSIFICATION**

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

13   A.   Yes, the functionalized costs have been classified in relationship to their  
14          characteristics as either fixed or variable costs. This classification is shown in  
15          Columns (a) through (d) on Pages 1 and 2 and Page 4 of my Exhibit No. FGT-43.  
16          Page 1 of Exhibit No. FGT-43 is a summary of the classification of the  
17          transmission cost of service for the Non-Incremental Facilities for the twelve  
18          months ended May 31, 2009, as adjusted. Page 2 of Exhibit No. FGT-43 is a  
19          summary of the classification of the Non-Incremental Facilities Western Division  
20          cost of service for the twelve months ended May 31, 2009, as adjusted. Page 4 of  
21          Exhibit No. FGT-43 is the classification of the cost of service for the Incremental  
22          Facilities for the twelve months ended May 31, 2009, as adjusted.

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

3    A.   Fixed costs are those costs which do not vary materially when gas throughput  
4       varies and variable costs are those costs which vary directly and materially with  
5       system throughput.

6    **Q.   What rate design methodology does FGT use in its filing?**

7    A.   FGT uses the Straight Fixed Variable (“SFV”) methodology for cost classification,  
8       cost allocation and rate design. Under this method, all of the transmission fixed  
9       costs, including return on equity and related income taxes, are included in the  
10      reservation component of transportation rates, and all variable costs are included in  
11      the usage component of transportation rates.

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

14   A.   Once costs have been identified as either fixed or variable, the costs are then  
15       classified for purposes of cost allocation and rate design as either reservation or  
16       usage. Page 1 of Exhibit No. FGT-43 shows the classification of the cost of  
17       service between the reservation and usage components using SFV principles in  
18       Columns (e) and (f) for the Non-Incremental Facilities. The only costs classified  
19       as variable are costs associated with the non-labor expenses for the operation and  
20       maintenance of compressor stations, as shown on Lines 4 and 16.

21               The classification of the Western Division cost of service by account  
22       between the reservation and usage components under SFV principles is shown on

Page 2. The only costs assigned to the usage component are variable costs associated with the non-labor expenses for the operation and maintenance of compressor stations and credits to the cost of service as shown on Lines 4 and 16. The classified Western Division cost of service, as further categorized between mileage-related and non-mileage-related transmission costs, is shown on Page 3. Administrative and general expenses, supervisory and engineering expenses, costs associated with general and intangible plant, with the exception of general plant land owned in fee, are categorized as non-mileage-related, while all remaining costs are categorized as mileage-related.

Page 4 of Exhibit No. FGT-43 shows the classification of the cost of service between the reservation and usage components using SFV principles in Columns (e) and (f) for the Incremental Facilities. The only costs classified as variable and assigned to the usage component are costs associated with the non-labor expenses for the operation and maintenance of compressor stations, as shown on Lines 4 and 16.

#### **COST ASSIGNMENT AND ALLOCATION**

**Q. What is the basis for the cost assignment and allocation underlying FGT's transportation rates?**

A. A separate Cost of Service has been determined for the Non-Incremental and Incremental Facilities, as shown on Exhibit No. FGT-44. The Non-Incremental Facilities were further subdivided between the Market Area and the Western Division as shown on Exhibit No. FGT-45. Rate Base and Cost of Service

1 components identifiable by area were assigned directly to the appropriate rate area,  
2 while common or general components were allocated based on direct plant and  
3 direct labor utilization factors. FGT continues to allocate common or shared  
4 operation and maintenance expenses (“O&M Expenses”) between Non-  
5 Incremental and Incremental Facilities in accordance with the August 25, 1992  
6 Stipulation and Agreement in Docket No. RP92-182, *et al.* (“Phase III  
7 Settlement”). Administrative and General Expenses are allocated using the  
8 Kansas-Nebraska methodology pursuant to the Settlement in Docket No. RP04-12,  
9 *et al.* The methodology to develop the cost of service for each transportation  
10 service rate area is consistent with the Commission’s policy to avoid subsidization  
11 of some shippers by others.

12 **Q. Please explain your Exhibit No. FGT-44 and Exhibit No. FGT-45.**

13 A. Exhibit No. FGT-44 is a summary of the Non-Incremental Facility and Incremental  
14 Facility Cost of Service. The components of the Cost of Service for each system  
15 are detailed on Pages 2 through 11 of this exhibit. Similarly, Exhibit No. FGT-45  
16 is a summary of the Non-Incremental Facilities Cost of Service subdivided  
17 between the Market Area and the Western Division rate areas. The Western  
18 Division cost of service is further subdivided between the mileage and non-mileage  
19 components of the cost of service. Western Division costs are categorized between  
20 mileage and non-mileage components based on the nature of the cost, as described  
21 above.

22 **Q. Please explain your Exhibit No. FGT-46.**

1 A. Exhibit No. FGT-46, Pages 1 through 10, shows the basis of allocation for  
2 miscellaneous intangibles/software, prepayments and other taxes to the Non-  
3 Incremental and Incremental Facilities by the various transportation service rate  
4 areas within each. Page 11 of Exhibit No. FGT-46 shows the calculation of  
5 depreciation expense for the compression facilities for the Non-Incremental and  
6 Incremental Facilities by the various transportation service rate areas.

7 Exhibit FGT-46, Pages 12 through 22, reflects the methods and calculations  
8 used to assign and, in appropriate circumstances, to allocate the Non-Incremental  
9 Facilities' common or general costs between the Market Area and the Western  
10 Division (mileage/non-mileage areas). Specifically, Pages 12 through 22 show the  
11 various allocation units and resulting factors used to allocate general or common  
12 costs to these rate areas utilizing either direct plant or direct labor ratios.

13 **Q. After the cost of service has been developed for each of the transportation**  
14 **service rate areas, how are the costs allocated to the transportation services?**

15 A. My Exhibit No. FGT-47 sets forth the allocation of costs among the various  
16 transportation services. The allocated costs become the basis for rate design,  
17 which is the subject of FGT Witness Lawrence J. Biediger.

18 Page 1 of Exhibit No. FGT-47 shows the allocation of the overall Cost of  
19 Service of the Non-Incremental Facilities to Rate Schedules ITS-1, PNR, NNTS,  
20 FTS-WD, ITS-WD, FTS-1 and SFTS. The reservation costs assigned to Rate  
21 Schedules FTS-1 and SFTS, as shown on Line 5, Column (d), are the reservation  
22 costs which serve as the basis for designing reservation rates. The usage costs



1 assigned to Rate Schedules FTS-1 and SFTS, as shown on Line 5, Column (e) are  
2 the usage costs which serve as the basis for designing usage rates.

3 Page 2 of Exhibit No. FGT-47, shows the allocation of the overall Cost of  
4 Service of the Incremental Facilities to Rate Schedule FTS-2. Line 10, Column (d)  
5 shows the reservation costs which serve as the basis for designing the reservation  
6 rate. The usage costs assigned to Rate Schedule FTS-2, as shown on Line 10,  
7 Column (e), are the usage costs which serve as the basis for designing usage rates.

8 Page 3 of Exhibit No. FGT-47 details the reservation and usage volumes  
9 used to allocate costs. The reservation and usage allocation volumes set forth in  
10 Columns (c) and (d), respectively, reflect quantities as shown on Exhibit No. FGT-  
11 54 of FGT Witness Biediger's testimony. The reservation and usage allocation  
12 volumes are shown by Rate Schedule for each transportation rate area.

13 Page 4, Lines 22 through 33 of Exhibit No. FGT-47 set forth the allocation  
14 of costs to Rate Schedule NNTS. Costs allocated to Rate Schedule NNTS include  
15 depreciation and operation and maintenance expenses associated with compressor  
16 facilities. Compressor-related costs are allocated to NNTS service using the ratio  
17 of NNTS reservation quantities to total reservation quantities of Market Area  
18 services. The resulting allocations to NNTS service are reflected on Lines 29  
19 through 32. The total allocation to NNTS service shown on Line 33 serves as the  
20 basis for designing Rate Schedule NNTS rates.

21 Page 5, Lines 34 through 43 of Exhibit No. FGT-47 set forth the Western  
22 Division costs associated with the Non-Incremental Facilities, and allocates those

1 costs between Market Area and Western Division transportation service. Non-  
2 mileage Western Division costs are allocated volumetrically. Costs categorized as  
3 mileage-related are allocated based on the weighted average miles of haul in the  
4 Western Division. The computation of MMBtu-miles of haul is detailed on Lines  
5 55 and 56. The resulting allocation of Non-Incremental Facilities' costs to  
6 Western Division services is shown on Line 42.

7 Page 5, Lines 44 through 50, sets forth the Western Division costs  
8 associated with the Incremental Facilities. The reservation and usage cost  
9 components are allocated based on revenues for the Market Area and Western  
10 Division transportation utilizing the Incremental Facilities. The resulting  
11 allocation of Incremental Facilities' costs to Western Division services is shown on  
12 Line 49.

13 The total of the Non-Incremental Facilities' costs and Incremental  
14 Facilities' costs allocated to Western Division, which is shown on Line 54, serves  
15 as the basis for designing rates for Western Division transportation service.  
16 Allocations of costs to Western Division service from the Non-Incremental and  
17 Incremental Costs of Service is appropriate given that Western Division revenues  
18 result from utilization of both Non-Incremental and Incremental Facilities.

19 Page 6, Lines 57 through 68 of Exhibit No. FGT-47 shows the allocation of  
20 the Rate Schedule PNR revenues to the transportation rate areas. Due to the minor  
21 nature of these revenues, FGT is crediting the Base Period revenues to the cost of  
22 service in each transportation rate area.

**JUSTIFICATION FOR ROLLED-IN RATE TREATMENT**

**Q. Has FGT expanded its Incremental System since the last Section 4 rate case?**

A. Yes, since FGT's last rate case, FGT expanded its incremental system with the Phase VII project on October 5, 2005, in Docket No. CP06-1-000. 115 FERC ¶ 61,328 (2006) and 117 FERC ¶ 61,242 (2006). FGT filed an application requesting certificate authorization for its proposed Phase VII expansion project. This project added 17.3 miles of 36-inch diameter pipelines and 9,800 horsepower of compression to provide firm transportation of up to 100,000 MMBtu from a new interconnection with Southern Natural Gas Company's Cypress Pipeline.

**Q. What were the rate determinations made by the Commission in the certificate orders approving this project?**

A. The Commission did not approve FGT's request for a predetermination to roll-in the cost of its Phase VII expansion project into its Rate Schedule FTS-2 cost of service. The Commission required FGT to demonstrate in its next rate case that the Phase VII expansion costs can be rolled into its Rate Schedule FTS-2 rates without a subsidy from existing customers.

**Q. Please summarize your conclusion as to the proper rate treatment for these expansion facilities.**

A. The Phase VII expansion facilities satisfy the Commission's 1995 and 1999 Policy Statement test for rolled-in rate treatment.

**Q. What is your understanding of the Commission's policy with respect to expansion facilities for which the pipeline seeks rolled-in rate treatment?**

- 1     A.   In 1995, the Commission issued a Policy Statement (“1995 Policy Statement”) that  
2         established that the Commission will apply a presumption in favor of rolled-in  
3         rates when the rate increase to existing customers from new facilities is 5 percent  
4         or less and the pipeline makes a showing of system benefits. In 1999, the  
5         Commission issued a subsequent Policy Statement (“1999 Policy Statement”) that  
6         modified the Commission’s roll-in policy by eliminating the 5 percent rate increase  
7         allowance included in the 1995 Policy Statement. The Commission stated in the  
8         1999 Policy Statement that the threshold requirement in establishing the public  
9         convenience and necessity for existing pipelines proposing an expansion project is  
10        that the pipeline must be prepared to financially support the project without relying  
11        on subsidization from its existing customers. However, the Commission further  
12        clarified that changes regarding the roll-in versus incremental standards contained  
13        in the 1999 Policy Statement would not be applied retroactively to cases where the  
14        certificate has already been issued and the investment decisions have already been  
15        made. In the 1999 Policy Statement, the Commission determined that when a  
16        pipeline constructs an expansion with an incremental rate, shippers acquiring long-  
17        term firm capacity after the expansions, whether from the pipeline or through  
18        permanent capacity release, must pay the same rate as the expansion shippers or it  
19        would otherwise be considered unduly discriminatory.
- 20    **Q.   What methodology was used to determine the appropriate rate treatment for**  
21       **FGT’s expansion project?**

1     A.   In order to determine whether roll-in of the expansion was warranted, FGT  
2           calculated and compared the cost of service associated with the Phase VII  
3           expansion project with the revenues derived from shippers using the expansion  
4           facilities.

5     **Q.   How was the cost of service determined for this calculation?**

6     A.   An incremental cost of service for the Phase VII expansion project was determined  
7           in a manner similar to the cost of service calculation for each of the transportation  
8           rate areas. Direct costs associated with the Phase VII expansion project were  
9           identified. General or common costs were allocated utilizing the various allocation  
10          factors described in Exhibit FGT-46. Exhibit No. FGT-48, Pages 1 through 14  
11          details the calculated stand-alone cost of service for the Phase VII expansion  
12          project.

13    **Q.   How were the revenues associated with the expansion project determined?**

14    A.   The Phase VII expansion project revenues reflect Test Period shipper contracts that  
15          utilize this portion of the system.

16    **Q.   What is the result from the comparison of the costs and revenues for the  
17          expansion project?**

18    A.   As reflected on Exhibit No. FGT-49, the revenues generated from the capacity  
19          created by the Phase VII expansion facilities, \$13,738,800, are greater than the cost  
20          of service, \$11,576,850. Accordingly, roll-in rate treatment is appropriate for the  
21          expansion facilities because existing shippers under Rate Schedule FTS-2 are not  
22          subsidizing the expansion shippers.

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

2    A.   Yes, it does.

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Functionalization of Cost of Service  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Total, As Adjusted (a)	Transmission (b)
	<u>Operating Expenses</u>		
1	Operations and Maintenance	\$ 41,211,900	\$ 41,211,900
2	Administrative & General	<u>25,365,437</u>	<u>25,365,437</u>
3	Total Operating Expenses	66,577,337	66,577,337
4	Depreciation Expense	34,362,966	34,362,966
5	Taxes Other Than Income	17,292,637	17,292,637
6	Return @ 11.58%	78,183,539	78,183,539
7	Federal Income Taxes	30,722,992	30,722,992
8	State Income Taxes	4,557,771	4,557,771
9	Revenue Credits	<u>(8,420)</u>	<u>(8,420)</u>
10	Total	\$ <u><u>231,688,822</u></u>	\$ <u><u>231,688,822</u></u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities  
Functionalization of Cost of Service  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Total, As Adjusted (a)	Transmission (b)
	<u>Operating Expenses</u>		
1	Operations and Maintenance	\$ 26,335,232	\$ 26,335,232
2	Administrative & General	<u>11,641,119</u>	<u>11,641,119</u>
3	Total Operating Expenses	37,976,351	37,976,351
4	Depreciation Expense	65,326,745	65,326,745
5	Taxes Other Than Income	22,894,704	22,894,704
6	Return @ 11.58%	152,655,969	152,655,969
7	Federal Income Taxes	59,839,436	59,839,436
8	State Income Taxes	8,899,199	8,899,199
9	Revenue Credits	<u>(63,000)</u>	<u>(63,000)</u>
10	Total	\$ <u><u>347,529,404</u></u>	\$ <u><u>347,529,404</u></u>



FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Classification of Transmission Cost of Service  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Acct. No.	Description	Total Transmission				Usage (f)
			Total, As Adjusted (a)	Fixed (b)	Variable (c)	Total (d)	
<u>Transmission Operating Expenses</u>							
<u>Operation</u>							
1	850.00	Operation Supervision and Engineering	\$ 5,606,446	\$ 5,606,446	\$ -	\$ 5,606,446	\$ -
2	851.00	System Control and Load Dispatching	897,033	897,033	-	897,033	-
3	852.00	Communication System Expenses	884,337	884,337	-	884,337	-
4	853.00	Compressor Station Labor and Expenses	6,940,806	2,095,079	4,845,727	6,940,806	4,845,727
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	595,602	595,602	-	595,602	-
7	856.00	Mains Expenses	5,382,523	5,382,523	-	5,382,523	-
8	857.00	Measuring and Regulating Station Expenses	1,301,137	1,301,137	-	1,301,137	-
9	858.00	Transmission and Compression of Gas by Others	321,523	321,523	-	321,523	-
10	859.00	Other Expenses	343,636	343,636	-	343,636	-
11	860.00	Rents	499,812	499,812	-	499,812	-
12		Total Operation	22,772,855	17,927,128	4,845,727	22,772,855	4,845,727
<u>Maintenance</u>							
13	861.00	Maintenance Supervision and Engineering	828	828	-	828	-
14	862.00	Maintenance of Structures and Improvements	95,590	95,590	-	95,590	-
15	863.00	Maintenance of Mains	12,997,480	12,997,480	-	12,997,480	-
16	864.00	Maintenance of Compressor Station Equipment	4,445,256	2,035,278	2,409,978	4,445,256	2,409,978
17	865.00	Maintenance of Measuring and Regulating Station Equipment	546,976	546,976	-	546,976	-
18	866.00	Maintenance of Communication Equipment	204,516	204,516	-	204,516	-
19	867.00	Maintenance of Other Equipment	148,399	148,399	-	148,399	-
20		Total Maintenance	18,439,045	16,029,067	2,409,978	18,439,045	2,409,978
21		Customer Accounts	1,863	1,863	-	1,863	-
22		Sales Expenses	167,974	167,974	-	167,974	-
23		Administrative & General Expense	25,195,600	25,195,600	-	25,195,600	-
24		Total Operating Expenses	66,577,337	59,321,632	7,255,705	66,577,337	7,255,705
25		Depreciation, Depl. And Amortization	34,362,966	34,362,966	-	34,362,966	-
26		Taxes-Other than Income	17,292,637	17,292,637	-	17,292,637	-
27		Return @ 11.58%	78,183,539	78,183,539	-	78,183,539	-
28		Federal Income Taxes	30,722,992	30,722,992	-	30,722,992	-
29		State Income Taxes	4,557,771	4,557,771	-	4,557,771	-
30	495.00	Other Gas Revenue	(8,420)	(8,420)	-	(8,420)	-
31		Total Transmission Cost of Service	\$ 231,688,822	\$ 224,433,117	\$ 7,255,705	\$ 231,688,822	\$ 7,255,705

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Classification of Transmission Cost of Service  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Acct. No.	Description	Total, As Adjusted (a)	Fixed (b)	Variable (c)	Total (d)	Reservation (e)	Usage (f)
<u>Transmission Operating Expenses</u>								
<u>Operation</u>								
1	850.00	Operation Supervision and Engineering	\$ 1,862,655	\$ 1,862,655	\$ -	\$ 1,862,655	\$ 1,862,655	-
2	851.00	System Control and Load Dispatching	312,526	312,526	-	312,526	312,526	-
3	852.00	Communication System Expenses	190,325	190,325	-	190,325	190,325	-
4	853.00	Compressor Station Labor and Expenses	3,417,161	805,855	2,611,306	3,417,161	805,855	2,611,306
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	10,764	10,764	-	10,764	10,764	-
7	856.00	Mains Expenses	1,844,686	1,844,686	-	1,844,686	1,844,686	-
8	857.00	Measuring and Regulating Station Expenses	292,174	292,174	-	292,174	292,174	-
9	858.00	Transmission and Compression of Gas by Others	321,523	321,523	-	321,523	321,523	-
10	859.00	Other Expenses	3,255	3,255	-	3,255	3,255	-
11	860.00	Rents	143,756	143,756	-	143,756	143,756	-
12		Total Operation	8,398,825	5,787,519	2,611,306	8,398,825	5,787,519	2,611,306
<u>Maintenance</u>								
13	861.00	Maintenance Supervision and Engineering	241	241	-	241	241	-
14	862.00	Maintenance of Structures and Improvements	43,637	43,637	-	43,637	43,637	-
15	863.00	Maintenance of Mains	4,128,380	4,128,380	-	4,128,380	4,128,380	-
16	864.00	Maintenance of Compressor Station Equipment	2,255,991	1,131,046	1,124,945	2,255,991	1,131,046	1,124,945
17	865.00	Maintenance of Measuring and Regulating Station Equipment	165,581	165,581	-	165,581	165,581	-
18	866.00	Maintenance of Communication Equipment	4,904	4,904	-	4,904	4,904	-
19	867.00	Maintenance of Other Equipment	148,168	148,168	-	148,168	148,168	-
20		Total Maintenance	6,746,902	5,621,957	1,124,945	6,746,902	5,621,957	1,124,945
21		Customer Accounts	1,863	1,863	-	1,863	1,863	-
22		Sales Expenses	167,974	167,974	-	167,974	167,974	-
23		Administrative & General Expense	9,960,195	9,960,195	-	9,960,195	9,960,195	-
24		Total Operating Expenses	25,275,759	21,539,508	3,736,251	25,275,759	21,539,508	3,736,251
25		Depreciation, Depl. And Amortization	10,493,785	10,493,785	-	10,493,785	10,493,785	-
26		Taxes-Other than Income	6,002,770	6,002,770	-	6,002,770	6,002,770	-
27		Return @ 11.58%	21,176,447	21,176,447	-	21,176,447	21,176,447	-
28		Federal Income Taxes	8,323,395	8,323,395	-	8,323,395	8,323,395	-
29		State Income Taxes	1,234,498	1,234,498	-	1,234,498	1,234,498	-
30		Other Gas Revenue	(8,420)	(8,420)	-	(8,420)	(8,420)	-
31		Total Transmission Cost of Service	\$ 72,498,234	\$ 68,761,983	\$ 3,736,251	\$ 72,498,234	\$ 68,761,983	\$ 3,736,251

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Classification of Transmission Cost of Service  
Twelve Months Ended May 31, 2009, As Adjusted

		Western Division Transmission						
Line No.	Acct. No.	Description	Mileaged Reservation		Usage	Non-Mileaged Reservation		
			Total, As Adjusted (a)	(b)	(c)	Total (d)	(e)	Usage (f)
<u>Transmission Operating Expenses</u>								
<u>Operation</u>								
1	850.00	Operation Supervision and Engineering	\$ -	\$ -	\$ -	\$ 1,862,655	\$ 1,862,655	\$ -
2	851.00	System Control and Load Dispatching	312,526	312,526	-	-	-	-
3	852.00	Communication System Expenses	190,325	190,325	-	-	-	-
4	853.00	Compressor Station Labor and Expenses	3,417,161	805,855	2,611,306	-	-	-
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	10,764	10,764	-	-	-	-
7	856.00	Mains Expenses	1,844,686	1,844,686	-	-	-	-
8	857.00	Measuring and Regulating Station Expenses	292,174	292,174	-	-	-	-
9	858.00	Transmission and Compression of Gas by Others	321,523	321,523	-	-	-	-
10	859.00	Other Expenses	3,255	3,255	-	-	-	-
11	860.00	Rents	143,756	143,756	-	-	-	-
12		Total Operation	6,536,170	3,924,864	2,611,306	1,862,655	1,862,655	-
<u>Maintenance</u>								
13	861.00	Maintenance Supervision and Engineering	-	-	-	241	241	-
14	862.00	Maintenance of Structures and Improvements	43,637	43,637	-	-	-	-
15	863.00	Maintenance of Mains	4,128,380	4,128,380	-	-	-	-
16	864.00	Maintenance of Compressor Station Equipment	2,255,991	1,131,046	1,124,945	-	-	-
17	865.00	Maintenance of Measuring and Regulating Station Equipment	165,581	165,581	-	-	-	-
18	866.00	Maintenance of Communication Equipment	4,904	4,904	-	-	-	-
19	867.00	Maintenance of Other Equipment	148,168	148,168	-	-	-	-
20		Total Maintenance	6,746,661	5,621,716	1,124,945	241	241	-
21		Customer Accounts	-	-	-	1,863	1,863	-
22		Sales Expenses	-	-	-	167,974	167,974	-
23		Administrative & General Expense	-	-	-	9,960,195	9,960,195	-
24		Total Operating Expenses	13,282,831	9,546,580	3,736,251	11,992,928	11,992,928	-
25		Depreciation, Depl. And Amortization	8,843,808	8,843,808	-	1,649,977	1,649,977	-
26		Taxes-Other than Income	5,846,773	5,846,773	-	155,997	155,997	-
27		Return @ 11.58%	20,925,899	20,925,899	-	250,548	250,548	-
28		Federal Income Taxes	8,224,342	8,224,342	-	99,053	99,053	-
29		State Income Taxes	1,219,892	1,219,892	-	14,606	14,606	-
30	495.00	Other Gas Revenue	-	-	-	(8,420)	(8,420)	-
31		Total Transmission Cost of Service	\$ 58,343,545	\$ 54,607,294	\$ 3,736,251	\$ 14,154,689	\$ 14,154,689	\$ -

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities  
Classification of Transmission Cost of Service  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Acct. No.	Description	Total, As Adjusted (a)	Fixed (b)	Variable (c)	Total Transmission (d)	Reservation (e)	Usage (f)
<u>Transmission Operating Expenses</u>								
<u>Operation</u>								
1	850.00	Operation Supervision and Engineering	\$ 3,467,533	\$ 3,467,533	\$ -	\$ 3,467,533	\$ 3,467,533	\$ -
2	851.00	System Control and Load Dispatching	651,639	651,639	-	651,639	651,639	-
3	852.00	Communication System Expenses	308,242	308,242	-	308,242	308,242	-
4	853.00	Compressor Station Labor and Expenses	2,359,731	1,024,932	1,334,799	2,359,731	1,024,932	1,334,799
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	282,891	282,891	-	282,891	282,891	-
7	856.00	Mains Expenses	2,275,465	2,275,465	-	2,275,465	2,275,465	-
8	857.00	Measuring and Regulating Station Expenses	651,048	651,048	-	651,048	651,048	-
9	858.00	Transmission and Compression of Gas by Others	11,208,541	11,208,541	-	11,208,541	11,208,541	-
10	859.00	Other Expenses	60,502	60,502	-	60,502	60,502	-
11	860.00	Rents	323,078	323,078	-	323,078	323,078	-
12		Total Operation	21,588,670	20,253,871	1,334,799	21,588,670	20,253,871	1,334,799
<u>Maintenance</u>								
13	861.00	Maintenance Supervision and Engineering	592	592	-	592	592	-
14	862.00	Maintenance of Structures and Improvements	28,560	28,560	-	28,560	28,560	-
15	863.00	Maintenance of Mains	1,495,014	1,495,014	-	1,495,014	1,495,014	-
16	864.00	Maintenance of Compressor Station Equipment	3,032,863	951,895	2,080,968	3,032,863	951,895	2,080,968
17	865.00	Maintenance of Measuring and Regulating Station Equipment	139,261	139,261	-	139,261	139,261	-
18	866.00	Maintenance of Communication Equipment	50,643	50,643	-	50,643	50,643	-
19	867.00	Maintenance of Other Equipment	(371)	(371)	-	(371)	(371)	-
20		Total Maintenance	4,746,562	2,665,594	2,080,968	4,746,562	2,665,594	2,080,968
21		Customer Accounts	-	-	-	-	-	-
22		Sales Expenses	-	-	-	-	-	-
23		Administrative & General Expense	11,641,119	11,641,119	-	11,641,119	11,641,119	-
24		Total Operating Expenses	37,976,351	34,560,584	3,415,767	37,976,351	34,560,584	3,415,767
25		Depreciation, Depl. And Amortization	65,326,745	65,326,745	-	65,326,745	65,326,745	-
26		Taxes-Other than Income	22,894,704	22,894,704	-	22,894,704	22,894,704	-
27		Return @ 11.58%	152,655,969	152,655,969	-	152,655,969	152,655,969	-
28		Federal Income Taxes	59,839,436	59,839,436	-	59,839,436	59,839,436	-
29		State Income Taxes	8,899,199	8,899,199	-	8,899,199	8,899,199	-
30	495.00	Other Gas Revenue	(63,000)	(63,000)	-	(63,000)	(63,000)	-
31		Total Transmission Cost of Service	\$ 347,529,404	\$ 344,113,637	\$ 3,415,767	\$ 347,529,404	\$ 344,113,637	\$ 3,415,767

FLORIDA GAS TRANSMISSION COMPANY, LLC

Cost of Service

Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Non-Incremental (b)	Incremental (c)
	<u>Operating Expenses</u>				
1	Operations and Maintenance		\$ 67,547,132	\$ 41,211,900	\$ 26,335,232
2	Administrative & General		37,006,556	25,365,437	11,641,119
3	Total Operating Expenses		104,553,688	66,577,337	37,976,351
4	Depreciation Expense		99,689,711	34,362,966	65,326,745
5	Taxes Other Than Income	Schedule I-1(b), Page 4	40,187,341	17,292,637	22,894,704
6	Return @ 11.58%	Schedule I-1(b), Page 5	230,839,508	78,183,539	152,655,969
7	Federal Income Taxes	Schedule I-1(b), Page 9	90,562,428	30,722,992	59,839,436
8	State Income Taxes	Schedule I-1(b), Page 9	13,456,970	4,557,771	8,899,199
9	Revenue Credits	Schedule I-1(b), Page 11	(71,420)	(8,420)	(63,000)
10	Total		\$ 579,218,226	\$ 231,688,822	\$ 347,529,404

1/ Schedule I-1(b), Page 2, Column (d), Line 21  
2/ Schedule I-1(b), Page 3, Column (d), Line 21  
3/ Schedule H-1.1, Page 2, Column (l), Line 4 + Line 7 + Line 19  
4/ Schedule H-1.2, Page 2, Column (l), Line 22  
5/ Schedule I-1(c).1, Page 1, Column (a), Line 4  
6/ STATEMENT H-2.2 + Schedule I-1(c).1, Page 5, Column (g), Line 30

FLORIDA GAS TRANSMISSION COMPANY, LLC

OPERATION AND MAINTENANCE EXPENSES - NON-INCREMENTAL  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Acct	Description	As Adjusted			
			Labor 1/ (a)	S&E 2/ (b)	Gas (c)	Total (d)
1	850.00	Transmission Expense				
2	851.00	Operation Supervision and Engineering	\$ 3,232,069	\$ 2,374,377	\$ -	\$ 5,606,446
3	852.00	System Control and Load Dispatching	824,248	72,785	-	897,033
4	853.00	Communication System Expenses	146,826	737,511	-	884,337
5	854.00	Compressor Station Labor and Expenses	2,095,079	4,845,727	-	6,940,806
6	855.00	Gas for Compressor Station Fuel	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	595,602	-	595,602
8	857.00	Mains Expenses	2,394,300	2,988,223	-	5,382,523
9	858.00	Measuring and Regulating Station Expenses	770,540	530,597	-	1,301,137
10	859.00	Transmission and Compression of Gas by Others	-	321,523	-	321,523
11	860.00	Other Expenses	10,206	333,430	-	343,636
12		Rents	-	499,812	-	499,812
		Total Operation	9,473,268	13,299,587	-	22,772,855
13	861.00	Maintenance Supervision and Engineering	-	828	-	828
14	862.00	Maintenance of Structures and Improvements	-	95,590	-	95,590
15	863.00	Maintenance of Mains	2,121,724	10,875,756	-	12,997,480
16	864.00	Maintenance of Compressor Station Equipment	2,035,278	2,409,978	-	4,445,256
17	865.00	Maintenance of Measuring and Regulating Station Equipment	458,109	88,867	-	546,976
18	866.00	Maintenance of Communication Equipment	201,435	3,081	-	204,516
19	867.00	Maintenance of Other Equipment	386	148,013	-	148,399
20		Total Maintenance	4,816,932	13,622,113	-	18,439,045
21		Total Transmission Expense	\$ 14,290,200	\$ 26,921,700	\$ -	\$ 41,211,900

1/ Schedule I-1(c).1, Page 2, 3 & 4, Column (a)

2/ Schedule I-1(c).1, Page 2, 3 & 4, Column (b)

FLORIDA GAS TRANSMISSION COMPANY, LLC

OPERATION AND MAINTENANCE EXPENSES - INCREMENTAL

Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Acct	Description	As Adjusted			
			Labor 1/ (a)	S&E 2/ (b)	Gas (c)	Total (d)
1	850.00	Transmission Expense				
2	851.00	Operation Supervision and Engineering	\$ 2,481,735	\$ 985,798	\$ -	\$ 3,467,533
3	852.00	System Control and Load Dispatching	599,535	52,104	-	651,639
4	853.00	Communication System Expenses	100,247	207,995	-	308,242
5	854.00	Compressor Station Labor and Expenses	1,024,932	1,334,799	-	2,359,731
6	855.00	Gas for Compressor Station Fuel	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	282,891	-	282,891
8	857.00	Mains Expenses	710,224	1,565,241	-	2,275,465
9	858.00	Measuring and Regulating Station Expenses	179,836	471,212	-	651,048
10	859.00	Transmission and Compression of Gas by Others	-	11,208,541	-	11,208,541
11	860.00	Other Expenses	41	60,461	-	60,502
12		Rents	-	323,078	-	323,078
		Total Operation	5,096,550	16,492,120	-	21,588,670
13	861.00	Maintenance Supervision and Engineering	-	592	-	592
14	862.00	Maintenance of Structures and Improvements	-	28,560	-	28,560
15	863.00	Maintenance of Mains	453,428	1,041,586	-	1,495,014
16	864.00	Maintenance of Compressor Station Equipment	951,895	2,080,968	-	3,032,863
17	865.00	Maintenance of Measuring and Regulating Station Equipment	110,552	28,709	-	139,261
18	866.00	Maintenance of Communication Equipment	49,988	655	-	50,643
19	867.00	Maintenance of Other Equipment	(371)	-	-	(371)
20		Total Maintenance	1,565,492	3,181,070	-	4,746,562
21		Total Transmission Expense	\$ 6,662,042	\$ 19,673,190	\$ -	\$ 26,335,232

1/ Schedule H-1(1)(a).2 Page 2

2/ Schedule H-1(1)(b).2 Page 2

FLORIDA GAS TRANSMISSION COMPANY, LLC

Summary - Other Taxes  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Non-Incremental (b)	Incremental (c)
1	Ad Valorem	Schedule H-4-1, Page 1 & 2 Workpaper	\$ 35,833,510	\$ 14,796,172	\$ 21,037,338
2	Payroll	Schedule I-1(d), Page 10	2,669,513	1,820,707	848,806
3	Franchise Tax	Schedule I-1(d), Page 7	792,000	317,755	474,245
4	Compressor Usage Tax	Schedule I-1(d), Page 8	892,129	357,927	534,202
5	Miscellaneous Other Taxes	Schedule I-1(d), Page 9	189	76	113
6	Total Taxes Other Than Income		\$ 40,187,341	\$ 17,292,637	\$ 22,894,704



FLORIDA GAS TRANSMISSION COMPANY, LLC

Rate Base and Return  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Non-Incremental (b)	Incremental (c)
1	Plant	Schedule I-1(b), Page 6	\$ 3,493,093,745	\$ 1,427,654,091	\$ 2,065,439,654
2	Accumulated Provision for Depreciation	Schedule I-1(b), Page 7	(1,415,682,385)	(659,801,844)	(755,880,541)
3	Net Plant		2,077,411,360	767,852,247	1,309,559,113
4	Accumulated Deferred Income Taxes	Schedule B-1.1 & B-1.2	(547,461,587)	(103,726,626)	(443,734,961)
5	Working Capital	Schedule I-1(b), Page 8	15,425,311	10,600,037	4,825,274
6	Regulatory Assets	Schedule B-2.1 & B-2.2	448,057,628	434,439	447,623,189
7	Rate Base		<u>\$ 1,993,432,712</u>	<u>\$ 675,160,097</u>	<u>\$ 1,318,272,615</u>
8	Return on Rate Base at 11.58%		<u>\$ 230,839,508</u>	<u>\$ 78,183,539</u>	<u>\$ 152,655,969</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC

Plant By Function  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Total (a)	Non-Incremental (b)	Incremental (c)
	<u>Plant</u>			
	Transmission			
1	Onshore	\$ 3,418,102,633	\$ 1,371,364,338	\$ 2,046,738,295
2	Offshore	25,858,182	25,858,182	-
3	General	22,786,974	18,139,515	4,647,459
4	Intangible	26,345,956	12,292,056	14,053,900
5	Total Plant	\$ 3,493,093,745	\$ 1,427,654,091	\$ 2,065,439,654

1/ Schedule C-1.1, Page 1

2/ Schedule C-1.2, Page 1

3/ Schedule I-1(c).1, Page 9, Column (a), Line 4

4/ Schedule I-1(d), Page 2, Column (c), Lines 6 + Line 13

FLORIDA GAS TRANSMISSION COMPANY, LLC

Accumulated Provision for Depreciation, Depletion and Amortization  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Total (a)	Non-Incremental (b)	Incremental (c)
	Accounts 108 & 111 Accumulated Provisions for Depreciation and Amortization of Gas Plant in Service			
	Transmission			
1	Onshore	\$ (1,366,804,980)	\$ (618,173,300)	\$ (748,631,680) 2/
2	Offshore	(27,751,099)	(27,751,099) 1/	-
3	General Plant	(8,920,550)	(7,966,149) 1/	(954,401) 2/
4	Intangible Plant	(12,205,756)	(5,911,296) 3/	(6,294,460) 4/
5	Subtotal	(1,415,682,385)	(659,801,844)	(755,880,541)
6	Retirement Work In Progress	-	-	-
7	Total Accumulated Provision	\$ (1,415,682,385)	\$ (659,801,844)	\$ (755,880,541)

1/ STATEMENT D.1

2/ STATEMENT D.2

3/ Schedule I-1(c) 1, Page 10, Column (a), Line 4

4/ Schedule I-1(d), Page 2, Column (c), Line 20 + Line 27

FLORIDA GAS TRANSMISSION COMPANY, LLC

Working Capital

Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Non-Incremental (b)	Incremental (c)
1	Cash Working Capital		\$ -	\$ -	\$ -
2	Materials and Supplies	Schedule E-2.1 & E-2.2	13,886,655	9,975,801	3,910,854
3	Prepayments	Schedule I-1(d), Page 5	1,538,656	624,236	914,420
4	Total Working Capital		\$ 15,425,311	\$ 10,600,037	\$ 4,825,274

FLORIDA GAS TRANSMISSION COMPANY, LLC

Income Taxes

Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Non-Incremental (b)	Incremental (c)
	<u>Federal Income Tax</u>				
1	Return on Rate Base at 11.58%	Schedule I-1(b), Page 5	\$ 230,839,508	\$ 78,183,539	\$ 152,655,969
	<u>Federal Income Tax Adjustments</u>				
2	Interest and Debt Expense	Schedule I-1(b), Page 10	(62,793,130)	(21,267,543)	(41,525,587)
3	Net FIT Adjustment		(62,793,130)	(21,267,543)	(41,525,587)
4	Return after FIT Adjustments		168,046,378	56,915,996	111,130,382
5	Federal Income Taxes @ 35% Tax on Tax Rate of 53.846154%		90,486,511	30,647,075	59,839,436
6	South Georgia - Federal Tax Deficiency 1/		75,917	75,917	-
7	Total Federal Income Tax		\$ 90,562,428	\$ 30,722,992	\$ 59,839,436
8	State Tax Rate @ 4.9476% Tax on Tax Rate of 5.205129%		\$ 13,456,970	\$ 4,557,771	\$ 8,899,199

1/ Pursuant to Article VI, Section 7, of the Stipulation and Agreement of Settlement dated August 13, 2004 in Docket Nos. RP04-12, et al., FGT is authorized to continue to include \$75,917 in its annual cost of service to effectuate the collection of deficient deferred income taxes due to the 1993 change in the corporate income tax rate.

FLORIDA GAS TRANSMISSION COMPANY, LLC

Federal and State Income Tax Deductions  
Interest and Debt Expense

Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Non-Incremental (b)	Incremental (c)
1	Rate Base	Schedule I-1(b), Page 5	\$ 1,993,432,712	\$ 675,160,097	\$ 1,318,272,615
2	Rate of Return on Long Term Debt		3.15%	3.15%	3.15%
3	Interest and Debt Expense		\$ 62,793,130	\$ 21,267,543	\$ 41,525,587

FLORIDA GAS TRANSMISSION COMPANY, LLC

Revenue Credits  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Non-Incremental (b)	Incremental (c)
1	Revenue Credits	Schedule G-5.1 & G-5.2	\$ (71,420)	\$ (8,420)	\$ (63,000)

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Cost of Service  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Western Division		Market Area (d)
				Mileage (b)	Non-Mileage (c)	
<u>Operating Expenses</u>						
1	Operations and Maintenance	Schedule I-1(c).1, Page 2, 3, & 4	\$ 41,211,900	\$ 13,282,831	\$ 1,862,896	\$ 26,066,173
2	Administrative & General	Schedule I-1(d).1, Page 4	25,365,437	-	10,130,032	15,235,405
3	Total Operating Expenses		66,577,337	13,282,831	11,992,928	41,301,578
4	Depreciation Expense	Schedule I-1(c).1, Page 5	34,362,966	8,843,808 1/	1,649,977 2/	23,869,181 3/
5	Taxes Other Than Income	Schedule I-1(c).1, Page 7	17,292,637	5,846,773	155,997	11,289,867
6	Return @ 11.58%	Schedule I-1(c).1, Page 8	78,183,539	20,925,899	250,548	57,007,092
7	Federal Income Taxes	Schedule I-1(c).1, Page 12	30,722,992	8,224,342	99,053	22,399,597
8	State Income Taxes	Schedule I-1(c).1, Page 12	4,557,771	1,219,892	14,606	3,323,273
9	Revenue Credits	Schedule I-1(c).1, Page 14	(8,420)	-	(8,420)	-
10	Total		\$ 231,688,822	\$ 58,343,545	\$ 14,154,689	\$ 159,190,588

1/ Schedule I-1(c).1, Page 5, Column (h), Line 4, 5, + 26

2/ Schedule I-1(c).1, Page 5, Column (h), Line 18 + Line 23

3/ Schedule I-1(c).1, Page 5, Column (i), Line 27



FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Operation and Maintenance Expenses - Western Division - Mileage  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Acct.	Description	As Adjusted			
			Labor 1/ (a)	S&E 2/ (b)	Gas (c)	Total (d)
1	850.00	Transmission Expense				
2	851.00	Operation Supervision and Engineering	\$ -	\$ -	\$ -	\$ -
3	852.00	System Control and Load Dispatching	293,882	18,644	-	312,526
4	853.00	Communication System Expenses	40,267	150,058	-	190,325
5	854.00	Compressor Station Labor and Expenses	805,855	2,611,306	-	3,417,161
6	855.00	Gas for Compressor Station Fuel	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	10,764	-	10,764
8	857.00	Mains Expenses	800,218	1,044,468	-	1,844,686
9	858.00	Measuring and Regulating Station Expenses	181,019	111,155	-	292,174
10	859.00	Transmission and Compression of Gas by Others	-	321,523	-	321,523
11	860.00	Other Expenses	28	3,227	-	3,255
12		Rents	-	143,756	-	143,756
		Total Operation	2,121,269	4,414,901	-	6,536,170
13	861.00	Maintenance Supervision and Engineering	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	43,637	-	43,637
15	863.00	Maintenance of Mains	1,160,357	2,968,023	-	4,128,380
16	864.00	Maintenance of Compressor Station Equipment	1,131,046	1,124,945	-	2,255,991
17	865.00	Maintenance of Measuring and Regulating Station Equipment	157,131	8,450	-	165,581
18	866.00	Maintenance of Communication Equipment	3,953	951	-	4,904
19	867.00	Maintenance of Other Equipment	156	148,012	-	148,168
20		Total Maintenance	2,452,643	4,294,018	-	6,746,661
21		Total Transmission Expense	\$ 4,573,912	\$ 8,708,919	\$ -	\$ 13,282,831

1/ Schedule H-1(1)(a).1 Page 5 + Schedule I-1(d).1, Page 2, Column (c), excluding FERC Account 850  
2/ Schedule H-1(1)(b).1 Page 5 + Schedule I-1(d).1, Page 2, Column (d), excluding FERC Account 850 and 861

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Operation and Maintenance Expenses - Western Division - Non-Mileage  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Acct	Description	As Adjusted			
			Labor 1/ (a)	S&E 2/ (b)	Gas (c)	Total (d)
Transmission Expense						
1	850.00	Operation Supervision and Engineering	\$ 1,202,763	\$ 659,892	\$ -	\$ 1,862,655
2	851.00	System Control and Load Dispatching	-	-	-	-
3	852.00	Communication System Expenses	-	-	-	-
4	853.00	Compressor Station Labor and Expenses	-	-	-	-
5	854.00	Gas for Compressor Station Fuel	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-
7	856.00	Mains Expenses	-	-	-	-
8	857.00	Measuring and Regulating Station Expenses	-	-	-	-
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-
10	859.00	Other Expenses	-	-	-	-
11	860.00	Rents	-	-	-	-
12		Total Operation	<u>1,202,763</u>	<u>659,892</u>	<u>-</u>	<u>1,862,655</u>
13	861.00	Maintenance Supervision and Engineering	-	241	-	241
14	862.00	Maintenance of Structures and Improvements	-	-	-	-
15	863.00	Maintenance of Mains	-	-	-	-
16	864.00	Maintenance of Compressor Station Equipment	-	-	-	-
17	865.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-
18	866.00	Maintenance of Communication Equipment	-	-	-	-
19	867.00	Maintenance of Other Equipment	-	-	-	-
20		Total Maintenance	<u>-</u>	<u>241</u>	<u>-</u>	<u>241</u>
21		Total Transmission Expense	<u>\$ 1,202,763</u>	<u>\$ 660,133</u>	<u>\$ -</u>	<u>\$ 1,862,896</u>

1/ FERC account 850, Schedule I-1(d).1, Page 2, Column (c)  
2/ FERC account 850, Schedule I-1(d).1, Page 2, Column (d) + Schedule H-1(1)(b).1 Page 5

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Operation and Maintenance Expenses - Market Area  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Acct	Description	As Adjusted			
			Labor 1/ (a)	S&E 2/ (b)	Gas (c)	Total (d)
Transmission Expense						
1	850.00	Operation Supervision and Engineering	\$ 2,029,306	\$ 1,714,485	\$ -	\$ 3,743,791
2	851.00	System Control and Load Dispatching	530,366	54,141	-	584,507
3	852.00	Communication System Expenses	106,559	587,453	-	694,012
4	853.00	Compressor Station Labor and Expenses	1,289,224	2,234,421	-	3,523,645
5	854.00	Gas for Compressor Station Fuel	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	584,838	-	584,838
7	856.00	Mains Expenses	1,594,082	1,943,755	-	3,537,837
8	857.00	Measuring and Regulating Station Expenses	589,521	419,442	-	1,008,963
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-
10	859.00	Other Expenses	10,178	330,203	-	340,381
11	860.00	Rents	-	356,056	-	356,056
12		Total Operation	6,149,236	8,224,794	-	14,374,030
13	861.00	Maintenance Supervision and Engineering	-	587	-	587
14	862.00	Maintenance of Structures and Improvements	-	51,953	-	51,953
15	863.00	Maintenance of Mains	961,367	7,907,733	-	8,869,100
16	864.00	Maintenance of Compressor Station Equipment	904,232	1,285,033	-	2,189,265
17	865.00	Maintenance of Measuring and Regulating Station Equipment	300,978	80,417	-	381,395
18	866.00	Maintenance of Communication Equipment	197,482	2,130	-	199,612
19	867.00	Maintenance of Other Equipment	230	1	-	231
20		Total Maintenance	2,364,289	9,327,854	-	11,692,143
21		Total Transmission Expense	\$ 8,513,525	\$ 17,552,648	\$ -	\$ 26,066,173

1/ Schedule H-1(1)(a).1 Page 6 + Schedule I-1(d).1, Page 2, Column (f)  
2/ Schedule H-1(1)(b).1 Page 6 + Schedule I-1(d).1, Page 2, Column (g)

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non - Incremental Facilities  
Depreciation, Depletion, and Amortization Expense  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	FERC Acct	Total Adjusted Plant (a)	Western Division (b)	Market Area (c)	Depr Method (d)	Current Rates (e)	Proposed Rates (f)	Total (g)	Depreciation Expense Western Division (h)	Market Area (i)
1	Account 403 - Depreciation										
2	Transmission Onshore										
3	Transmission Offshore										
4	Negative Salvage										
5	Total Transmission Plant		1,370,509,769	379,969,835	990,539,934	SLM	2.13%	2.13%	29,191,858	8,093,357	21,098,501
						SLM	5.00%	5.00%	36,188	36,188	-
						SLM	0.20%	0.20%	29,228,046	8,129,545	21,098,501
6	Transmission - ARO - System	372.00	488,773	488,773	-	Various	5.52%	5.52%	26,980	26,980	-
7	General										
8	Structures & Improvements	390.00	-	-	-	SLM	2.50%	2.50%	-	-	-
9	Office Furniture & Equip	391.00	1,540,065	625,415	914,650	SLM	9.50%	9.50%	146,306	59,414	86,892
10	Computer Equipment Owned	391.10	2,482,005	2,372,791	109,214	SLM	33.33%	33.33%	827,327	790,922	36,405
11	Trans Equip-Auto & Pickup	392.10	6,289,910	1,843,202	4,446,708	SLM	25.00%	25.00%	1,572,478	460,801	1,111,677
12	Trans Equip-Winch, Bed, Trlr	392.20	36,378	9,545	26,833	SLM	4.90%	4.90%	1,783	468	1,315
13	Trans Equip - Airplanes	392.30	247,750	-	247,750	SLM	14.29%	14.29%	35,403	-	35,403
14	Trans Equip - Light Trucks	392.40	1,048,809	75,332	973,477	SLM	4.90%	4.90%	51,392	-	47,701
15	Equip - Heavy Trucks	392.50	261,665	-	261,665	SLM	4.90%	4.90%	12,822	-	12,822
16	Shop Tools & Garage Equip	394.00	3,190,217	875,837	2,314,380	SLM	9.00%	9.00%	287,120	78,825	208,295
17	Power Operated Equipment	396.00	73,254	45,351	27,903	SLM	8.00%	8.00%	5,860	3,628	2,232
18	Communications Equipment	397.00	529,186	167,677	361,509	SLM	9.50%	9.50%	50,273	15,929	34,344
19	Miscellaneous Equipment	398.00	17,000	-	17,000	SLM	10.00%	10.00%	1,700	-	1,700
20	Total General Plant		15,716,239	6,015,150	9,701,089				2,992,464	1,413,678	1,578,786
21	Account 404 - Amortization										
22	Intangible - Miscellaneous	303.00	1,327	386	941	SLM	10.00%	10.00%	133	39	94
23	Intangible - Miscellaneous CIAC's	303.00	1,751,981	-	1,751,981	SLM	10.00%	10.00%	175,198	-	175,198
24	Intangible - Mailand Leasehold	303.10	946,074	-	946,074	SLM	17.39%	17.39%	164,535	-	164,535
25	Intangible - Computer Software		8,130,201	2,362,604	5,767,597	SLM	10.00%	10.00%	813,020	236,260	576,760
26	Total Intangible Plant		10,829,583	2,362,990	8,466,593				1,152,886	236,299	916,587
27	Account 407 - Amortization										
28	Transmission Offshore - ARO		-	-	-				687,283	687,283	-
29	Broward County Relocation - ARO		-	-	-				275,307	-	275,307
30	Total Account 407		-	-	-				962,590	687,283	275,307
31	Non-Incremental Depreciation and Amortization Expense		1,397,544,354	388,836,748	1,008,707,616				34,362,966	10,493,785	23,869,181
32	Allocated Depreciation and Amortization Expense to Incremental Facilities										
33	Miscellaneous Intangibles Depreciation Expense to Incremental Facilities		1,943	-	-	SLM	10.00%	10.00%	194	-	-
34	Computer Software Depreciation Expense for Incremental Facilities		11,909,633	2/	-	SLM	10.00%	10.00%	1,190,963	-	-
35	Total Allocated Depreciation & Amortization to Incremental Facilities		11,911,576	-	-				1,191,157	-	-
36	Total Non-Incremental Depreciation and Amortization Expense		1,409,455,940	-	-				35,554,123	-	-

1/ Negative Salvage calculated on \$15,083,757 of Fully Depreciated Transmission Offshore Plant.  
2/ Schedule I-1(d), Page 3

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non - Incremental Facilities  
Reconciliation of Depreciable Plant Included  
in Statement H(2) to Gas Plant Included in Statement C  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Adjusted Plant				Depreciation, Depletion and Amortization As Adjusted	
		Total (a)	Incremental Facilities (b)	Western Division (c)	Market Area (d)	Western Division (e)	Market Area (f)
1	Totals per Statement H(2)	\$ 1,409,455,940	\$ 11,911,576	\$ 388,836,748	\$ 1,008,707,616	\$ 10,493,785	\$ 23,869,181
	Plant Not Subject to Depreciation						
	Land						
2	Transmission Land	854,569	-	198,907	655,662		
3	Land Owned In Fee	1,975,372	-	155,835	1,819,537		
	Fully Depreciated Plant						
	General Plant						
4	Transmission Offshore	25,858,182	-	25,858,182	-		
5	Structures & Improvements						
6	Office Furniture & Equip	153,324	-	17,021	136,303		
7	Computer Equipment Owned	-	-	-	-		
8	Trans Equip-Auto & Pickup	-	-	-	-		
9	Trans Equip-Winch, Bed, Trlr	34,037	-	14,706	19,331		
10	Trans Equip - Light Trucks	-	-	-	-		
11	Trans Equip - Heavy Trucks	-	-	-	-		
12	Shop Tools & Garage Equip	260,543	-	146,053	114,490		
13	Power Operated Equipment	-	-	-	-		
14	Communications Equipment	-	-	-	-		
15	Miscellaneous Equipment	-	-	-	-		
16	Total Depreciation, Depletion and Amortization Provision	26,306,086	-	26,035,962	270,124		
17	Miscellaneous Intangibles	-	-	-	-		
18	Computer Software	3,604,797	-	3,604,797	-		
19	Total Intangible Plant	3,604,797	-	3,604,797	-		
20	Less: Transmission ARO	488,773	-	488,773	-		
21	Less: Broward County Relocation - ARO	-	-	-	-		
22	Less: Total ARO	488,773	-	488,773	-		
23	Total Gas Plant As Adjusted Per Statement C	\$ 1,441,707,991	\$ 11,911,576	\$ 418,343,476	\$ 1,011,452,939		

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Summary - Other Taxes  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Western Division		Market Area Area (d)
				Mileage (b)	Non-Mileage (c)	
1	Ad Valorem	Schedule I-1(d).1, Page 5	\$ 14,796,172	\$ 5,076,778	\$ 2,656	\$ 9,716,738
2	Payroll	Schedule I-1(d), Page 10	1,820,707	582,760	153,243	1,084,704
3	Franchise Tax	Schedule I-1(d), Page 7	317,755	88,042	46	229,667
4	Compressor Usage Tax	Schedule I-1(d), Page 8	357,927	99,172	52	258,703
5	Miscellaneous Other Taxes	Schedule I-1(d), Page 9	76	21	-	55
6	Total Taxes Other Than Income		<u>\$ 17,292,637</u>	<u>\$ 5,846,773</u>	<u>\$ 155,997</u>	<u>\$ 11,289,867</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Rate Base and Return  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Western Division		Market Area (d)
				Mileage (b)	Non-Mileage (c)	
1	Plant	Schedule I-1(c).1, Page 9	\$ 1,427,654,091	\$ 406,182,759	\$ 8,980,909	\$ 1,012,490,423
2	Accumulated Provision for Depreciation	Schedule I-1(c).1, Page 10	<u>(659,801,844)</u>	<u>(199,137,792)</u>	<u>(5,668,139)</u>	<u>(454,995,913)</u>
3	Net Plant		767,852,247	207,044,967	3,312,770	557,494,510
4	Accumulated Deferred Income Taxes	Schedule I-1(d).1, Page 11	<u>(103,726,626)</u>	<u>(29,544,144)</u>	<u>(1,149,291)</u>	<u>(73,033,191)</u>
5	Working Capital	Schedule I-1(c).1, Page 11	10,600,037	3,080,239	89	7,519,709
6	Regulatory Assets	Schedule I-1(d).1, Page 6	<u>434,439</u>	<u>126,184</u>	<u>62</u>	<u>308,193</u>
7	Rate Base		<u>\$ 675,160,097</u>	<u>\$ 180,707,246</u>	<u>\$ 2,163,630</u>	<u>\$ 492,289,221</u>
8	Return on Rate Base at 11.58%		<u>\$ 78,183,539</u>	<u>\$ 20,925,899</u>	<u>\$ 250,548</u>	<u>\$ 57,007,092</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Plant By Function  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Western Division		Market Area (d)
				Mileage (b)	Non-Mileage (c)	
	Plant					
	Transmission					
1	Onshore	Schedule C-1.1, Page 3 & 5	\$ 1,371,364,338	\$ 380,168,742 1/	\$ -	\$ 991,195,596 3/
2	Offshore	Schedule C-1.1, Page 3	25,858,182	25,858,182	-	-
3	General	Schedule C-1.1, Page 3 & 5	18,139,515	155,835 1/	6,192,930 2/	11,790,750 3/
4	Intangible		12,292,056	-	2,787,979 4/	9,504,077 5/
5	Total Plant		\$ 1,427,654,091	\$ 406,182,759	\$ 8,980,909	\$ 1,012,490,423
	Reconciliation of Plant to STATEMENT C.1					
6	Total Plant	Line 5	\$ 1,427,654,091			
7	Intangible Allocated to Incremental Facilities	Schedule I-1(d), Page 2, Column (c), Line 6 & 13	14,053,900			
8	Total Non-Incremental Gas Plant In Service		\$ 1,441,707,991			

- 1/ Schedule C-1.1, Page 3  
2/ Schedule C-1.1, Page 3, Column (g), Line 40 minus Line 26  
3/ Schedule C-1.1, Page 5  
4/ Schedule I-1(d), Page 2, Column (d), Line 4 & 11  
5/ Schedule C-1.1, Page 5, Column (g), Line 1 + Schedule I-1(d), Page 2, Column (d), Line 3 & 10



FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Accumulated Provision for Depreciation, Depletion and Amortization  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Western Division		Market Area (d)
				Mileage (b)	Non-Mileage (c)	
	Accounts 108 & 111 - Accumulated Provisions for Depreciation and Amortization of Gas Plant in Service					
	Transmission					
1	Onshore	Schedule I-1(d).1, Page 8	\$ (618,173,300)	\$ (171,386,693)	\$ -	\$ (446,786,607)
2	Offshore	Schedule I-1(d).1, Page 8	(27,751,099)	(27,751,099)	-	-
3	General Plant	Schedule I-1(d).1, Page 8	(7,966,149)	-	(4,419,460)	(3,546,689)
4	Intangible Plant	Schedule I-1(d).1, Page 8	(5,911,296)	-	(1,248,679)	(4,662,617)
5	Subtotal		(659,801,844)	(199,137,792)	(5,668,139)	(454,995,913)
6	Retirement Work In Progress		-	-	-	-
7	Total Accumulated Provision		\$ (659,801,844)	\$ (199,137,792)	\$ (5,668,139)	\$ (454,995,913)

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Working Capital  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Western Division		Market Area (d)
				Mileage (b)	Non-Mileage (c)	
1	Cash Working Capital		\$ -	\$ -	\$ -	\$ -
2	Materials and Supplies	Schedule I-1(d).1, Page 9	9,975,801	2,898,928	-	7,076,873
3	Prepayments	Schedule I-1(d), Page 5	624,236	181,311	89	442,836
4	Total Working Capital		\$ 10,600,037	\$ 3,080,239	\$ 89	\$ 7,519,709

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Income Taxes  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Western Division		Market Area (d)
				Mileage (b)	Non-Mileage (c)	
<u>Federal Income Tax</u>						
1	Return on Rate Base at 11.58%	Schedule I-1(c).1, Page 8	\$ 78,183,539	\$ 20,925,899	\$ 250,548	\$ 57,007,092
<u>Federal Income Tax Adjustments</u>						
2	Interest and Debt Expense	Schedule I-1(c).1, Page 13	(21,267,543)	(5,692,278)	(68,154)	(15,507,111)
3	Net FIT Adjustment		(21,267,543)	(5,692,278)	(68,154)	(15,507,111)
4	Return after FIT Adjustments		56,915,996	15,233,621	182,394	41,499,981
5	Federal Income Taxes @ 35% Tax on Tax Rate of 53.846154%		30,647,075	8,202,719	98,212	22,346,144
6	South Georgia - Tax Deficiency	1/ Schedule I-1(d).1, Page 11	75,917	21,623	841	53,453
7	Total Federal Income Tax		\$ 30,722,992	\$ 8,224,342	\$ 99,053	\$ 22,399,597
8	State Tax Rate @ 4.9476% Tax on Tax Rate of 5.205129%		\$ 4,557,771	\$ 1,219,892	\$ 14,606	\$ 3,323,273

1/ Pursuant to Article VI, Section 7, of the Stipulation and Agreement of Settlement dated

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Federal and State Income Tax Deductions  
Interest and Debt Expense  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Western Division		Market Area (d)
				Mileage (b)	Non-Mileage (c)	
1	Rate Base	Schedule I-1(c).1, Page 8	\$ 675,160,097	\$ 180,707,246	\$ 2,163,630	\$ 492,289,221
2	Rate of Return on Long Term Debt		3.15%	3.15%	3.15%	3.15%
3	Interest and Debt Expense		\$ 21,267,543	\$ 5,692,278	\$ 68,154	\$ 15,507,111

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Revenue Credits  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Total (a)	Western Division		Market Area (d)
				Mileage (b)	Non-Mileage (c)	
1	Revenue Credits	Schedule G-5.1	\$ (8,420)	\$ -	\$ (8,420)	\$ -

FLORIDA GAS TRANSMISSION COMPANY, LLC

Basis of Allocation of Miscellaneous Intangibles/Software and Prepayments to Services  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Direct Plant, As Adjusted			Mileage/Non-Mileage Percentage (d)
			Amount (a)	System Percentage (b)	Facility Percentage (c)	
1	<u>Non-Incremental</u>					
2	Market Area	Schedule C-1.1, Page 5, Line 16	\$ 991,195,596		70.9404%	
3	Western Division					
4	Mileage	Schedule C-1.1, Page 3, Lines 16 Minus Line 4 + Line 25	405,828,017			99.9510%
	Non-Mileage	Schedule C-1.1, Page 3, Line 4	198,907			0.0490%
	Total Western Division		406,026,924		29.0596%	100.0000%
5	Total Direct - Non-Incremental		1,397,222,520	40.5702%	100.0000%	
6	<u>Incremental</u>					
7	Phase III - VI	Schedule C-1.2, Page 1, Line 16 Minus Page 3, Line 16	1,984,977,037		96.9825%	
	Phase VII	Schedule C-1.2, Page 3, Line 16	61,761,258		3.0175%	
8	Total Direct - Incremental		2,046,738,295	59.4298%	100.0000%	
9	Total Direct - Gas Plant In Service		\$ 3,443,960,815	100.0000%		

FLORIDA GAS TRANSMISSION COMPANY, LLC

Total Intangibles - Allocated  
Gas Plant In Service/Accumulated Depreciation, Depletion & Amortization  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	System (c)	Intangible Gas Plant In Service - Allocated Facility (d)	Mileage/Non-Mileage (e)
<u>Gas Plant In Service</u>							
1	Miscellaneous Intangibles	Schedule C-1.1., Page 7, Column (g), Line 1					
2	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5		3,270			
3	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%		\$ 1,327	\$	
4	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			941	
5	Non-Mileage		29.0596%			386	
			100.0000%			\$	386
6	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8			1,943		
7	Total Miscellaneous Intangibles - Gas Plant In Service				<u>\$ 3,270</u>		
8	Computer Software	Schedule C-1.1., Page 7, Column (g), Line 2					
9	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5		23,644,631			
10	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%		\$ 9,592,674		
11	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			6,805,081	
12	Non-Mileage		29.0596%			2,787,593	
			100.0000%				2,787,593
13	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8			14,051,957		
14	Depreciable Computer Software - Gas Plant In Service				<u>\$ 23,644,631</u>		

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	System (c)	Intangible DD & A - Allocated Facility (d)	Mileage/Non-Mileage (e)
<u>Accumulated Depreciation, Depletion &amp; Amortization</u>							
15	Miscellaneous Intangibles	STATEMENT D.1, Column (g), Line 10					
16	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5		(1,471)			
17	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%		\$ (597)	\$	
18	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			(424)	
19	Non-Mileage		29.0596%			(173)	
			100.0000%			\$	(173)
20	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8			(874)		
21	Total Miscellaneous Intangibles - Accumulated DD & A				<u>\$ (1,471)</u>		
22	Computer Software	STATEMENT D.1, Column (g), Line 12					
23	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5		(10,589,950)			
24	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%		\$ (4,296,364)		
25	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			(3,047,858)	
26	Non-Mileage		29.0596%			(1,248,506)	
			100.0000%				(1,248,506)
27	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8			(6,293,586)		
28	Depreciable Computer Software - Accumulated DD & A				<u>\$ (10,589,950)</u>		

FLORIDA GAS TRANSMISSION COMPANY, LLC

Depreciable Intangibles - Allocated  
Gas Plant In Service/Accumulated Depreciation, Depletion & Amortization  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	System (c)	Facility (d)	Mileage/Non-Mileage (e)
<u>Gas Plant In Service</u>							
1	Miscellaneous Intangibles	Schedule C-1.1., Page 7, Column (g), Line 1					
2	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5		3,270	\$ 1,327		
3	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%			\$ 941	
4	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			386	
5	Non-Mileage		29.0596%			\$	386
			100.0000%				
6	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8	59.4298%		1,943		
7	Total Miscellaneous Intangibles - Gas Plant In Service				\$ 3,270		
8	Computer Software	Schedule C-1.1., Page 7, Column (g), Line 2					
9	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5		20,039,834			
10	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%		8,130,201		
11	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			5,767,597	
12	Non-Mileage		29.0596%			2,362,604	
			100.0000%				2,362,604
13	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8	59.4298%		11,909,633		
14	Depreciable Computer Software - Gas Plant In Service				\$ 20,039,834		

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	System (c)	Facility (d)	Mileage/Non-Mileage (e)
<u>Accumulated Depreciation, Depletion &amp; Amortization</u>							
15	Miscellaneous Intangibles	STATEMENT D.1, Column (g), Line 10					
16	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5		(1,471)			
17	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%		(597)		
18	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			\$ (424)	
19	Non-Mileage		29.0596%			(173)	
			100.0000%			\$	(173)
20	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8	59.4298%		(874)		
21	Total Miscellaneous Intangibles - Accumulated DD & A				\$ (1,471)		
22	Computer Software	STATEMENT D.1, Column (g), Line 12					
23	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5		(6,985,153)			
24	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%		(2,833,891)		
25	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			(2,010,374)	
26	Non-Mileage		29.0596%			(823,517)	
			100.0000%				(823,517)
27	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8	59.4298%		(4,151,262)		
28	Depreciable Computer Software - Accumulated DD & A				\$ (6,985,153)		



FLORIDA GAS TRANSMISSION COMPANY, LLC

Non-Depreciable Intangibles - Allocated  
Gas Plant In Service/Accumulated Depreciation, Depletion & Amortization  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	System (c)	Intangible Gas Plant In Service - Allocated Facility (d)	Mileage/Non-Mileage (e)
<u>Gas Plant In Service</u>							
1	Miscellaneous Intangibles	Schedule C-1.1., Page 7, Column (g), Line 1					
2	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5					
3	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%	\$ -	\$ -	\$ -	
4	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%				
5	Non-Mileage		29.0596%				
			100.0000%				
6	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8	59.4298%			\$ -	
7	Total Miscellaneous Intangibles - Gas Plant In Service						
8	Computer Software	Schedule C-1.1., Page 7, Column (g), Line 2		3,604,797			
9	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5					
10	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%		1,462,473	1,037,484	
11	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			424,989	
12	Non-Mileage		29.0596%				
			100.0000%				
13	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8	59.4298%		2,142,324		
14	Non-Depreciable Computer Software - Gas Plant In Service						
					\$ 3,604,797		

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	System (c)	Intangible DD & A - Allocated Facility (d)	Mileage/Non-Mileage (e)
<u>Accumulated Depreciation, Depletion &amp; Amortization</u>							
15	Miscellaneous Intangibles	STATEMENT D.1, Column (g), Line 10					
16	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5					
17	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%	\$ -	\$ -	\$ -	
18	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%				
19	Non-Mileage		29.0596%				
			100.0000%				
20	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8	59.4298%			\$ -	
21	Total Miscellaneous Intangibles - Accumulated DD & A						
22	Computer Software	STATEMENT D.1, Column (g), Line 12		(3,604,797)			
23	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5					
24	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	40.5702%		(1,462,473)	(1,037,484)	
25	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	70.9404%			(424,989)	
26	Non-Mileage		29.0596%				
			100.0000%				
27	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8	59.4298%		(2,142,324)		
28	Non-Depreciable Computer Software - Accumulated DD & A						
					\$ (3,604,797)		

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Working Capital - Prepayments - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	Amount Allocated		Mileage/Non-Mileage (e)
					System (c)	Facility (d)	
1	<u>Prepayments</u>	STATEMENT E.1	\$	1,538,656			
2	Non-Incremental	Schedule I-1(d), Page 1, Column (b), Line 5	40.5702%				
3	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	70.9404%		624,236	\$	
4	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	29.0596%			442,836	
5	Mileage	Schedule I-1(d), Page 1, Column (d), Line 2	99.9510%			181,400	
6	Non-Mileage	Schedule I-1(d), Page 1, Column (d), Line 3	0.0490%				181,311
7	Incremental	Schedule I-1(d), Page 1, Column (b), Line 8	59.4298%		914,420		89
8	Phase III - Phase VI	Schedule I-1(d), Page 1, Column (c), Line 6	96.9825%			886,827	
9	Phase VII	Schedule I-1(d), Page 1, Column (c), Line 7	3.0175%			27,593	
10	Total Prepayments				<u>1,538,656</u>	<u>\$</u>	<u>1,538,656</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC

Basis of Allocation of Taxes Other than Income Taxes to Services  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Direct Plant, As Adjusted (Excluding Offshore)			
			Amount (a)	System Percentage (b)	Facility Percentage (c)	Mileage/Non-Mileage Percentage (d)
<u>Allocation Basis for Taxes Other than Income (Excluding Payroll Taxes)</u>						
<u>Non-Incremental</u>						
1	Market Area	Schedule C-1.1, Page 5, Line 16	\$ 991,195,596		72.2781%	
2	Western Division					
3	Mileage	Schedule C-1.1, Page 3, Lines 16 Minus Line 4	379,969,835 1/			99.9477%
4	Non-Mileage	Schedule C-1.1, Page 3, Line 4	198,907			0.0523%
	Total Western Division		380,168,742		27.7219%	100.0000%
5	Total Direct - Gas Plant In Service - Non-Incremental		1,371,364,338	40.1206%	100.0000%	
<u>Incremental</u>						
6	Phase III - VI	Schedule C-1.2, Page 1, Line 16 Minus Page 3, Line 16	1,984,977,037		96.9825%	
7	Phase VII	Schedule C-1.2, Page 3, Line 16	61,761,258		3.0175%	
8	Total Direct - Incremental		2,046,738,295	59.8794%	100.0000%	
9	Total Direct - Gas Plant In Service		\$ 3,418,102,633	100.0000%		

Line No.	Description	Reference	Direct Labor, As Adjusted			
			Amount (a)	System Percentage (b)	Facilities Percentage (c)	Mileage/Non-Mileage Percentage (d)
Allocation Basis for Taxes Other than Income - Payroll Taxes						
<u>Non-Incremental</u>						
10	Market Area	Schedule I-1(c).1, Page 4	\$ 8,513,525		59.5760%	
11	Western Division					
11	Mileage	Schedule I-1(c).1, Page 2	4,573,912			79.1790%
12	Non-Mileage	Schedule I-1(c).1, Page 3	1,202,763			20.8210%
13	Total Western Division		5,776,675		40.4240%	100.0000%
14	Total Direct - Labor - Non-Incremental		14,290,200	68.2037%	100.0000%	
<u>Incremental</u>						
15	Phase III - VI	Schedule H-1(1)(a).2, Page 2 Minus Schedule I-1(c).2, Page 2	6,567,531		98.5814%	
16	Phase VII	Schedule I-1(c).2, Page 2	94,511		1.4186%	
17	Total Direct - Labor - Incremental		6,662,042	31.7963%	100.0000%	
18	Total Direct - Labor		\$ 20,952,242	100.0000%		

FLORIDA GAS TRANSMISSION COMPANY, LLC

Taxes Other Than Income Taxes - Franchise Taxes - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	System (c)	Allocated Amount Facility (d)	Mileage/Non-Mileage (e)
<b>Franchise Tax</b>							
1	Alabama	STATEMENT H4, Page 4					
2	Non-Incremental	Schedule I-1(d), Page 6, Column (b), Line 5	\$ 40.1206%	\$ 15,600	\$ 6,259	\$ 4,524	
3	Market Area	Schedule I-1(d), Page 6, Column (c), Line 1	72.2781%			1,735	
4	Western Division	Schedule I-1(d), Page 6, Column (c), Line 4	27.7219%				
5	Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	99.9477%				1,734
6	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 3	0.0523%				1
7	Incremental	Schedule I-1(d), Page 6, Column (b), Line 8	59.8794%		9,341		
8	Phase III - Phase VI	Schedule I-1(d), Page 6, Column (c), Line 6	96.9825%			9,059	
9	Phase VII	Schedule I-1(d), Page 6, Column (c), Line 7	3.0175%			282	
10	Total Alabama				15,600	15,600	
<b>Louisiana</b>							
11	Non-Incremental	STATEMENT H4, Page 4		514,800	206,541	149,284	
12	Market Area	Schedule I-1(d), Page 6, Column (b), Line 5	40.1206%				
13	Western Division	Schedule I-1(d), Page 6, Column (c), Line 1	72.2781%			57,257	
14	Mileage	Schedule I-1(d), Page 6, Column (c), Line 4	27.7219%				
15	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	99.9477%				57,227
16		Schedule I-1(d), Page 6, Column (d), Line 3	0.0523%				30
17	Incremental	Schedule I-1(d), Page 6, Column (b), Line 8	59.8794%		308,259	288,957	
18	Phase III - Phase VI	Schedule I-1(d), Page 6, Column (c), Line 6	96.9825%			9,302	
19	Phase VII	Schedule I-1(d), Page 6, Column (c), Line 7	3.0175%				
20	Total Louisiana				514,800	514,800	
<b>Mississippi</b>							
21	Non-Incremental	STATEMENT H4, Page 4		261,600	104,955	75,859	
22	Market Area	Schedule I-1(d), Page 6, Column (b), Line 5	40.1206%				
23	Western Division	Schedule I-1(d), Page 6, Column (c), Line 1	72.2781%			29,096	
24	Mileage	Schedule I-1(d), Page 6, Column (c), Line 4	27.7219%				
25	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	99.9477%				29,081
26		Schedule I-1(d), Page 6, Column (d), Line 3	0.0523%				15
27	Incremental	Schedule I-1(d), Page 6, Column (b), Line 8	59.8794%		156,645	151,918	
28	Phase III - Phase VI	Schedule I-1(d), Page 6, Column (c), Line 6	96.9825%			4,727	
29	Phase VII	Schedule I-1(d), Page 6, Column (c), Line 7	3.0175%				
30	Total Mississippi				261,600	261,600	
31	Total Franchise Taxes			\$ 792,000	\$ 792,000	\$ 792,000	
32	Non-Incremental - Franchise Taxes	Line 2, 12 & 22		\$	317,755		
33	Incremental - Franchise Taxes	Line 7, 17 & 27			474,245		
34	Total Franchise Taxes				\$ 792,000		

FLORIDA GAS TRANSMISSION COMPANY, LLC

Taxes Other Than Income Taxes - Compressor Usage Tax - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	System (c)	Allocated Amount Facility (d)	Mileage/Non-Mileage (e)
1	Compressor Usage Tax						
2	Florida	STATEMENT H4, Page 5					
3	Non-Incremental	Schedule I-1(d), Page 6, Column (b), Line 5		\$ 196,532	\$ 78,850	\$	
4	Market Area	Schedule I-1(d), Page 6, Column (c), Line 1	40.1206%			\$ 56,991	
5	Western Division	Schedule I-1(d), Page 6, Column (c), Line 4	72.2781%			21,859	
6	Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	27.7219%				\$ 21,848
7	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 3	99.9477%				11
8	Incremental	Schedule I-1(d), Page 6, Column (b), Line 8	0.0523%				
9	Phase III - Phase VI	Schedule I-1(d), Page 6, Column (b), Line 8	59.8794%		117,682	114,131	
10	Phase VII	Schedule I-1(d), Page 6, Column (c), Line 7	96.9825%			3,551	
11	Total Alabama		3.0175%		196,532	196,532	
12	Louisiana	STATEMENT H4, Page 5					
13	Non-Incremental	Schedule I-1(d), Page 6, Column (b), Line 5		683,131	274,076	198,097	
14	Market Area	Schedule I-1(d), Page 6, Column (c), Line 1	40.1206%			75,979	
15	Western Division	Schedule I-1(d), Page 6, Column (c), Line 4	72.2781%				75,939
16	Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	27.7219%				40
17	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 3	99.9477%				
18	Incremental	Schedule I-1(d), Page 6, Column (b), Line 8	0.0523%				
19	Phase III - Phase VI	Schedule I-1(d), Page 6, Column (b), Line 8	59.8794%		409,055	396,712	
20	Phase VII	Schedule I-1(d), Page 6, Column (c), Line 7	96.9825%			12,343	
21	Total Louisiana		3.0175%		683,131	683,131	
22	Mississippi	STATEMENT H4, Page 5					
23	Non-Incremental	Schedule I-1(d), Page 6, Column (b), Line 5		12,466	5,001	3,615	
24	Market Area	Schedule I-1(d), Page 6, Column (c), Line 1	40.1206%			1,386	
25	Western Division	Schedule I-1(d), Page 6, Column (c), Line 4	72.2781%				1,385
26	Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	27.7219%				1
27	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 3	99.9477%				
28	Incremental	Schedule I-1(d), Page 6, Column (b), Line 8	0.0523%				
29	Phase III - Phase VI	Schedule I-1(d), Page 6, Column (b), Line 8	59.8794%		7,465	7,240	
30	Phase VII	Schedule I-1(d), Page 6, Column (c), Line 7	96.9825%			225	
31	Total Mississippi		3.0175%		12,466	12,466	
32	Total Compressor Usage Tax			\$ 892,129	\$ 892,129	\$ 892,129	
33	Non-Incremental - Franchise Taxes	Line 2, 12 & 22			\$ 357,927		
34	Incremental - Franchise Taxes	Line 7, 17 & 27			534,202		
35	Total Compressor Usage Tax				\$ 892,129	\$ 892,129	

FLORIDA GAS TRANSMISSION COMPANY, LLC

Taxes Other Than Income Taxes - Miscellaneous Other Taxes - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	Allocated Amount		
					System (c)	Facility (d)	Mileage/Non-Mileage (e)
1	Other Taxes	STATEMENT H4, Page 6					
2	Non-Incremental	Schedule I-1(d), Page 6, Column (b), Line 5	\$	189			
3	Market Area	Schedule I-1(d), Page 6, Column (c), Line 1	40.1206%		76	\$	
4	Western Division	Schedule I-1(d), Page 6, Column (c), Line 4	72.2781%			55	
5	Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	27.7219%			21	
6	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 3	99.9477%			\$	21
			0.0523%				
7	Incremental	Schedule I-1(d), Page 6, Column (b), Line 8	59.8794%		113		
8	Phase III - Phase VI	Schedule I-1(d), Page 6, Column (c), Line 6	96.9825%			110	
9	Phase VII	Schedule I-1(d), Page 6, Column (c), Line 7	3.0175%			3	
10	Total Other Taxes				\$ 189	\$ 189	

FLORIDA GAS TRANSMISSION COMPANY, LLC

Taxes Other Than Income Taxes - Payroll - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	Allocated Amount		Mileage/Non-Mileage (e)
					System (c)	Facility (d)	
1	<u>Payroll</u>	STATEMENT H-4, Page 3		\$ 2,669,513			
2	Non-Incremental	Schedule I-1(d), Page 6, Column (b), Line 14	68.2037%				
3	Market Area	Schedule I-1(d), Page 6, Column (c), Line 10	59.5760%				
4	Western Division	Schedule I-1(d), Page 6, Column (c), Line 13	40.4240%		\$ 1,820,707	\$ 1,084,704	
5	Mileage	Schedule I-1(d), Page 6, Column (d), Line 11	79.1790%			736,003	
6	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 12	20.8210%				\$ 582,760
7	Incremental	Schedule I-1(d), Page 6, Column (b), Line 17	31.7963%		848,806		153,243
8	Phase III - Phase VI	Schedule I-1(d), Page 6, Column (c), Line 15	98.5814%			836,765	
9	Phase VII	Schedule I-1(d), Page 6, Column (c), Line 16	1.4186%			12,041	
10	Total Payroll Taxes				\$ 2,869,513	\$ 2,669,513	

FLORIDA GAS TRANSMISSION COMPANY, LLC

Depreciation Related to Compression Facilities  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Gas Plant In Service As Adjusted (a)	Depreciation Rate (b)	Depreciation Expense (c)
	Non-Incremental Facilities				
	Western Division				
1	366.10 - Compressor Sta Structure	Schedule C-1.1, Page 3	\$ 5,215,815		
2	368.00 - Compressor Station Equip	Schedule C-1.1, Page 3	115,559,067		
3	Total Western Division		120,774,882	2.13%	\$ 2,572,505
	Market Area				
4	366.10 - Compressor Sta Structure	Schedule C-1.1, Page 5	6,256,773		
5	368.00 - Compressor Station Equip	Schedule C-1.1, Page 5	164,748,137		
6	Total Market Area		171,004,910	2.13%	3,642,405
7	Total Non-Incremental Facilities		\$ 291,779,792		\$ 6,214,910
	Incremental Facilities				
8	366.10 - Compressor Sta Structure	Schedule C-1.2, Page 1	\$ 8,413,443		
9	368.00 - Compressor Station Equip	Schedule C-1.2, Page 1	447,281,488		
10	Total Incremental Facilities		\$ 455,694,931	2.50%	\$ 11,392,373



FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Basis of Allocation of General or Common Operations & Maintenance Expenses  
Twelve Months Ended May 31, 2009, As Adjusted

No.	Description	Reference	Direct Labor	
			Amount (a)	Percentage (b)
1	Western Division	Schedule H-1(1)(a).1, Page 5	\$ 3,984,544	40.4240%
2	Market Area	Schedule H-1(1)(a).1, Page 6	5,872,321	59.5760%
3	Total		\$ 9,856,865	100.0000%

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Operation and Maintenance Expenses - Allocated Transmission  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Acct	Description	Reference	Total to Allocate		Western Division		Market Area										
				Labor 1/ (a)	S&E 2/ (b)	Labor (c)	S&E (d)	Total (e)	Labor (f)	S&E (g)								
1		Direct Labor Percentage	Schedule I-1(d).1, Page 1 Schedule I-1(d).1, Page 1	\$	2,975,368	\$	2,241,120	\$	1,202,763	\$	651,261	\$	1,854,024	\$	1,772,605	\$	1,589,859	
2		Direct Plant Percentage		696,068	63,944	281,379	18,582	299,961	414,689	45,362								
3	850.00	Transmission Expense																
4	851.00	Operation Supervision and Engineering																
5	852.00	System Control and Load Dispatching																
6	853.00	Communication System Expenses																
7	854.00	Compressor Station Labor and Expenses																
8	855.00	Gas for Compressor Station Fuel																
9	856.00	Other Fuel and Power For Compressor Stations																
10	857.00	Mains Expenses																
11	858.00	Measuring and Regulating Station Expenses																
12	859.00	Transmission and Compression of Gas by Others																
13	860.00	Other Expenses																
14		Rents																
		Total Operation			3,852,983	4,589,088	1,557,530	1,333,572	2,891,102	2,295,453	3,255,516							
15	861.00	Maintenance Supervision and Engineering																
16	862.00	Maintenance of Structures and Improvements																
17	863.00	Maintenance of Mains																
18	864.00	Maintenance of Compressor Station Equipment																
19	865.00	Maintenance of Measuring and Regulating Station Equipment																
20	866.00	Maintenance of Communication Equipment																
21	867.00	Maintenance of Other Equipment																
22		Total Maintenance		386	2	156	1	157	230	1								
				580,352	1,976,034	234,601	574,228	808,829	345,751	1,401,806								
23		Total Allocated Non-Incremental - Transmission Expense		\$ 4,433,335	\$ 6,585,122	\$ 1,792,131	\$ 1,907,800	\$ 3,699,931	\$ 2,641,204	\$ 4,657,322								

1/ Schedule H-1(1)(a).1 Page 7  
2/ Schedule H-1(1)(b).1 Page 7

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Allocated Operation and Maintenance Expenses - Western Division  
Mileage / Non-Mileage  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Acct	Description	Western Division		
			Mileage (a)	Non-Mileage (b)	Total 1/ (c)
		<u>Transmission Expense</u>			
1	850.00	Operation Supervision and Engineering	\$ -	\$ 1,854,024	\$ 1,854,024
2	851.00	System Control and Load Dispatching	299,961	-	299,961
3	852.00	Communication System Expenses	88,117	-	88,117
4	853.00	Compressor Station Labor and Expenses	95,566	-	95,566
5	854.00	Gas for Compressor Station Fuel	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-
7	856.00	Mains Expenses	432,066	-	432,066
8	857.00	Measuring and Regulating Station Expenses	6,617	-	6,617
9	858.00	Transmission and Compression of Gas by Others	-	-	-
10	859.00	Other Expenses	(4,225)	-	(4,225)
11	860.00	Rents	118,976	-	118,976
12		Total Operation	1,037,078	1,854,024	2,891,102
		<u>Maintenance Supervision and Engineering</u>			
13	861.00	Maintenance of Structures and Improvements	-	241	241
14	862.00	Maintenance of Mains	2,702	-	2,702
15	863.00	Maintenance of Compressor Station Equipment	630,618	-	630,618
16	864.00	Maintenance of Measuring and Regulating Station Equipment	175,027	-	175,027
17	865.00	Maintenance of Communication Equipment	84	-	84
18	866.00	Maintenance of Other Equipment	-	-	-
19	867.00	Total Maintenance	157	-	157
20			808,588	241	808,829
21		Total Non-Incremental - Western Division - Transmission Expense	\$ 1,845,666	\$ 1,854,265	\$ 3,699,931

1/ Schedule I-1(d). 1, Page 2, Column (e)

EXHIBIT NO. FGT-46  
Page 15  
Docket No. RP10-\_\_\_\_-000  
Schedule I-1(d).1  
Page 4

- 1/ Schedule H-1(f)(a), 1 Page 4
- 2/ Schedule H-1(f)(b), 1 Page 3 & 4
- 3/ Schedule 1-1(d), Page 6, Column (c), Line 13
- 4/ Schedule 1-1(d), Page 6, Column (c), Line 10
- 5/ Schedule 1-1(d), Page 1, Column (c), Line 4
- 6/ Schedule 1-1(d), Page 1, Column (c), Line 1
- 7/ Column (h), Line 22
- 8/ Column (k), Line 22

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Taxes Other Than Income Taxes - Ad Valorem Taxes - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	Allocated Amount (c)
1	Ad Valorem				
	<b>Alabama</b>				
	Western Division	Schedule H-4, Page 1	\$	415,199	
2	Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	99.9477%		\$ 414,982
3	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 3	0.0523%		217
4	Total Alabama				<u>415,199</u>
5	<b>Florida</b>				
6	Market Area	Schedule H-4, Page 1	100.0000%	9,716,738	<u>9,716,738</u>
7	<b>Louisiana</b>				
	Western Division	Schedule H-4, Page 1		3,415,156	
8	Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	99.9477%		3,413,370
9	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 3	0.0523%		<u>1,786</u>
10	Total Louisiana				<u>3,415,156</u>
11	<b>Mississippi</b>				
	Western Division	Schedule H-4, Page 1		912,812	
12	Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	99.9477%		912,335
13	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 3	0.0523%		<u>477</u>
14	Total Mississippi				<u>912,812</u>
15	<b>Texas</b>				
	Western Division	Schedule H-4, Page 1		336,267	
16	Mileage	Schedule I-1(d), Page 6, Column (d), Line 2	99.9477%		336,091
17	Non-Mileage	Schedule I-1(d), Page 6, Column (d), Line 3	0.0523%		<u>176</u>
18	Total Texas				<u>336,267</u>
19	Total Non-Incremental Ad Valorem Taxes			\$ 14,796,172	\$ <u>14,796,172</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Regulatory Assets - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	Regulatory Assets - Allocated	
					Facility (c)	Mileage/Non-Mileage (d)
1	Regulatory Assets	Schedule B-2.1				
2	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	70.9404%	\$ 434,439	\$ 308,193	
3	Western Division	Schedule I-1(d), Page 1, Column (c), Line 4	29.0596%		126,246	
4	Mileage	Schedule I-1(d), Page 1, Column (d), Line 2	99.9510%			\$ 126,184
5	Non-Mileage	Schedule I-1(d), Page 1, Column (d), Line 3	0.0490%			62
6	Total Non-Incremental Regulatory Assets				<u>\$ 434,439</u>	

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Basis of Allocation of Accumulated Depreciation & Amortization  
Twelve Months Ended May 31, 2009, As Adjusted

No.	Description	Reference	Gas Plant In Service As Adjusted (a)	Percentage Accum DD&A (b)
1	<u>Gas Plant In Service</u> Market Area	Schedule C-1.1, Page 5, Line 16 Minus Line 4	\$ 990,539,934	72.2753%
2	Western Division Mileage	Schedule C-1.1, Page 3, Line 16 Minus Line 4	379,969,835	27.7247%
3	Subtotal Gas Plant In Service - Excluding Offshore, General & Intangible and Land		1,370,509,769	100.0000%
4	<u>Transmission Offshore</u> Western Division	Schedule C-1.1, Page 1, Line 25	25,858,182	100.00000%
5	Subtotal Gas Plant In Service - Excluding General & Intangible Plant and Land		1,396,367,951	
6	<u>General &amp; Intangible Plant</u> Market Area	Schedule C-1.1, Page 5, Line 3 + Line 40 Minus Line 26	12,669,268	44.5220%
7	Western Division		15,786,931 1/	55.4780%
8	Total General Plant & Intangible Plant		28,456,199	100.00000%
9	<u>Non-Depreciable Land</u> Market Area	Schedule C-1.1, Page 5, Line 4 + Line 26	2,475,199	
10	Western Division	Schedule C-1.1, Page 3, Line 4 + Line 26	354,742	
11	Total Non-Depreciable Land		2,829,941	
12	Intangibles Allocated to Incremental Facilities	Schedule I-1(d), Page 2, Column (c), Line 6 + 13	14,053,900	
13	Total Non-Incremental Gas Plant In Service		\$ 1,441,707,991	

1/ Schedule C-1.1, Page 7, Line 3 + Page 3, Line 40 Minus Page 3, Line 26 Minus Column (a), Line 12

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Accumulated Depreciation, Depletion and Amortization - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	Allocated Amount (c)
	<u>Accumulated Depreciation, Depletion and Amortization</u>				
1	Transmission Onshore	STATEMENT D.1, Column (g), Line 1			
2	Market Area	Schedule I-1(d), 1, Page 7, Column (b), Line 1	72.2753%	\$ (618,173,300)	\$ (446,786,607)
3	Western Division Mileage	Schedule I-1(d), 1, Page 7, Column (b), Line 2	27.7247%		(171,386,693)
4	<u>Transmission Offshore</u>				
	Western Division Mileage	STATEMENT D.1, Column (g), Line 2 + Line 3 Schedule I-1(d), 1, Page 7, Column (b), Line 4	100.0000%	(25,863,601)	(25,863,601)
5	<u>Transmission Offshore - Negative Salvage</u>				
	Western Division Mileage	STATEMENT D.1, Column (g), Line 4 Schedule I-1(d), 1, Page 7, Column (b), Line 4	100.0000%	(1,887,498)	(1,887,498)
6	<u>General Plant</u>				
7	Market Area	STATEMENT D.1, Column (g), Line 7 Schedule I-1(d), 1, Page 7, Column (b), Line 6	44.5220%	(7,966,149)	(3,546,689)
8	Western Division Non-Mileage	Schedule I-1(d), 1, Page 7, Column (b), Line 7	55.4780%		(4,419,460)
9	<u>Intangible Plant</u>				
	Miscellaneous				
10	Market Area	Schedule I-1(d), Page 2, Column (d), Line 17			(424)
	Western Division				
11	Non-Mileage	Schedule I-1(d), Page 2, Column (d), Line 18			(173)
	Miscellaneous - CIAC's				
12	Market Area	STATEMENT D.1, Column (g), Line 11	100.000000%		(1,436,090)
	Computer Software				
13	Market Area	Schedule I-1(d), Page 2, Column (d), Line 24			(3,047,858)
	Western Division				
14	Non-Mileage	Schedule I-1(d), Page 2, Column (d), Line 25			(1,248,506)
	Maitland Leasehold				
15	Market Area	STATEMENT D.1, Column (g), Line 13	100.000000%	(178,245)	(178,245)
16	Total Non-Incremental Accumulated Depreciation, Depletion and Amortization				\$ (659,801,844)
17	Reconciliation of Accumulated Depreciation, Depletion and Reserve to STATEMENT D.1				
18	Accumulated Depreciation, Depletion and Reserve	Line 16			\$ (659,801,844)
	Intangible Reserve Allocated to Incremental Facilities	Schedule I-1(d), Page 2, Column (c), Line 20 & 27			(6,294,460)
19	Total Non-Incremental Accumulated Depreciation, Depletion and Reserve				\$ (686,096,304)



FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Working Capital - Materials & Supplies - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	Allocated Amount (c)
1	<u>Materials &amp; Supplies</u>	STATEMENT E.1			
2	Market Area	Schedule I-1(d), Page 1, Column (c), Line 1	70.9404%	\$ 9,975,801	\$ 7,076,873
3	Western Division Mileage	Schedule I-1(d), Page 1, Column (c), Line 4	29.0596%		2,898,928
4	Total Non-Incremental Materials & Supplies			\$	\$ 9,975,801

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Basis of Allocation of Deferred Income Taxes and Unfunded Tax Deficiency  
Twelve Months Ended May 31, 2009, As Adjusted

No.	Description	Reference	Gas Plant In Service	
			As Adjusted (a)	Percentage (b)
1	Gas Plant In Service Market Area	Schedule C-1.1, Page 5, Line 41 Minus Line 4 and 26	\$ 1,003,209,202	70.4093%
2	Western Division Mileage	Schedule C-1.1, Page 3, Line 16 + 25 Minus 4	405,828,017	28.4827%
3	Non-Mileage		15,786,931 1/	1.1080%
4	Total Western Division		421,614,948	29.5907%
5	Total Non-Incremental Gas Plant In Service - Excluding Land		1,424,824,150	100.0000%
6	Non-Depreciable Land Market Area	Schedule C-1.1, Page 5, Line 4 + 26	2,475,199	
7	Western Division Mileage	Schedule C-1.1, Page 3, Line 4 + Line 26	354,742	
8	Intangibles Allocated to Incremental Facilities	Schedule I-1(d), Page 2, Column (c), Line 6 + Line 13	14,053,900	
9	Total Non-Incremental Gas Plant In Service		\$ 1,441,707,991	

1/ Schedule C-1.1, Page 7, Line 3 + Page 3, Line 40 Minus Page 3, Line 26 Minus Column (a), Line 8

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Non-Incremental Facilities  
Deferred Income Taxes and Unfunded Tax Deficiency - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	Allocated Amount (c)
1	<u>Deferred Income Taxes</u>	Schedule B-1.1, Page 2			
2	Market Area	Schedule I-1(d).1, Page 10, Column (b), Line 1	70.4093%	\$ (103,726,626)	\$ (73,033,191)
3	Western Division				
4	Mileage	Schedule I-1(d).1, Page 10, Column (b), Line 2	28.4827%		(29,544,144)
	Non-Mileage	Schedule I-1(d).1, Page 10, Column (b), Line 3	1.1080%		(1,149,291)
5	Total Non-Incremental - Deferred Income Taxes			<u>(103,726,626)</u>	<u>\$ (103,726,626)</u>
6	<u>Unfunded Tax Deficiency</u>	STATEMENT H-3.1			
7	Market Area	Schedule I-1(d).1, Page 10, Column (b), Line 1	70.4093%	75,917	\$ 53,453
8	Western Division				
9	Mileage	Schedule I-1(d).1, Page 10, Column (b), Line 2	28.4827%		21,623
	Non-Mileage	Schedule I-1(d).1, Page 10, Column (b), Line 3	1.1080%		841
10	Total Non-Incremental - Unfunded Tax Deficiency			<u>75,917</u>	<u>\$ 75,917</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC

Allocation of Cost of Service  
Non-Incremental

Line No.	Description (a)	Schedule Reference (b)	Total (c)	Reservation (d)	Usage (e)
1	Total Cost of Service	Sch. I-2.1, pg 1	\$ 231,688,822	\$ 224,433,117	\$ 7,255,705
2	Less: Costs Allocated to Rate Schedule NNTS	Sch. I-3, L29 + I30	246,947	132,020	114,927
3	Less: Costs Allocated to Rate Schedules FTS-WD & ITS-WD	Sch. I-3, L51	9,104,888	8,804,198	300,690
4	Less: Allocated Revenue Credit from Rate Schedule PNR	Sch. I-3, L68	1,266,388	1,266,388	-
5	Costs Allocated to Rate Schedules FTS-1, SFTS & ITS-1		<u>\$ 221,070,599</u>	<u>\$ 214,230,511</u>	<u>\$ 6,840,088</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC

Allocation of Cost of Service  
Incremental

Line No.	Description (a)	Schedule Reference (b)	Total (c)	Reservation (d)	Usage (e)
6	Total Cost of Service	Sch. I-2.2	\$ 347,529,404	\$ 344,113,637	\$ 3,415,767
7	Less: Costs Allocated to Rate Schedule NNTS	Sch. I-3, L31	224,714	170,610	54,104
8	Less: Costs Allocated to Rate Schedules FTS-WD & ITS-WD	Sch. I-3, L52	2,417,716	2,275,383	142,333
9	Less: Allocated Revenue Credit from Rate Schedule PNR	Sch. I-3, L69	1,266,387	1,266,387	-
10	Costs Allocated to Rate Schedule FTS-2 & ITS-1		<u>\$ 343,620,587</u>	<u>\$ 340,401,257</u>	<u>\$ 3,219,330</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC

Allocation of Cost of Service  
Summary of Allocation Factors

Line No.	Description (a)	Schedule Reference (b)	Reservation (c)	Usage (d)
11	Rate Schedule NNTS	Sch. J-1, L12	10,603,472	
12	Rate Schedules FTS-1, SFTS & ITS-1			
13	Rate Schedule SFTS	Sch. J-1, L2	70,580	70,580
14	Rate Schedule FTS-1	Sch. J-1, L1	333,951,829	247,095,860
15	Rate Schedule ITS-1 1/	Sch. J-1, L4	7,136,334	7,136,334
	Total		341,158,743	254,302,774
16	Rate Schedules FTS-WD & ITS-WD			
17	Rate Schedule FTS-WD	Sch. J-1, L6	83,411,605	42,354,336
18	Rate Schedule ITS-WD	Sch. J-1, L7	81,801,757	81,801,757
	Total		165,213,362	124,156,093
19	Rate Schedules FTS-2 & ITS-1			
20	Rate Schedule FTS-2	Sch. J-1, L13	472,001,658	397,387,967
21	Rate Schedule ITS-1 1/	Sch. J-1, L15	7,136,333	7,136,333
	Total		479,137,991	404,524,300

1/ As shown on Schedule J-1, ITS-1 volumes have been split equally between non-incremental and incremental transportation services.

FLORIDA GAS TRANSMISSION COMPANY, LLC

Allocation of Cost of Service  
Allocation to Rate Schedule NNTS 1/

Line No.	Description (a)	Schedule Reference (b)	Non-Incremental		Incremental (e)
			Market Area (c)	Western Division (d)	
Compression Related Expenses:					
22	Depreciation Expense - Fixed Costs	Sch. I-1(d), pg 11	\$3,642,405	\$2,572,505	\$11,392,373
23	Operation & Maintenance Expense - Fixed Costs	Sch. I-2.1/Sch. I-2.2	2,193,456	1,936,901	1,976,827
24	Operation & Maintenance Expense - Variable Costs	Sch. I-2.1/Sch. I-2.2	3,519,454	3,736,251	3,415,767
Allocation Units:					
Fixed					
25	Rate Schedules FTS-1, SFTS, ITS-1 & FTS-2	Sch. I-3, L15 + L21	820,296,734	98.7239%	
26	Rate Schedule NNTS	Sch. I-3, L11	10,603,472	1.2761%	
Variable					
27	Rate Schedules FTS-1, SFTS, ITS-1 & FTS-2	Sch. I-3, L15 + L21	658,827,074	98.4160%	
28	Rate Schedule NNTS	Sch. I-3, L11	10,603,472	1.5840%	
Allocation to Rate Schedule NNTS:					
29	Non-Incremental Market Area		Reservation 2/ \$74,474	Usage 3/ \$55,747	
30	Non-Incremental Western Division		57,546	59,180	
31	Incremental		170,610	54,104	
32	Totals		\$302,630	\$169,031	
33	Allocation to Rate Schedule NNTS		\$471,662		

1/ Based on Depreciation and Operation & Maintenance Expenses related to FGT's compression facilities.

2/ Allocation of compressor related Depreciation Expense and fixed Operation & Maintenance Expense.

3/ Allocation of compressor related variable Operation & Maintenance Expense.

FLORIDA GAS TRANSMISSION COMPANY, LLC

Allocation of Cost of Service  
Allocation of Western Division Transmission Costs

Line No.	Description (a)	Schedule Reference (b)	Total (c)	Mileaged-Related Costs 1/ Reservation (d)	Usage (e)	Non-Mileaged Costs 1/ Reservation (f)	Usage (g)
34	Western Division Transmission Cost	Sch. I-2, 1, pg 2	\$72,498,234	\$54,607,294	\$3,736,251	\$14,154,689	\$ -
35	Less: Allocation to Rate Schedule NNTS	Sch. I-3, L30		57,546	59,180		
36	Net: Western Division Transmission Cost						
37	Allocation Units - Non-Incremental 1/		\$72,381,507	\$54,549,748	\$3,677,071	\$14,154,689	\$ -
38	Deliveries to Florida			110,535,433	82,394,099	341,158,743	254,302,774
39	Western Division Transportation			10,376,005	7,337,768	140,216,290	99,159,021
40	Allocation Percentages						
41	Deliveries to Florida			91.41851%	91.82256%	70.87172%	71.94633%
42	Western Division Transportation			8.58149%	8.17744%	29.12828%	28.05367%
43	Allocated Costs						
44	Deliveries to Florida		63,276,618	49,868,566	3,376,380	10,031,672	-
45	Western Division Deliveries		9,104,888	4,681,181	300,690	4,123,017	-
46	Total		\$72,381,506	\$54,549,747	\$3,677,070	\$14,154,689	\$ -
47	Allocation Units - Incremental						
48	Deliveries to Florida - Revenues			335,165,438	2,640,316		
49	Western Division Transportation - Revenues			2,230,957	114,804		
50	Allocation Percentages						
51	Deliveries to Florida			99.33877%	95.83307%		
52	Western Division Transportation			0.66123%	4.16693%		
53	Allocated Costs						
54	Deliveries to Florida		345,111,688	341,838,254	3,273,434		
55	Western Division Deliveries		2,417,716	2,275,383	142,333		
56	Total		\$347,529,404	\$344,113,637	\$3,415,767		
57	Allocation from Non-Incremental Cost of Service	Sch. I-3, L42					
58	Allocation from Incremental Cost of Service	Sch. I-3, L49					
59	Allocation of Revenue Credit from Rate Schedule PNR	Sch. I-3, L67					
60	Total Allocation to Western Division		\$ 11,350,440	\$ 6,784,400	\$ 443,023	\$ 4,123,017	\$ -
61	1/ MMBTU-MILES Computation:						
62	Western Division						
63	Weighted Average						
64	Miles-of-Haul		324				
65	Non-Incremental Deliveries to Florida		74				
66	Non-Incremental Western Division Transportation						
67							
68							
69							
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71							
72							
73							
74							
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FLORIDA GAS TRANSMISSION COMPANY, LLC

Allocation of Cost of Service  
Allocation of Rate Schedule PNR Revenues 1/

Line No.	Description (a)	Revenues		
		Western Division (b)	Market Area (c)	Total (d)
Rate Schedule PNR Revenues				
57	Contract 5794	\$ -	\$ 696,875	\$ 696,875
58	Contract 6210	-	434,615	434,615
59	Contract 101649	-	15,105	15,105
60	Contract 103997	-	1,284,938	1,284,938
61	Contract 106331	-	326	326
62	Contract 107726	172,164	100,656	272,820
63	Contract 108448	-	260	260
64	Total Rate Schedule PNR Revenues	<u>\$ 172,164</u>	<u>\$ 2,532,775</u>	<u>\$ 2,704,939</u>
Allocation of Revenue Credits from Rate Schedule PNR:				
65	Allocation to Western Division	\$ 172,164		\$ 172,164
66	Allocation to Non-Incremental		\$ 1,266,388	1,266,388
67	Allocation to Incremental		\$ 1,266,387	1,266,387
68	Total Allocation of Revenue Credits from Rate Schedule PNR	\$ 172,164	\$ 1,266,388	\$ 1,266,387
				\$ 2,704,939

1/ See Schedule G-1. Allocation of Rate Schedule PNR revenues credited to Western Division based on actual revenues in the Western Division. The remaining non-Western Division Rate Schedule PNR revenues are split equally between Non-Incremental and Incremental Facilities.

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Cost of Service  
Twelve Months Ended May 31, 2009, As Adjusted

EXHIBIT NO. FGT-48  
Page 1  
Docket No. RP10-\_\_\_\_-000  
Schedule I-1(c).2  
Page 1

Line No.	Description	Reference	Amount (a)
	<u>Operating Expenses</u>		
1	Operations and Maintenance	Schedule I-1(c).2, Page 2	\$ 292,808
2	Administrative & General	Schedule I-1(d).2, Page 1	<u>244,145</u>
3	Total Operating Expenses		536,953
4	Depreciation Expense	Schedule I-1(c).2, Page 3	1,544,031
5	Taxes Other Than Income	Schedule I-1(c).2 Page 4	486,083
6	Return @ 11.58%	Schedule I-1(c).2, Page 5	6,283,363
7	Federal Income Taxes	Schedule I-1(c).2, Page 9	2,463,008
8	State Income Taxes	Schedule I-1(c).2, Page 9	263,412
9	Revenue Credits		<u>-</u>
10	Total		<u>\$ 11,576,850</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Operation and Maintenance Expenses  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Acct	Description	As Adjusted 1/			
			Labor (a)	S&E (b)	Gas (c)	Total (d)
		<u>Transmission Expense</u>				
1	850.00	Operation Supervision and Engineering	\$ -	\$ -	\$ -	\$ -
2	851.00	System Control and Load Dispatching	-	-	-	-
3	852.00	Communication System Expenses	-	-	-	-
4	853.00	Compressor Station Labor and Expenses	51,450	51,450	-	102,900
5	854.00	Gas for Compressor Station Fuel	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-
7	856.00	Mains Expenses	6,215	111,086	-	117,301
8	857.00	Measuring and Regulating Station Expenses	10,368	12,040	-	22,408
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-
10	859.00	Other Expenses	-	-	-	-
11	860.00	Rents	-	-	-	-
12		Total Operation	<u>68,033</u>	<u>174,576</u>	<u>-</u>	<u>242,609</u>
13	861.00	Maintenance Supervision and Engineering	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-
15	863.00	Maintenance of Mains	972	1,671	-	2,643
16	864.00	Maintenance of Compressor Station Equipment	22,050	22,050	-	44,100
17	865.00	Maintenance of Measuring and Regulating Station Equipment	3,456	-	-	3,456
18	866.00	Maintenance of Communication Equipment	-	-	-	-
19	867.00	Maintenance of Other Equipment	-	-	-	-
20		Total Maintenance	<u>26,478</u>	<u>23,721</u>	<u>-</u>	<u>50,199</u>
21		Total Transmission Expense	<u>\$ 94,511</u>	<u>\$ 198,297</u>	<u>\$ -</u>	<u>\$ 292,808</u>

1/ O&M expenses relating to the Phase VII facilities are based on amounts reported on Page 217 of the 2008 FERC Form 2.

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Depreciation, Depletion and Amortization Expense  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Gas Plant As Adjusted (a)	1/	Depreciation Rate (b)	Amount (c)
1	Transmission Onshore	\$ 61,761,258		2.50%	\$ 1,544,031

1/ Schedule C-1.2, Page 3

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Summary - Other Taxes  
Twelve Months Ended May 31, 2009, As Adjusted

EXHIBIT NO. FGT-48  
Page 4  
Docket No. RP10-\_\_\_\_-000  
Schedule I-1(c).2  
Page 4

Line No.	Description	Reference	Amount (a)
1	Ad Valorem	Schedule I-1(d).2, Page 2	\$ 443,609
2	Payroll	Schedule I-1(d), Page 10	12,041
3	Franchise Tax	Schedule I-1(d), Page 7	14,311
4	Compressor Usage Tax	Schedule I-1(d), Page 8	16,119
5	Miscellaneous Other Taxes	Schedule I-1(d), Page 9	<u>3</u>
6	Total Taxes Other Than Income		\$ <u><u>486,083</u></u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Rate Base and Return  
Twelve Months Ended May 31, 2009, As Adjusted

EXHIBIT NO. FGT-48  
Page 5  
Docket No. RP10-\_\_\_\_-000  
Schedule I-1(c).2  
Page 5

Line No.	Description	Reference	Amount (a)
1	Plant	Schedule I-1(c).2, Page 6	\$ 61,761,258
2	Accumulated Provision for Depreciation	Schedule I-1(c).2, Page 6	<u>(4,044,613)</u>
3	Net Plant		57,716,645
4	Accumulated Deferred Income Taxes	Schedule I-1(c).2, Page 7	(3,601,770)
5	Working Capital	Schedule I-1(c).2, Page 8	<u>145,603</u>
6	Rate Base		\$ <u>54,260,478</u>
7	Return on Rate Base at 11.58%		\$ <u>6,283,363</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Plant and Accumulated Depletion, Depletion & Amortization  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Gas Plant In Service As Adjusted (a)	Accumulated DD & A As Adjusted 2/ (b)
	<u>Transmission Onshore</u>		
	Vintage Year		
1	2007	\$ 47,355,292	\$ (3,354,328)
2	2008	14,405,966	(690,285)
3	Total	\$ <u>61,761,258</u> 1/	\$ <u>(4,044,613)</u>

1/ Schedule C-1.2, Page 3

2/ Netbook as of May 31, 2009, As Adjusted

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Deferred Income Taxes by Item  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Deferred Taxes (a)	Adjustments (b)	Deferred Taxes, As Adjusted (c)	Claimed in Rate Base (d)
1	Capitalized Interest	\$ 128,291	\$ -	\$ 128,291	\$ 128,291
2	CIAC-Nonutility	845,131	-	845,131	-
3	Total - Account No. 190	<u>973,422</u>	<u>-</u>	<u>973,422</u>	<u>128,291</u>
4	Book Depreciation - Utility	1,103,257	442,597	1,545,854	1,545,854
5	Tax Depreciation - Utility	<u>(3,759,200)</u>	<u>(1,516,715)</u>	<u>(5,275,915)</u>	<u>(5,275,915)</u>
6	Total - Account No. 282	<u>(2,655,943)</u>	<u>(1,074,118)</u>	<u>(3,730,061)</u>	<u>(3,730,061)</u>
7	AFUDC Gross-Up	(350,264)	-	(350,264)	-
8	AFUDC on Equity	<u>(805,824)</u>	<u>-</u>	<u>(805,824)</u>	<u>-</u>
9	Total Account No. 283	<u>(1,156,088)</u>	<u>-</u>	<u>(1,156,088)</u>	<u>-</u>
10	Total - Account Nos. 190, 282, and 283	<u>\$ (2,838,609)</u>	<u>\$ (1,074,118)</u>	<u>\$ (3,912,727)</u>	<u>\$ (3,601,770)</u>



FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Working Capital  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Amount (a)
1	Cash Working Capital		\$ -
2	Materials and Supplies	Schedule I-1(d).2, Page 3	118,010
3	Prepayments	Schedule I-1(d), Page 5	<u>27,593</u>
4	Total Working Capital		\$ <u><u>145,603</u></u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Income Taxes  
Twelve Months Ended May 31, 2009, As Adjusted

EXHIBIT NO. FGT-48  
Page 9  
Docket No. RP10-\_\_\_\_-000  
Schedule I-1(c).2  
Page 9

Line No.	Description	Reference	Amount (a)
	<u>Federal Income Tax</u>		
1	Return on Rate Base at 11.58%	Schedule I-1(c).2, Page 5	\$ <u>6,283,363</u>
	<u>Federal Income Tax Adjustments</u>		
2	Interest and Debt Expense	Schedule I-1(c).2, Page 10	<u>(1,709,205)</u>
3	Net FIT Adjustment		<u>(1,709,205)</u>
4	Return after FIT Adjustments		<u>4,574,158</u>
	Federal Income Taxes @ 35% Tax on Tax Rate of 53.846154%		<u>2,463,008</u>
5	Total Federal Income Tax		\$ <u><u>2,463,008</u></u>
6	Florida State Tax Rate @ 3.6081% Tax on Tax Rate of 3.743157%		\$ <u><u>263,412</u></u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Federal and State Income Tax Deductions  
Interest and Debt Expense  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Amount (a)
1	Rate Base	Schedule I-1(c).2, Page 5	\$ 54,260,478
2	Rate of Return on Long Term Debt		<u>3.15%</u>
3	Interest and Debt Expense		<u><u>\$ 1,709,205</u></u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities - Phase VII  
Revenue Credits  
Twelve Months Ended May 31, 2009, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (a)
1	Revenue Credits	\$ <u><u>-</u></u>

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities  
Operation and Maintenance Expenses - Allocated Administrative & General Expenses - Phase VII  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Acct	Description	Phase VII		Total to Allocate		Phase VII		Total
			(a)	(b)	(c)	(d)	(e)	(f)	(g)
		<u>Administrative &amp; General Expense</u>							
1		Allocated Based on Labor	1.4186%						
2	920.00	Administrative & General Salaries	3/	\$ 2,915,403	\$ 1,777,449	\$ 4,692,852	\$ 41,358	\$ 25,215	\$ 66,573
3	921.00	Office Supplies & Expenses		-	1,147,688	1,147,688	-	16,281	16,281
4	922.00	Admin. Expenses Transferred		(271,165)	(334,655)	(605,820)	(3,847)	(4,747)	(8,594)
5	925.00	Injuries & Damages		-	522,330	522,330	-	7,410	7,410
6	926.00	Employee Pensions & Benefits		-	3,128,373	3,128,373	-	44,379	44,379
7	931.00	Rents		-	443,970	443,970	-	6,298	6,298
8		Total A&G Based on Labor		2,644,238	6,685,155	9,329,393	37,511	94,836	132,347
		<u>Allocated Based on Plant</u>	3.0175%						
9	924.00	Property Insurance	4/	-	1,607,895	1,607,895	48,518	48,518	97,036
10	932.00	Maintenance of General Plant		-	-	-	-	-	-
11		Total A&G Based on Plant		-	1,607,895	1,607,895	48,518	48,518	97,036
12		Total A&G Based on Labor & Plant		2,644,238	8,293,050	10,937,288	86,029	143,354	229,383
13		Labor & Plant Allocation Percentage							2.0973%
		<u>Allocated Based on Labor &amp; Plant</u>	2.0973%						
14	923.00	Outside Services Employed	5/	-	661,563	661,563	-	13,875	13,875
15	928.00	Regulatory Commission Expenses		-	33,738	33,738	-	708	708
16	930.10	General Advertising Expenses		-	-	-	-	-	-
17	930.20	Miscellaneous General Expenses		5,073	3,457	8,530	106	73	179
18		Total A&G Based on Labor & Plant		5,073	698,758	703,831	106	14,656	14,762
19		Total Incremental Administrative and General Expenses		2,649,311	8,991,808	11,641,119	86,135	158,010	244,145

1/ Schedule H-1(1)(a) 2, Page 4

2/ Schedule H-1(1)(b) 2, Page 4

3/ Schedule I-1(d), Page 6, Column (c), Line 16

4/ Schedule I-1(d), Page 1, Column (c), Line 7

5/ Column (g), Line 13

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities  
Taxes Other Than Income Taxes - Ad Valorem Taxes - Allocated - Phase VII  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total	
				As Adjusted (b)	Amount (c)
	<u>Ad Valorem</u>				
1	<b>Florida</b>	Schedule H-4 Workpaper, Page 2		\$ 14,701,219	
2	Phase VII	Schedule I-1(d), Page 6, Column (c), Line 7	3.0175%		\$ 443,609

FLORIDA GAS TRANSMISSION COMPANY, LLC  
Incremental Facilities  
Working Capital - Materials & Supplies - Allocated  
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Reference	Percentages (a)	Total As Adjusted (b)	Allocated Amount (c)
1	<u>Materials &amp; Supplies</u>	Schedule E-2.2			
2	Phase VII	Schedule I-1(d), Page 1, Column (c), Line 7	3.0175%	\$ 3,910,854	118,010

FLORIDA GAS TRANSMISSION COMPANY, LLC

Roll-In Analysis - Phase VII Expansion

Line No.	Contract Number (a)	Shipper Name (b)	Reservation			Usage			Total Revenues (i)	Cost of Service (j)	
			Billing Units (c)	Rate (d)	1/	Revenues (e)	Billing Units (f)	Rate (g)			1/
1	106522	Progress Energy Florida, Inc.	15,300,000	\$ 0.7693	\$	\$11,770,290	11,545,044	0.0080	\$	92,360	11,862,650
2	106598	Progress Energy Florida, Inc.	10,600,000	0.1000		1,060,000	6,346,148	0.0080		50,770	1,110,770
3	106797	Infinite Energy, Inc.	3,650,000	0.2008 2/		733,000	4,047,492	0.0080 2/		32,380	765,380
4	Total Phase VII Expansion Revenues					<u>\$13,563,290</u>			\$	<u>175,510</u>	<u>\$ 13,738,800</u>
5	Total Phase VII Expansion Cost of Service										<u>\$11,576,850 3/</u>

1/ Contract rate or maximum tariff rate, as applicable.

2/ Seasonal rate: \$0.3000 summer; \$0.1000 winter.

3/ See Schedule I-1(c) 2.



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 24th day of September, 2009.

/s/ Suzanne Samano
Notary Public

My Commission Expires:

April 6, 2010