

**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

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

Q. What are your present duties?

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

Q. What is your educational background?

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

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

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

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

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

<u>Exhibit No.</u>	<u>Reference</u>	<u>Description</u>
TW-26	Statement C	Gas Plant
TW-27	Statement D	Accumulated Provision for Depreciation, Depletion and Amortization
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

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

Q. What is the total Accumulated Provision for Depreciation?

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

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

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

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

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

That he is the Rickey J. Brocato, 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/ Rickey J. Brocato

Rickey J. Brocato

Subscribed and sworn to before me this 28th day of September, 2006.

/s/ Suzanne Samano

Notary Public

My Commission Expires:

April 6, 2010

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	-	-	-	1,573,788	(70,257)	1,503,531
17	372.00	Transmission - ARO	-	869,919	-	3,700	873,619	(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-Trls, 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	-	12,807,526	13,289,011	(13,289,011)	-
6	365.10	Land Owned in Fee	-	-	-	-	13,289,011	(13,289,011)	-
7	365.20	Rights-of-Way	-	-	-	-	-	-	-
8	366.10	Compressor Station Structures	-	-	-	-	-	-	-
9	366.20	Meas. & Reg. Station Structures	-	193,080	-	-	193,080	(193,080)	-
10	366.30	Other Structures - Transmission	-	21,028	-	-	21,028	(21,028)	-
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-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	55,798	-	-	-	55,798	(55,798)	-
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	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	1,500,019	-	-	-	1,500,019	-	1,500,019
14	369.00	Meas. & Reg. Station Equipment	(728)	-	-	-	(728)	-	(728)
15	370.00	Communication Equipment	-	-	-	-	-	-	-
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)
		<u>System Balancing Gas</u>							
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)	Functionalization		
				Transmission (b)	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

Line No.	Description	Gas Plant In Service (a)	Accumulated Reserve for Depreciation (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

Line No.	Description	Gas Plant In Service (a)	Accumulated Reserve for Depreciation (b)	System Balancing Gas (c)
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	-	-	-	649,641	-	643,846
3	366.10	3,705,029	-	-	568,772	3,785,898	(5,795)	3,233,050
4	366.20	17,913,511	-	-	80,869	18,231,526	(552,848)	18,164,808
5	366.30	484,644	-	-	318,015	484,644	(66,918)	380,971
6	366.40	748,883	-	-	-	748,883	(103,673)	706,611
7	367.00	1,687,715	-	-	-	1,687,715	(42,272)	1,906,993
8	368.00	205,407,359	-	-	-	205,371,272	219,278	199,082,106
9	369.00	134,816,951	-	(13,123)	(22,964)	130,782,650	(6,289,166)	147,487,275
10	370.00	15,636,164	-	(4,058,947)	24,646	15,604,402	16,704,625	21,868,748
11	371.00	3,108,422	-	(31,762)	-	3,108,422	6,264,346	3,153,352
12	372.00	1,423,946	-	-	-	1,423,946	44,930	1,383,494
13		\$ 385,013,493	-	(4,103,832)	969,338	381,878,999	(40,452)	398,011,054
	Total - Transmission						16,132,055	

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	-	958,070
5	366.30	17,535	-	-	-	17,535	158,522	1,116,592
6	366.40	-	-	-	-	-	21,028	38,563
7	367.00	667,749	-	-	-	667,749	-	-
8	368.00	157,671,570	-	-	-	157,671,570	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
	Total - Transmission							

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	-	-	-	-	-	7,268	7,268
11	371.00	201,474	-	-	-	201,474	-	201,474
12	372.00	-	-	-	-	-	-	-
13		\$ 521,171	\$ -	\$ -	(319,697)	\$ 201,474	\$ 7,268	\$ 208,742

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

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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	2,436,663	-	-	-	-	-	-
8	368.00	503,608	766,018	-	-	3,202,681	(3,202,681)	-
9	369.00	163,731	1,101,638	-	-	1,605,246	(1,605,246)	-
10	370.00	-	1,604	-	-	165,335	(165,335)	-
11	371.00	-	-	-	-	-	-	-
12	372.00	-	-	-	-	-	-	-
13	Total - Transmission	\$ 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)	\$ -
	Total - Transmission							

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	-	-	-	-	-	-
10	370.00	-	107	-	-	7,268	(7,268)	-
11	371.00	-	-	-	-	-	-	-
12	372.00	-	-	-	-	-	-	-
13	Total - Transmission	\$ 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)	Intangible (d)	
1	600495	Archiving & Recovery	\$	3	\$	3	Houston Office
2	609341	Trans-TW OPCO OCC Houston	(13,956)	-	-	(13,956)	Houston Office
3	609718	Trans-TW Remote Ops Center	(441,063)	-	-	(441,063)	Houston Office
4	609858	EIMS Phase 2	5,326	-	-	5,326	Houston Office
5	609885	Service Contracts	9,227	-	-	9,227	Houston Office
6	609886	TW Share Project Database	4,319	-	-	4,319	Houston Office
7	609892	PIPE	8,497	-	-	8,497	Houston Office
8	609893	MARRS	33,423	-	-	33,423	Houston Office
9	609894	PIP Implementation	385,612	-	-	385,612	Houston Office
10	609904	NAESB Compliance	63,715	-	-	63,715	Houston Office
11	609959	Op Audit	4,622	-	-	4,622	Houston Office
12	610250	Project Enterprise	157,610	-	-	157,610	Houston Office
13	610288	PDMS Enhancements	12,514	-	-	12,514	Houston Office
14	610310	TW Share Visibroker Implementation	17,857	-	-	17,857	Houston Office
15	610325	4th Qtr Pool Project	25,215	-	-	25,215	Houston Office
16	610378	San Juan Expansion Enhancements	37,420	-	-	37,420	Houston Office
17	610380	NAESB/EDI Enhancements	48,309	-	-	48,309	Houston Office
18	610382	FileNet Consolidation	94,068	-	-	94,068	Houston Office
19	610507	FERC Order 2004 Phase 2	62,928	-	-	62,928	Houston Office
20	610510	MS Enhancements Q1-2005	30,309	-	-	30,309	Houston Office
21	612710	36" ML - MP 8.9 to MP 57.4	444,693	444,693	-	-	San Juan 2005
22	612711	2-16" Hot Tap @ MP8.9	5,717	5,717	-	-	San Juan 2005
23	612712	1-16" Hot Tap @ MP 20.1	93	93	-	-	San Juan 2005
24	612713	1-16" Hot Tap @ MP19.7	965,510	965,510	-	-	San Juan 2005
25	612715	36" ML-MP 57.4 to MP71.9	(392,155)	(392,155)	-	-	San Juan 2005
26	612716	2-16" Hot Taps @ MP 87.8	1,329	1,329	-	-	San Juan 2005
27	612717	36" ML-MP 87.8 to MP 97.1	22,818	22,818	-	-	San Juan 2005
28	612718	24" Conoco to Blanco Hub	1,915,734	1,915,734	-	-	San Juan
29	612719	Conoco Blanco Hub M/Sta	1,142,084	1,142,084	-	-	San Juan
30	612721	Bloomfield CS	1,163,295	1,163,295	-	-	San Juan 2005
31	612722	Bisti CS	655,004	655,004	-	-	San Juan 2005
32	612723	Gallup CS	627,149	627,149	-	-	San Juan 2005
33	612724	SJ Elm Ridge-Chaco I/C	46,537	46,537	-	-	San Juan 2005
34	612725	Gulf Terra Pecos IC Upgrade	74,048	74,048	-	-	San Juan
35	612730	Sta 9 FS for 650 MM	170,642	170,642	-	-	East of Thoreau
36	612732	SJ Sta 8 Equal Valve	347,107	347,107	-	-	San Juan
37	614633	Sta 3 Add Compression	1,121	1,121	-	-	East of Thoreau
38	614669	Duke Crawford I/C	240,616	240,616	-	-	West of Thoreau
39	614868	Hiway 70 - Bluit Crossing	(552)	(552)	-	-	East of Thoreau
40	614930	Bloomfield Harmonic Filter	59	59	-	-	East of Thoreau
41	615178	P-3 Groundbed	28,393	28,393	-	-	San Juan
42	615184	Unit 751 Turbine Install	1,351	1,351	-	-	East of Thoreau
43	615188	Inst CPU10 Corona Brnd	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)	Intangible (d)	
44	615236	New Groundbed Sta. 7	\$ 68,296	\$ 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. Crawar 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 Pm's/D7i	(192)	-	-	(192)	Houston Office
51	615479	PG&E Line "A" & "B" F/S	5,309	5,309	-	-	West of Thoreau
52	615496	Bisti 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 284	16,650	16,650	-	-	West of Thoreau
71	615857	2350 Controller Sta. 9	10,459	10,459	-	-	East of Thoreau
72	615858	Majamar 2350 Contr Install	10,666	10,666	-	-	East of Thoreau
73	615859	Mohave 2350 Contr Controller	11,771	11,771	-	-	West of Thoreau
74	615860	PG&E 2350 Controller	12,899	12,899	-	-	East of Thoreau
75	615861	Sta 6 Phone System	29,805	29,805	-	-	West of Thoreau
76	615866	Needles Bottom Taps	44,325	44,325	-	-	East of Thoreau
77	615869	Unit 1 Turbine	39,534	39,534	-	-	East of Thoreau
78	615880	SamplHrt #009236-01	10,472	10,472	-	-	East of Thoreau
79	615881	SamplHrt #019020-01	9,346	9,346	-	-	East of Thoreau
80	615882	7SamplHrt #047573-01	9,415	9,415	-	-	East of Thoreau
81	615883	SamplHrt #047586-01	9,312	9,312	-	-	East of Thoreau
82	615891	P-3 Receiver Containment	8,860	8,860	-	-	East of Thoreau
83	615894	2350 Cntrl Diam Install	12,113	12,113	-	-	East of Thoreau
84	615895	2251 Cntrl LEC	12,417	12,417	-	-	East of Thoreau
85	615896	Sid Halley HTD Box	8,332	8,332	-	-	East of Thoreau
86	615897	Amoco FL Gentle Prob	2,831	2,831	-	-	San Juan

TRANSWESTERN PIPELINE COMPANY, LLC

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

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Line No.	Work Order Number	Description	Claimed Balance in Account 106 5/31/2006 (a)	Functionalization			Zone (e)
				Transmission (b)	General (c)	Intangible (d)	
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 Millagro 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 Ciy 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	-	-	West of Thoreau
108	616164	Fitting Rio Gran	1,221	1,221	-	-	East 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	-	-	West of Thoreau
112	616178	ReplCPU315LincolnWelder	16,204	16,204	-	-	West of Thoreau
113	616179	New CPU329 Becker Flats	55,548	55,548	-	-	East of Thoreau
114	616180	New CPU330 MP 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	-	-	San Juan
117	616196	CPU244 Owens Ranch	63,726	63,726	-	-	East of Thoreau
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 Puerto 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)	Intangible (d)	
130	616250	East River CPU 97 Repl	\$	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	CPU292 Groundbed Replace	44,117	44,117	-	-	East of Thoreau
139	616314	CPU-146 Hardwick Farms	32,222	32,222	-	-	West of Thoreau
140	616319	CPU-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	CPU334 New GB Install	66,167	66,167	-	-	East of Thoreau
144	616406	Recoat MP 742.9	16,141	16,141	-	-	East of Thoreau
145	616414	TCV112 Cmkcse 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 Majiaman/C(Rev)ASBlit Acc	(2,529)	(2,529)	-	-	East of Thoreau
149	616442	CPU 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	CPU 331 GB MP420.98	123,601	123,601	-	-	West of Thoreau
166	616506	CPU 332 GBMP71 SROCK	58,890	58,890	-	-	West of Thoreau
167	616507	CPU 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 GREASEWD MP425	55,018	55,018	-	-	West of Thoreau

TRANSWESTERN PIPELINE COMPANY, LLC

Account 106 - Completed Construction Not Classified
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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	-	-	West 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	-	-	East of Thoreau
187	616556	WT-II Recoat		88,477	-	-	West of Thoreau
188	616559	PGE Com 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	Slexol 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	-	-	East of Thoreau
204	616585	Station 7 Aux Water		43,689	-	47,847	Houston Office
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	170	-	East of Thoreau
218	616627	Inst Sta 9 Grounding	15,329	15,329	-	East of Thoreau
219	616629	TCV12 Auto Gas Valve	20,531	20,531	-	East of Thoreau
220	616630	CS 5 Commun. Modification	5,311	5,311	-	West of Thoreau
221	616633	Install Air Dyne CS 9	38,202	38,202	-	East of Thoreau
222	616634	Sta 7 Water Line	56,545	56,545	-	East of Thoreau
223	616635	Turbine Air Lines	4,448	4,448	-	East of Thoreau
224	616639	Aloka 1 Cond Tank	29,113	29,113	-	San Juan
225	616640	Aloka 2 Cond Tank	9,294	9,294	-	East of Thoreau
226	616641	Aloka 3 Cond Tank	11,643	11,643	-	East of Thoreau
227	616642	Crawford Cond Tank	7,310	7,310	-	East of Thoreau
228	616643	Keystone Cond Tank	8,306	8,306	-	East of Thoreau
229	616644	Maljamar Cond Tank	7,025	7,025	-	East of Thoreau
230	616645	Monument Cond Tank	14,726	14,726	-	East of Thoreau
231	616646	Pecos Diam Cond Tank	13,807	13,807	-	East of Thoreau
232	616647	Station 1 Cond Tank	12,620	12,620	-	East of Thoreau
233	616648	Station 2 Cond Tank	26,860	26,860	-	West of Thoreau
234	616649	Station 3 Cond Tank	11,476	11,476	-	West of Thoreau
235	616650	Station 9 Cond Tank	21,333	21,333	-	West of Thoreau
236	616651	Sta WT-1 Cond Tank	15,749	15,749	-	East of Thoreau
237	616671	Clovis SWC I/C	825,299	825,299	-	East of Thoreau
238	616674	P-3 Suction Valve	93,491	93,491	-	East of Thoreau
239	616744	PGE PosShutOff Valve	12,529	12,529	-	East of Thoreau
240	616745	Sta 6 VLV Ops-Shafers	58,131	58,131	-	East of Thoreau
241	616747	Install Sta 9 ESD Valve	17,040	17,040	-	East of Thoreau
242	616764	Install WTG Radio	2,429	2,429	-	East of Thoreau
243	616765	Install Keys OPTO Radio	2,883	2,883	-	East of Thoreau
244	616766	Install Keys Recip EFM Radio	2,390	2,390	-	East of Thoreau
245	616767	Install Halley Fuel Radio	2,438	2,438	-	East of Thoreau
246	616768	Install Keys Turb EFM Radio	2,492	2,492	-	East of Thoreau
247	616769	Install Sid Rich Keys Radio	2,465	2,465	-	East of Thoreau
248	616770	Install WT-2 Hub Radio	9,418	9,418	-	East of Thoreau
249	616771	Install Emerg Fuel	2,301	2,301	-	East of Thoreau
250	616772	Install Sohio Radio	2,095	2,095	-	East of Thoreau
251	616795	P-3 Inst Gas Flare	138,518	138,518	-	East of Thoreau
252	616822	Sta 9 Fire Detection	57,924	57,924	-	East of Thoreau
253	616824	Rct MP771 Mesita Flats	125,788	125,788	-	East of Thoreau
254	616830	Retire Estes I/C from NNG 24	555	555	-	East of Thoreau
255	616833	Pecos Diamond Contmt	12,559	12,559	-	East of Thoreau
256	616837	Maljamar Containment	9,603	9,603	-	East of Thoreau
257	616840	Rct 1000' of 24 WT-1	215,505	215,505	-	East of Thoreau
258	616841	Rct 1000' of 30 WT-1	221,855	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)	Intangible (d)	
259	616842	Rct 1500' of 36 WT-1	\$ 273,614	\$ 273,614	-	-	East of Thoreau
260	616843	Rct Greasewood ML	84,803		-	\$ -	West of Thoreau
261	616848	Bimfd Dis Viv 1004	56,429	56,429	-	-	San Juan
262	616866	CPU 020 Keystone	26,702	26,702	-	-	East of Thoreau
263	616867	CPU 079 Aloka Jct	32,545	32,545	-	-	East of Thoreau
264	616868	CPU 128 Aloka 1	36,576	36,576	-	-	East of Thoreau
265	616869	CPU 245 Lone Star	29,346	29,346	-	-	East of Thoreau
266	616870	CPU 286 FM1776	28,302	28,302	-	-	East of Thoreau
267	616882	Sta 7 Seal Oil Controls	14,312	14,312	-	-	East of Thoreau
268	616883	Station 6 Automation	2,234,980	2,234,980	-	-	East of Thoreau
269	616884	P2 Turbine Exchange	163,448	163,448	-	-	East of Thoreau
270	616899	Ivanhoe Comp Retire	227	227	-	-	East of Thoreau
271	616904	Amoco Florida IC Exp	476,877	476,877	-	-	East of Thoreau
272	616916	P3 AC Lube Oil Cooler	9,634	9,634	-	-	San Juan
273	616931	751 Turbine Exch	69,859	69,859	-	-	East of Thoreau
274	616933	Aloka 1 Piping Mods	34,438	34,438	-	-	East of Thoreau
275	616934	P-3 Relocate Pig Trap	1,379,112	1,379,112	-	-	East of Thoreau
276	616935	Needles Drain Line	17,886	17,886	-	-	West of Thoreau
277	616938	Rct Heatn Cyn MP528	391,490	391,490	-	-	East of Thoreau
278	616939	Rct Myers Rch MP511	169,984	169,984	-	-	East of Thoreau
279	616940	Unit A101 Turbine Exchange	594,292	594,292	-	-	East of Thoreau
280	616941	Station 6 Comp Unloaders	47,431	47,431	-	-	San Juan
281	616943	Unit 1001 Turbine Exchange	767,365	767,365	-	-	East of Thoreau
282	616946	Unit 1002 Turbine Exchange	785,082	785,082	-	-	San Juan
283	616955	CPU 138 GB Replacement	35,229	35,229	-	-	San Juan
284	616962	CPU 212 Dripping Springs	65,141	65,141	-	-	West of Thoreau
285	616979	Sta 6 Water Well	11,851	11,851	-	-	East of Thoreau
286	616991	7-6 Crack Arrestors	723,075	723,075	-	-	East of Thoreau
287	616993	Bimfd Battery Panel	8,111	8,111	-	-	San Juan
288	616995	CPU 218 Ivanhoe	36,696	36,696	-	-	San Juan
289	617029	Double Wide Station 4	68,820	68,820	-	-	East of Thoreau
290	617030	PNM City of Farm IC	37,820	37,820	-	-	West of Thoreau
291	617031	Rio Puerto FS	889,999	889,999	-	-	San Juan
292	617052	Jumbo American IC	(117,020)	(117,020)	-	-	East of Thoreau
293	617053	Canon Energy I/C	(38,989)	(38,989)	-	-	East of Thoreau
294	617054	Rct 9 to 8 5000 Feet	289,240	289,240	-	-	East of Thoreau
295	617057	Rct RioPuerco Tap	41,368	41,368	-	-	East of Thoreau
296	617058	Rct 2500' ML 599+00	196,295	196,295	-	-	East of Thoreau
297	617059	Rct Valve 4008 ML	76,484	76,484	-	-	East of Thoreau
298	617060	Springs 3500 ft Recoat	357,472	357,472	-	-	West of Thoreau
299	617061	Rct 770.79	37,036	37,036	-	-	East of Thoreau
300	617065	CPU 007 Deep GB	53,834	53,834	-	-	East of Thoreau
301	617066	CPU 041	28,795	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			Zone (e)
				Transmission (b)	General (c)	Intangible (d)	
302	617067	CPU 143 MP604.1	\$ 51,700	\$ 51,700	-	-	East of Thoreau
303	617068	CPU 202 MP741.9	57,304	57,304	-	-	East of Thoreau
304	617069	CPU 236 Rio Puerco	57,275	57,275	-	-	East of Thoreau
305	617070	CPU 237	109,982	109,982	-	-	East of Thoreau
306	617071	CPU 261-WT-1	33,097	33,097	-	-	East of Thoreau
307	617072	Rct 300' ES 2718+14	27,396	27,396	-	-	West of Thoreau
308	617073	Rct MP 602.7	68,252	68,252	-	-	East of Thoreau
309	617074	Rct NTUA CX ML	32,020	32,020	-	-	West of Thoreau
310	617075	Rct Sec 6 Bellhole	54,074	54,074	-	-	East of Thoreau
311	617076	Sta 7 Electrical Housing	28,528	28,528	-	-	East of Thoreau
312	617077	Needles 30" Valve Install	133,907	133,907	-	-	West of Thoreau
313	617079	Abandon Belen TBS Lateral	335	335	-	-	East of Thoreau
314	617080	Abandon El Paso 12" IC	1,914	1,914	-	-	East of Thoreau
315	617082	Rct Bloomfield Disch	25,264	25,264	-	-	East of Thoreau
316	617084	Bloomfield Grounding	24,230	24,230	-	-	San Juan 2005
317	617085	Sta 6 Grounding	312,684	312,684	-	-	San Juan
318	617086	Sta 8 Grounding	349,373	349,373	-	-	East of Thoreau
319	617087	WT2 Grounding	622,805	622,805	-	-	East of Thoreau
320	617088	Crawford LEL Warning	2,004	2,004	-	-	East of Thoreau
321	617089	Keystone LEL Warning	3,784	3,784	-	-	East of Thoreau
322	617090	Mounument LEL Warning	1,851	1,851	-	-	East of Thoreau
323	617091	RedCedar LEL Warning	15,933	15,933	-	-	East of Thoreau
324	617092	Sta 4 LEL Warning	3,841	3,841	-	-	San Juan
325	617093	WT-1 LEL Warning	4,207	4,207	-	-	West of Thoreau
326	617094	WT-2 LEL Warning	3,801	3,801	-	-	East of Thoreau
327	617096	Agave El Banco IC	4,761	4,761	-	-	East of Thoreau
328	617101	Cator Bundy Roots Meter	7,969	7,969	-	-	East of Thoreau
329	617102	Atoka 2 758 Comp Exch	89,220	89,220	-	-	East of Thoreau
330	617103	Halley OPP	19,902	19,902	-	-	East of Thoreau
331	617104	Monument OPP	19,574	19,574	-	-	East of Thoreau
332	620631	Finalize Station 1 Add Compression	332,628	332,628	-	-	East of Thoreau
333	620632	Finalize Station 2 Add Compression	392,755	392,755	-	-	West of Thoreau
334	620633	Finalize Station 3 Add Compression	354,814	354,814	-	-	West of Thoreau
335	621002	I/R-WFS Miliagro Meter Upgrade	98,935	98,935	-	-	West of Thoreau
336	621003	I - Rates and Revenue Testing	21,766	-	-	-	San Juan
337	621005	I-Field Networking Enterprise-II	584,951	-	-	21,766	Houston Office
338	621006	I/R-Sta. 7 C.B. Lights	34,558	-	-	584,951	Houston Office
339	621008	I-Blanco Fire & Gas Detc	158,522	-	-	-	East of Thoreau
340	621010	I-CPU NGPL Guymon	21,624	-	-	-	San Juan
341	621013	I-Bimild Fire & Gas Det	84,869	-	-	-	East of Thoreau
342	621017	I/R NGPL Gray IC Valve UP	8,829	-	-	-	San Juan
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
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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	\$ 11,521	-	East of Thoreau
346	621022	I/R - Kena Tower Grounding UP	47,595	47,595	-	East of Thoreau
347	621023	I/R OPTP Controls Upgrade WT1 UP	24,277	24,277	-	East of Thoreau
348	621024	I-P-2 Inverter UP	10,283	10,283	-	East of Thoreau
349	621025	AA2 Unit 760 Exchange UP	72,891	72,891	-	East of Thoreau
350	621026	I-Blanco H2O Monitor	21,028	21,028	-	San Juan
351	621027	I/R McLean Pig Launcher Mods UP	34,919	34,919	-	East of Thoreau
352	621029	I/R H2O Analyzer AA2 UP	36,105	36,105	-	East of Thoreau
353	621031	I/R Sta 9 UPS UP	13,796	13,796	-	East of Thoreau
354	621035	Ret Pecos River Drip UP CX	9,404	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	16,857	-	East of Thoreau
357	621046	Install SJ Laser H2O Monitors	167,929	167,929	-	East of Thoreau
358	621047	I/R Sta 8 Breakers UP	140,486	140,486	-	East of Thoreau
359	621062	I/R CPU 099 MP 213.69	104,265	104,265	-	East of Thoreau
360	621069	I/R CPU191 WT-2 56.67	22,855	22,855	-	West of Thoreau
361	621071	Install L/R 2-24 Colorado River	94,022	94,022	-	East of Thoreau
362	621072	I/R CPU 151 MP 230.578	65,431	65,431	-	West of Thoreau
363	621074	INSTALL CPU GRAY 2 MP 80.335	36,255	36,255	-	East of Thoreau
364	621077	RCT Myers Ranch MP 12.48	218,363	218,363	-	East of Thoreau
365	621083	Unit 844 exchange	25,469	25,469	-	East of Thoreau
366	621085	Unit 719 Exchange	28,731	28,731	-	East of Thoreau
367	621086	Unit 720 exchange	26,897	26,897	-	East of Thoreau
368	621099	RCT 1500 MP 235	302,248	302,248	-	East of Thoreau
369	621133	I/R CPU 235 WT 27.662	27,952	27,952	-	West of Thoreau
370	660004	2004 060 Blanket Work Order	19,942	-	19,942	East of Thoreau
371	660005	2005 060 Blanket Work Order	35,857	-	35,857	Houston Office
372	690000	Genesis Transition Project	4,319,026	-	-	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	CP04-104
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	-	8/1/06	San Juan	CP82-534
14	621004	SCADA Consolidation	413,535	323,942	-	-	7/1/06	Houston Office	-
15	621007	Install Backup Overspeeds on Unit 1 & 2	8,604	8,664	8,664	-	8/1/06	Houston Office	-
16	621009	Install Backup Overspeed Unit 751&756 @ Crawford CS	6,977	7,032	7,032	-	8/1/06	East of Thoreau	-
17	621011	LaPlata Water Injection on Unit 1	4,948	140,131	140,131	-	8/1/06	San Juan	-
18	621012	Backup Overspeed Keystone	6,810	5,970	5,970	-	8/1/06	Houston Office	-
19	621014	Customer Security & Controls	211,862	105,000	-	-	7/1/06	Houston Office	-
20	621015	I-Backup Overspeed Monitor	6,126	6,172	6,172	-	7/1/06	East of Thoreau	-
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	-	8/1/06	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	99,825	99,825	-	6/1/06	State of TX	-
30	621048	Tools/Work Equip-SoWest-TW-East-TX	(58)	74,142	-	74,142	1/1/07	State of NM	-
31	621050	Tools/Work Equip-SoWest-TW-West-NM	(102)	22,721	-	22,721	1/1/07	State of AZ	-
32	621051	Tools/Work Equip-SoWest-TW-East-TX	(181)	98,383	-	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 TX	-
34	621053	Standby Equip-SoWest-TW-East-TX	124,168	284,000	284,000	-	1/1/07	State of OK	-
35	621054	Vehicles-SoWest-TW-East-TX	(190)	109,635	-	109,635	1/1/07	State of NM	-
36	621055	Vehicles-SoWest-TW-East-OK	(156)	98,268	-	98,268	1/1/07	State of NM	-
37	621056	Vehicles-SoWest-TW-East-NM	(28,089)	146,290	-	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	State of NM	-
39	621059	Vehicles-SoWest-TW-West-NM	(109)	178,330	-	178,330	9/1/06	East of Thoreau	-
40	621061	Install CPU @ MP 444.5	4,826	181,575	181,575	-			

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 (d)	Intangible (e)	Date in Service (f)	Zone (g)	Docket Number (h)
41	621063	Station 6 Lighting	\$ 912	\$ 41,623	\$ 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	-	-	7/1/06	East of Thoreau	-
49	621076	Station 6 Service Lines	6,502	236,618	236,618	-	-	11/1/06	East of Thoreau	-
50	621077	Recoat 1500ft of 30" @ Myers Ranch MP 12.48	830	830	830	-	-	6/1/06	East of Thoreau	-
51	621078	Install Launcher/Receiver Sta 5-6	85,295	439,556	439,556	-	-	8/1/06	East of Thoreau	-
52	621079	Install Minatour 229-325-970	18,130	32,649	32,649	-	-	10/1/06	West of Thoreau	-
53	621080	TMS Replacement	-	109,400	-	-	109,400	2/1/07	Houston Office	-
54	621084	Install Aloka 1 Grounding System	13,672	557,286	557,286	-	-	9/1/06	East of Thoreau	-
55	621088	Recoat GC C9 & H20 @ WT1	1,994	189,534	189,534	-	-	10/1/06	East of Thoreau	-
56	621089	Recoat 800' of 24" Parhandle Lateral @ MP 80.90	861	191,110	191,110	-	-	9/1/06	East of Thoreau	-
57	621090	Install Coupons Cactus Lateral	1,557	64,025	64,025	-	-	8/1/06	East of Thoreau	-
58	621091	Install CPU 282 Deepwell Groundbed	2,002	39,354	39,354	-	-	7/1/06	East of Thoreau	-
59	621092	Install Aloka 2 Grounding System	778	557,286	557,286	-	-	10/1/06	East of Thoreau	-
60	621093	Install Aloka 3 Grounding System	18,511	557,286	557,286	-	-	10/1/06	East of Thoreau	-
61	621094	Unit 762 Exchange	17,393	202,926	202,926	-	-	12/1/06	East of Thoreau	-
62	621095	Unit 761 Exchange	1,813	202,926	202,926	-	-	11/1/06	East of Thoreau	-
63	621096	Recoat 1500ft of 30" @ Myers Ranch II MP 512	5,342	184,376	184,376	-	-	11/1/06	East of Thoreau	-
64	621098	Recoat 400ft of 30" MP 540.10	1,867	121,444	121,444	-	-	7/1/06	East of Thoreau	-
65	621100	Install Minatour 265-471597 w/Bull horn	17,941	32,739	32,739	-	-	11/1/06	East of Thoreau	-
66	621101	Install CPU 247-1 @ MP 227.2	836	117,320	117,320	-	-	10/1/06	West of Thoreau	-
67	621103	Install CPU 291 @ MP 220.272	26,985	48,274	48,274	-	-	7/1/06	West of Thoreau	-
68	621104	Install GC C9 & H20 @ Station 4	1,894	189,534	189,534	-	-	10/1/06	West of Thoreau	-
69	621105	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	East 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		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	-	9/1/06	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	-	11/07	West of Thoreau	-
89	621139	Install ESD Valve @ Crawford	1,070	49,999	49,999	-	7/1/06	East of Thoreau	-
90	621140	Irth Implementation	106,954	52,800	-	-	8/1/06	Houston Office	-
91	621141	Install Rectifier CPU # 175	338	5,000	5,000	-	9/1/06	West of Thoreau	-
92	621142	Install Rectifier CPU #162	46	46	46	-	9/1/06	East of Thoreau	-
93	621144	Station 5 Modification	221,263	410,764	410,764	-	10/1/06	West of Thoreau	-
94	621145	Southwest Gas Trans. Co Meter Upgrade	593,762	566,000	-	-	7/1/06	Houston Office	-
95	621146	GIS Database Integration	165,973	286,400	-	-	11/07	West of Thoreau	CP82-534
96	621147	EAM: MCS Migration	8,562	351,798	-	-	8/1/06	Houston Office	-
97	621148	Index of Customer Enhancements	19,538	33,000	-	-	11/07	Houston Office	-
98	621149	Install 40" of 10" pipe	4,633	89,748	89,748	-	7/1/06	East of Thoreau	-
99	621150	Sta 5 East Flow Control Ignition System	11,666	66,435	66,435	-	8/1/06	East of Thoreau	-
100	621151	SCADA Reliability	-	57,000	-	57,000	2/1/07	Houston Office	-
101	621152	Feagan Chaves Interconnect	1,740	170,000	170,000	-	7/1/06	East of Thoreau	CP82-534
102	621154	Hottap Pool Project	-	112,100	-	-	2/1/07	Houston Office	-
103	660005	2005 060 Blanket Work Order	561,815	561,815	-	561,815	7/1/06	Houston Office	-
104	690000	Genesis Transition	(21,098)	(6,504)	-	-	7/1/06	Houston Office	-
105	690007	Data Warehouse	34,171	124,041	-	-	7/1/06	Houston Office	-
106	690009	Gas Measurement Conversion	749,805	1,194,879	-	-	1/1/07	Houston Office	-
107		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 (d)	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	East of Thoreau	-
21	999910	Public Awareness (API 1162 Order)	-	45,800	-	-	45,800	2/1/07	Houston Office	-
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 API/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
4	San Juan Expansion	-	2,978,030	-	625,069	3,603,099	2,570,741	6,173,840
5	General Plant	15,311,330	2,051,033	-	-	17,362,363	1,449,544	18,811,907
6	Subtotal	340,061,629	16,030,659	(8,169,336)	-	347,922,952	4,562,384	352,485,336
7	Transmission - Onshore ARO	-	6,412	-	4,274	10,686	(10,686)	-
8	Future Use	1,060,400	-	-	-	1,060,400	-	1,060,400
9	Retirement Work in Progress	(1,511,774)	-	-	(1,021,370)	(2,533,144)	2,533,144	-
	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)	Transmission (b)	Functionalization	
					General (c)	Intangible (d)
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			
		Balances As Adjusted 5/31/2006 (a)	Provision on Existing Plant (b)	Net Additions (c)	Provision on Net Additions (d)	Total Adjustment (e)
Account 108 Accumulated Provision for Depreciation of Gas Plant in Service						
1	Transmission Plant - Onshore	\$ 948,646,660	\$ 8,537,821	\$ (2,088,800)	\$ (52,858)	\$ 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	10%	
3	Monthly Amortization	\$ 3,276	
4	Months in Service	64	
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	8.33%	
8	Monthly Amortization	\$ 51,896	
9	Months in Service	75	
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	20%	
13	Monthly Amortization	\$ 9,267	
14	Months in Service	-	
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 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><u>3,448,264</u></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

Line No.	Description	Expense Per Books (a)	Adjustments (b)	Total Taxes Claimed (c)
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>9,578,696</u>	\$ <u>165,711</u>	\$ <u>9,744,407</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

Line No.	Description	Expense Per Books (a)	Adjustments (b)	Total Taxes Claimed (c)
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)
	<u>States</u>						
1	Arizona	\$ 369,652,687	\$ 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
	<u>Indian Territories</u>						
9	Fort Mojave	\$ -	\$ 1,125,000	30.00%	\$ 337,500	0.0335	\$ 11,306
10	Navajo 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	\$ 21,133,765	
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>