

PANHANDLE EASTERN PIPE LINE COMPANY, LP
CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended December 31, 2006	Year Ended December 31, 2005
		(In thousands)
Operating revenue		
Transportation and storage of natural gas	\$ 451,513	\$ 434,537
LNG terminalling revenue	111,821	62,569
Other revenue	13,848	8,127
Total operating revenue	<u>577,182</u>	<u>505,233</u>
Operating expenses		
Operation, maintenance and general	206,181	204,461
Depreciation and amortization	72,724	62,171
Taxes, other than on income	25,405	28,196
Total operating expenses	<u>304,310</u>	<u>294,828</u>
Operating income	272,872	210,405
Other income (expense)		
Interest expense, net	(61,989)	(48,285)
Other, net	14,911	4,069
Total other income (expense)	<u>(47,078)</u>	<u>(44,216)</u>
Earnings before income taxes	225,794	166,189
Income taxes (Note 6)	<u>88,039</u>	<u>64,627</u>
Net earnings	<u>\$ 137,755</u>	<u>\$ 101,562</u>

Source: 2006 SEC Form 10-K.