

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

Transwestern Pipeline Company, LLC § Docket No. RP06-____-000

**PREPARED DIRECT TESTIMONY
OF
R. J. BROCATO**

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

2 A. My name is Rickey J. Brocato. My business address is 5444 Westheimer Road,
3 Houston, Texas 77056.

4 **Q. By whom are you employed?**

5 A. I am employed by the Panhandle Energy pipeline group of companies as Manager of
6 Cost of Service in the Rates and Regulatory Affairs Department. In this capacity, I
7 work for Transwestern Pipeline Company, LLC (Transwestern), an operating unit of
8 CrossCountry Energy.

9 **Q. How long have you been employed by the Panhandle system?**

10 A. Since December 1974.

11 **Q. Please describe your employment history with the Panhandle system.**

12 A. I joined Texas Eastern Transmission Corporation as a Junior Accountant in the
13 Controllers department in December 1974. I was subsequently promoted to the
14 positions of Accountant, Senior Accountant, Assistant Supervisor and Supervisor in
15 that department. With the merger of Texas Eastern with Panhandle Eastern
16 Corporation, I assumed the position of Supervisor of Cost of Service in the

1 Regulatory Affairs department. In May 1999, I assumed my present position as
2 Manager of Cost of Service. I assumed that function for Transwestern with the
3 acquisition of the CrossCountry Energy pipelines from Enron Corporation by
4 Southern Union Company in November 2004.

5 **Q. What are your present duties?**

6 A. My present duties include supervising the preparation of Cost of Service studies, and
7 presentations as required by management or for regulatory proceedings by
8 Transwestern.

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

10 A. I graduated from Louisiana Tech University in 1974 with a Bachelor of Science
11 degree in Accounting.

12 **Q. What is the scope of your testimony in this proceeding?**

13 A. My testimony sets forth the adjusted Gas Plant, Accumulated Provision for
14 Depreciation and Amortization, Working Capital, and the amount of Taxes Other
15 Than Income included in the Cost of Service.

16 **Q. What Exhibits are you responsible for in this proceeding?**

17 A. I am responsible for the following exhibits and schedules which support my testimony
18 and have been prepared by me or under my supervision:

19	<u>Exhibit No.</u>	<u>Reference</u>	<u>Description</u>
20	TW-26	Statement C	Gas Plant
21	TW-27	Statement D	Accumulated Provision for Depreciation,
22			Depletion and Amortization
23	TW-28	Statement E	Working Capital

1 TW-29 Statement H(4) Other Taxes

2 **Q. How was Transwestern's Gas Plant determined?**

3 A. The adjusted Gas Plant balance included in Rate Base is \$1,156,186,602. Page 1 of
4 my Exhibit No. TW-26 shows by primary account the Gas Plant balance at the
5 beginning and end of the Base Period, including the additions, reductions and other
6 changes during the Base Period, together with the necessary adjustments to arrive at
7 the adjusted balance. Page 7 of this exhibit summarizes the adjustments to Gas Plant.

8 **Q. What adjustments did you make to Gas Plant?**

9 A. The total of the adjustments to Base Period Gas Plant is a \$3,582,109 increase, as
10 shown at Line 6, on Page 1, of Exhibit No. TW-26. These adjustments also reflect
11 additions, retirements and transfers of Gas Plant projected for the Test Period and
12 reductions for plant not claimed for purposes of this filing.

13 **Q. What are the various Gas Plant adjustments you have made as shown on Exhibit**
14 **No. TW-26?**

15 A. The adjustments, as summarized at Page 7 of my exhibit are as follows: Adjustment
16 No. 1 transfers amounts recorded in Account No. 106 - Completed Construction Not
17 Classified, at the end of the Base Period to Gas Plant in Service, Account No. 101;
18 Adjustment No. 2 records to Account No. 101 - Gas Plant in Service, the expenditures
19 projected to be placed in service during the Test Period, including actual amounts
20 included in Account No. 107 - Construction Work in Progress as of the end of the
21 Base Period. Adjustment No. 3 removes from Gas Plant in Service asset retirement
22 costs related to future Asset Retirement Obligations in accordance with Section

1 154.315 of Title 18 of the Code of Federal Regulations; and, Adjustment No. 4
2 removes from Gas Plant in Service the original cost of plant which was sold during
3 the Test Period.

4 **Q. What is the total Accumulated Provision for Depreciation?**

5 A. Accumulated Provision for Depreciation, Depletion and Amortization is
6 \$379,191,863. The Accumulated Provision for Depreciation is summarized in Exhibit
7 No. TW-27, Page 1. The Base Period activity is shown in Columns (b) through (d)
8 and the Test Period adjustments in Column (f). Column (e), the total reserve at the
9 end of the Base Period, is added to Column (f), to obtain the total accumulated
10 provision, as adjusted, which is shown in Column (g).

11 **Q. What adjustments did you make to the Accumulated Provision for Depreciation**
12 **shown on Exhibit No. TW-27?**

13 A. The adjustments totaling \$10,132,133, shown on Page 2 of my Exhibit No. TW-27,
14 are as follows: Adjustment No. 1, as shown on Page 3 of Exhibit No. TW-27, totaling
15 \$15,240,439, reflects Depreciation and Amortization of Gas Plant projected to be
16 recorded during the Test Period. Adjustment No. 2 removes from Accumulated
17 Provision for Depreciation asset retirement costs related to future Asset Retirement
18 Obligations at of the end of the Base Period (\$10,686) as shown in my Exhibit No.
19 TW-26, Page 8. This adjustment reflects Section 154.315 of Title 18 of the Code of
20 Federal Regulations. Adjustment No. 3 adjusts Accumulated Reserve for retirements
21 during the Test Period as shown on my Exhibit No. TW-27. The sale of the Canadian

1 River Facilities is reflected by removing the Accumulated Reserve recorded for this
2 operating unit (\$7,630,764) as shown in my Exhibit No. TW-26, Page 9.

3 **Q. Has Transwestern included in its Depreciation Reserve Book Balances at May**
4 **31, 2006 any amounts applicable to depreciation rates not yet approved by the**
5 **Commission?**

6 A. Yes. Transwestern has included \$3,729,253 in its Depreciation Reserve Book
7 Balances at May 31, 2006, as adjusted, in connection with the amortization of three
8 Contributions In Aid of Construction, as detailed on Page 4 of my Exhibit No. TW-27
9 and discussed by Mr. Biediger in his explanation of Exhibit No. TW-21.

10 **Q. Have you prepared an exhibit showing the amount of Working Capital included**
11 **in the Cost of Service?**

12 A. Yes. I have prepared Exhibit No. TW-28, which sets forth the working capital
13 components for Materials and Supplies and Prepayments in the amount of \$3,448,264.
14 The Materials and Supplies (M&S) component, \$953,207, detailed on Page 2 of my
15 Exhibit No. TW-28, is the 13-month average of the actual balances during the Base
16 Period. Page 3 of this Exhibit shows the determination of the Rate Base requirement
17 claimed for Prepayments, \$2,495,057.

18 **Q. How was the amount claimed for Prepayments determined?**

19 A. The determination is shown on Page 4 of Exhibit No. TW-28. For Prepaid Insurance,
20 Column (a), and Rent, Column (b), and Other Prepayments, Column (c), the average
21 of the monthly balances for the 13 month period ending February 28, 2007 – the end
22 of the Test Period was projected. The difference between the average of the monthly

1 balances for the 13 month period ending February 28, 2007, the end of the Test
2 Period, and average of the monthly balances for the 13 month period ending May 31,
3 2006, the end of the Base Period, results in an increase of \$254,756 for total
4 prepayments as reflected on Line 17 of Page 4 of my Exhibit No. TW-28. The
5 adjustment for each of the prepayments is reflected on Page 3 of my Exhibit No. TW-
6 28, Line 16, as an adjustment to the monthly balances for the 13 month period ending
7 May 31, 2006, shown on Page 3 of my Exhibit No. TW-28, Line 15. With this
8 adjustment, the level of Prepayments claimed in Rate Base is \$2,495,057.

9 **Q. Does your testimony propose that any level of Cash Working Capital be**
10 **included?**

11 A. No. In lieu of providing a lead-lag study I have proposed a zero allowance for Cash
12 Working Capital.

13 **Q. What is the total amount claimed for Taxes-Other Than Income Taxes?**

14 A. Yes. I have prepared Exhibit No. TW-29, which sets forth adjusted tax expense by
15 type of tax and taxing authority.

16 **Q. What is the total amount claimed for Taxes-Other Than Income Taxes?**

17 A. \$12,300,127, as shown on Line 5, Column (c), of Page 1 of my Exhibit No. TW-29.

18 **Q. What is the amount of Ad Valorem Taxes?**

19 A. The amount of Ad Valorem Taxes is \$9,744,407. This amount is shown by state on
20 Page 2 of my Exhibit No. TW-29.

1 **Q. How were Ad Valorem Taxes computed?**

2 A. To compute Ad Valorem Taxes, I applied the estimated assessment ratios and
3 applicable tax rates for 2005, to the fair market value of assets subject to property
4 taxes in each state. The overall result is a \$165,711 increase in the amount of Ad
5 Valorem Taxes.

6 **Q. What is the basis for the fair market value of assets subject to property taxes?**

7 A. Except for the State of Oklahoma, each state's fair market value of assets subject to
8 property taxes includes the taxable value of Gas Plant as of January 1, 2006, reduced
9 for depreciation and adjusted for Net Plant additions and retirements during the Test
10 Period.

11 **Q. What is the basis in Oklahoma?**

12 A. The market valuation of property at the time of acquisition of Transwestern by CCE
13 Holding, LLC in November 2004, reduced for depreciation and adjusted for net plant
14 additions and retirements during the Test Period is subject to Ad Valorem Taxes in
15 Oklahoma.

16 **Q. What is the amount of Payroll Taxes?**

17 A. \$1,601,425 of Payroll Taxes are included in the adjusted Cost of Service, as detailed
18 on Page 3 of my Exhibit No. TW-29. Federal Insurance Contribution Act Taxes were
19 adjusted by \$198,222 for Social Security Taxes and \$27,814 for Medicare Taxes, to
20 reflect the adjustment to operation and maintenance labor expenses as shown on Page
21 2 of Mr. Biediger's Exhibit No. TW-23. Federal and State Unemployment Taxes

1 were the actuals recorded on the books and records of the company for the Base
2 Period.

3 **Q. Please continue with your explanation of Other Taxes.**

4 A. The amount of Navajo Business Activity Taxes is \$706,563, and reflects the amount
5 actually recorded in the Base Period. This tax represents Transwestern's costs for the
6 rights to conduct business across the Navajo tribal land, and is not related to the
7 compensation paid to the Navajo Nation for its rights-of-way. This amount is shown
8 on Page 4 of my Exhibit No. TW-29.

9 **Q. What is the amount of Miscellaneous Taxes?**

10 A. \$247,732 of Miscellaneous Taxes are reflected in the adjusted Cost of Service, as
11 detailed on Page 5 of my Exhibit No. TW-29. This is the actual amount incurred
12 during the Base Period.

13 **Q. What effect did the adjustments which you described have upon the amount
14 claimed for Taxes-Other Than Income Taxes?**

15 A. The net of the adjustments described above and shown on Page 1 of Exhibit No.
16 TW-29, results in an increase of \$391,474 over the base year expense per books of
17 \$11,908,380, to arrive at the amount claimed in the Cost of Service of \$12,300,127.

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

19 A. Yes, it does.

TRANSWESTERN PIPELINE COMPANY, LLC

Cost of Plant

Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Account No.	Schedule Reference	Balance at 6/1/2005 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments (f)	Adjusted Balance (g)
1	Gas Plant in Service	101	C-1	\$ 1,098,525,289	\$ 1,025,768	\$ (8,169,338)	\$ 3,702	\$ 1,091,385,421	\$ 54,286,996	\$ 1,145,672,417
2	Gas Plant Purchased or Sold	102	C-1	-	-	-	-	-	-	-
3	Gas Plant Held for Future Use	105	C-1	1,507,232	-	-	-	1,507,232	-	1,507,232
4	Completed Construction - Not Classified	106	C-1	15,642,275	34,928,054	-	-	50,570,329	(50,570,329)	-
5	System Balancing Gas	117.2	C-1	9,141,511	-	-	-	9,141,511	(134,558)	9,006,953
6	Total Plant Accounts - 101, 102, 105, 106, and 117			1,124,816,307	35,953,822	(8,169,338)	3,702	1,152,604,493	3,582,109	1,156,186,602
7	Construction Work in Progress	107	C-1	8,832,293	-	-	(3,253,448)	5,578,845	(5,578,845)	-
8	Total Cost of Plant			\$ 1,133,648,600	\$ 35,953,822	\$ (8,169,338)	\$ (3,249,746)	\$ 1,158,183,338	\$ (1,996,736)	\$ 1,156,186,602

TRANSWESTERN PIPELINE COMPANY, LLC

Account 101 - Gas Plant In Service By Plant Account
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Description	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1-1 (f)	Adjusted Balance (g)
1	301.00	Organization	\$ 2,502	\$ -	\$ -	\$ -	2,502	\$ -	2,502
2	302.00	Franchises & Consents - Limited	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	12,033,886	-	-	-	12,033,886	1,866,416	13,900,302
4	303.10	Computer Software	20,803,486	-	-	-	20,803,486	16,959,512	37,762,998
5		Sub-Total - Intangibles	32,839,874	-	-	-	32,839,874	18,825,928	51,665,802
6	365.10	Land Owned in Fee	204,167	-	-	900,310	1,104,477	(5,795)	1,098,682
7	365.20	Rights-of-Way	53,598,642	-	-	204,167	53,802,809	(552,848)	53,249,961
8	366.10	Compressor Station Structures	24,543,193	-	-	318,015	24,861,208	91,604	24,952,812
9	366.20	Meas. & Reg. Station Structures	3,793,644	-	-	-	3,793,644	(82,645)	3,710,999
10	366.30	Other Structures - Transmission	1,072,201	-	-	-	1,072,201	(42,272)	1,029,929
11	366.40	Structures & Improvements	4,257,593	-	-	-	4,257,593	370,791	4,628,384
12	367.00	Mains	607,545,834	-	(13,123)	-	607,509,747	4,555,207	612,064,954
13	368.00	Compressor Station Equipment	317,029,596	-	(8,124,453)	(295,049)	308,610,094	29,728,542	338,338,636
14	369.00	Meas. & Reg. Station Equipment	21,397,173	-	(31,762)	-	21,365,411	703,062	22,068,473
15	370.00	Communication Equipment	4,885,972	-	-	-	4,885,972	(16,367)	4,869,605
16	371.00	Other Equipment	1,573,788	869,919	-	-	1,573,788	(70,257)	1,503,531
17	372.00	Transmission - ARO	-	-	-	3,700	3,700	(873,619)	-
18		Sub-Total - Transmission	1,039,901,803	869,919	(8,169,338)	1,108,179	1,033,710,563	33,805,403	1,067,515,966
19	389.00	Land Owned in Fee	1,104,477	-	-	(1,104,477)	-	-	-
20	390.00	Structures & Improvements	62,780	-	-	-	62,780	-	62,780
21	391.00	Office Furniture & Equipment	5,849,912	-	-	-	5,849,912	-	5,849,912
22	391.10	Computer Equipment Owned	2,015,947	6,706	-	-	2,022,653	520,253	2,542,906
23	392.10	Transp. Equip-Autos & Pickups	4,301,951	45,700	-	-	4,347,651	532,523	4,880,174
24	392.20	Transp. Equip-Tris, Winch, Beds	33,381	-	-	-	33,381	-	33,381
25	392.30	Transp. Equip-Airplanes	-	-	-	-	-	-	-
26	392.40	Transp. Equip-Light Trucks	2,809,020	-	-	-	2,809,020	-	2,809,020
27	392.50	Transp. Equip-Heavy Trucks	1,045,838	-	-	-	1,045,838	-	1,045,838
28	394.00	Tools Shop & Garage Equipment	7,739,726	103,443	-	-	7,843,169	602,889	8,446,058
29	395.00	Laboratory Equipment	44,425	-	-	-	44,425	-	44,425
30	396.00	Power Operated Equipment	490,902	-	-	-	490,902	-	490,902
31	397.00	Communication Equipment	226,819	-	-	-	226,819	-	226,819
32	398.00	Miscellaneous Equipment	58,434	-	-	-	58,434	-	58,434
33		Sub-Total - General	25,783,612	155,849	-	(1,104,477)	24,834,984	1,655,665	26,490,649
34		Total	\$ 1,098,525,289	\$ 1,025,768	\$ (8,169,338)	\$ 3,702	\$ 1,091,385,421	\$ 54,286,996	\$ 1,145,672,417

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Description	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	301.00	Organization	\$ -	-	-	-	-	-	-
2	302.00	Franchises & Consents - Limited	-	-	-	-	-	-	\$ -
3	303.00	Miscellaneous Intangibles	-	12,807,526	-	-	-	-	-
4	303.10	Computer Software	(352,044)	833,529	-	(12,807,526)	-	-	-
5		Sub-Total - Intangibles	(352,044)	13,641,055	-	-	13,289,011	(13,289,011)	-
6	365.10	Land Owned in Fee	-	-	-	-	-	-	-
7	365.20	Rights-of-Way	-	-	-	-	-	-	-
8	366.10	Compressor Station Structures	-	193,080	-	-	193,080	(193,080)	-
9	366.20	Meas. & Reg. Station Structures	-	21,028	-	-	21,028	(21,028)	-
10	366.30	Other Structures - Transmission	-	-	-	-	-	-	-
11	366.40	Structures & Improvements	-	-	-	-	-	-	-
12	367.00	Mains	-	-	-	-	-	-	-
13	368.00	Compressor Station Equipment	4,891,854	6,435,360	-	-	11,327,214	(11,327,214)	-
14	369.00	Meas. & Reg. Station Equipment	9,188,933	13,902,003	-	-	23,090,936	(23,090,936)	-
15	370.00	Communication Equipment	1,802,792	241,622	-	-	2,044,414	(2,044,414)	-
16	371.00	Other Equipment	54,942	30,653	-	-	85,595	(85,595)	-
17	372.00	Transmission - ARO	-	-	-	-	-	-	-
18		Sub-Total - Transmission	15,938,521	20,823,746	-	-	36,762,267	(36,762,267)	-
19	389.00	Land Owned in Fee	-	-	-	-	-	-	-
20	390.00	Structures & Improvements	-	-	-	-	-	-	-
21	391.00	Office Furniture & Equipment	-	-	-	-	-	-	-
22	391.10	Computer Equipment Owned	-	-	-	-	-	-	-
23	392.10	Transp. Equip-Autos & Pickups	-	463,253	-	-	463,253	(463,253)	-
24	392.20	Transp. Equip-Tris, Winch, Beds	-	-	-	-	-	-	-
25	392.30	Transp. Equip-Airplanes	-	-	-	-	-	-	-
26	392.40	Transp. Equip-Light Trucks	-	-	-	-	-	-	-
27	392.50	Transp. Equip-Heavy Trucks	-	-	-	-	-	-	-
28	394.00	Tools Shop & Garage Equipment	-	-	-	-	-	-	-
29	395.00	Laboratory Equipment	55,798	-	-	-	55,798	(55,798)	-
30	396.00	Power Operated Equipment	-	-	-	-	-	-	-
31	397.00	Communication Equipment	-	-	-	-	-	-	-
32	398.00	Miscellaneous Equipment	-	-	-	-	-	-	-
33		Sub-Total - General	55,798	463,253	-	-	519,051	(519,051)	-
34		Total	\$ 15,642,275	\$ 34,928,054	\$ -	\$ -	\$ 50,570,329	\$ (50,570,329)	\$ -

TRANSWESTERN PIPELINE COMPANY, LLC

Account 105 - Gas Plant Held For Future Use By Plant Account
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Description	Balance at 05/31/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	301.00	Organization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	302.00	Franchises & Consents - Limited	-	-	-	-	-	-	-
3	303.00	Miscellaneous Intangibles	-	-	-	-	-	-	-
4	303.10	Computer Software	-	-	-	-	-	-	-
5		Sub-Total - Intangibles	-	-	-	-	-	-	-
6	365.10	Land Owned in Fee	-	-	-	-	-	-	-
7	365.20	Rights-of-Way	-	-	-	-	-	-	-
8	366.10	Compressor Station Structures	7,943	-	-	-	7,943	-	7,943
9	366.20	Meas. & Reg. Station Structures	-	-	-	-	-	-	-
10	366.30	Other Structures - Transmission	-	-	-	-	-	-	-
11	366.40	Structures & Improvements	-	-	-	-	-	-	-
12	367.00	Mains	-	-	-	-	-	-	-
13	368.00	Compressor Station Equipment	-	-	-	-	-	-	-
14	369.00	Meas. & Reg. Station Equipment	1,500,019	-	-	-	1,500,019	-	1,500,019
15	370.00	Communication Equipment	(728)	-	-	-	(728)	-	(728)
16	371.00	Other Equipment	-	-	-	-	-	-	-
17	372.00	Transmission - ARO	-	-	-	-	-	-	-
18		Sub-Total - Transmission	1,507,234	-	-	-	1,507,234	-	1,507,234
19	389.00	Land Owned in Fee	-	-	-	-	-	-	-
20	390.00	Structures & Improvements	-	-	-	-	-	-	-
21	391.00	Office Furniture & Equipment	-	-	-	-	-	-	-
22	391.10	Computer Equipment Owned	-	-	-	-	-	-	-
23	392.10	Transp. Equip-Autos & Pickups	-	-	-	-	-	-	-
24	392.20	Transp. Equip-Trls, Winch, Beds	-	-	-	-	-	-	-
25	392.30	Transp. Equip-Airplanes	-	-	-	-	-	-	-
26	392.40	Transp. Equip-Light Trucks	-	-	-	-	-	-	-
27	392.50	Transp. Equip-Heavy Trucks	-	-	-	-	-	-	-
28	394.00	Tools Shop & Garage Equipment	-	-	-	-	-	-	-
29	395.00	Laboratory Equipment	-	-	-	-	-	-	-
30	396.00	Power Operated Equipment	-	-	-	-	-	-	-
31	397.00	Communication Equipment	-	-	-	-	-	-	-
32	398.00	Miscellaneous Equipment	-	-	-	-	-	-	-
33		Sub-Total - General	-	-	-	-	-	-	-
34		Total	1,507,234	\$ -	\$ -	\$ -	1,507,234	\$ -	1,507,234

TRANSWESTERN PIPELINE COMPANY, LLC

Account 117.2 - System Balancing Gas
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Description	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
		System Balancing Gas							
1	117.2	Total Account 117.2	\$ 9,141,511	\$ -	\$ -	\$ -	\$ 9,141,511	\$ (134,558)	\$ 9,006,953

TRANSWESTERN PIPELINE COMPANY, LLC
 Account 107 - Construction Work In Progress
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Description	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
		<u>Construction Work In Progress</u>							
1	107.00	Total Account 107	\$ 8,832,293	\$ -	\$ -	\$ (3,253,448)	\$ 5,578,845	\$ (5,578,845)	\$ -

TRANSWESTERN PIPELINE COMPANY, LLC

Description of Adjustments to Cost of Plant
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Reference	Total (a)	Transmission (b)	Functionalization		
					General (c)	Intangible (d)	
	<u>Account 101</u>						
	<u>Adjustment No. 1</u>						
1	To transfer Completed Construction Account 106 to Gas Plant In Service	Sch. C-2(1)	\$ 50,570,329	\$ 36,762,267	\$ 519,051	\$ 13,289,011	
	<u>Adjustment No. 2</u>						
2	To provide for the completion of construction projects in Account 107 during the Test Period	Sch. C-2(2)	20,333,127	13,449,626	1,346,584	5,536,917	
	<u>Adjustment No. 3</u>						
3	To provide for the Removal of the Transmission ARO from Gas Plant In Service	Sch. C-1.1(1)	(873,619)	(873,619)	-	-	
	<u>Adjustment No. 4</u>						
4	To provide for the Removal of East of Canadian River Assets from Gas Plant In Service - Docket No. CP06-59-000	Sch. C-1.1(2)	(15,742,841)	(15,532,871)	(209,970)	-	
5	Total Account 101		54,286,996	33,805,403	1,655,665	18,825,928	
	<u>Account 106</u>						
6	To transfer Completed Construction - Account 106 to Gas Plant In Service	Sch. C-2(1)	(50,570,329)	(36,762,267)	(519,051)	(13,289,011)	
	<u>Account 117.2</u>						
7	To provide for the reduction in System Balancing Gas due to the Removal of Canadian River Assets from Gas Plant In Service - Docket No. CP06-59-000	Sch. C-1.1(2)	(134,558)	(134,558)	-	-	
8	Total Adjustments		\$ 3,582,109	\$ (3,091,422)	\$ 1,136,614	\$ 5,536,917	

TRANSWESTERN PIPELINE COMPANY, LLC

Adjustment No. 3
To Remove the Asset Retirement Obligation from Gas Plant In Service
Twelve Months Ended May 31, 2006, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Gas Plant In Service</u> (a)	<u>Accumulated Reserve for Depreciation</u> (b)
1	Transmission Plant - ARO Asset	\$ (873,619)	\$ (10,686)

TRANSWESTERN PIPELINE COMPANY, LLC

Adjustment No. 4
Major Retirements to be Completed During Test Period
Twelve Months Ended May 31, 2006, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Gas Plant In Service (a)</u>	<u>Accumulated Reserve for Depreciation (b)</u>	<u>System Balancing Gas (c)</u>
1	To remove East of Canadian River Assets from Gas Plant in Service per Docket No. CP06-59-000	\$ <u>(15,742,841)</u>	\$ <u>7,630,764</u>	\$ <u>(134,558)</u>

TRANSWESTERN PIPELINE COMPANY, LLC

Account 101 - Gas Plant In Service By Plant Account - East of Thoreau Zone
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	365.10	\$ -	-	-	-	\$ -	-	-
2	365.20	80,869	-	-	568,772	649,641	(5,795)	643,846
3	366.10	3,705,029	-	-	80,869	3,785,898	(552,848)	3,233,050
4	366.20	17,913,511	-	-	318,015	18,231,526	(66,918)	18,164,608
5	366.30	484,644	-	-	-	484,644	(103,673)	380,971
6	366.40	748,883	-	-	-	748,883	(42,272)	706,611
7	367.00	1,687,715	-	-	-	1,687,715	219,278	1,906,993
8	368.00	205,407,359	-	(13,123)	(22,964)	205,371,272	(6,289,166)	199,082,106
9	369.00	134,816,951	-	(4,058,947)	24,646	130,782,650	16,704,625	147,487,275
10	370.00	15,636,164	-	(31,762)	-	15,604,402	6,264,346	21,868,748
11	371.00	3,108,422	-	-	-	3,108,422	44,930	3,153,352
12	372.00	1,423,946	-	-	-	1,423,946	(40,452)	1,383,494
13		\$ 385,013,493	-	(4,103,832)	969,338	381,878,999	16,132,055	398,011,054

TRANSWESTERN PIPELINE COMPANY, LLC

Account 101 - Gas Plant In Service By Plant Account - West of Thoreau Zone
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	365.10	\$ -	-	-	-	179,247	-	179,247
2	365.20	16,593,864	-	-	179,247	16,593,864	-	16,593,864
3	366.10	5,671,612	-	-	-	5,671,612	-	5,671,612
4	366.20	3,291,465	-	-	-	3,291,465	-	3,291,465
5	366.30	323,318	-	-	-	323,318	-	323,318
6	366.40	1,902,129	-	-	-	1,902,129	-	1,902,129
7	367.00	244,466,905	-	-	-	244,466,905	-	244,466,905
8	368.00	83,131,548	-	(27,062)	-	83,104,486	4,418,855	248,885,760
9	369.00	3,524,807	-	-	-	3,524,807	2,529,958	85,634,444
10	370.00	1,524,147	-	-	-	1,524,147	165,335	3,690,142
11	371.00	101,259	-	-	-	101,259	-	1,524,147
12	372.00	-	869,919	-	3,700	873,619	(873,619)	101,259
13		\$ 360,531,054	\$ 869,919	\$ (27,062)	\$ 182,947	\$ 361,556,858	\$ 6,240,529	\$ 367,797,387

TRANSWESTERN PIPELINE COMPANY, LLC

Account 101 - Gas Plant In Service By Plant Account - San Juan
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	365.10	\$						
2	365.20	123,298	\$		152,291	275,589	\$	275,589
3	366.10	33,299,749			123,298	33,423,047		33,423,047
4	366.20	958,070				958,070		1,116,592
5	366.30	17,535				17,535	158,522	1,116,592
6	366.40						21,028	38,563
7	367.00	667,749						
8	368.00	157,671,570				667,749	151,513	819,262
9	369.00	98,761,400				157,671,570	3,233,840	160,905,410
10	370.00	2,236,202		(4,038,442)		94,722,958	7,374,984	102,097,942
11	371.00	51,929				2,236,202	485,664	2,721,866
12	372.00	48,583				51,929		51,929
						48,583		48,583
13		\$ 293,836,085	\$	(4,038,442)	275,589	290,073,232	11,425,551	\$ 301,498,783

TRANSWESTERN PIPELINE COMPANY, LLC

Account 101 - Gas Plant In Service By Plant Account - Transmission Houston Office
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	365.10	\$ -	-	-	-	-	-	-
2	365.20	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
3	366.10	-	-	-	-	-	-	-
4	366.20	-	-	-	-	-	-	-
5	366.30	-	-	-	-	-	-	-
6	366.40	-	-	-	-	-	-	-
7	367.00	-	-	-	-	-	-	-
8	368.00	-	-	-	-	-	-	-
9	369.00	319,697	-	-	(319,697)	-	-	-
10	370.00	-	-	-	-	-	-	-
11	371.00	201,474	-	-	-	201,474	7,268	7,268
12	372.00	-	-	-	-	-	-	201,474
13		\$ 521,171	\$ -	\$ -	(319,697)	201,474	7,268	208,742

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified By Plant Account - East of Thoreau Zone
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	365.10	\$ -	-	-	-	-	-	-
2	365.20	\$ -	\$ -	-	-	\$ -	-	\$ -
3	366.10	-	-	-	-	-	-	-
4	366.20	-	34,558	-	-	34,558	(34,558)	-
5	366.30	-	-	-	-	-	-	-
6	366.40	-	-	-	-	-	-	-
7	367.00	-	-	-	-	-	-	-
8	368.00	2,368,691	2,543,918	-	-	4,912,609	(4,912,609)	-
9	369.00	6,256,298	8,112,758	-	-	14,369,056	(14,369,056)	-
10	370.00	1,149,228	236,919	-	-	1,386,147	(1,386,147)	-
11	371.00	54,942	30,653	-	-	85,595	(85,595)	-
12	372.00	-	-	-	-	-	-	-
13		\$ 9,829,159	\$ 10,958,806	\$ -	\$ -	\$ 20,787,965	\$ (20,787,965)	\$ -

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Construction Not Classified By Plant Account - West of Thoreau Zone
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	365.10	\$ -	\$ -	-	-	-	-	-
2	365.20	-	\$ -	-	-	\$ -	-	\$ -
3	366.10	-	-	-	-	-	-	-
4	366.20	-	-	-	-	-	-	-
5	366.30	-	-	-	-	-	-	-
6	366.40	-	-	-	-	-	-	-
7	367.00	-	-	-	-	-	-	-
8	368.00	2,436,663	766,018	-	-	3,202,681	(3,202,681)	-
9	369.00	503,608	1,101,638	-	-	1,605,246	(1,605,246)	-
10	370.00	163,731	1,604	-	-	165,335	(165,335)	-
11	371.00	-	-	-	-	-	-	-
12	372.00	-	-	-	-	-	-	-
13		\$ 3,104,002	\$ 1,869,260	\$ -	\$ -	\$ 4,973,262	\$ (4,973,262)	\$ -

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Construction Not Classified By Plant Account - San Juan
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	365.10	\$ -	\$ -	-	-	\$ -	-	-
2	365.20	-	-	-	-	-	-	-
3	366.10	-	-	-	-	-	-	-
4	366.20	-	158,522	-	-	158,522	(158,522)	-
5	366.30	-	21,028	-	-	21,028	(21,028)	-
6	366.40	-	-	-	-	-	-	-
7	367.00	-	-	-	-	-	-	-
8	368.00	86,500	3,125,424	-	-	3,211,924	(3,211,924)	-
9	369.00	2,429,027	4,687,607	-	-	7,116,634	(7,116,634)	-
10	370.00	482,672	2,992	-	-	485,664	(485,664)	-
11	371.00	-	-	-	-	-	-	-
12	372.00	-	-	-	-	-	-	-
13		\$ 2,998,199	\$ 7,995,573	-	\$ -	\$ 10,993,772	\$ (10,993,772)	\$ -

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Construction Not Classified By Plant Account - Transmission Houston Office
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account No.	Balance at 6/1/05 (a)	Additions (b)	Reductions (c)	Other Changes (d)	Balance at 05/31/06 (e)	Adjustments Sched. C-1.1 (f)	Adjusted Balance (g)
1	365.10	\$ -	\$ -	-	-	\$ -	-	-
2	365.20	-	-	-	-	-	-	-
3	366.10	-	-	-	-	-	-	-
4	366.20	-	-	-	-	-	-	-
5	366.30	-	-	-	-	-	-	-
6	366.40	-	-	-	-	-	-	-
7	367.00	-	-	-	-	-	-	-
8	368.00	-	-	-	-	-	-	-
9	369.00	7,161	107	-	-	7,268	(7,268)	-
10	370.00	-	-	-	-	-	-	-
11	371.00	-	-	-	-	-	-	-
12	372.00	-	-	-	-	-	-	-
13		\$ 7,161	\$ 107	\$ -	\$ -	\$ 7,268	\$ (7,268)	\$ -

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006, AS Adjusted

Line No.	Work Order Number	Description	Claimed Balance in Account 106		Functionalization		Zone (e)
			5/31/2006 (a)	\$	Transmission (b)	General (c)	
1	600495	Archiving & Recovery		\$			
2	609341	Trans-TW OPCO OCC Houston	3	\$			Houston Office
3	609718	Trans-TW Remote Ops Center	(13,956)				Houston Office
4	609858	EIMS Phase 2	(441,063)			(13,956)	Houston Office
5	609885	Service Contracts	5,326			(441,063)	Houston Office
6	609886	TW Share Project Database	9,227			5,326	Houston Office
7	609892	PIPE	4,319			9,227	Houston Office
8	609893	MARRS	8,497			4,319	Houston Office
9	609894	PIP Implementation	33,423			8,497	Houston Office
10	609904	NAESB Compliance	385,612			33,423	Houston Office
11	609959	Op Audit	63,715			385,612	Houston Office
12	610250	Project Enterprise	4,622			63,715	Houston Office
13	610288	PDMS Enhancements	157,610			4,622	Houston Office
14	610310	TW Share Visibroker Implementation	12,514			157,610	Houston Office
15	610325	4th Qtr Pool Project	17,857			12,514	Houston Office
16	610378	San Juan Expansion Enhancements	25,215			17,857	Houston Office
17	610380	NAESB/EDI Enhancements	37,420			25,215	Houston Office
18	610382	FileNet Consolidation	48,309			37,420	Houston Office
19	610507	FERC Order 2004 Phase 2	94,068			48,309	Houston Office
20	610510	MS Enhancements Q1-2005	62,928			94,068	Houston Office
21	612710	36" ML - MP 8.9 to MP 57.4	30,309			62,928	Houston Office
22	612711	2-16" Hot Tap @ MP8.9	444,693			30,309	Houston Office
23	612712	1-16" Hot Tap @ MP 20.1	5,717		444,693		Houston Office
24	612713	1-16" Hot Tap @ MP 19.7	93		5,717		San Juan 2005
25	612715	36" ML-MP 57.4 to MP 71.9	965,510		93		San Juan 2005
26	612716	2-16" Hot Taps @ MP 87.8	(392,155)		(392,155)		San Juan 2005
27	612717	36" ML-MP 87.8 to MP 97.1	1,329		1,329		San Juan 2005
28	612718	24" Conoco to Blanco Hub	22,818		22,818		San Juan 2005
29	612719	Conoco Blanco Hub M/Sta	1,915,734		1,915,734		San Juan
30	612721	Bloomfield CS	1,142,084		1,142,084		San Juan
31	612722	Bisti CS	1,163,295		1,163,295		San Juan
32	612723	Gallup CS	655,004		655,004		San Juan 2005
33	612724	SJ Elm Ridge-Chaco I/C	627,149		627,149		San Juan 2005
34	612725	Gulf Terra Pecos IC Upgrade	46,537		46,537		San Juan 2005
35	612730	Sta 9 FS for 650 MM	74,048		74,048		San Juan
36	612732	SJ Sta 8 Equal Valve	170,642		170,642		East of Thoreau
37	614633	Sta 3 Add Compression	347,107		347,107		San Juan
38	614669	Duke Crawford I/C	1,121		1,121		East of Thoreau
39	614868	Hiway 70 - Bluit Crossing	240,616		240,616		West of Thoreau
40	614930	Bloomfield Harmonic Filter	(552)		(552)		East of Thoreau
41	615178	P-3 Groundbed	59		59		San Juan
42	615184	Unit 751 Turbine Install	28,393		28,393		East of Thoreau
43	615188	Inst CPU10 Corona Brnd	1,351		1,351		East of Thoreau
			16,041		16,041		East of Thoreau

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in Account 106 5/31/2006 (a)	Functionalization		Zone (e)
				Transmission (b)	General (c)	
44	615236	New Groundbed Sta. 7	\$ 68,296	\$ -	-	East of Thoreau
45	615353	Station 6 Remediation	39	39	-	East of Thoreau
46	615354	Station 5 Remediation	39	39	-	East of Thoreau
47	615355	N. Crowar Remediation	39	39	-	East of Thoreau
48	615357	Bell Lake Remediation	36	36	-	East of Thoreau
49	615358	Atoka-1 Remediation	39	39	-	East of Thoreau
50	615407	Impl. TW Pmts/D7i	(192)	-	(192)	Houston Office
51	615479	PG&E Line "A" & "B" F/S	5,309	5,309	-	West of Thoreau
52	615496	Bisli Launcher-Receiver	26,766	26,766	-	San Juan
53	615497	Bloomfield Receiver	458,373	458,373	-	San Juan
54	615498	Ignacio Launcher	450,378	450,378	-	San Juan
55	615632	New CPU 327 Groundbed	36,980	36,980	-	West of Thoreau
56	615633	New Groundbed CPU 328	26,711	26,711	-	East of Thoreau
57	615662	Bloomfield I/C Scrub	1,313	1,313	-	San Juan
58	615681	Recoat Pipe - Sta 3 Yard	11,510	11,510	-	West of Thoreau
59	615762	Comp Sta. 4 Phone System	17,145	17,145	-	West of Thoreau
60	615780	Turbine Bldg. Alarm	11,547	11,547	-	San Juan
61	615781	Atoka 2 H2S Delmar	16,404	16,404	-	East of Thoreau
62	615794	16" Pipe Crawford Lateral	2,311	2,311	-	East of Thoreau
63	615798	Transmitter CIG Tumbleweed	1,554	1,554	-	East of Thoreau
64	615837	Engine Room Hoist	31,449	31,449	-	East of Thoreau
65	615838	Rio Puerto RTU	22,806	22,806	-	East of Thoreau
66	615844	High Press Alarm EOL 1	30,797	30,797	-	West of Thoreau
67	615845	High Pres Alarm Needles	19,073	19,073	-	West of Thoreau
68	615848	Del Mar H2S-Tumbleweed	24,079	24,079	-	East of Thoreau
69	615851	WT-1 High Volt Surge Sup.	27,762	27,762	-	East of Thoreau
70	615852	Alt. Power For CPU 264	16,650	16,650	-	West of Thoreau
71	615857	2350 Controller Sta. 9	10,459	10,459	-	East of Thoreau
72	615858	Meljamar 2350 Contr Install	11,771	11,771	-	East of Thoreau
73	615859	Mohave 2350 Controller	12,899	12,899	-	West of Thoreau
74	615860	PG&E 2350 Controller	29,805	29,805	-	East of Thoreau
75	615861	Sta 6 Phone System	44,325	44,325	-	East of Thoreau
76	615866	Needles Bottom Taps	39,534	39,534	-	West of Thoreau
77	615869	Unit 1 Turbine	10,472	10,472	-	East of Thoreau
78	615880	SamplHrt #009236-01	9,346	9,346	-	East of Thoreau
79	615881	SamplHrt #019020-01	9,415	9,415	-	East of Thoreau
80	615882	7SamplHrt #047573-01	9,312	9,312	-	East of Thoreau
81	615883	SamplHrt #047586-01	8,860	8,860	-	East of Thoreau
82	615891	P-3 Receiver Containment	12,113	12,113	-	East of Thoreau
83	615894	2350 Cntrl Diam Install	12,417	12,417	-	East of Thoreau
84	615895	2251 Cntrl LEC	8,332	8,332	-	East of Thoreau
85	615896	Sid Halley HTD Box	2,831	2,831	-	San Juan
86	615897	Amoco FL Gentle Prob	-	-	-	San Juan

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in Account 106 5/31/2006 (a)	Functionalization		Intangible (d)	Zone (e)
				Transmission (b)	General (c)		
87	615899	Duke Val Genie Probe	3,042	\$	3,042	\$	San Juan
88	615901	NWPL FL Genie Prob	2,832		2,832		San Juan
89	615902	WFS Miliagro Genie	2,961		2,961		San Juan
90	615903	WFS Kutz Genie Probe	2,991		2,991		San Juan
91	615904	WFS IGNA Genie Probe	2,783		2,783		San Juan
92	615905	PNM Genie Probe	2,891		2,891		San Juan
93	615906	Red Cedar Genie Probe	3,037		3,037		San Juan
94	615908	Adobe Owens HTD Box	9,477		9,477		East of Thoreau
95	615909	AMA Nat Gas HTD Box	9,927		9,927		East of Thoreau
96	615910	ANR Red Deer HTD Box	8,683		8,683		East of Thoreau
97	615911	Jones Trust HTD Box	7,051		7,051		East of Thoreau
98	615912	Mewborne ABHM HTD Box	9,573		9,573		East of Thoreau
99	615913	NGPL Gray Civ HTD Box	9,225		9,225		East of Thoreau
100	615915	Williams Bros HTD Box	2,975		2,975		East of Thoreau
101	615916	TW/NGG/Grau HTD Box	16,472		16,472		East of Thoreau
102	615917	South Higgins HTD Box	10,184		10,184		East of Thoreau
103	615918	STA 9 Heated Cabinet	9,251		9,251		East of Thoreau
104	615941	PH Vive P311 Pres Monitor	14,580		14,580		East of Thoreau
105	615980	WT2 Comp St Lighting	55,039		55,039		East of Thoreau
106	616030	Atoka 1 BTEX Safety Mod	99,192		99,192		East of Thoreau
107	616066	RTUs Valve 5011	29,175		29,175		East of Thoreau
108	616164	Fitting Rio Gran	1,221		1,221		West of Thoreau
109	616173	TW/ANG Tap	4,156		4,156		East of Thoreau
110	616176	Replace CPU086 Claunch	84,590		84,590		East of Thoreau
111	616177	Repl CPU283Markham Wells	443		443		East of Thoreau
112	616178	ReplCPU315LincolnWeider	16,204		16,204		West of Thoreau
113	616179	New CPU329 Becker Flats	55,548		55,548		East of Thoreau
114	616180	New CPU330 MIP 826.6	88,824		88,824		East of Thoreau
115	616181	Mesita Flats Recoat	18,848		18,848		East of Thoreau
116	616194	New Grndbad SJ Sta	33,405		33,405		East of Thoreau
117	616196	CPU244 Owens Ranch	63,726		63,726		San Juan
118	616197	CPU 063 Station 8	70,987		70,987		East of Thoreau
119	616200	Atoka 1 ESD System	45,330		45,330		East of Thoreau
120	616201	Atoka 2 Fire Eyes	35,491		35,491		East of Thoreau
121	616203	Atoka 3 Fire Eyes	36,508		36,508		East of Thoreau
122	616206	Rio Puerco Ultrasonic	(393)		(393)		East of Thoreau
123	616228	Recoat Ignacio 30" Lat.	4,912		4,912		San Juan
124	616236	RCT Heaton Canyon	85,588		85,588		East of Thoreau
125	616237	RCT ML 735, 113	36,347		36,347		East of Thoreau
126	616240	Bitterlake Stop Valve	26,435		26,435		East of Thoreau
127	616242	Sta 8 Air Conditioner	5,688		5,688		East of Thoreau
128	616248	Radio Tower Grounding P-1	14,711		14,711		East of Thoreau
129	616249	Radio Tower Grounding P-2	10,426		10,426		East of Thoreau

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in Account 106 5/31/2006 (a)	Functionalization		Zone (e)
				Transmission (b)	General (c)	
130	616250	East River CPU 97 Repl	\$ 4,640	\$ 4,640	-	East of Thoreau
131	616251	Drip Spring CPU 212 Repl	4,754	4,754	-	East of Thoreau
132	616252	Cordova Rch CPU 233 Repl	4,121	4,121	-	East of Thoreau
133	616253	Blue Springs CPU 87 Repl	4,963	4,963	-	East of Thoreau
134	616254	Belen Mesa CPU 73 Repl	5,184	5,184	-	East of Thoreau
135	616263	Station 6 West Deep Well	68,794	68,794	-	East of Thoreau
136	616302	Atoka Lat Corrosion	102,235	102,235	-	East of Thoreau
137	616303	Crawford Corrosion Coupons	39,285	39,285	-	East of Thoreau
138	616312	GPU292 Groundbed Replace	44,117	44,117	-	West of Thoreau
139	616314	GPU-146 Hardwick Farms	32,222	32,222	-	East of Thoreau
140	616319	GPU-223 Armstrong Ranch	75,991	75,991	-	West of Thoreau
141	616358	Agave Crawford I/C	(38,354)	(38,354)	-	East of Thoreau
142	616404	Bell Lake 03 Install	6,779	6,779	-	East of Thoreau
143	616405	GPU334 New GB Install	66,167	66,167	-	West of Thoreau
144	616406	Recoat MP 742.9	16,141	16,141	-	East of Thoreau
145	616414	TCV112 Crmkcse Vnt	39,898	39,898	-	East of Thoreau
146	616418	GC Duke Val Verde	2,349	2,349	-	West of Thoreau
147	616435	Replace Air Conditioner	5,296	5,296	-	San Juan
148	616437	Mewbourne Meljamar/C(RevrsBlit Acc	(2,529)	(2,529)	-	East of Thoreau
149	616442	GPU 202 Minotaur Generator	14,476	14,476	-	East of Thoreau
150	616445	WT-2 GAS COOLER	3,916	3,916	-	East of Thoreau
151	616453	Recoat West Mesa	35,000	35,000	-	East of Thoreau
152	616462	WT1 Blowdown Vessel	35,946	35,946	-	East of Thoreau
153	616464	PNM Thomson EFM	15,511	15,511	-	East of Thoreau
154	616467	Measurement/Tech Lab RTU	7,268	7,268	-	East of Thoreau
155	616477	Keystone Drip Removal	514	514	-	Houston Office
156	616489	P3 Unit 3 Turbine Install	1,189	1,189	-	East of Thoreau
157	616494	842 Recip Exch Install	1,250	1,250	-	East of Thoreau
158	616495	845 Recip Exch Install	1,283	1,283	-	East of Thoreau
159	616499	Rpl CPU 004 GB Sta 3	41,057	41,057	-	East of Thoreau
160	616500	Rpl CPU 005 GB MP432	52,150	52,150	-	West of Thoreau
161	616501	Rpl Needles CPU 040	33,924	33,924	-	West of Thoreau
162	616502	Rpl CPU 211 GB MP829	57,352	57,352	-	West of Thoreau
163	616503	Rpl CPU 228 GB MP331	95,228	95,228	-	West of Thoreau
164	616504	Rpl CPU 252 GB MP336	68,333	68,333	-	East of Thoreau
165	616505	GPU 331 GB MP420.98	123,601	123,601	-	West of Thoreau
166	616506	GPU 332 GBMP71 SROCK	58,890	58,890	-	West of Thoreau
167	616507	GPU 262 Generator EOL	21,741	21,741	-	West of Thoreau
168	616508	Rpl CPU087 MP714 BL S	74,314	74,314	-	East of Thoreau
169	616510	Rct MP525 Conoco	82,486	82,486	-	East of Thoreau
170	616511	Rct ML548 EPNG-NM	129,348	129,348	-	East of Thoreau
171	616513	Rct ML554 EPNG-AZ	171,668	171,668	-	East of Thoreau
172	616514	RCTML GREASEWID MP425	55,018	55,018	-	West of Thoreau

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006. As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in Account 106 5/31/2006 (a)	Functionalization			Zone (e)
				Transmission (b)	General (c)	Intangible (d)	
173	616515	RCT MP543 & SOL VLV	\$ 159,165	\$ -	-	-	East of Thoreau
174	616516	RCT MP511 Meyersmch	151,901	-	-	-	East of Thoreau
175	616518	MCC WT-2	12,140	-	-	-	East of Thoreau
176	616520	Waha 8 in Tie In	25,943	-	-	-	East of Thoreau
177	616525	Belen TBS ROC	6,813	-	-	-	East of Thoreau
178	616526	Rpl CPU278 MP146-PWR	41,934	-	-	-	West of Thoreau
179	616529	Inst Sta 1 Water Tank	14,574	-	-	-	West of Thoreau
180	616537	Rpl P3 Sta ESD	162,854	-	-	-	East of Thoreau
181	616541	Rpl MCC Station 4	9,000	-	-	-	West of Thoreau
182	616542	Rpl MCC Station 6	4,445	-	-	-	East of Thoreau
183	616546	Roswell Install '04	20,817	-	-	-	East of Thoreau
184	616548	Station 6 Piers	66,819	-	-	-	East of Thoreau
185	616550	Station 7 Piers	72,175	-	-	-	East of Thoreau
186	616554	Needles to River Pig	1,502,080	-	-	-	West of Thoreau
187	616556	WT-II Recoat	88,477	-	-	-	East of Thoreau
188	616559	PGE Corn Install	3,515	-	-	-	West of Thoreau
189	616560	Southwest Gas Comm	3,616	-	-	-	West of Thoreau
190	616561	Calpine Comm	3,619	-	-	-	West of Thoreau
191	616562	Slxcol Comm	3,654	-	-	-	West of Thoreau
192	616563	Needles Radio Hub	5,576	-	-	-	West of Thoreau
193	616564	Mohave Comm	4,114	-	-	-	West of Thoreau
194	616571	Sta 9 Electrics	2,968,002	-	-	-	East of Thoreau
195	616572	CPU 333 GB & Power	94,233	-	-	-	West of Thoreau
196	616574	P302 Surge Control	23,776	-	-	-	East of Thoreau
197	616575	P301 Surge Control	22,911	-	-	-	East of Thoreau
198	616577	P303 Surge Control	22,031	-	-	-	East of Thoreau
199	616578	P304 Surge Control	20,021	-	-	-	East of Thoreau
200	616579	P305 Surge Control	21,126	-	-	-	East of Thoreau
201	616580	P3 Unit 3 Comp Restage	38,389	-	-	-	East of Thoreau
202	616581	P3 Unit 3 Comp Restage	52,666	-	-	-	East of Thoreau
203	616582	Macromedia Breeze Software	47,847	-	-	47,847	Houston Office
204	616585	Station 7 Aux Water	43,689	-	-	-	East of Thoreau
205	616600	756 Turbine Exch.	88,251	-	-	-	East of Thoreau
206	616602	GC SJ Composite	30,853	-	-	-	East of Thoreau
207	616606	PEDS Enhancements - TWP	7,379	-	-	7,379	San Juan
208	616609	LaPlata PCD Air Supply	22,793	-	-	-	Houston Office
209	616614	Sta 5 Water Well	26,063	-	-	-	San Juan
210	616615	Opr for Bypass P1	35,698	-	-	-	East of Thoreau
211	616616	Opr for Bypass P2	29,740	-	-	-	East of Thoreau
212	616617	Del Mar P3 H2S Detector	20,468	-	-	-	East of Thoreau
213	616620	RCT MP525 W of Conoco	150,719	-	-	-	East of Thoreau
214	616623	Rpl Aloka 1 ESD	186,289	-	-	-	East of Thoreau
215	616624	Rpl Aloka 2 ESD	314,748	-	-	-	East of Thoreau

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in Account 106 5/31/2006 (a)	Functionalization		Zone (e)
				Transmission (b)	General (c)	
216	616625	Rpl Aloka 3 ESD	\$ 158,206	\$ -	-	East of Thoreau
217	616626	Inst P3 Grounding	170	-	-	East of Thoreau
218	616627	Inst Sta 9 Grounding	15,329	-	-	East of Thoreau
219	616629	TCV12 Auto Gas Valve	20,531	-	-	East of Thoreau
220	616630	CS 5 Commun. Modification	5,311	-	-	East of Thoreau
221	616633	Install Air Dyne CS 9	38,202	-	-	East of Thoreau
222	616634	Sta 7 Water Line	56,545	-	-	East of Thoreau
223	616635	Turbine Air Lines	4,448	-	-	San Juan
224	616639	Aloka 1 Cond Tank	29,113	-	-	East of Thoreau
225	616640	Aloka 2 Cond Tank	9,294	-	-	East of Thoreau
226	616641	Aloka 3 Cond Tank	11,643	-	-	East of Thoreau
227	616642	Crawford Cond Tank	7,310	-	-	East of Thoreau
228	616643	Keystone Cond Tank	8,306	-	-	East of Thoreau
229	616644	Meljamar Cond Tank	7,025	-	-	East of Thoreau
230	616645	Monument Cond Tank	14,726	-	-	East of Thoreau
231	616646	Pecos Diam Cond Tank	13,807	-	-	East of Thoreau
232	616647	Station 1 Cond Tank	12,620	-	-	East of Thoreau
233	616648	Station 2 Cond Tank	26,860	-	-	West of Thoreau
234	616649	Station 3 Cond Tank	11,476	-	-	West of Thoreau
235	616650	Station 9 Cond Tank	21,333	-	-	East of Thoreau
236	616651	Sta WT-1 Cond Tank	15,749	-	-	East of Thoreau
237	616671	Clovis SWC I/C	825,299	-	-	East of Thoreau
238	616674	P-3 Suction Valve	93,491	-	-	East of Thoreau
239	616744	PGE PosShutOff Valve	12,529	-	-	East of Thoreau
240	616745	Sta 6 VLV Ops-Shafters	58,131	-	-	East of Thoreau
241	616747	Install Sta 9 ESD Valve	17,040	-	-	East of Thoreau
242	616764	Install WTG Radio	2,429	-	-	East of Thoreau
243	616765	Install Keys OPTO Radio	2,883	-	-	East of Thoreau
244	616766	Install Keys Recip EFM Radio	2,390	-	-	East of Thoreau
245	616767	Install Halley Fuel Radio	2,438	-	-	East of Thoreau
246	616768	Install Keys Turb EFM Radio	2,492	-	-	East of Thoreau
247	616769	Install Sid Rich Keys Radio	2,465	-	-	East of Thoreau
248	616770	Install WT-2 Hub Radio	9,418	-	-	East of Thoreau
249	616771	Install Emerg Fuel	2,301	-	-	East of Thoreau
250	616772	Install Sohio Radio	2,095	-	-	East of Thoreau
251	616795	P-3 Inst Gas Flare	138,518	-	-	East of Thoreau
252	616822	Sta 9 Fire Detection	57,924	-	-	East of Thoreau
253	616824	Rct MP771 Mesita Flats	125,788	-	-	East of Thoreau
254	616830	Retire Estes I/C from NING 24	555	-	-	East of Thoreau
255	616833	Pecos Diamond Contmt	12,559	-	-	East of Thoreau
256	616837	Meljamar Containment	9,603	-	-	East of Thoreau
257	616840	Rct 1000' of 24 WT-1	215,505	-	-	East of Thoreau
258	616841	Rct 1000' of 30 WT-1	221,855	-	-	East of Thoreau

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006. As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in Account 106 5/31/2006 (a)	Functionalization		Zone (e)
				Transmission (b)	General (c)	
259	616842	Rct 1500' of 36 WT-1	\$ 273,614	\$	-	East of Thoreau
260	616843	Rct Greasewood ML	84,803			West of Thoreau
261	616848	Bimfd Dis Viv 1004	56,429			San Juan
262	616866	CPU 020 Keystone	26,702			East of Thoreau
263	616867	CPU 079 Atoka Jct	32,545			East of Thoreau
264	616868	CPU 128 Atoka 1	36,576			East of Thoreau
265	616869	CPU 245 Lone Star	29,346			East of Thoreau
266	616870	CPU 286 FM1776	28,302			East of Thoreau
267	616882	Sta 7 Seal Oil Controls	14,312			East of Thoreau
268	616883	Station 6 Automation	2,234,980			East of Thoreau
269	616884	P2 Turbine Exchange	163,448			East of Thoreau
270	616899	Ivanhoe Comp Retire	227			East of Thoreau
271	616904	Amoco Florida IC Exp	476,877			East of Thoreau
272	616916	P3 AC Lube Oil Cooler	9,634			San Juan
273	616931	751 Turbine Exch	69,859			East of Thoreau
274	616933	Atoka 1 Piping Mods	34,438			East of Thoreau
275	616934	P-3 Relocate Pig Trap	1,379,112			East of Thoreau
276	616935	Needles Drain Line	17,886			West of Thoreau
277	616938	Rct Heatn Cyn MP528	391,490			East of Thoreau
278	616939	Rct Myers Rch MP511	169,984			East of Thoreau
279	616940	Unit A101 Turbine Exchange	594,292			East of Thoreau
280	616941	Station 6 Comp Unloaders	47,431			San Juan
281	616943	Unit 1001 Turbine Exchange	767,365			East of Thoreau
282	616946	Unit 1002 Turbine Exchange	785,082			San Juan
283	616955	CPU 138 GB Replacement	35,229			San Juan
284	616962	CPU 212 Dripping Springs	65,141			West of Thoreau
285	616979	Sta 6 Water Well	11,851			East of Thoreau
286	616981	7-6 Crack Arrestors	723,075			East of Thoreau
287	616993	Bimfd Battery Panel	8,111			San Juan
288	616995	CPU 218 Ivanhoe	36,696			East of Thoreau
289	617029	Double Wide Station 4	68,820			East of Thoreau
290	617030	PNM City of Farm IC	37,820			West of Thoreau
291	617031	Rio Puerco FS	889,999			San Juan
292	617052	Jumbo American IC	(117,020)			East of Thoreau
293	617053	Cannon Energy I/C	(38,989)			East of Thoreau
294	617054	Rct 9 to 8 5000 Feet	289,240			East of Thoreau
295	617057	Rct RioPuerco Tap	41,368			East of Thoreau
296	617058	Rct 2500' ML 599+00	196,295			East of Thoreau
297	617059	Rct Valve 4008 ML	76,484			East of Thoreau
298	617060	Springs 3500 ft Recoat	357,472			West of Thoreau
299	617061	Rct 770.79	37,036			East of Thoreau
300	617065	CPU 007 Deep GB	53,834			East of Thoreau
301	617066	CPU 041	28,795			East of Thoreau

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in Account 106 5/31/2006 (a)	Functionalization		Intangible (d)	Zone (e)
				Transmission (b)	General (c)		
302	617067	CPU 143 MP604.1	\$ 51,700	\$ -	-	-	East of Thoreau
303	617068	CPU 202 MP741.9	57,304	-	-	-	East of Thoreau
304	617069	CPU 236 Rio Puerco	57,275	-	-	-	East of Thoreau
305	617070	CPU 237	109,982	-	-	-	East of Thoreau
306	617071	CPU 261-WT-1	33,097	-	-	-	East of Thoreau
307	617072	Rct 300' ES 2718+14	27,396	-	-	-	West of Thoreau
308	617073	Rct MP 602.7	68,252	-	-	-	East of Thoreau
309	617074	Rct NTUA CX ML	32,020	-	-	-	West of Thoreau
310	617075	Rct Sec 6 Bellhole	54,074	-	-	-	East of Thoreau
311	617076	Sta 7 Electrical Housing	28,528	-	-	-	East of Thoreau
312	617077	Needles 30" Valve Install	133,907	-	-	-	West of Thoreau
313	617079	Abandon Belen TBS Lateral	335	-	-	-	East of Thoreau
314	617080	Abandon El Paso 12" IC	1,914	-	-	-	East of Thoreau
315	617082	Rct Bloomfield Disch	25,264	-	-	-	East of Thoreau
316	617084	Bloomfield Grounding	24,230	-	-	-	San Juan 2005
317	617085	Sta 6 Grounding	312,684	-	-	-	San Juan
318	617086	Sta 8 Grounding	349,373	-	-	-	East of Thoreau
319	617087	WT2 Grounding	622,805	-	-	-	East of Thoreau
320	617088	Crawford LEL Warning	2,004	-	-	-	East of Thoreau
321	617089	Keystone LEL Warning	3,784	-	-	-	East of Thoreau
322	617090	Mounment LEL Warning	1,851	-	-	-	East of Thoreau
323	617091	RedCedar LEL Warning	15,933	-	-	-	East of Thoreau
324	617092	Sta 4 LEL Warning	3,841	-	-	-	San Juan
325	617093	WT-2 LEL Warning	4,207	-	-	-	West of Thoreau
326	617094	WT-1 LEL Warning	3,801	-	-	-	East of Thoreau
327	617096	Agave El Banco IC	4,761	-	-	-	East of Thoreau
328	617101	Cator Bundy Roots Meter	7,969	-	-	-	East of Thoreau
329	617102	Atoka 2 758 Comp Exch	89,220	-	-	-	East of Thoreau
330	617103	Halley OPP	19,902	-	-	-	East of Thoreau
331	617104	Monument OPP	19,574	-	-	-	East of Thoreau
332	620631	Finalize Station 1 Add Compression	332,628	-	-	-	East of Thoreau
333	620632	Finalize Station 2 Add Compression	392,755	-	-	-	West of Thoreau
334	620633	Finalize Station 3 Add Compression	354,814	-	-	-	West of Thoreau
335	621002	I/R-WFS Miliagro Meter Upgrade	98,935	-	-	-	West of Thoreau
336	621003	I - Rates and Revenue Testing	21,766	-	-	-	West of Thoreau
337	621005	I-Field Networking Enterprise-II	584,951	-	-	-	San Juan
338	621006	I/R-Sta. 7 C.B. Lights	34,558	-	-	21,766	Houston Office
339	621008	I-Blanco Fire & Gas Detc	158,522	-	-	584,951	Houston Office
340	621010	I-CPU NGPL Guymon	21,624	-	-	-	East of Thoreau
341	621013	I-Bimild Fire & Gas Det	84,869	-	-	-	San Juan
342	621017	I/R NGPL Gray/IC Valve UP	8,829	-	-	-	East of Thoreau
343	621018	I/R WT 24" Anomalies UP	341,832	-	-	-	East of Thoreau
344	621019	I/R-P-3 Oil Coolers UP	58,487	-	-	-	East of Thoreau

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in Account 106 5/31/2006 (a)	Functionalization		Zone (e)
				Transmission (b)	General (c)	
345	621021	I-Mclean 2" Prison Tap UP	\$ 11,521	\$ -	-	East of Thoreau
346	621022	I/R - Kena Tower Grounding UP	47,595	-	-	East of Thoreau
347	621023	I/R OPTP Controls Upgrade WT1 UP	24,277	-	-	East of Thoreau
348	621024	I-P-2 Inverter UP	10,283	-	-	East of Thoreau
349	621025	AA2 Unit 760 Exchange UP	72,891	-	-	East of Thoreau
350	621026	I-Blanco H2O Monitor	21,028	-	-	San Juan
351	621027	I/R McLean Pig Launcher Mods UP	34,919	-	-	East of Thoreau
352	621029	I/R H2O Analyzer AA2 UP	36,105	-	-	East of Thoreau
353	621031	I/R Sta 9 UPS UP	13,796	-	-	East of Thoreau
354	621035	Ret Pecos River Drip UP CX	9,404	-	-	East of Thoreau
355	621036	I-Infrastructure Server Project	463,252	463,252	-	Houston Office
356	621037	Install P-3 SCADA UP	16,857	-	-	East of Thoreau
357	621046	Install SJ Laser H2O Monitors	167,929	-	-	East of Thoreau
358	621047	I/R Sta 8 Breakers UP	140,486	-	-	East of Thoreau
359	621062	I/R CPU 099 MP 213.69	104,265	-	-	West of Thoreau
360	621069	I/R CPU191 WT-2 56.67	22,855	-	-	East of Thoreau
361	621071	Install L/R 2-24 Colorado River	94,022	-	-	West of Thoreau
362	621072	I/R CPU 151 MP 230.578	65,431	-	-	West of Thoreau
363	621074	INSTALL CPU GRAY 2 MP 80.335	36,255	-	-	East of Thoreau
364	621077	RCT Myers Ranch MP 12.48	218,363	-	-	East of Thoreau
365	621083	Unit 844 exchange	25,469	-	-	East of Thoreau
366	621085	Unit 719 Exchange	28,731	-	-	East of Thoreau
367	621086	Unit 720 exchange	26,897	-	-	East of Thoreau
368	621099	RCT 1500 MP 235	302,248	-	-	East of Thoreau
369	621133	I/R CPU 235 WT 27.662	27,952	-	-	East of Thoreau
370	660004	2004 060 Blanket Work Order	19,942	-	-	Houston Office
371	660005	2005 060 Blanket Work Order	35,857	19,942	-	Houston Office
372	690000	Genesis Transition Project	4,319,026	35,857	-	Houston Office
373	690001	Oracle Financials Conversion	3,266,852	-	-	Houston Office
374	690002	Oracle HR/Payroll Conversion	1,037,852	-	-	Houston Office
375	690003	EAM Conversion	1,028,304	-	-	Houston Office
376	690004	Power Plant Conversion	727,458	-	-	Houston Office
377	690005	Tax Systems Conversion	231,154	-	-	Houston Office
378	690006	Workforce Conversion	274,839	-	-	Houston Office
379	690007	Data Warehouse Conversion	557,452	-	-	Houston Office
380	690008	Filenet Conversion	638,368	-	-	Houston Office
381		TOTAL FACILITIES	\$ 50,570,329	\$ 36,762,267	\$ 519,051	\$ 13,289,011

TRANSWESTERN PIPELINE COMPANY, LLC

Account 107 - Construction Work in Progress
 Facilities to be Constructed and Placed in
 Service During the Test Period
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in CWIP 5/31/2006 (a)	Estimated Total Plant (b)	Functionalization		Date in Service (f)	Zone (g)	Docket Number (h)
					Transmission (c)	General (d)			
1	610380	NAESB/EDI Enhancements	\$ 961	\$ 961	\$ -	\$ -	6/1/06	Houston Office	
2	612710	Install 36" ML - MP 8 9 to MP 57.4	18,162	59,442	59,442	-	7/1/06	San Juan 2005	CP04-104
3	612713	Install 1-16" Hot Tap @ MP 19.7	2,528	2,001	2,001	-	7/1/06	San Juan 2005	CP04-104
4	612717	Install 36" ML-MP 87 8 to MP 97.1	2,252	3,092	3,092	-	7/1/06	San Juan 2005	CP04-104
5	612719	Conoco Blanco Hub Meter Station	18,054	18,741	18,741	-	7/1/06	San Juan 2005	CP82-534
6	612721	Bloomfield CS	6,262	96,327	96,327	-	7/1/06	San Juan 2005	CP04-104
7	612723	Gallup CS	690	3,151	3,151	-	7/1/06	San Juan 2005	CP04-104
8	616628	Sta 9 Meter Power Gas	32,942	33,178	33,178	-	7/1/06	San Juan 2005	
9	616823	Crawford Fire Detection	20,070	20,215	20,215	-	7/1/06	East of Thoreau	
10	616996	Install ESD Valve Station 9	42,721	45,072	45,072	-	7/1/06	East of Thoreau	
11	616997	Install ESD Valve WT-1	16,182	40,418	40,418	-	7/1/06	East of Thoreau	
12	617030	PNM City of Farmington Interconnect	(42,619)	(42,619)	(42,619)	-	7/1/06	East of Thoreau	
13	617087	WT2 Grounding System	1,216	1,216	1,216	-	6/1/06	San Juan	
14	621004	SCADA Consolidation	413,535	323,942	-	-	7/1/06	East of Thoreau	CP82-534
15	621007	Install Backup Overspeeds on Unit 1 & 2	8,604	8,664	8,664	-	11/1/06	Houston Office	
16	621009	Install Backup Overspeed Unit 751&756 @ Crawford CS	6,977	7,032	7,032	-	9/1/06	East of Thoreau	
17	621011	LaPlata Water Injection on Unit 1	4,948	140,131	140,131	-	9/1/06	East of Thoreau	
18	621012	Backup Overspeed Keystone	6,810	5,970	5,970	-	8/1/06	San Juan	
19	621014	Customer Security & Controls	211,862	105,000	-	-	8/1/06	East of Thoreau	
20	621015	I-Backup Overspeed Monitor	6,126	6,172	6,172	-	1/1/07	Houston Office	
21	621016	Install Backup Overspeed Units 763&764 Lone Star	8,228	8,297	8,297	-	7/1/06	East of Thoreau	
22	621028	Install 2 Warehouse Buildings @WT-2	219,674	219,278	219,278	-	7/1/06	East of Thoreau	
23	621030	Install Office Buildings @ Station WT2	330,560	330,456	330,456	-	7/1/06	East of Thoreau	
24	621034	Install Office/Warehouse	154,937	151,513	151,513	-	8/1/06	San Juan	
25	621038	Confirmations System Conversion	8,131	111,000	-	-	1/1/07	Houston Office	
26	621041	East of Canadian River Block Valve-TX	1,388	87,368	87,368	-	8/1/06	East of Thoreau	
27	621042	East of Canadian River Block Valve	388	61,756	61,756	-	8/1/06	East of Thoreau	
28	621043	NGPL Eddy Meter Station	10,762	10,804	10,804	-	7/1/06	East of Thoreau	
29	621047	Install Breakers on MCC @ Station 8	6,435	99,625	99,625	-	6/1/06	East of Thoreau	
30	621048	Tools/Work Equip-SoWest-TW-East-TX	(58)	74,142	-	-	1/1/07	State of TX	
31	621050	Tools/Work Equip-SoWest-TW-West-NM	(102)	22,721	-	-	1/1/07	State of NM	
32	621051	Tools/Work Equip-SoWest-TW-East-TX	(181)	98,383	-	-	1/1/07	State of TX	
33	621052	Tools/Work Equip-SoWest-TW-West-AZ	355	200,000	200,000	-	1/1/07	State of AZ	
34	621053	Standby Equip-SoWest-TW-East-TX	124,168	284,000	284,000	-	1/1/07	East of Thoreau	
35	621054	Vehicles-SoWest-TW-East-TX	(190)	109,635	-	-	1/1/07	State of TX	
36	621055	Vehicles-SoWest-TW-East-OK	(156)	98,268	-	-	1/1/07	State of OK	
37	621056	Vehicles-SoWest-TW-East-NM	(28,089)	146,290	-	-	1/1/07	State of NM	
38	621058	Standby Equip-SoWest-TW-West-AZ	199,987	249,987	249,987	-	1/1/07	East of Thoreau	
39	621059	Vehicles-SoWest-TW-West-NM	(109)	178,330	-	-	1/1/07	State of NM	
40	621061	Install CPU @ MP 444.5	4,826	181,575	181,575	-	9/1/06	East of Thoreau	

TRANSWESTERN PIPELINE COMPANY, LLC

Account 107 - Construction Work in Progress
 Facilities to be Constructed and Placed in
 Service During the Test Period
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in CWIP 5/31/2006 (a)	Estimated Total Plant (b)	Functionalization		Date in Service (f)	Zone (g)	Docket Number (h)
					Transmission (c)	General (d)			
41	621063	Station 6 Lighting	\$ 912	\$ 41,623	\$ -	\$ -	7/1/06	East of Thoreau	-
42	621064	Install Station 6 Turbocharger Foundation	52,778	1,452,582	1,452,582	-	12/1/06	East of Thoreau	-
43	621066	Recoat 1500ft of 30" @ MP 230.5	241,883	399,178	399,178	-	7/1/06	East of Thoreau	-
44	621067	Recoat 1500 ft of 30" @ MP 232	7,510	184,374	184,374	-	10/1/06	East of Thoreau	-
45	621068	Station 6 - Inst Shafers	2,915	105,147	105,147	-	10/1/06	East of Thoreau	-
46	621070	Station 6 Turbo Lights	401	18,279	18,279	-	11/1/06	East of Thoreau	-
47	621071	Install Launcher/Receiver 2-24 Colorado Rvr Xing	14,125	575,033	575,033	-	7/1/06	East of Thoreau	-
48	621073	Install CPU 077 @ MP 247.47	80,107	105,509	105,509	-	11/1/06	East of Thoreau	-
49	621076	Station 6 Service Lines	6,502	236,618	236,618	-	7/1/06	East of Thoreau	-
50	621077	Recoat 1500ft of 30" @ Myers Ranch MP 12.48	830	830	830	-	11/1/06	East of Thoreau	-
51	621078	Install Launcher/Receiver Sta 5-6	85,295	439,556	439,556	-	6/1/06	East of Thoreau	-
52	621079	Install Miniatour 229-325-970	18,130	32,649	32,649	-	8/1/06	East of Thoreau	-
53	621080	TMS Replacement	-	109,400	-	109,400	10/1/06	West of Thoreau	-
54	621084	Install Aloka 1 Grounding System	13,672	557,286	557,286	-	2/1/07	Houston Office	-
55	621088	Install GC C9 & H20 @ WT1	1,994	189,534	189,534	-	9/1/06	East of Thoreau	-
56	621089	Recoat 800' of 24" Parhandle Lateral @ MP 80.90	861	191,110	191,110	-	10/1/06	East of Thoreau	-
57	621090	Install Coupons Cactus Lateral	1,557	64,025	64,025	-	9/1/06	East of Thoreau	-
58	621091	Install CPU 282 Deepwell Groundbed	2,002	39,354	39,354	-	8/1/06	East of Thoreau	-
59	621092	Install Aloka 2 Grounding System	778	58,426	58,426	-	7/1/06	East of Thoreau	-
60	621094	Install Aloka 3 Grounding System	18,511	557,286	557,286	-	10/1/06	East of Thoreau	-
61	621095	Unit 762 Exchange	17,393	202,926	202,926	-	12/1/06	East of Thoreau	-
62	621096	Unit 761 Exchange	1,813	202,926	202,926	-	11/1/06	East of Thoreau	-
63	621098	Recoat 1500ft of 30" @ Myers Ranch II MP 512	5,342	184,376	184,376	-	11/1/06	East of Thoreau	-
64	621100	Recoat 400ft of 30" MP 540.10	1,857	121,444	121,444	-	7/1/06	East of Thoreau	-
65	621101	Install Miniatour 265-471597 w/Bull horn	17,941	32,739	32,739	-	11/1/06	East of Thoreau	-
66	621103	Install CPU 247-1 @ MP 227.2	836	117,320	117,320	-	10/1/06	West of Thoreau	-
67	621104	Install CPU 291 @ MP 220.272	26,985	48,274	48,274	-	7/1/06	West of Thoreau	-
68	621105	Install GC C9 & H20 @ Station 4	1,894	189,534	189,534	-	10/1/06	West of Thoreau	-
69	621106	Recoat EPNGX @ MP 325	5,325	171,183	171,183	-	10/1/06	West of Thoreau	-
70	621112	Recoat 1500 ft of 30" @ MP 525.9	2,485	184,376	184,376	-	11/1/06	West of Thoreau	-
71	621113	Install P-3 Lab Gas Detector	57	56,047	56,047	-	11/1/06	East of Thoreau	-
72	621114	Recoat Blk Vlv P-308 @ MP65.72	2,309	64,486	64,486	-	11/1/06	East of Thoreau	-
73	621116	Recoat 2000 ft of 30" @ Becker Flats	1,325	304,686	304,686	-	7/1/06	East of Thoreau	-
74	621117	Install CPU @ Zia Junction 72	4,075	45,691	45,691	-	11/1/06	East of Thoreau	-
75	621118	Install CPU 317 @ MP 830	2,256	85,931	85,931	-	7/1/06	East of Thoreau	-
76	621120	Install CPU Monument Junction 10.5	2,706	45,601	45,601	-	10/1/06	East of Thoreau	-
77	621121	Install Security Fence in West Region	891	99,692	99,692	-	7/1/06	East of Thoreau	-
78	621126	Install Thermo Generation 276 MP 14	14,771	53,394	53,394	-	12/1/06	West of Thoreau	-
79	621127	Replace 24" Pecos River Crossing	48,414	1,466,512	1,466,512	-	12/1/06	East of Thoreau	-

TRANSWESTERN PIPELINE COMPANY, LLC

Account 107 - Construction Work in Progress
Facilities to be Constructed and Placed in
Service During the Test Period
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in CWIP 5/31/2006 (a)	Estimated Total Plant (b)	Functionalization (d)		Date in Service (f)	Zone (g)	Docket Number (h)
					Transmission (c)	General (d)			
81	621128	Install CPU 222 @ MP 110	\$ 2,619	\$ 99,734	\$ 99,734	\$ -	12/1/06	West of Thoreau	-
82	621130	Install Security Fence	891	91,490	91,490	-	11/1/06	East of Thoreau	-
83	621131	Install GC C9 & H2O @ P-1	1,694	189,534	189,534	-	10/1/06	East of Thoreau	-
84	621133	Install CPU 235 WT 27 662	1,162	1,162	1,162	-	6/1/06	East of Thoreau	-
85	621134	Install ESD @ WT2	1,219	136,389	136,389	-	6/1/06	East of Thoreau	-
86	621135	Recoat 24" Blk Vlv WT208 & 30" Blk Vlv	4,523	132,789	132,789	-	12/1/06	East of Thoreau	-
87	621136	Install CPU 340 WT 55,984	760	766	766	-	7/1/06	East of Thoreau	-
88	621137	Recoat 1500 ft of 30" MP 558.3	4,842	184,377	184,377	-	11/1/07	West of Thoreau	-
89	621139	Irth Implementation @ Crawford	1,070	49,999	49,999	-	7/1/06	East of Thoreau	-
90	621140	Install ESD Valve @ Crawford	106,954	52,800	-	52,800	8/1/06	Houston Office	-
91	621141	Install Rectifier CPU # 175	338	5,000	5,000	-	8/1/06	Houston Office	-
92	621142	Install Rectifier CPU #162	46	46	-	-	9/1/06	Houston Office	-
93	621144	Station 5 Modification	221,283	410,764	410,764	-	9/1/06	West of Thoreau	-
94	621145	Southwest Gas Trans. Co Meter Upgrade	593,762	566,000	-	566,000	7/1/06	East of Thoreau	-
95	621146	GIS Database Integration	165,973	286,400	-	286,400	10/1/06	West of Thoreau	CP82-534
96	621147	EAM: MCS Migration	8,562	351,798	-	351,798	11/1/07	Houston Office	-
97	621148	Index of Customer Enhancements	19,538	33,000	-	33,000	11/1/07	Houston Office	-
98	621149	Install 40" of 10" pipe	4,633	89,748	89,748	-	9/1/06	Houston Office	-
99	621150	Sla 5 East Flow Control Ignition System	11,666	66,435	66,435	-	7/1/06	East of Thoreau	-
100	621151	SCADA Reliability	-	57,000	-	57,000	8/1/06	East of Thoreau	-
101	621152	Feagan Chaves Interconnect	1,740	170,000	170,000	-	2/1/07	Houston Office	-
102	621154	Holtap Pool Project	-	112,100	-	112,100	7/1/06	East of Thoreau	CP82-534
103	660005	2005 060 Blanket Work Order	561,815	561,815	-	561,815	2/1/07	Houston Office	-
104	690000	Genesis Transilion	(21,098)	(6,504)	-	(6,504)	7/1/06	Houston Office	-
105	690007	Data Warehouse	34,171	124,041	-	124,041	7/1/06	Houston Office	-
106	690009	Gas Measurement Conversion	749,805	1,194,879	-	1,194,879	7/1/06	Houston Office	-
		CWIP AT MAY 31, 2006 - CLAIMED	\$ 4,977,766	\$ 18,143,518	\$ 13,444,117	\$ 1,346,584			
									\$ 3,352,817

TRANSWESTERN PIPELINE COMPANY, LLC

Account 107 - Construction Work In Progress
Facilities to be Constructed and Placed in
Service During the Test Period
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Work Order Number	Description	Claimed Balance in CWIP 5/31/2006 (a)	Estimated Total Plant (b)	Transmission (c)	Functionalization General (c)	Intangible (e)	Date in Service (f)	Zone (g)	Docket Number (h)
1	103045	SCMS Enhancement Project	\$ -	\$ 7,500	-	-	7,500	2/1/07	Houston Office	-
2	103203	Desktop Refreshes - Houston	-	23,200	-	-	23,200	2/1/07	Houston Office	-
3	103205	Server Replacement	-	120,300	-	-	120,300	2/1/07	Houston Office	-
4	103206	Desktop Refreshes - Houston Operations	-	40,000	-	-	40,000	2/1/07	Houston Office	-
5	103243	EIMS Construction Permit Request Extension	-	9,600	-	-	9,600	2/1/07	Houston Office	-
6	103248	Consolidate Pipeline IT Domains (Genesis)	-	249,100	-	-	249,100	2/1/07	Houston Office	-
7	103259	EAM - New functionality	-	16,700	-	-	16,700	2/1/07	Houston Office	-
8	103260	Lotus Notes Application	-	117,800	-	-	117,800	2/1/07	Houston Office	-
9	103270	Single Sign-On/Security Upgrade	-	97,400	-	-	97,400	2/1/07	Houston Office	-
10	103275	Consolidate Pipeline DR Sites	-	41,300	-	-	41,300	2/1/07	Houston Office	-
11	103281	Enterprise Data Archival Consolidation	-	37,600	-	-	37,600	2/1/07	Houston Office	-
12	999901	TMS Replacement EDI	-	46,600	-	-	46,600	2/1/07	Houston Office	-
13	999902	ProActive Implementation	-	64,800	-	-	64,800	2/1/07	Houston Office	-
14	999903	Class Works & HCA Works Implem	-	43,000	-	-	43,000	2/1/07	Houston Office	-
15	999904	General Commercial Enhancements	-	350,700	-	-	350,700	2/1/07	Houston Office	-
16	999905	TMS Replacement Reporting	-	65,600	-	-	65,600	2/1/07	Houston Office	-
17	999906	Data Archival	-	63,000	-	-	63,000	2/1/07	Houston Office	-
18	999907	NAESB 1.8 Enhancements	-	56,000	-	-	56,000	2/1/07	Houston Office	-
19	999908	Informational Postings/Customer Activities	-	48,000	-	-	48,000	2/1/07	Houston Office	-
20	999909	P3 AC Unit in Control Room	-	5,509	5,509	-	-	2/1/07	Houston Office	-
21	999910	Public Awareness (API 1162 Order)	-	45,800	-	-	45,800	2/1/07	East of Thoreau	-
22	999911	Records Group Indexing Consolidation	-	23,400	-	-	23,400	2/1/07	Houston Office	-
23	999912	EAM - DR	-	9,400	-	-	9,400	2/1/07	Houston Office	-
24	999913	EAM Compliance	-	15,100	-	-	15,100	2/1/07	Houston Office	-
25	999914	EAM Interface Rewrite	-	26,300	-	-	26,300	2/1/07	Houston Office	-
26	999916	SPP Program Project	-	63,400	-	-	63,400	2/1/07	Houston Office	-
27	999917	Operations Enhancements Pool	-	52,800	-	-	52,800	2/1/07	Houston Office	-
28	999918	Network Upgrade Enhancement Pool	-	9,800	-	-	9,800	2/1/07	Houston Office	-
29	999919	MS SQL Upgrade	-	47,900	-	-	47,900	2/1/07	Houston Office	-
30	999920	Outlook Soft Budgeting tool	-	234,900	-	-	234,900	2/1/07	Houston Office	-
31	999921	Labor Distribution Replacement	-	88,500	-	-	88,500	2/1/07	Houston Office	-
32	999922	General Finance & Accounting Enhancements	-	27,600	-	-	27,600	2/1/07	Houston Office	-
33	999923	Oracle AP eProcess	-	27,600	-	-	27,600	2/1/07	Houston Office	-
34	999924	Link from Oracle AP/EAM to Pangea to view inv details	-	13,400	-	-	13,400	2/1/07	Houston Office	-
35		TOTAL TEST PERIOD PROJECTS AT MAY 31, 2006	-	2,189,609	5,509	-	2,184,100			
36		TOTAL FACILITIES TO BE CONSTRUCTED DURING TEST PERIOD	\$ 4,977,766	\$ 20,333,127	\$ 13,449,626	\$ 1,346,584	\$ 5,536,917			

TRANSWESTERN PIPELINE COMPANY, LLC

Accumulated Provision for Depreciation, Depletion and Amortization
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Balance at 6/1/2005 (a)	Additions (b)	Reductions (c)	Other (d)	Balance at 05/31/06 (e)	Adjustments (f)	Total As Adjusted (g)
	Account 108 Accumulated Provision for Depreciation of Gas Plant in Service							
1	Transmission Plant							
2	Onshore	\$ 280,600,336	\$ 11,602,730	\$ (8,169,336)	\$ (625,069)	\$ 283,408,661	\$ 992,949	\$ 284,401,610
3	Regulatory Asset	44,149,963	(601,134)	-	-	43,548,829	(450,850)	43,097,979
3	San Juan Expansion	-	2,978,030	-	625,069	3,603,099	2,570,741	6,173,840
4	General Plant	15,311,330	2,051,033	-	-	17,362,363	1,449,544	18,811,907
5	Subtotal	340,061,629	16,030,659	(8,169,336)	-	347,922,952	4,562,384	352,485,336
6	Transmission - Onshore ARO	-	6,412	-	4,274	10,686	(10,686)	-
7	Future Use	1,060,400	-	-	-	1,060,400	-	1,060,400
8	Retirement Work in Progress	(1,511,774)	-	-	(1,021,370)	(2,533,144)	2,533,144	-
9	Total Account 108	339,610,255	16,037,071	(8,169,336)	(1,017,096)	346,460,894	7,084,842	353,545,736
	Account 111 Accumulated Amortization for Amortization							
10	Intangible	2,502	-	-	-	2,502	-	2,502
11	Intangible - Contribution	4,700,434	1,258,542	-	-	5,958,976	713,894	6,672,870
12	Intangible - Software	13,959,892	2,677,466	-	-	16,637,358	2,333,397	18,970,755
13	Total Account 111	18,662,828	3,936,008	-	-	22,598,836	3,047,291	25,646,127
14	Total Accumulated Provision	\$ 358,273,083	\$ 19,973,079	\$ (8,169,336)	\$ (1,017,096)	\$ 369,059,730	\$ 10,132,133	\$ 379,191,863

TRANSWESTERN PIPELINE COMPANY, LLC

Adjustments to Accumulated Provision for Depreciation
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Reference	Total (a)	Functionalization		Intangible (d)
				Transmission (b)	General (c)	
1	<u>Adjustment No. 1</u> To reflect Depreciation and Amortization during the Test Period	Sch. D, Page 2	\$ 15,240,439	\$ 10,604,854	\$ 1,588,294	\$ 3,047,291
2	<u>Adjustment No. 2</u> To reflect the Removal of Depreciation and Amortization Related to Transmission ARO	Sch. C - 1.1(1)	(10,686)	(10,686)	-	-
3	<u>Adjustment No. 3</u> To provide for the Removal of East of Canadian River Assets from Gas Plant in Service - Docket No. CP06-59-000	Sch. C-1.1(2)	(7,630,764)	(7,492,014)	(138,750)	-
4	Total Adjustments		7,598,989	3,102,154	1,449,544	3,047,291
5	Retirement Work in Progress Balance @ May 31, 2006		2,533,144	2,011,156	521,988	-
6	Total		\$ 10,132,133	\$ 5,113,310	\$ 1,971,532	\$ 3,047,291

TRANSWESTERN PIPELINE COMPANY, LLC

Adjustment No. 1
 Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Gas Plant		Test Period Provision		Total Adjustment (e)
		Balances As Adjusted 5/31/2006 (a)	Provision on Existing Plant (b)	Net Additions (c)	Provision on Net Additions (d)	
Account 108 Accumulated Provision for Depreciation of Gas Plant in Service						
1	Transmission Plant - Onshore	\$ 948,646,660	\$ 8,537,821	\$ (2,088,800)	\$ (52,856)	\$ 8,484,963
2	Transmission Plant - San Juan Expansion	119,848,074	2,570,741	-	-	2,570,741
3	Transmission Plant - Regulatory Asset	43,548,829	(450,850)	-	-	(450,850)
4	General Plant	20,821,641	1,561,623	1,081,157	26,671	1,588,294
5	Total Account 108	1,132,865,204	12,219,335	(1,007,643)	(26,187)	12,193,148
Account 111 Accumulated Amortization for Amortization						
6	Intangible	30,632,257	2,297,419	3,131,317	35,978	2,333,397
7	Intangible - Contribution	7,869,375	676,842	-	37,052	713,894
8	Total Account 111	38,501,632	2,974,261	3,131,317	73,030	3,047,291
9	Total Accumulated Provision	\$ 1,171,366,836	\$ 15,193,596	\$ 2,123,674	\$ 46,843	\$ 15,240,439

TRANSWESTERN PIPELINE COMPANY, LLC

Depreciation Reserve Book Balances Applicable to Depreciation
Rates Not Yet Approved by the Commission
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Detail (a)	Amount (b)
	Account 111, Accumulated Provision for Amortization		
	<u>Intangible Plant</u>		
1	Contribution in Aid of Construction to Meridian Val Verde 1/	\$ 393,176	
2	Monthly Amortization rate per Books	<u>10%</u>	
3	Monthly Amortization	\$ 3,276	
4	Months in Service	<u>64</u>	
5	Amortization per Books - May 2006		\$ 209,694
6	Contribution in Aid of Construction to Pacific Gas Energy 2/	\$ 7,476,199	
7	Monthly Amortization rate per Books	<u>8.33%</u>	
8	Monthly Amortization	\$ 51,896	
9	Months in Service	<u>75</u>	
10	Amortization per Books - May 2006		\$ 3,519,559
11	Contribution in Aid of Construction to Southwest Gas Trans Co. 3/	\$ 556,000	
12	Monthly Amortization rate per Books	<u>20%</u>	
13	Monthly Amortization	\$ 9,267	
14	Months in Service	<u>-</u>	
15	Amortization per Books - May 2006		\$ -
16	Total Reserve Applicable to Rates Not Yet Approved by the Commission		<u>\$ 3,729,253</u>

1/ Contract with Meridan Oil, Inc. which became effective June 1994. Project remained in 107 account until unitized in Jan 2001. Amortization as of the end of the Test Period will total \$239,182.

2/ Contracts with Pacific Gas & Electric commencing March 2000 through January 2001. Amortization as of the end of the Test Period will total \$3,986,636.

3/ Contract with Southwest Gas will become effective September 2006. Amortization as of the end of the Test Period will total \$37,052.

TRANSWESTERN PIPELINE COMPANY, LLC

Working Capital
Twelve Month Ended May 31, 2006, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Total As Adjusted (a)</u>
1	Cash Working Capital		\$ -
2	Materials and Supplies	Schedule E-2, Page 1	953,207
3	Prepayments	Schedule E-2, Page 2	<u>2,495,057</u>
4	Total		<u>\$ 3,448,264</u>

TRANSWESTERN PIPELINE COMPANY, LLC

Monthly Balances for Materials and Supplies
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Year	Month	Transmission System Account 154 (a)	Undistributed Stores Exp. Account 163 (b)	Total (c)
1	2005	May	\$ 950,495	\$ -	\$ 950,495
2		June	946,004	-	946,004
3		July	946,004	-	946,004
4		August	951,393	-	951,393
5		September	962,579	-	962,579
6		October	959,828	-	959,828
7		November	956,615	-	956,615
8		December	956,615	-	956,615
9	2006	January	955,477	-	955,477
10		February	952,956	-	952,956
11		March	951,135	-	951,135
12		April	951,405	-	951,405
13		May	<u>951,191</u>	<u>-</u>	<u>951,191</u>
14		Total	<u>\$ 12,391,697</u>	<u>\$ -</u>	<u>\$ 12,391,697</u>
15		Average - 13 months			<u>\$ 953,207</u>

TRANSWESTERN PIPELINE COMPANY, LLC

Monthly Balances for Prepayments
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Year	Month	Insurance (a)	Rents (b)	Other (c)	Total (d)
1	2005	May	\$ 242,922	\$ 1,662,311	\$ 1,051,898	\$ 2,957,131
2		June	124,445	1,424,838	1,051,898	2,601,181
3		July	96,791	1,187,365	1,051,898	2,336,054
4		August	69,136	949,892	50,000	1,069,028
5		September	315,758	712,419	50,000	1,078,177
6		October	215,719	474,946	50,000	740,665
7		November	183,796	237,473	50,000	471,269
8		December	651,871	2,973,575	-	3,625,446
9	2006	January	577,432	2,725,777	320,467	3,623,676
10		February	451,793	2,477,979	291,334	3,221,106
11		March	326,154	2,230,181	262,201	2,818,536
12		April	285,260	1,982,383	233,068	2,500,711
13		May	<u>142,408</u>	<u>1,734,585</u>	<u>203,935</u>	<u>2,080,928</u>
14		Total	<u>\$ 3,683,485</u>	<u>\$ 20,773,724</u>	<u>\$ 4,666,699</u>	<u>\$ 29,123,908</u>
15		Average - 13 months	\$ 283,345	\$ 1,597,979	\$ 358,977	\$ 2,240,301
16		Adjustment - Schedule E-2 Page 3	<u>339,408</u>	<u>92,410</u>	<u>(177,062)</u>	<u>254,756</u>
17		Prepayments Claimed	<u>\$ 622,753</u>	<u>\$ 1,690,389</u>	<u>\$ 181,915</u>	<u>\$ 2,495,057</u>

TRANSWESTERN PIPELINE COMPANY, LLC

Adjustment for Prepayments
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Year	Month	Insurance (a)	Rents (b)	Other (c)	Total (d)
1	2006	February	\$ 451,793	\$ 2,477,979	\$ 291,334	\$ 3,221,106
2		March	326,154	2,230,181	262,201	2,818,536
3		April	285,260	1,982,383	233,068	2,500,711
4		May	142,408	1,734,585	203,935	2,080,928
5		June	-	1,486,787	174,802	1,661,589
6		July	1,241,049	1,238,989	145,669	2,625,707
7		August	1,116,789	991,191	116,536	2,224,516
8		September	992,530	743,393	87,403	1,823,326
9		October	932,049	495,595	58,270	1,485,914
10		November	807,242	247,797	29,137	1,084,176
11		December	682,435	3,034,974	-	3,717,409
12	2007	January	621,272	2,782,059	397,844	3,801,175
13		February	496,806	2,529,144	364,690	3,390,640
14		Total	<u>\$ 8,095,787</u>	<u>\$ 21,975,057</u>	<u>\$ 2,364,889</u>	<u>\$ 32,435,733</u>
15		Average - 13 months	\$ 622,753	\$ 1,690,389	\$ 181,915	\$ 2,495,057
16		Average - 13 months (06/05 - 05-06)	<u>283,345</u>	<u>1,597,979</u>	<u>358,977</u>	<u>2,240,301</u>
17		Adjustment	<u>\$ 339,408</u>	<u>\$ 92,410</u>	<u>\$ (177,062)</u>	<u>\$ 254,756</u>

TRANSWESTERN PIPELINE COMPANY, LLC

Summary - Other Taxes
Twelve Months Ended May 31, 2006, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Expense Per Books (a)</u>	<u>Adjustments (b)</u>	<u>Total Taxes Claimed (c)</u>
1	Ad Valorem	\$ 9,578,696	\$ 165,711	\$ 9,744,407
2	Payroll	1,375,389	226,036	1,601,425
3	Gross Receipts	706,563	-	706,563
4	Miscellaneous	<u>247,732</u>	<u>-</u>	<u>247,732</u>
5	Total	\$ <u>11,908,380</u>	\$ <u>391,747</u>	\$ <u>12,300,127</u>

TRANSWESTERN PIPELINE COMPANY, LLC

Ad Valorem Taxes
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Expense Per Books (a)	Adjustments (b)	Total Taxes Claimed (c)
1	Arizona	\$ 5,082,120	\$ 28,467	\$ 5,110,587
2	California	8,355	(325)	8,030
3	Colorado	191,045	(54,100)	136,945
4	Fort Mojave Indian Reservation	11,009	297	11,306
5	Navajo Nation	120,383	24,839	145,222
6	New Mexico	3,020,795	317,037	3,337,832
7	Oklahoma	249,474	(175,307)	74,167
8	Pueblo de Acoma	5,333	(1,028)	4,305
9	Texas	<u>890,182</u>	<u>25,831</u>	<u>916,013</u>
10	Total Ad Valorem Taxes	\$ <u><u>9,578,696</u></u>	\$ <u><u>165,711</u></u>	\$ <u><u>9,744,407</u></u>

TRANSWESTERN PIPELINE COMPANY, LLC

Payroll Taxes
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Expense Per Books (a)	Adjustments (b)	Total Taxes Claimed (c)
	Federal Insurance Contributions Act			
1	Social Security Taxes	\$ 1,033,876	\$ 198,222	\$ 1,232,098
2	Medicare Taxes	278,626	27,814	306,440
3	Federal Unemployment Taxes	25,887	-	25,887
4	State Unemployment Taxes	<u>37,000</u>	<u>-</u>	<u>37,000</u>
5	Total Payroll Taxes	<u>\$ 1,375,389</u>	<u>\$ 226,036</u>	<u>\$ 1,601,425</u>

TRANSWESTERN PIPELINE COMPANY, LLC

Gross Receipts Tax
Twelve Months Ended May 31, 2006, As Adjusted

<u>Line No.</u>	<u>Description</u>	<u>Expense Per Books (a)</u>	<u>Adjustments (b)</u>	<u>Total Taxes Claimed (c)</u>
1	Navajo Business Activity Taxes	\$ <u>706,563</u>	\$ <u>-</u>	\$ <u>706,563</u>

TRANSWESTERN PIPELINE COMPANY, LLC

Miscellaneous Other Taxes
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Expense Per Books (a)	Adjustments (b)	Total Taxes Claimed (c)
1	Compressor Fuel Taxes Colorado	\$ 247,476	\$ -	\$ 247,476
2	Franchise Taxes Delaware	200	-	200
3	License Fees Colorado	<u>56</u>	<u>-</u>	<u>56</u>
4	Total Miscellaneous Other Taxes	\$ <u>247,732</u>	\$ <u>-</u>	\$ <u>247,732</u>

TRANSWESTERN PIPELINE COMPANY, LLC

Adjustment to Other Taxes - Ad Valorem
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Plant As Adjusted (a)	Fair Market Value of Assets Subject to Property Taxes (b)	Assessment Ratio (c)	Assessed Value (d)	Tax Rate (e)	Ad Valorem Tax (f)
States							
1	Arizona	\$ 369,652,667	\$ 255,325,088	24.00%	\$ 61,278,021	0.0834	\$ 5,110,587
2	California	905,192	704,400	100.00%	704,400	0.0114	8,030
3	Colorado	22,974,920	16,339,993	29.00%	4,738,598	0.0289	136,945
4	New Mexico	580,966,541	394,271,573	33.33%	131,410,715	0.0254	3,337,832
5	Oklahoma	3,353,381	5,243,666 1/	22.85%	1,198,178	0.0619	74,167
6	Texas	105,857,372	39,157,850	100.00%	39,157,850	0.0213	834,062
7	Texas - Corporate	63,307,372	2,722,627	100.00%	2,722,627	0.0301	81,951
8	Total State Plant	\$ 1,147,017,465			\$ 241,210,389		9,583,574
Indian Territories							
9	Fort Mojave	\$ -	\$ 1,125,000	30.00%	\$ 337,500	0.0335	\$ 11,306
10	Navejo Nation	-	4,840,739	100.00%	4,840,739	0.0300	145,222
11	Pueblo de Acoma	162,184	86,098	100.00%	86,098	0.0500	4,305
12	Total Indian Territories	\$ 162,184			\$ 5,264,337		160,833
13	Total Plant as Adjusted	\$ 1,147,179,649					
14	Total Ad Valorem Taxes						\$ 9,744,407

1/ Transwestern is subject to ad valorem taxes in the state of Oklahoma based on the step-up in basis resulting from Transwestern's acquisition by CCE Holdings, LLC in November 17, 2004.

TRANSWESTERN PIPELINE COMPANY, LLC

Adjustment to Other Taxes - FICA
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	Description	Detail (a)	Adjustment (b)
1	Base Period Compensation	\$ 20,645,675	
2	O&M Adj. No. 6(c) - Corporate Labor Charges	(2,833,623)	
3	O&M Adj. No. 6(e) - Out-of-Period Compensation-Related Entries	651,346	
4	Adjusted Base Period Compensation Subject to Payroll Taxes	<u>\$ 18,463,398</u>	
5	Base Period FICA Taxes - OASDI	\$ 1,033,876	
6	Adjustment to eliminate out-of-period entries	42,842	
7	Adjusted Base Period FICA Taxes - OASDI	<u>\$ 1,076,718</u>	
8	Base Period OASDI "Load Factor" (Line 7 / Line 4)	5.83%	
9	Test Period Compensation Subject to Payroll Taxes	<u>\$ 21,133,765</u>	
10	Test Period FICA Taxes - OASDI (Line 8 x Line 9)	<u>\$ 1,232,098</u>	
11	Adjustment to FICA Taxes - OASDI (Line 10 - Line 5)		<u>\$ 198,222</u>
12	Test Period FICA Taxes - Medicare (Line 9 x 1.45%)	\$ 306,440	
13	Base Period FICA Taxes - Medicare	<u>278,626</u>	
14	Adjustment to FICA Taxes - Medicare (Line 12 - Line 13)		<u>\$ 27,814</u>