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**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**

**DOCKET NO. RP09-\_\_\_\_**

**NOTICE OF RATE CHANGE  
MARCH 31, 2009**

**VOLUME NO. 1 of 2**

**STATEMENTS A - O  
(Including Workpapers)**



# Enterprise Products

## High Island Offshore System, L.L.C.

ENTERPRISE PRODUCTS PARTNERS L.P.  
ENTERPRISE PRODUCTS OPERATING L.P.

ENTERPRISE PRODUCTS GP, LLC, GENERAL PARTNER  
ENTERPRISE PRODUCTS OLP GP, INC., GENERAL PARTNER

March 31, 2009

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Room 101-07  
Washington, D.C. 20426

Re: High Island Offshore System, L.L.C.  
Docket No. RP09-\_\_\_\_-000

Dear Ms. Bose:

Pursuant to Section 4(e) of the Natural Gas Act (“NGA”), 15 U.S.C. § 717c(e), and Section 154.301 of the Federal Energy Regulatory Commission’s (“Commission’s”) regulations, 18 C.F.R. § 154.301, High Island Offshore System, L.L.C. (“HIOS”) hereby submits for filing the revised tariff sheets listed on Appendix A, to be included in HIOS’s FERC Gas Tariff. The purpose of this filing is a general rate change application submitted pursuant to NGA Section 4(e). Subject to the reservation noted below, HIOS proposes that the revised tariff sheets become effective May 1, 2009.

### **Materials included in this filing**

Pursuant to Sections 154.7, 154.301 and 154.312 of the Commission’s regulations, HIOS has included the following materials in this rate change application:

1. This transmittal letter, and a Statement of the Nature, Reasons and Basis for the Filing
2. Table of Contents
3. Revised Tariff Sheets (filed and redlined)
4. Customer Service List
5. Certificate of Service
6. Statement of Authorized Accounting Representative pursuant to Section 154.308 of the Commission’s Regulations
7. Form of Notice
8. Statements A through O, sponsored and supported by testimony
9. Statement P, prepared direct testimony with exhibits

As required by Section 154.201 of the Commission's regulations, the information provided in HIOS's rate case filing includes all applicable material, including supporting documentation and step-by-step mathematical calculations, and sufficient written narrative, including testimony, to support the application and allow the Commission and interested parties to duplicate HIOS's calculations. All statements and schedules contained in HIOS's rate filing were prepared in accordance with the classifications of the Commission's Uniform System of Accounts. Further, HIOS's work papers in support of its adjustments, computations, and other information have been indexed and cross-referenced to the filing and other work papers.

The proposed rates included in the revised tariff sheets filed herewith are designed to recover HIOS's overall cost of service, and have been developed using a base period consisting of the twelve months ended December 31, 2008, adjusted for known and measurable changes projected to occur through the end of the adjustment (test) period ending September 30, 2009. The proposed rates and charges will result in HIOS having an opportunity to recover a total system annual revenue requirement of approximately \$58.0 million annually, which is \$37.1 million higher than the revenues produced by the currently effective rates. In addition, HIOS has included certain proposed modifications to the General Terms and Conditions of its FERC Gas Tariff to reflect the provision of transportation services using gathering functionalized facilities on its system.

### **Waivers**

Pursuant to Section 154.7(a)(7) of the Commission's regulations, HIOS respectfully requests that the Commission grant any necessary waivers in order to effectuate this filing and to permit the proposed tariff sheets to become effective, including any necessary waivers of Parts 154, 284 and 385, as well as any other rule, policy pronouncement or order.

### **Motion to Place the Proposed Rates into Effect**

Pursuant to Section 154.7(a)(9) of the Commission's regulations, in the event the Commission suspends the effectiveness of the rates proposed herein, HIOS reserves its right to file a later motion to place the proposed rates into effect at the end of the suspension period. In that regard, in the unlikely event that the Commission does not suspend the effectiveness of the proposed rates for the maximum statutory period of five (5) months, HIOS advises the Commission that it will not seek to move the proposed rates into effect prior to June 1, 2009, consistent with the moratorium agreed to in the settlement in HIOS's most recent rate case at Docket No. RP06-540-000.

### **Electronic Filing Requirements**

HIOS has prepared all applicable statements, schedules and other documentation required to implement its proposed rate and tariff provisions as prescribed by Order No. 582 and the Commission's regulations. In particular, pursuant to Section 154.4 of the Commission's regulations, this filing includes a computer diskette containing all statements and schedules contained in this application in electronic media formats suitable for Commission filings. Pursuant to Order No. 582, Statements I, J and H(3) are in an electronic version based on the

same format generated by the spreadsheet software used in developing the statements, and the spreadsheets include all formulae and link references to other spreadsheets filed in this rate case filing.

**Responsible Company Official**

Pursuant to Section 154.7(a)(2) of the Commission's regulations, the name of the responsible official of HIOS to whom questions regarding this filing may be addressed is as follows:

Richard W. Porter  
Director of Rates and Regulatory Affairs  
Enterprise Products Partners  
1100 Louisiana  
Houston, Texas 77002  
713-803-2526  
713-803-2534 (fax)  
rporter@eprod.com

**Correspondence**<sup>1</sup>

All correspondence regarding this filing should be addressed to:

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<sup>1</sup> Pursuant to Rules 203(b)(3) and 2010(c) of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.203(b)(3) and 385.2010(c), HIOS requests that those persons designated below be included on the Commission's official service list. HIOS respectfully requests waiver of Rule 203(b)(3), to allow more than two persons to be included on the service list.

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Attorneys for HIOS

### **Service**

In accordance with Sections 154.2(d) and 154.208 of the Commission's regulations, HIOS has made copies of this filing available for public inspection, during regular business hours, in a convenient form and place at HIOS's main offices located at 1100 Louisiana, Houston, TX 77002. Finally, HIOS is serving in electronic format copies of this filing on HIOS's affected customers, interested state regulatory agencies and other interested parties. A hard copy of the filing will be made available to any customer immediately upon request.

Respectively submitted,

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.

By: /s/ Richard W. Porter  
Richard W. Porter



### **Statement of the Nature, the Reasons and the Basis for Filing**

In its most recent general rate change application at Docket No. RP06-540-000, High Island Offshore System, L.L.C. ("HIOS") proposed to increase its rates in order to reflect, among other things, a significant increase in costs resulting in part from significant increases in operating expenses, especially insurance premium increases resulting from hurricane-related damage to offshore Gulf of Mexico pipeline facilities, as well as a substantial and ongoing decline in annual throughput. The settlement that was reached in that rate proceeding increased HIOS's base transportation rate from the previously effective rate of \$0.09 per Dth to \$0.24 Dth. Unfortunately, in addition to suffering damage to its own facilities as a result of Hurricane Ike in September, 2008, as well as additional unanticipated increases in insurance premiums, HIOS's throughput has continued to decline substantially below those levels reflected in the prior rate proceeding.

As a result, the rates established in the previous settlement are no longer sufficient to enable HIOS to recover its overall cost of service. Specifically, during the twelve month base period ended December 31, 2008, HIOS's transportation revenues totaled \$22.2 million or \$9.3 million less than actual operating expenses for the same period. Furthermore, since HIOS projects that its total annual cost of service will increase to \$58.0 million by the end of the test period, absent the rate increase proposed herein, the annual revenue deficiency will be \$25.1 million. Finally, HIOS projects that design throughput will fall to 217.3 MDth per day, or more than 180.3 MDth below the 397.6 MDth per day used to design rates in the previous case.

The net effect of these factors is that HIOS is not currently receiving sufficient revenue to cover its fixed costs of operation and provide an adequate financial incentive for HIOS to continue to operate the system. The rates included in the revised tariff sheets filed herewith are therefore designed to provide HIOS with a reasonable opportunity to recover its overall annual cost of service, which has been developed using a base period for the twelve months ended December 31, 2008, adjusted for known and measurable changes projected to occur during the adjustment period ending September 30, 2009.

The specific reasons for the cost increases on HIOS are described and supported in the testimony accompanying this filing, but they generally relate to the increased operating and maintenance ("O&M") expenses that HIOS is currently experiencing. Specifically, for the test period, O&M expenses are anticipated to be approximately \$32.6 million, or \$1.0 million higher than the O&M expenses that were reflected in HIOS's application at Docket No. RP06-540-000. While HIOS has successfully managed to minimize or reduce most controllable operating expenses, these O&M expense increases are primarily the result of unavoidable increases of approximately 40% in insurance premium costs, and over \$9 million of non-reimbursable expenses associated with pipeline repair necessitated as a result of the most recent Gulf of Mexico hurricane that caused significant damage to the HIOS system.

Compounding the effect of the negative influence of these increased costs, the historical trend of declining throughput that HIOS addressed in its most recent rate case continues and in fact is

accelerating. During the test period, HIOS's average physical daily volume is estimated to be only 280.6 MDth per day, as compared to the physical daily throughput of 408.0 MDth projected in its last rate proceeding. Indeed, HIOS did not achieve the test period level of throughput that it projected in its last rate proceeding, and it does not expect the general trend of declining throughput to reverse in either the near or long term because production in the offshore region of the HIOS system is declining.

Historically, HIOS has provided transportation services using gas plant classified as serving a transmission function. However, as part of this rate proceeding, HIOS proposes to refunctionalize, for rate design purposes only, certain of its transmission facilities as gathering. The Long Haul and Short Haul rates that HIOS proposes to change in this proceeding will reflect components for those transportation services that use gathering functionalized facilities and for those transportation services that use transmission facilities. In that regard, concurrent with the date of this rate change application, HIOS has acquired from an affiliate the non-jurisdictional, deepwater facilities known as the East Breaks Gathering System. The gathering component of the Long Haul rate proposed to be established in this rate proceeding will include the costs of both those pre-existing HIOS facilities that it is refunctionalizing as gathering and the former East Breaks facilities, which are now integrated by HIOS into a new and expanded gathering function. HIOS will retain its existing Long Haul and Short Haul rate design and billing methodology so that all volumes received at or upstream of HIA-264 will pay the Long Haul rate and all volumes received downstream of HIA-264 will pay the Short Haul rate. In essence, the Long Haul rate will include the gathering and transmission rate components and the Short Haul rate will include the transmission component only. To minimize the impacts on its shippers, HIOS is revising the definitions of Long Haul Volumes and Short Haul Volumes to reflect the addition of these separately stated rate components. For those shippers that desire to receive service on HIOS using gathering functionalized facilities only, HIOS will provide a credit to such shippers equal to the Short Haul rate, thereby assuring that shippers only pay for those services that they choose consistent with FERC policy.<sup>1</sup>

As more fully explained in the testimony and supporting statements filed with this application, HIOS is proposing a return on equity of 15.50%, which has been derived from a range of returns of comparable entities in a proxy group developed consistent with Commission policy. Despite the higher risks facing HIOS in a deteriorating offshore business environment, and the extraordinarily uncertain state of the current finance environment, HIOS is proposing a rate of return on equity that is equal to the median in the range of returns shown by the proxy group. This return on equity is applied to a rate base of \$82.7 million.

In compliance with Section 154.7(a)(6) of the Commission's Regulations, HIOS presents the following table comparing the cost of service, rate base and throughput underlying the changes that HIOS proposes to make in the attached tariff sheets, to the same information underlying the last rate found by the Commission to be just and reasonable which, HIOS is treating for this purpose as the rates established in Docket No. RP06-540-000:

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<sup>1</sup> HIOS has also submitted concurrently with its rate change application its petition for a declaratory order that the facilities proposed to be refunctionalized as gathering for rate purposes do in fact function as gathering facilities. In addition, HIOS has submitted a request that it be permitted to use its currently effective rates on an interim basis for services that use the East Breaks system, pending the effectiveness of the rates proposed herein.

	<u>This Filing</u>	<u>Docket No. RP06-540</u>
Cost of Service	\$58.0 million	\$42.5 million
Rate Base	\$82.7 million	\$35.5 million <sup>2</sup>
Design Throughput	217,347 Dth/day	397,591 Dth/day

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<sup>2</sup> HIOS proposed a management fee rate base developed on the Tarpon method in its last rate proceeding.

LISTING OF EXISTING SUBSEA  
INTERCONNECTION TAPS FOR  
GAS RECEIPTS AND DELIVERIES

RECEIPT POINTS  
-----

SHORT HAUL RECEIPT POINTS

Existing subsea taps north of High Island Block 264

High Island A-218  
High Island A-247  
West Cameron 314  
West Cameron 342  
West Cameron 376  
West Cameron 167  
High Island A-264 1/

LONG HAUL RECEIPT POINTS

Existing subsea taps south of High Island Block 264

WEST LATERAL -----	CENTRAL LATERAL -----	EAST LATERAL -----
High Island A-270	High Island A-281	High Island A-271
A-283	A-300	A-280
A-468	A-303	A-298
A-470	A-320	A-316
A-492	A-340	A-323
A-498	A-546	A-343M
A-526	A-573 M	A-345
A-539	Alimos Canyon 25	A-333
A-555		A-332
A-582 M		A-330 M

DELIVERY POINTS  
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INTERCONNECTIONS

- (1) West Cameron Block 167 - ANR Pipeline Company
- (2) West Cameron Block 167 - U-TOS
- (3) West Cameron Block 167 - Tennessee Gas Pipeline Company
- (4) High Island Block 330 - Stingray

- 1/ The existing flanged connection between the compressor discharge line and the inlet to the 42" Mainline on the HIA-264 "A" platform

SCHEDULE OF RATES AND CHARGES

	Maximum Rate -----	Minimum Rate -----
Long Haul Rates 3/		
Rate Schedule FT-1		
1) Reservation Rate	\$ 22.0200	\$ .0171
2) Commodity Rate	\$ .0171	\$ .0171
3) Overrun/Volumetric Rate 1/	\$ .7411	\$ .0171
4) Settlement Commodity Surcharge 2/	\$ .0100	\$ .00
Rate Schedule FT-2		
1) Reservation Rate	\$ 22.0200	\$ .0171
2) Commodity Rate	\$ .0171	\$ .0171
3) Overrun/Volumetric Rate 1/	\$ .7411	\$ .0171
Rate Schedule IT		
1) Commodity Rate	\$ .7411	\$ .0171
2) Settlement Commodity Surcharge 2/	\$ .0100	\$ .00
Short Haul Rates		
Rate Schedule FT-1		
1) Reservation Rate	\$ 4.3553	\$ .00
2) Commodity Rate	\$ .00	\$ .00
3) Overrun/Volumetric Rate 1/	\$ .1432	\$ .00
4) Settlement Commodity Surcharge 2/	\$ .0100	\$ .00
Rate Schedule FT-2		
1) Reservation Rate	\$ 4.3553	\$ .00
2) Commodity Rate	\$ .00	\$ .00
3) Overrun/Volumetric Rate 1/	\$ .1432	\$ .00
Rate Schedule IT		
1) Commodity Rate	\$ .1432	\$ .00
2) Settlement Commodity Surcharge 2/	\$ .0100	\$ .00

- 1/ This rate applicable for releases of firm capacity on a volumetric basis.
- 2/ Applicable to services as per the Stipulation and Agreement approved by FERC order dated January 14, 2009, at Docket No. RP03-221-011.
- 3/ Any Shipper that contracts for its receipts and deliveries at HIOS gathering facilities located at or south of High Island Block 264 shall receive a per Dth credit to its Long Haul rate equal to the applicable Short Haul rate.

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE  
(Continued)

- (a) The reservation charge shall be the product of Shipper's MBQ and Transporter's effective Long Haul or Short Haul reservation rate per Dth, as applicable, for FT-1 service, as set forth on Sheet No. 10 of this Tariff. For purposes of this calculation, the MBQ shall be equal to the peak day deliveries by Transporter for Shipper during the applicable Month, but in no event shall the MBQ be less than 90% of the MDQ, or more than 100% of the MDQ specified in the Transportation Agreement.
  - (b) The commodity charge shall be the sum of the product of the monthly volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at the Points of Receipt set forth in Exhibits A and B of the Transportation Agreement, and HIOS' effective Long Haul or Short Haul commodity rate per Dth, as applicable, as set forth on Sheet No. 10 of this Tariff.
- 4.2 Partial Month's Service. If at the commencement or termination of the Transportation Agreement, service is provided for only a portion of a month, then the monthly reservation charge for such month shall be reduced proportionately based on the ratio of the number of days that transportation service was not in effect to the total number of days in each month.

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE  
(Continued)

- 4.3 Minimum Monthly Bill. Monthly reservation charge.
- 4.4 Authorized Overrun. In addition to the charges specified above, Shipper agrees, subject to Section 8 of the General Terms and Conditions, to pay HIOS an amount equal to the overrun charge determined as follows:
- The overrun charge shall be the sum of the products of the volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at each Point of Receipt set forth in Exhibit A or B of the Transportation Agreement during any day, which are in excess of the Maximum Daily Volume (MDV) for such Point of Receipt, and HIOS' effective Long Haul or Short Haul overrun rate per Dth, as applicable, as set forth on Sheet No. 10 of this Tariff.
- 4.5 Unauthorized Overrun. HIOS shall notify Shipper verbally of any unauthorized overrun service that is occurring for Shipper, and shall immediately confirm such notification by facsimile or similar means. If unauthorized service occurs on a non-Critical Day, Shipper shall pay HIOS a penalty of \$2.00 per Dth or the current Spot Market Price for the Offshore Texas region as reported in Natural Gas Week, whichever is higher, for any such unauthorized daily overrun not terminated within 24 hours of HIOS' verbal notification. If unauthorized service occurs on a Critical Day, Shipper shall pay HIOS a penalty of \$10.00 per Dth or the current Spot Market Price for the Offshore Texas region as reported in Natural Gas Week, whichever is higher, for any such unauthorized daily overrun not terminated within 24 hours of HIOS' verbal notification. Such penalty payments shall be paid to HIOS in addition to the charges otherwise payable by Shipper under this or the appropriate Rate Schedule. HIOS shall credit to non-offending Shippers all unauthorized overrun penalty revenues received under this section in accordance with Section 27 of the General Terms and Conditions of this Tariff. HIOS may waive, in whole or in part, any overrun penalty provided for herein if, in HIOS' sole discretion, such penalty was incurred due to circumstances beyond Shipper's control.

FORM OF TRANSPORTATION AGREEMENT  
(For Use Under Transporter's Rate Schedule FT-1)  
(Continued)

ARTICLE II

- 2.1 Point(s) of Receipt. The Point(s) of Receipt shall be those identified on Exhibits A and B hereto.

ARTICLE III

- 3.1 Point(s) of Delivery. The Point(s) of Delivery shall be those identified on Exhibits A and B hereto.

ARTICLE IV

- 4.1 Rate Schedule and Charges. Each month, Shipper shall pay Transporter for the service hereunder, an amount determined in accordance with Transporter's Rate Schedule FT-1 and the applicable provisions of the General Terms and Conditions of Transporter's F.E.R.C. Gas Tariff, Third Revised Volume No. 1, as filed with the F.E.R.C. Such Rate Schedule and General Terms and Conditions are incorporated herein by reference and are made a part hereof. For all gas delivered to the Point(s) of Receipt in Exhibits A and B hereto and redelivered to Point(s) of Delivery in Exhibits A and B hereto, Shipper shall pay the currently effective rates and charges under Rate Schedule FT-1, as the same may be amended or superseded in accordance with applicable provisions of the Natural Gas Act and the rules and regulations of the F.E.R.C. The rates and charges shall be billed and paid for in accordance with the General Terms and Conditions applicable to Rate Schedule FT-1.
- 4.2 Rate Adjustments. It is agreed that either Transporter or Shipper may seek authorization from time to time from the F.E.R.C. for such rate adjustments as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE V

- 5.1 Receipt Pressure. The minimum pressure at which Shipper may be requested to deliver gas to Transporter at the Point(s) of Receipt is set forth in Exhibits A and B hereto.



Rate Schedule FT-2  
Firm Transportation Service  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to firm transportation service rendered by HIOS for Shipper pursuant to Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.
- 2.2 Service hereunder shall have a comparable priority with service under Rate Schedule FT-1; and
- 2.3 Pursuant to this rate schedule, HIOS will provide transportation service up to the Maximum Daily Quantity (MDQ) specified in the Transportation Agreement. Shipper may tender Gas to HIOS at the Points of Receipt specified in said Agreement, and HIOS shall receive such Gas at said Points of Receipt and redeliver an Equivalent Volume for the account of Shipper at the Points of Delivery in said Agreement.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Tariff are applicable to this Rate Schedule.

4. RATES AND CHARGES

- 4.1 Transportation Charge. Shipper agrees to pay HIOS an amount each month equal to the sum of a reservation charge and a commodity charge which, subject to the provisions of Section 4.2, shall be determined as follows:

- (a) The reservation charge shall be the product of 100% of Shipper's MBQ and Transporter's effective reservation rate per Dth, as applicable, for FT-2 service, as set forth on Sheet No. 10 of this Tariff. For purposes of this calculation, the MBQ shall be equal to the average daily quantity transported during the applicable billing month.
- (b) The commodity charge shall be the sum of the product of the monthly volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at the Points of Receipt set forth in Exhibits A and B of the Transportation Agreement, and HIOS' effective Long Haul or Short Haul commodity rate per Dth, as applicable, as set forth on Sheet NO. 10 of this Tariff.

- 4.2 Failure to Satisfy Minimum Throughput Obligation.

During each billing month, HIOS will analyze the average throughput level for the production month being billed and the immediately preceding two production months (the "3-Month Period") by dividing the aggregate quantity of gas received for Shipper's account at the Point(s) of Receipt by the number of days in the 3-Month Period. If the result is less than 80% of the average of the MDQ's specified in the FT-2 Agreement for the 3-Month Period, Shipper shall be subject to Reservation and Commodity Charges for the second production month

Rate Schedule FT-2  
Firm Transportation Service  
(Continued)

following the 3-Month Period (the "Impacted Month"). In such event, HIOS shall notify Shipper on the invoice submitted for the most recent production month of the 3-Month Period that the average daily throughput has dropped below 80% of the MDQ for the 3-Month Period and advise Shipper of the pending Reservation and Commodity Charges so that Shipper may have an opportunity to release its firm capacity on a temporary basis pursuant to Section 17 of the General Terms and Conditions during the Impacted Month. The billing for the Impacted Month will be the sum of (i) the Long Haul or Short Haul Reservation Charge, as applicable, as set forth on the currently effective Sheet 10 multiplied by 100% of the specified MDQ for the Impacted Month; and (ii) the applicable Commodity Charges set forth on the currently effective Sheet 10 multiplied by the sum of the quantities of gas (in Dth) received for Shipper's account at the Point(s) of Receipt each day of the Impacted Month.

Notwithstanding the above, calculation of the average daily throughput for any 3-Month Period will be adjusted to reflect any reduction in throughput as a result of HIOS being unable to confirm Shipper's nominations due to an incident of Force Majeure claimed by HIOS under Article 13 of the General Terms and Conditions or any limitations hereunder; and provided, further, with respect to committed reserves connected after February 16, 1999, services under this Rate Schedule will be billed for the first six consecutive calendar months, beginning with and including the month in which deliveries are initiated, at the Volumetric Charge, regardless of Shipper's ability to meet the 80% average daily throughput level.

Rate Schedule FT-2  
Firm Transportation Service  
(Continued)

discriminatory basis. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified on the currently effective Sheet No. 10. HIOS shall not be obligated to discount its services in order to provide service to Shipper hereunder.

- 4.5 Partial Month's Service. If at the commencement or termination of the Transportation Agreement, service is provided for only a portion of a month, then the Reservation Charge for such month shall be reduced proportionately based on the ratio of the number of days that transportation service was not in effect to the total number of days in such month.
- 4.6 Authorized Overrun. In addition to the charges specified above, Shipper agrees, subject to Section 8 of the General Terms and Conditions, to pay HIOS an amount equal to the overrun charge determined as follows:
- The overrun charge shall be the sum of (1) the products of the volumes of gas expressed in Dth received by HIOS from Shipper, at each Point of Receipt set forth in Exhibits A and B of the Transportation Agreement during any day, which are in excess of the Maximum Daily Volume (MDV) for such Point of Receipt, and HIOS' effective Long Haul or Short Haul overrun rate per Dth, as applicable, as set forth on Sheet No. 10 of this Tariff, and (2) the products of the volumes expressed in Dth received by HIOS from Shipper.
- 4.7 Unauthorized Overrun. HIOS shall notify Shipper orally of any unauthorized overrun service that is occurring for Shipper, and shall immediately confirm such notification by facsimile or similar means. If unauthorized service occurs on a non-Critical Day, Shipper shall pay HIOS a penalty of \$2.00 per Dth, or the current Spot Market Price for the Offshore Texas region as reported in Natural Gas Week, whichever is higher, for any such unauthorized daily overrun not terminated within 24 hours of HIOS' oral notification. If unauthorized service occurs on a Critical Day, Shipper shall pay HIOS a penalty of \$10.00 per Dth, or the current Spot Market Price for the Offshore Texas region as reported in Natural Gas Week, whichever is higher, for any such unauthorized daily overrun not terminated within 24 hours of HIOS' oral notification. Such penalty

FORM OF TRANSPORTATION AGREEMENT  
(For Use Under Transporter's Rate Schedule FT-2)  
(Continued)

ARTICLE II

- 2.1 Point(s) of Receipt. The Point(s) of Receipt shall be those identified on Exhibits A and B hereto.

ARTICLE III

- 3.1 Point(s) of Delivery. The Point(s) of Delivery shall be those identified on Exhibits A and B hereto.

ARTICLE IV

- 4.1 Rate Schedule and Charges. Each month, Shipper shall pay Transporter for the service hereunder, an amount determined in accordance with Transporter's Rate Schedule FT-2 and the applicable provisions of the General Terms and Conditions of Transporter's F.E.R.C. Gas Tariff, Third Revised Volume No. 1, as filed with the F.E.R.C. Such Rate Schedule and General Terms and Conditions are incorporated herein by reference and are made a part hereof. For all gas delivered to the Point(s) of Receipt in Exhibits A and B hereto and redelivered to Point(s) of Delivery in Exhibits A and B hereto, Shipper shall pay the currently effective rates and charges under Rate Schedule FT-2 as the same may be amended or superseded in accordance with applicable provisions of the Natural Gas Act and the rules and regulations of the F.E.R.C. The rates and charges shall be billed and paid for in accordance with the General Terms and Conditions applicable to Rate Schedule FT-2.
- 4.2 Rate Adjustments. It is agreed that Transporter may seek authorization from time to time from the F.E.R.C. for such rate adjustments as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE V

- 5.1 Shipper shall deliver gas to HIOS at the Point(s) of Receipt at operating pressures that exist from time to time in HIOS' system, not to exceed the MAOP at such Point(s) of Receipt, but shall not be required to deliver the gas at a pressure greater than that set forth in Exhibits A and B. If Shipper desires to deliver gas at the Point(s) of Receipt at a higher operating pressure, then HIOS shall have the right but not the obligation, to receive the gas at such higher operating pressure.

RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE  
(Continued)

4. RATES AND CHARGES

- 4.1 Transportation Charge. Shipper agrees to pay HIOS an amount each month equal to the transportation charge determined as follows:

The transportation charge shall be the sum of the product of the monthly volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at the Points of Receipt set forth in Exhibits A and B of the Transportation Agreement, and HIOS' effective Long Haul or Short Haul interruptible transportation rate per Dth, as applicable, as set forth on Sheet No. 10 of this Tariff.

- 4.2 Minimum Monthly Bill. None

- 4.3 Authorized Overrun. In addition to the charges specified above, Shipper agrees, subject to Section 8 of the General Terms and Conditions, to pay HIOS an amount equal to the overrun charge determined as follows:

The overrun charge shall be the sum of the products of the volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at each Point of Receipt set forth in Exhibits A and B of the Transportation Agreement during any day, which are in excess of the Maximum Daily Volume (MDV) for such Point of Receipt, and HIOS' effective Long Haul or Short Haul overrun rate per Dth, as applicable, as set forth on Sheet No. 10 of this Tariff.

RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE  
(Continued)

- 4.4 Unauthorized Overrun. HIOS shall notify Shipper verbally of any unauthorized overrun service that is occurring for Shipper, and shall immediately confirm such notification by facsimile or similar means. If such unauthorized service occurs on a Critical Day, Shipper shall pay HIOS a penalty of \$2.00 per Dth or the current Spot Market Price for the offshore Texas region as reported in "Natural Gas Week", whichever is higher, for any unauthorized daily overrun not terminated within 24 hours of HIOS' notification. Such penalty payments shall be paid to HIOS in addition to the charges otherwise payable by Shipper under this or the appropriate Rate Schedule. HIOS shall credit to non-offending Shippers all unauthorized overrun penalty revenues received under this section in accordance with Section 27 of the General Terms and Conditions of this Tariff. HIOS may waive, in whole or in part, any overrun penalty provided for herein if in HIOS' sole discretion, such penalty was incurred due to circumstances beyond Shipper's control.
- 4.5 Transportation of Associated Liquids. If Associated Liquids are transported hereunder for Shipper and HIOS is required by any regulatory agency, from time to time, to allocate a portion of its cost of service to such transportation service or to charge, or impute, a fee for such service, then Shipper shall reimburse HIOS for such allocated costs and such fee.
- 4.6 Commission and Other Regulatory Fees. Shipper shall reimburse HIOS for all filing, reporting and application fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule.
- 4.7 Rate Changes. Subject to any rights or limitations imposed by additional Transportation Agreement provisions agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for which a Maximum Rate and Minimum Rate are stated on Sheet No. 10 of this Tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than Minimum Rate(s), set forth on such sheets. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service or for

FORM OF TRANSPORTATION AGREEMENT  
(For Use Under Transporter's Rate Schedule IT)  
(Continued)

ARTICLE II

- 2.1 Point(s) of Receipt. The Point(s) of Receipt shall be those identified on Exhibits A and B hereto.

ARTICLE III

- 3.1 Point(s) of Delivery. The Point(s) of Delivery shall be those identified on Exhibits A and B hereto.

ARTICLE IV

- 4.1 Rate Schedule and Charges. Each month, Shipper shall pay Transporter for the service hereunder, an amount determined in accordance with Transporter's Rate Schedule IT and the applicable provisions of the General Terms and Conditions of Transporter's F.E.R.C. Gas Tariff, Third Revised Volume No. 1, as filed with the F.E.R.C. Such rate schedule and General Terms and Conditions are incorporated herein by reference and are made a part hereof. For all gas delivered to the Point(s) of Receipt in Exhibits A and B hereto and redelivered to Point(s) of Delivery in Exhibits A and B hereto, Shipper shall pay the effective rates and charges under Rate Schedule IT, as the same may be amended or superseded in accordance with applicable provisions of the Natural Gas Act and the rules and regulations of the F.E.R.C. The rates and charges shall be billed and paid for in accordance with the General Terms and Conditions applicable to Rate Schedule IT.
- 4.2 Rate Adjustments. It is agreed that either Transporter or Shipper may seek authorization from time to time from the F.E.R.C. for such rate adjustments as may be found necessary to assure Transporter just and reasonable rates.

GENERAL TERMS AND CONDITIONS  
(Continued)

- 1.15 The term "Short Haul Volumes" shall mean all volumes from offshore blocks delivered to HIOS transmission facilities located north of High Island Block 264 and at or south of West Cameron Block 167.
- 1.16 The term "Long Haul Volumes" shall mean all volumes from offshore blocks delivered to HIOS gathering facilities located at or south of High Island Block 264.
- 1.17 The term "Currently Effective Contract Demand" shall mean the aggregate of the maximum daily volumes of Gas, expressed in Dth per day, which HIOS is obligated to accept for transportation for the account of each firm shipper under HIOS' F.E.R.C. Gas Tariff, Third Revised Volume No. 1.
- 1.18 The term "System" shall mean the pipeline and related facilities at the time owned by HIOS.
- 1.19 The term "Unaccounted for Gas" shall mean the difference between the sum of all input volumes of Gas to the System and the sum of all output volumes of Gas from the System, which difference shall include but shall not be limited to Gas vented (other than gas vented pursuant to Section 7.13) and Gas used and accounted for in pipeline operations, and Gas lost as a result of an event of force majeure, the ownership of which cannot be reasonably identified, adjusted to such degree as is practicable for variations in Gas volumes due to the transportation of Associated Liquids during any given period of time.
- 1.20 The term "Maximum Daily Volumes" shall mean a maximum daily volume (MDV) of Gas and Associated Liquids, expressed in Dth, stipulated by Shipper and HIOS from time to time for delivery at each Point of Receipt or Point of Delivery, the aggregate of all such stipulated MDVs at Points of Receipt or Points of Delivery, respectively, not to exceed the MDQ.
- 1.21 The term "Operator" shall mean the entity selected by HIOS and which has entered into a service agreement with HIOS to operate the HIOS system.



GENERAL TERMS AND CONDITIONS  
(Continued)

- 1.29 The term "Predetermined Allocation (PDA)" shall mean the method determined by the Designated Allocator and provided to HIOS in accordance with Sections 7.6 and 7.7 of the General Terms and Conditions to be used by HIOS in allocating the actual gas volumes delivered for the Shippers' accounts from the individual HIOS measurement points to the respective HIOS Receipt Points.
- 1.30 The term "scheduled volume" or "scheduled nomination" shall mean a volume that has been nominated by Shipper and confirmed by HIOS in accordance with Sections 7.2, 7.3 and 7.4 of the General Terms and Conditions, hereof.
- 1.31 The term "Critical Day" shall mean a day during which, in HIOS' judgment (1) conditions exist that could threaten the safe operation or integrity of the HIOS system or (2) steps must be taken to maintain the operations required to provide efficient and reliable firm service of the system.
- 1.32 The term "Primary Path" shall mean the shortest distance along contiguous HIOS-owned facilities deemed to transport Gas from the Primary Points of Receipt to the Primary Points of Delivery.
- 1.33 The term "Compressor Fuel" shall mean the quantity of gas required by HIOS for compressor operations.
- 1.34 The term "Company Use" shall mean the sum of Compressor Fuel plus Unaccounted For Gas.
- 1.35 The term "Company Use Variance" or "CUV" shall mean the variance between the Company Use collected from all Shippers and the actual Company Use during the same period.
- 1.36 The term "Monthly Billing Quantity", or "MBQ", shall be the contractual quantity to be multiplied by the service rate under each firm service Rate Schedule, using the methodology as provided in the applicable Rate Schedule, for purposes of calculating the monthly Bill due to Shipper under such Rate Schedule.

GENERAL TERMS AND CONDITIONS  
(Continued)

6. RECEIPT AND DELIVERY

- 6.1 Points of Receipt. The Points of Receipt hereunder shall be the points of connection between the facilities of HIOS and the facilities of the Shippers or others, as listed on Sheet No. 9 of this Tariff, where Shippers shall deliver, or cause to be delivered, Gas to HIOS for transportation service. HIOS will make all Points of Receipt available to all Shippers, either as Primary Points of Receipt or Secondary Points of Receipt, as defined in subsections 6.2 and 6.3 of this Section 6.
- 6.2 Primary Points of Receipt. Primary Points of Receipt are those points set forth on Exhibits A and B of the Transportation Agreement for which an MDV is stated.
- 6.3 Secondary Points of Receipts. Secondary Points of Receipt are all Points of Receipt on the System available to Shipper other than the Primary Points of Receipt as specified in Shipper's FT-1 or FT-2 Service Agreement.
- 6.4 Changes in Primary Points of Receipt or MDV. An FT-1, or FT-2 Shipper shall from time to time notify HIOS in writing of its desire for an additional Primary Point of Receipt or for a change in the MDV at an existing Primary Point of Receipt; provided, however, that the requested changes or additions in the MDV at such Points of Receipt shall not result in the sum of the MDV at each Point of Receipt in Exhibits A and B to exceed the MDQ of the Transportation Agreement. Such request for change shall be subject to the capacity provisions described in Sections 3 and 4 of the Preliminary Statement and HIOS shall have fifteen (15) days from receipt of Shipper's written request to evaluate the change with respect to capacity availability. To the extent capacity is available at the desired Point of Receipt, such capacity shall be available within one (1) business day after the fifteen (15) day evaluation period. Exhibits A and B of the Transportation Agreement shall be amended and executed by the parties to reflect the authorized change.

GENERAL TERMS AND CONDITIONS  
(Continued)

- 17.3 Communications With HIOS. Any communication with HIOS under this Section 17, including any Release Proposal under subsection 17.4 or Qualified Bid under subsection 17.6, must be addressed to the following official:

High Island Offshore System, L.L.C.  
Attn: Manager, Contract Administration  
P. O. Box 4324  
Houston, Texas 77210-4324  
Telephone: (713) 381-7940  
Facsimile: (713) 381-7996

- 17.4 Making the Release Proposal. Any Releasing Shipper that wants to make a proposal to release firm capacity ("Release Proposal") must inform HIOS, by mail, facsimile or, HIOS' Interactive Internet Website of the specific terms and conditions of the Release Proposal. All such terms and conditions must be objectively stated, applicable to all potential bidders, and non-discriminatory. A Releasing Shipper that has entered into a provisional agreement on the terms and conditions of a capacity release ("Prearranged Transaction") with another person that is prequalified as a Replacement Shipper under subsection 17.11 of this Section 17 ("Prearranged Shipper") must include the information concerning the Prearranged Transaction specified below. Any Release Proposal must be made on the HIOS Release Proposal Form, as set forth on Sheet Nos. 187-191 of this Tariff, and must include the following information:

GENERAL TERMS AND CONDITIONS  
(Continued)

Rate Schedules FT-1 and FT-2 Transportation Agreement with HIOS. By releasing firm capacity to a Replacement Shipper, the Releasing Shipper recognizes and agrees that such release shall reduce the Releasing Shipper's firm capacity rights under its underlying Transportation Agreement with HIOS during the term of the release, beginning on the effective date thereof, except for any period that the released capacity is recalled by the Releasing Shipper.

17.12(c) Release by Replacement Shipper. A release of capacity by a Replacement Shipper shall not relieve the Original Releasing Shipper, or any Replacement Shipper in the sequence of releases between the Original Releasing Shipper and the Replacement Shipper holding the capacity, of their obligations under this tariff or their respective Transportation Agreements with HIOS. Re-releases may be on the same terms and conditions as the primary release (except as prohibited by F.E.R.C. regulations).

17.12(d) Changes in Receipt or Delivery Points. A Releasing Shipper may include in its Release Proposal restrictions on the Replacement Shipper's ability to modify Primary Point(s) of Receipt and Primary Point(s) of Delivery in its Transportation Agreement with HIOS. In the absence of any restrictions, the Releasing Shipper shall be deemed to have amended its Transportation Agreement to incorporate the changes to Primary Point(s) of Receipt and Primary Point(s) of Delivery made effective by any Replacement Shipper in the sequence of releases between the Original Releasing Shipper and the Replacement Shipper holding the capacity.

GENERAL TERMS AND CONDITIONS  
(Continued)

Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by the number of months in the rate period, dividing the result by the number of days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to HIOS' specified decimal place.

- 17.14 Capacity release historical data shall be made available, upon request, on a consistent basis by HIOS for a period of 3 years.

(Sheet Nos. 150 through 156 are Reserved for Future Use)

(Sheet Nos. 150 through 156 are Reserved for Future Use)

(Sheet Nos. 150 through 156 are Reserved for Future Use)



(Sheet Nos. 150 through 156 are Reserved for Future Use)

(Sheet Nos. 150 through 156 are Reserved for Future Use)

(Sheet Nos. 150 through 156 are Reserved for Future Use)

(Sheet Nos. 150 through 156 are Reserved for Future Use)

Transportation Service Request Form  
(Continued)

## 8. Point(s) of Receipt

## Location

Short Haul Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	Central Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
H.I. A-264		A.C. 25	
W.C. 167			
West Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	East Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-270		H.I. A-271	
H.I. A-283		H.I. A-280	
H.I. A-468		H.I. A-298	
H.I. A-470		H.I. A-316	
H.I. A-492		H.I. A-323	
H.I. A-498		H.I. A-343M	
H.I. A-526		H.I. A-345	
H.I. A-539		H.I. A-332	
H.I. A-555		H.I. A-330M	
H.I. A-582M			

(If more space is required, please attach a listing).

## 9. Point(s) of Delivery

Location -----	MDQ FT-1/FT-2 -----	Party Receiving Gas from HIOS -----
(1) ANR Pipeline/W.C. 167	_____	_____
(2) UTOS/W.C. 167	_____	_____
(3) Stingray/H.I. 330	_____	_____
(4) Tennessee Gas Pipeline /W.C. 167	_____	_____

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
 QUALIFIED BID FORM  
 (Continued)

5. Point(s) of Receipt

Location

Short Haul Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	Central Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
H.I. A-264		A.C. 25	
W.C. 167			
West Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	East Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-270		H.I. A-271	
H.I. A-283		H.I. A-280	
H.I. A-468		H.I. A-298	
H.I. A-470		H.I. A-316	
H.I. A-492		H.I. A-323	
H.I. A-498		H.I. A-343M	
H.I. A-526		H.I. A-345	
H.I. A-539		H.I. A-332	
H.I. A-555		H.I. A-330M	
H.I. A-582M			

(If more space is required, please attach a listing).

6. Point(s) of Delivery

Location -----	MDQ -----	Party Receiving Gas from HIOS -----
(1) ANR Pipeline/W.C. 167	_____	_____
(2) UTOS/W.C. 167	_____	_____
(3) Stingray/H.I. 330	_____	_____
(4) Tennessee Gas Pipeline /W.C. 167	_____	_____

## HIGH ISLAND OFFSHORE SYSTEM, L.L.C.

## FIRM SHIPPER

## CAPACITY RELEASE FORM

## Prearranged Transaction

-----  
(Continued)

## 5. Point(s) of Receipt - Specify volume(s) and location(s) for capacity release.

## Location

Short Haul Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	Central Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
H.I. A-264		A.C. 25	
W.C. 167			
West Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	East Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-270		H.I. A-271	
H.I. A-283		H.I. A-280	
H.I. A-468		H.I. A-298	
H.I. A-470		H.I. A-316	
H.I. A-492		H.I. A-323	
H.I. A-498		H.I. A-343M	
H.I. A-526		H.I. A-345	
H.I. A-539		H.I. A-332	
H.I. A-555		H.I. A-330M	
H.I. A-582M			

(If more space is required, please attach a listing).

## HIGH ISLAND OFFSHORE SYSTEM, L.L.C.

## FIRM SHIPPER

## CAPACITY RELEASE FORM

## Prearranged Transaction

(Continued)

## 6. Point(s) of Delivery

Location	MDQ	Party Receiving Gas from HIOS
-----	-----	-----
(1) ANR Pipeline/W.C. 167	_____	_____
(2) UTOS/W.C. 167	_____	_____
(3) Stingray/H.I. 330	_____	_____

## 7. Point(s) of Receipt - Specify Releasing Shipper's remaining volume(s) and location(s)

## Location

Short Haul Point(s) of Receipt	Maximum Daily Volumes in Dth @ 14.73 Psia	Central Lateral Point(s) of Receipt	Maximum Daily Volumes in Dth @ 14.73 Psia
-----	-----	-----	-----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
H.I. A-264		A.C. 25	
W.C. 167			
West Lateral Point(s) of Receipt	Maximum Daily Volumes in Dth @ 14.73 Psia	East Lateral Point(s) of Receipt	Maximum Daily Volumes in Dth @ 14.73 Psia
-----	-----	-----	-----
H.I. A-270		H.I. A-271	
H.I. A-283		H.I. A-280	
H.I. A-468		H.I. A-298	
H.I. A-470		H.I. A-316	
H.I. A-492		H.I. A-323	
H.I. A-498		H.I. A-343M	
H.I. A-526		H.I. A-345	
H.I. A-539		H.I. A-332	
H.I. A-555		H.I. A-330M	
H.I. A-582M			

(If more space is required, please attach a listing).



## HIGH ISLAND OFFSHORE SYSTEM, L.L.C.

## CAPACITY RELEASE REQUEST FORM

## Prospective Replacement

-----

(Continued)

4. Requested Maximum Daily Quantity (MDQ)  
(Complete Item 7 first; then give the sum of volumes here)

Long Haul \_\_\_\_\_ Dth per day

Short Haul \_\_\_\_\_ Dth per day

5. Requested Total Quantity for Initial Term (MDQ x Days in Initial Term)

\_\_\_\_\_ Dth

6. Liquids & Liquefiabiles

Is Shipper requesting transportation of Associated Liquids?

YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, name and location of Processing Plant: \_\_\_\_\_

(Attach a table showing associated liquids at points of Receipts)

7. Point(s) of Receipt - Specify desired volume(s) and location(s)

## Location

Short Haul Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	Central Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
H.I. A-264		A.C. 25	
W.C. 167			

(Sheet Nos. 196 through 200 are Reserved for Future Use)

(Sheet Nos. 196 through 200 are Reserved for Future Use)

(Sheet Nos. 196 through 200 are Reserved for Future Use)

(Sheet Nos. 196 through 200 are Reserved for Future Use)

(Sheet Nos. 196 through 200 are Reserved for Future Use)

LISTING OF EXISTING SUBSEA  
INTERCONNECTION TAPS FOR  
GAS RECEIPTS AND DELIVERIES

RECEIPT POINTS  
-----

SHORT HAUL RECEIPT POINTS

Existing subsea taps north of High Island Block 264

High Island A-218  
High Island A-247  
West Cameron 314  
West Cameron 342  
West Cameron 376  
West Cameron 167  
High Island A-264 1/

LONG HAUL RECEIPT POINTS

Existing subsea taps south of High Island Block 264

WEST LATERAL -----	CENTRAL LATERAL -----	EAST LATERAL -----
High Island A-270	High Island A-281	High Island A-271
A-283	A-300	A-280
A-468	A-303	A-298
A-470	A-320	A-316
A-492	A-340	A-323
A-498	A-546	A-343M
A-526	A-573 M	A-345
A-539	Alimos Canyon 25	A-333
A-555		A-332
A-582 M		A-330 M

DELIVERY POINTS  
-----

INTERCONNECTIONS

- (1) West Cameron Block 167 - ANR Pipeline Company
- (2) West Cameron Block 167 - U-TOS
- (3) West Cameron Block 167 - Tennessee Gas Pipeline Company
- (4) High Island Block 330 - Stingray

1/ The existing flanged connection between the compressor discharge line and the inlet to the 42" Mainline on the HIA-264 "A" platform

SCHEDULE OF RATES AND CHARGES

	Maximum Rate -----	Minimum Rate -----
<u>Long Haul Rates 3/</u>		
Rate Schedule FT-1		
1) Reservation Rate	\$ <del>7.3000</del> \$ <del>.00</del> <u>22.0200</u>	\$
<u>.0171</u>		
2) Commodity Rate	\$ <del>.00</del> \$ <del>.00</del> <u>.0171</u>	\$
<u>.0171</u>		
3) Overrun/Volumetric Rate 1/	\$ <u>.7411</u>	\$ <u>.0171</u>
a) Long Haul	\$ <u>.2400</u>	\$ <u>.00</u>
b) Short Haul	\$ <u>.0960</u>	\$ <u>.00</u>
4) Settlement Commodity Surcharge 2/	\$ <u>.0100</u>	\$ <u>.00</u>
Rate Schedule FT-2		
1) Reservation Rate	\$ <del>7.3000</del> \$ <del>.00</del> <u>22.0200</u>	\$
<u>.0171</u>		
2) Commodity Rate	\$ <del>.00</del> \$ <del>.00</del> <u>.0171</u>	\$
<u>.0171</u>		
3) Overrun/Volumetric Rate 1/	\$ <u>.7411</u>	\$ <u>.0171</u>
a) Long Haul	\$ <u>.2400</u>	\$ <u>.00</u>
b) Short Haul	\$ <u>.0960</u>	\$ <u>.00</u>
Rate Schedule IT		
1) Long Haul	\$ <u>.2400</u>	\$ <u>.00</u>
1) Commodity Rate	\$ <u>.7411</u>	\$ <u>.0171</u>
2) Short Haul	\$ <u>.0960</u>	\$ <u>.00</u>
3) Settlement Commodity Surcharge 2/	\$ <u>.0100</u>	\$ <u>.00</u>

Short Haul Rates

<u>Rate Schedule FT-1</u>		
1) Reservation Rate	\$ <u>4.3553</u>	\$ <u>.00</u>
2) Commodity Rate	\$ <u>.00</u>	\$ <u>.00</u>
3) Overrun/Volumetric Rate 1/	\$ <u>.1432</u>	\$ <u>.00</u>
4) Settlement Commodity Surcharge 2/	\$ <u>.0100</u>	\$ <u>.00</u>
<u>Rate Schedule FT-2</u>		
1) Reservation Rate	\$ <u>4.3553</u>	\$ <u>.00</u>
2) Commodity Rate	\$ <u>.00</u>	\$ <u>.00</u>
3) Overrun/Volumetric Rate 1/	\$ <u>.1432</u>	\$ <u>.00</u>
<u>Rate Schedule IT</u>		
1) Commodity Rate	\$ <u>.1432</u>	\$ <u>.00</u>
2) Settlement Commodity Surcharge 2/	\$ <u>.0100</u>	\$ <u>.00</u>



- 1/ This rate applicable for releases of firm capacity on a volumetric basis.
- 2/ Applicable to services as per the Stipulation and Agreement approved by FERC order dated January 14, 2009, at Docket No. RP03-221-011.
- 3/ Any Shipper that contracts for its receipts and deliveries at HIOS gathering facilities located at or south of High Island Block 264 shall receive a per Dth credit to its Long Haul rate equal to the applicable Short Haul rate.

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE  
(Continued)

- (a) The reservation charge shall be the product of Shipper's MBQ ~~(40% of Shipper's MBQ in the case of short haul)~~ and Transporter's effective Long Haul or Short Haul reservation charge rate per Dth, as applicable, for FT-1 service, as set forth on Sheet No. 10 of this Tariff. For purposes of this calculation, the MBQ shall be equal to the peak day deliveries by Transporter for Shipper during the applicable Month ~~(40% of the peak day deliveries in the case of short haul)~~, but in no event shall the MBQ be less than 90% of the MDQ, or more than 100% of the MDQ specified in the Transportation Agreement.
- (b) The commodity charge shall ~~consist~~ be the sum of the product of the ~~commodity rate, set forth on Sheet No. 10 of this Tariff,~~ and the sum of (1) the monthly volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at the Points of Receipt set forth in Exhibit A of the Transportation Agreement, and (2) the monthly volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at the Points of Receipt set forth in ~~Exhibit Exhibits A and B~~ of the Transportation Agreement, and HIOS' effective Long Haul or Short Haul commodity rate per Dth, as applicable, as set forth on Sheet No. 10 of this Tariff.
- 4.2 Partial Month's Service. If at the commencement or termination of the Transportation Agreement, service is provided for only a portion of a month, then the monthly reservation charge for such month shall be reduced proportionately based on the ratio of the number of days that transportation service was not in effect to the total number of days in each month.

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE  
(Continued)

4.3 Minimum Monthly Bill. Monthly reservation charge.

4.4 Authorized Overrun. In addition to the charges specified above, Shipper agrees, subject to Section 8 of the General Terms and Conditions, to pay HIOS an amount equal to the overrun charge determined as follows:

The overrun charge shall be the sum of ~~(1) the products of the volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at each Point of Receipt set forth in Exhibit A of the Transportation Agreement during any day, which are in excess of the Maximum Daily Volume (MDV) for such point of receipt, and HIOS' effective long haul overrun rate per Dth, as set forth on Sheet No. 10 of this Tariff, and (2) the products of the volumes expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at each Point of Receipt set forth in Exhibit B of the Transportation Agreement during any day, which are in excess of the Maximum Daily Volume (MDV) for such Point of Receipt, and HIOS' effective short haul or Short Haul overrun rate per Dth, as applicable, as set forth on Sheet No. 10 of this Tariff.~~

4.5 Unauthorized Overrun. HIOS shall notify Shipper verbally of any unauthorized overrun service that is occurring for Shipper, and shall immediately confirm such notification by ~~telex~~ facsimile or similar means. If unauthorized service occurs on a non-Critical Day, Shipper shall pay HIOS a penalty of \$2.00 per Dth or the current Spot Market Price for the Offshore Texas region as reported in Natural Gas Week, whichever is higher, for any such unauthorized daily overrun not terminated within 24 hours of HIOS' verbal notification. If unauthorized service occurs on a Critical Day, Shipper shall pay HIOS a penalty of \$10.00 per Dth or the current Spot Market Price for the Offshore Texas region as reported in Natural Gas Week, whichever is higher, for any such unauthorized daily overrun not terminated within 24 hours of HIOS' verbal notification. Such penalty payments shall be paid to HIOS in addition to the charges otherwise payable by Shipper under this or the appropriate Rate Schedule. HIOS shall credit to non-offending Shippers all unauthorized overrun penalty revenues received under this section in accordance with Section 27 of the General Terms and Conditions of this Tariff. HIOS may waive, in whole or in part, any overrun penalty provided for herein if, in HIOS' sole discretion, such penalty was incurred due to circumstances beyond Shipper's control.

FORM OF TRANSPORTATION AGREEMENT  
(For Use Under Transporter's Rate Schedule FT-1)  
(Continued)

ARTICLE II

- 2.1 Point(s) of Receipt. The ~~point~~Point(s) of ~~receipt~~Receipt shall be those identified on Exhibits A and B hereto.

ARTICLE III

- 3.1 Point(s) of Delivery. The ~~point~~Point(s) of ~~delivery~~Delivery shall be those identified on Exhibits A and B hereto.

ARTICLE IV

- 4.1 Rate Schedule and Charges. Each month, Shipper shall pay Transporter for the service hereunder, an amount determined in accordance with Transporter's Rate Schedule FT-1 and the applicable provisions of the General Terms and Conditions of Transporter's F.E.R.C. Gas Tariff, Third Revised Volume No. 1, as filed with the F.E.R.C. Such Rate Schedule and General Terms and Conditions are incorporated herein by reference and are made a part hereof. For all gas delivered to the Point(s) of Receipt in Exhibits A and B hereto and redelivered to Point(s) of Delivery in Exhibits A and B hereto, Shipper shall pay the currently effective rates and charges under Rate Schedule FT-1, as the same may be amended or superseded in accordance with applicable provisions of the Natural Gas Act and the rules and regulations of the F.E.R.C. The rates and charges shall be billed and paid for in accordance with the General Terms and Conditions applicable to Rate Schedule FT-1.
- 4.2 Rate Adjustments. It is agreed that either Transporter or Shipper may seek authorization from time to time from the F.E.R.C. for such rate adjustments as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE V

- 5.1 Receipt Pressure. The minimum pressure at which Shipper may be requested to deliver gas to Transporter at the Point(s) of Receipt is set forth in Exhibits A and B hereto.

Rate Schedule FT-2  
Firm Transportation Service  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to firm transportation service rendered by HIOS for Shipper pursuant to Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.
- 2.2 Service hereunder shall have a comparable priority with service under Rate Schedule FT-1; and
- 2.3 Pursuant to this rate schedule, HIOS will provide transportation service up to the Maximum Daily Quantity (MDQ) specified in the Transportation Agreement. Shipper may tender Gas to HIOS at the Points of Receipt specified in said Agreement, and HIOS shall receive such Gas at said Points of Receipt and redeliver an Equivalent Volume for the account of Shipper at the Points of Delivery in said Agreement.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Tariff are applicable to this Rate Schedule.

4. RATES AND CHARGES

- 4.1 Transportation Charge. Shipper agrees to pay HIOS an amount each month equal to the sum of a reservation charge and a commodity charge which, subject to the provisions of Section 4.2, shall be determined as follows:

- (a) The reservation charge shall be the product of 100% of Shipper's MBQ ~~(40% of Shipper's MBQ in the case of short haul)~~ and Transporter's effective reservation ~~charge~~ rate per Dth, as applicable, for FT-2 service, as set forth on Sheet No. 10 of this Tariff. For purposes of this calculation, the MBQ shall be equal to the average daily quantity transported during the applicable billing month.
- (b) The commodity charge shall ~~consist~~ be the sum of the product of the ~~commodity rate, set forth on Sheet No. 10 of this Tariff,~~ and the sum of (1) the monthly volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at the Points of Receipt set forth in Exhibit A of the Transportation Agreement, and (2) the monthly volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at the Points of Receipt set forth in Exhibit B of the Transportation Agreement, and HIOS' effective Long Haul or Short Haul commodity rate per Dth, as applicable, as set forth on Sheet NO. 10 of this Tariff.

- 4.2 Failure to Satisfy Minimum Throughput Obligation.

During each billing month, HIOS will analyze the average throughput level for the production month being billed and the immediately preceding two production months (the "3-Month Period") by dividing the aggregate quantity of gas received for Shipper's account at the Point(s) of Receipt by the number of days in the 3-Month Period. If the result is less than 80% of the average of the MDQ's specified in the FT-2 Agreement for the 3-Month Period, Shipper shall be subject to Reservation and Commodity Charges for the second production month

Rate Schedule FT-2  
Firm Transportation Service  
(Continued)

following the 3-Month Period (the "Impacted Month"). In such event, HIOS shall notify Shipper on the invoice submitted for the most recent production month of the 3-Month Period that the average daily throughput has dropped below 80% of the MDQ for the 3-Month Period and advise Shipper of the pending Reservation and Commodity Charges so that Shipper may have an opportunity to release its firm capacity on a temporary basis pursuant to Section 17 of the General Terms and Conditions during the Impacted Month. The billing for the Impacted Month will be the sum of (i) the Long Haul or Short Haul Reservation Charge, as applicable, as set forth on the currently effective Sheet 10 or 10A multiplied by 100% of the specified MDQ ~~(40% of the specified MDQ in the case of short haul)~~ for the Impacted Month; and (ii) the applicable Commodity ~~Charge~~ Charges set forth on the currently effective Sheet 10 ~~or 10A~~ multiplied by the sum of the quantities of gas (in Dth) received for Shipper's account at the Point(s) of Receipt each day of the Impacted Month.

Notwithstanding the above, calculation of the average daily throughput for any 3-Month Period will be adjusted to reflect any reduction in throughput as a result of HIOS being unable to confirm Shipper's nominations due to an incident of Force Majeure claimed by HIOS under Article 13 of the General Terms and Conditions or any limitations hereunder; and provided, further, with respect to committed reserves connected after February 16, 1999, services under this Rate Schedule will be billed for the first six consecutive calendar months, beginning with and including the month in which deliveries are initiated, at the Volumetric Charge, regardless of Shipper's ability to meet the 80% average daily throughput level.

Rate Schedule FT-2  
Firm Transportation Service  
(Continued)

discriminatory basis. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified on the currently effective Sheet No. 10. HIOS shall not be obligated to discount its services in order to provide service to Shipper hereunder.

- 4.5 Partial Month's Service. If at the commencement or termination of the Transportation Agreement, service is provided for only a portion of a month, then the Reservation Charge for such month shall be reduced proportionately based on the ratio of the number of days that transportation service was not in effect to the total number of days in such month.
- 4.6 Authorized Overrun. In addition to the charges specified above, Shipper agrees, subject to Section 8 of the General Terms and Conditions, to pay HIOS an amount equal to the overrun charge determined as follows:

The overrun charge shall be the sum of (1) the products of the volumes of gas expressed in Dth received by HIOS from Shipper, at each Point of Receipt set forth in ~~Exhibit~~ Exhibits A and B of the Transportation Agreement during any day, which are in excess of the Maximum Daily Volume (MDV) for such Point of Receipt, and HIOS' effective ~~long haul~~ Long Haul or Short Haul overrun rate per Dth, as applicable, as set forth on Sheet No. 10 of this Tariff, and (2) the products of the volumes expressed in Dth received by HIOS from Shipper, ~~or for the account of Shipper, at each Point of Receipt set forth in Exhibit B of the Transportation Agreement during any day, which is in excess of the MDV for such Point of Receipt, and HIOS' effective short haul overrun rate per Dth, as set forth on Sheet No. 10 of this Tariff.~~

- 4.7 Unauthorized Overrun. HIOS shall notify Shipper orally of any unauthorized overrun service that is occurring for Shipper, and shall immediately confirm such notification by facsimile or similar means. If unauthorized service occurs on a non-Critical Day, Shipper shall pay HIOS a penalty of \$2.00 per Dth, or the current Spot Market Price for the Offshore Texas region as reported in Natural Gas Week, whichever is higher, for any such unauthorized daily overrun not terminated within 24 hours of HIOS' oral notification. If unauthorized service occurs on a Critical Day, Shipper shall pay HIOS a penalty of \$10.00 per Dth, or the current Spot Market Price for the Offshore Texas region as reported in Natural Gas Week, whichever is higher, for any such unauthorized daily overrun not terminated within 24 hours of HIOS' oral notification. Such penalty

FORM OF TRANSPORTATION AGREEMENT  
(For Use Under Transporter's Rate Schedule FT-2)  
(Continued)

ARTICLE II

- 2.1 Point(s) of Receipt. The ~~point~~Point(s) of ~~receipt~~Receipt shall be those identified on Exhibits A and B hereto.

ARTICLE III

- 3.1 Point(s) of Delivery. The ~~point~~Point(s) of ~~delivery~~Delivery shall be those identified on Exhibits A and B hereto.

ARTICLE IV

- 4.1 Rate Schedule and Charges. Each month, Shipper shall pay Transporter for the service hereunder, an amount determined in accordance with Transporter's Rate Schedule FT-2 and the applicable provisions of the General Terms and Conditions of Transporter's F.E.R.C. Gas Tariff, ~~Second~~Third Revised Volume No. 1, as filed with the F.E.R.C. Such Rate Schedule and General Terms and Conditions are incorporated herein by reference and are made a part hereof. For all gas delivered to the Point(s) of Receipt in Exhibits A and B hereto and redelivered to Point(s) of Delivery in Exhibits A and B hereto, Shipper shall pay the currently effective rates and charges under Rate Schedule FT-2 as the same may be amended or superseded in accordance with applicable provisions of the Natural Gas Act and the rules and regulations of the F.E.R.C. The rates and charges shall be billed and paid for in accordance with the General Terms and Conditions applicable to Rate Schedule FT-2.
- 4.2 Rate Adjustments. It is agreed that Transporter may seek authorization from time to time from the F.E.R.C. for such rate adjustments as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE V

- 5.1 Shipper shall deliver gas to HIOS at the Point(s) of Receipt at operating pressures that exist from time to time in HIOS' system, not to exceed the MAOP at such Point(s) of Receipt, but shall not be required to deliver the gas at a pressure greater than that set forth in Exhibits A and B. If Shipper desires to deliver gas at the Point(s) of Receipt at a higher operating pressure, then HIOS shall have the right but not the obligation, to receive the gas at such higher operating pressure.



RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE  
(Continued)

4. RATES AND CHARGES

- 4.1 Transportation Charge. Shipper agrees to pay HIOS an amount each month equal to the transportation charge determined as follows:

The transportation charge shall be the sum of ~~(1)~~ the product of the monthly volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at the Points of Receipt set forth in ~~Exhibit~~ Exhibits A and B of the Transportation Agreement, and HIOS' effective ~~long haul~~ Long Haul or Short Haul interruptible transportation rate per Dth, as applicable, as set forth on Sheet No. 10 of this ~~Tariff~~, and ~~(2) the product of the monthly volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at the Points of Receipt set forth in Exhibit B of Transportation Agreement, and HIOS' effective short haul interruptible transportation rate per Dth, as set forth on Sheet No. 10 of this Tariff.~~

- 4.2 Minimum Monthly Bill. None

- 4.3 Authorized Overrun. In addition to the charges specified above, Shipper agrees, subject to Section 8 of the General Terms and Conditions, to pay HIOS an amount equal to the overrun charge determined as follows:

The overrun charge shall be the sum of ~~(1)~~ the products of the volumes of gas expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at each Point of Receipt set forth in ~~Exhibit~~ Exhibits A and B of the Transportation Agreement during any day, which are in excess of the Maximum Daily Volume (MDV) for such ~~point of receipt~~ Point of Receipt, and HIOS' effective ~~long haul~~ Long Haul or Short Haul overrun rate per Dth, as applicable, as set forth on Sheet No. 10 of this Tariff, and ~~(2) the products of the volumes expressed in Dth received by HIOS from Shipper, or for the account of Shipper, at each Point of Receipt set forth in Exhibit B of the Transportation Agreement during any day, which is in excess of the MDV for such Point of Receipt, and HIOS' effective short haul overrun rate per Dth, as set forth on Sheet No. 10 of this Tariff.~~

RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE  
(Continued)

- 4.4 Unauthorized Overrun. HIOS shall notify Shipper verbally of any unauthorized overrun service that is occurring for Shipper, and shall immediately confirm such notification by ~~telex~~facsimile or similar means. If such unauthorized service occurs on a Critical Day, Shipper shall pay HIOS a penalty of \$2.00 per Dth or the current Spot Market Price for the offshore Texas region as reported in "Natural Gas Week", whichever is higher, for any unauthorized daily overrun not terminated within 24 hours of HIOS' notification. Such penalty payments shall be paid to HIOS in addition to the charges otherwise payable by Shipper under this or the appropriate Rate Schedule. HIOS shall credit to non-offending Shippers all unauthorized overrun penalty revenues received under this section in accordance with Section 27 of the General Terms and Conditions of this Tariff. HIOS may waive, in whole or in part, any overrun penalty provided for herein if in HIOS' sole discretion, such penalty was incurred due to circumstances beyond Shipper's control.
- 4.5 Transportation of Associated Liquids. If Associated Liquids are transported hereunder for Shipper and HIOS is required by any regulatory agency, from time to time, to allocate a portion of its cost of service to such transportation service or to charge, or impute, a fee for such service, then Shipper shall reimburse HIOS for such allocated costs and such fee.
- 4.6 Commission and Other Regulatory Fees. Shipper shall reimburse HIOS for all filing, reporting and application fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule.
- 4.7 Rate Changes. Subject to any rights or limitations imposed by additional Transportation Agreement provisions agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for which a Maximum Rate and Minimum Rate are stated on Sheet No. 10 of this Tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than Minimum Rate(s), set forth on such sheets. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service or for

FORM OF TRANSPORTATION AGREEMENT  
(For Use Under Transporter's Rate Schedule IT)  
(Continued)

ARTICLE II

- 2.1 Point(s) of Receipt. The ~~point~~Point(s) of ~~receipt~~Receipt shall be those identified on Exhibits A and B hereto.

ARTICLE III

- 3.1 Point(s) of Delivery. The ~~point~~Point(s) of ~~delivery~~Delivery shall be those identified on Exhibits A and B hereto.

ARTICLE IV

- 4.1 Rate Schedule and Charges. Each month, Shipper shall pay Transporter for the service hereunder, an amount determined in accordance with Transporter's Rate Schedule IT and the applicable provisions of the General Terms and Conditions of Transporter's F.E.R.C. Gas Tariff, Third Revised Volume No. 1, as filed with the F.E.R.C. Such rate schedule and General Terms and Conditions are incorporated herein by reference and are made a part hereof. For all gas delivered to the Point(s) of Receipt in Exhibits A and B hereto and redelivered to Point(s) of Delivery in Exhibits A and B hereto, Shipper shall pay the effective rates and charges under Rate Schedule IT, as the same may be amended or superseded in accordance with applicable provisions of the Natural Gas Act and the rules and regulations of the F.E.R.C. The rates and charges shall be billed and paid for in accordance with the General Terms and Conditions applicable to Rate Schedule IT.
- 4.2 Rate Adjustments. It is agreed that either Transporter or Shipper may seek authorization from time to time from the F.E.R.C. for such rate adjustments as may be found necessary to assure Transporter just and reasonable rates.

GENERAL TERMS AND CONDITIONS  
(Continued)

- 1.15 The term "Short Haul Volumes" shall mean all volumes from offshore blocks delivered to HIOS transmission facilities located north of High Island Block 264 and at or south of West Cameron Block 167.
- 1.16 The term "Long Haul Volumes" shall mean all volumes from offshore blocks delivered to HIOS gathering facilities located at or south of High Island Block 264.
- 1.17 The term "Currently Effective Contract Demand" shall mean the aggregate of the maximum daily volumes of Gas, expressed in Dth per day, which HIOS is obligated to accept for transportation for the account of each firm shipper under HIOS' F.E.R.C. Gas Tariff, ~~Original~~ Third Revised Volume No. ~~21~~.
- 1.18 The term "System" shall mean the pipeline and related facilities at the time owned by HIOS.
- 1.19 The term "Unaccounted for Gas" shall mean the difference between the sum of all input volumes of Gas to the System and the sum of all output volumes of Gas from the System, which difference shall include but shall not be limited to Gas vented (other than gas vented pursuant to Section 7.13) and Gas used and accounted for in pipeline operations, and Gas lost as a result of an event of force majeure, the ownership of which cannot be reasonably identified, adjusted to such degree as is practicable for variations in Gas volumes due to the transportation of Associated Liquids during any given period of time.
- 1.20 The term "Maximum Daily Volumes" shall mean a maximum daily volume (MDV) of Gas and Associated Liquids, expressed in Dth, stipulated by Shipper and HIOS from time to time for delivery at each Point of Receipt or Point of Delivery, the aggregate of all such stipulated MDVs at Points of Receipt or Points of Delivery, respectively, not to exceed the MDQ.
- 1.21 The term "Operator" shall mean the entity selected by HIOS and which has entered into a service agreement with HIOS to operate the HIOS system.

GENERAL TERMS AND CONDITIONS  
(Continued)

- 1.29 The term "Predetermined Allocation (PDA)" shall mean the method determined by the Designated Allocator and provided to HIOS in accordance with Sections 7.6 and 7.7 of the General Terms and Conditions to be used by HIOS in allocating the actual gas volumes delivered for the Shippers' accounts from the individual HIOS measurement points to the respective HIOS Receipt Points.
- 1.30 The term "scheduled volume" or "scheduled nomination" shall mean a volume that has been nominated by Shipper and confirmed by HIOS in accordance with Sections 7.2, 7.3 and 7.4 of the General Terms and Conditions, hereof.
- 1.31 The term "Critical Day" shall mean a day during which, in HIOS' judgment (1) conditions exist that could threaten the safe operation or integrity of the HIOS system or (2) steps must be taken to maintain the operations required to provide efficient and reliable firm service of the system.
- 1.32 The term "Primary Path" shall mean the shortest distance along contiguous HIOS-owned ~~transmission~~ facilities deemed to transport Gas from the Primary Points of Receipt to the Primary Points of Delivery.
- 1.33 The term "Compressor Fuel" shall mean the quantity of gas required by HIOS for compressor operations.
- 1.34 The term "Company Use" shall mean the sum of Compressor Fuel plus Unaccounted For Gas.
- 1.35 The term "Company Use Variance" or "CUV" shall mean the variance between the Company Use collected from all Shippers and the actual Company Use during the same period.
- 1.36 The term "Monthly Billing Quantity", or "MBQ", shall be the contractual quantity to be multiplied by the service rate under each firm service Rate Schedule, using the methodology as provided in the applicable Rate Schedule, for purposes of calculating the monthly Bill due to Shipper under such Rate Schedule.

GENERAL TERMS AND CONDITIONS  
(Continued)

6. RECEIPT AND DELIVERY

- 6.1 Points of Receipt. The Points of Receipt hereunder shall be the points of connection between the facilities of HIOS and the facilities of the Shippers or others, ~~including Stingray Pipeline Company, at the points as listed on the System Sheet No. 9 of this Tariff,~~ where Shippers shall deliver, or cause to be delivered, Gas to HIOS for transportation service. HIOS will make all Points of Receipt available to all Shippers, either as Primary Points of Receipt or Secondary Points of Receipt, as defined in subsections 6.2 and 6.3 of this Section 6.
- 6.2 Primary Points of Receipt. Primary Points of Receipt are those points set forth on Exhibits A and B of the Transportation Agreement for which an MDV is stated.
- 6.3 Secondary Points of Receipts. Secondary Points of Receipt are all Points of Receipt on ~~HIOS' system~~ the System available to Shipper other than the Primary Points of Receipt as defined specified in subsection 6.2 of this Section 6 ~~Shipper's FT-1 or FT-2 Service Agreement.~~
- 6.4 Changes in Primary Points of Receipt or MDV. An FT-1, or FT-2 Shipper shall from time to time notify HIOS in writing of its desire for an additional Primary Point of Receipt or for a change in the MDV at an existing Primary Point of Receipt; provided, however, that the requested changes or additions in the MDV at such Points of Receipt shall not result in the sum of the MDV at each ~~point of receipt~~ Point of Receipt in Exhibits A and B to exceed the MDQ of the Transportation Agreement. Such request for change shall be subject to the capacity provisions described in Sections 3 and 4 of the Preliminary Statement and HIOS shall have fifteen (15) days from receipt of Shipper's written request to evaluate the change with respect to capacity availability. To the extent capacity is available at the desired ~~receipt point~~ Point of Receipt, such capacity shall be available within one (1) business day after the fifteen (15) day evaluation period. Exhibits A and B of the Transportation Agreement shall be amended and executed by the parties to reflect the authorized change.

GENERAL TERMS AND CONDITIONS  
(Continued)

- 17.3 Communications With HIOS. Any communication with HIOS under this Section 17, including any Release Proposal under subsection 17.4 or Qualified Bid under subsection 17.6, must be addressed to the following official:

High Island Offshore System, L.L.C.  
Attn: Manager, Contract Administration  
P. O. Box 4324  
Houston, Texas 77210-4324  
Telephone: (713) 381-7940  
Facsimile: (713) 381-7996

- 17.4 Making the Release Proposal. Any Releasing Shipper that wants to make a proposal to release firm capacity ("Release Proposal") must inform HIOS, by mail, facsimile or, HIOS' Interactive Internet Website of the specific terms and conditions of the Release Proposal. All such terms and conditions must be objectively stated, applicable to all potential bidders, and non-discriminatory. A Releasing Shipper that has entered into a provisional agreement on the terms and conditions of a capacity release ("Prearranged Transaction") with another person that is prequalified as a Replacement Shipper under subsection 17.11 of this Section 17 ("Prearranged Shipper") must include the information concerning the Prearranged Transaction specified below. Any Release Proposal must be made on the HIOS Release Proposal Form, as set forth on Sheet Nos. ~~127-128~~187-191 of this Tariff, and must include the following information:

GENERAL TERMS AND CONDITIONS  
(Continued)

Rate Schedules FT-1 and FT-2 Transportation Agreement with HIOS. By releasing firm capacity to a Replacement Shipper, the Releasing Shipper recognizes and agrees that such release shall reduce the Releasing Shipper's firm capacity rights under its underlying Transportation Agreement with HIOS during the term of the release, beginning on the effective date thereof, except for any period that the released capacity is recalled by the Releasing Shipper.

- 17.12(c) Release by Replacement Shipper. A release of capacity by a Replacement Shipper shall not relieve the Original Releasing Shipper, or any Replacement Shipper in the sequence of releases between the Original Releasing Shipper and the Replacement Shipper holding the capacity, of their obligations under this tariff or their respective Transportation Agreements with HIOS. Re-releases may be on the same terms and conditions as the primary release (except as prohibited by F.E.R.C. regulations).
- 17.12(d) Changes in Receipt or Delivery Points. A Releasing Shipper may include in its Release Proposal restrictions on the Replacement Shipper's ability to modify ~~primary receipt~~Primary Point(s) of Receipt and ~~delivery points~~Primary Point(s) of Delivery in its Transportation Agreement with HIOS. In the absence of any restrictions, the Releasing Shipper shall be deemed to have amended its Transportation Agreement to incorporate the changes to ~~primary receipt~~Primary Point(s) of Receipt and ~~delivery points~~Primary Point(s) of Delivery made effective by any Replacement Shipper in the sequence of releases between the Original Releasing Shipper and the Replacement Shipper holding the capacity.



GENERAL TERMS AND CONDITIONS  
(Continued)

Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by the number of months in the rate period, dividing the result by the number of days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to HIOS' specified decimal place.

- 17.14 Capacity release historical data shall be made available, upon request, on a consistent basis by HIOS for a period of 3 years.

~~18. ASSIGNMENT OF CAPACITY TO CUSTOMERS OF DOWNSTREAM PIPELINES~~

~~18.1 Eligibility. Subject to the procedures and conditions set forth in the following subsections of this Section 18, any interstate natural gas pipeline company that: (1) offers transportation service on a firm basis under Subpart B or C of the Federal Energy Regulatory Commission's Regulations in 17 CFR Part 284; (2) owns and operates interstate pipeline facilities downstream from HIOS' facilities at West Cameron Block 167, Offshore Louisiana, or High Island Block 330 A, Offshore Texas; and (3) holds firm capacity on the HIOS system under a Transportation Agreement with HIOS, may assign all such rights, or a part thereof, to its own firm customer(s) served by its downstream facilities. Any such interstate pipeline shipper that seeks to assign firm capacity rights is hereinafter referred to as an "Assigning Shipper." The downstream firm customer to whom such rights are assigned is hereinafter referred to as the "Replacement Downstream Shipper."~~

~~18.2 Limitations on Assignments. Any proposed assignment of capacity under this Section 18 shall be subject to the following limitations:~~

GENERAL TERMS AND CONDITIONS

(Continued)

- ~~18.2(a) Qualification of Replacement Downstream Shipper. Any prospective Replacement Downstream Shipper that would take assigned capacity must qualify for such assignment under the requirements of subsection 18.4 of this Section 18.~~
- ~~18.2(b) Permanence of the Assignment. Any assignment of capacity shall be permanent, and shall not be subject to recall by the Assigning Shipper.~~
- ~~18.2(c) Volume of Assignment. Any assignment of capacity must be in an amount of no less than 100 Dth at any specific receipt point, and no more than the Assigning Shipper is entitled to, by receipt point, delivery point, and in total, under its Transportation Agreement with HIOS.~~
- ~~18.2(d) Terms and Conditions of Assignment. A Replacement Downstream Shipper that takes assigned capacity must accept all of the terms and conditions of the Assigning Shipper's Transportation Agreement with HIOS, including the remaining primary term thereof. A Replacement Downstream Shipper that takes assigned capacity shall execute a Rate Schedule FT 1 Transportation Agreement with HIOS, covering use of the assigned capacity.~~

~~18.2(e) Provision Regarding Continuing Obligation of Assigning Shipper. The Assigning Shipper may request from HIOS a release from its obligations under the Assigning Shipper's Transportation Agreement with HIOS; subject to the approval of HIOS' creditors to whom said Transportation Agreement has been pledged, HIOS shall act on Assigning Shipper's request for release from its obligations on a nondiscriminatory basis, and shall not unreasonably withhold approval~~

GENERAL TERMS AND CONDITIONS

(Continued)

~~thereof. Inasmuch as the Replacement Shipper must at all times meet HIOS' creditworthiness standard under Section 5 of this Tariff, the criteria for creditors' approval shall generally be satisfied thereby, absent extenuating circumstances.~~

~~18.3 Communications with HIOS. Any communication with HIOS under this Section 18, including any Assignment Proposal under subsection 18.5, just be addressed to the following official:~~

~~High Island Offshore System  
Attn: Manager, Contract Administration  
P. O. Box 4324  
Houston, Texas 77210-4324  
Telephone: (713) 381-7940  
Facsimile: (713) 381-7996~~

~~18.4 Procedures for Qualification.~~

~~18.4(a) In order to qualify for an assignment of capacity, a prospective Replacement Downstream Shipper must first:~~

GENERAL TERMS AND CONDITIONS

~~(Continued)~~

~~(i) Demonstrate, to HIOS' reasonable satisfaction, that it is creditworthy in accordance with Sections 2.2(k) and 5 of the General Terms and Conditions of this Tariff; and~~

~~(ii) Tender to HIOS executed copies of: (1) a Transportation Agreement for firm transportation service that conforms to the terms and conditions of the Transportation Agreement between HIOS and the Assigning Shipper; and (2) the Gas Allocation Agreement between HIOS and its shippers. Copies of the latter document shall be available from HIOS upon request.~~

~~18.4(b) In the interest of expediting the qualification procedures, a prospective Replacement Downstream Shipper may submit to HIOS the credit evaluation materials described in Section 2.2(k) of the General Terms and Conditions of this Tariff, and the executed documents described in subsection 18.4(a)(ii) of this Section 18, in advance of the submittal by the Assigning Shipper of the required information on the proposed assignment, as described in subsection 18.5 of this Section 18.~~

~~18.4(c) HIOS reserves the right to request additional or renewed credit evaluation materials at any time for the purpose of reviewing a completed creditworthiness evaluation.~~

~~18.4(d) Upon completion of the qualification review process, HIOS will promptly notify the Assigning Shipper and the prospective Replacement Downstream Shipper, by facsimile, whether the proposed assignment has been accepted. Approved assignments will be effective in accordance with the procedures of subsection 18.6 of this Section 18.~~

GENERAL TERMS AND CONDITIONS

(Continued)

~~18.5 Making the Assignment Proposal. Any Assigning Shipper that wants to make a proposal to assign firm capacity ("Assignment Proposal"), must inform HIOS, by mail or facsimile, of the particulars of the Assignment Proposal Form, as set forth on-~~

~~(Sheet Nos. 196-200 of this Tariff, and must include the following: 150 through 156 are Reserved for Future Use)~~

~~18.5(a) The Assigning Shipper's legal name, and the name, title, address, telephone number, and facsimile number of the individual responsible for authorizing the assignment.~~

~~18.5(b) The prospective Replacement Downstream Shipper's legal name, and the name, title, address, telephone number, and facsimile number of the individual responsible for consummating the assignment for the prospective Replacement Downstream Shipper.~~

~~18.5(c) The date and HIOS rate schedule designation of the Transportation Agreement under which firm capacity would be assigned.~~

~~18.5(d) The amount of firm capacity, by receipt point, delivery point, and in total, that would be assigned; and~~

~~18.5(e) The proposed effective date for the assignment.~~

~~18.6 Effecting Service for the Replacement Downstream Shipper.~~

~~18.6(a) An assignment of capacity under this Section 18 shall become effective on the later of: (1) the effective date specified in the Assignment Proposal; or (2) the date that is one business day after HIOS notifies the Assigning Shipper and the Replacement Downstream Shipper that the assignment has been accepted, pursuant to subsection 18.4(d) of this Section 18. HIOS will not commence transportation service under an effective assignment of capacity before the date that is at least one business day after HIOS~~

GENERAL TERMS AND CONDITIONS

(Continued)

~~receives from the Replacement Downstream Shipper or its Nominating Agent a completed copy of the nomination request form set forth on~~

(Sheet No. 174 of this Tariff, s. 150 through 156 are Reserved for Future Use)

~~18.6(b) After HIOS has made a determination that an Assignment Proposal will be accepted, HIOS shall execute the Transportation Agreement tendered by the Replacement Downstream Shipper. HIOS shall send copies of the fully-executed Transportation Agreement to the Replacement Downstream Shipper and the Assigning Shipper.~~

~~18.7 Rights and Obligations of the Assigning Shipper and the Replacement Downstream Shipper.~~

~~18.7(a) General Commitment of Replacement Downstream Shipper. By acquiring assigned capacity, a Replacement Downstream Shipper agrees that it will comply with all of the provisions of this Tariff, the terms and conditions of the executed Transportation Agreement, and the applicable orders, rules, and regulations of the Federal Energy Regulatory Commission.~~

~~18.7(b) Continuing Responsibility of the Assigning Shipper. Unless the Assigning Shipper requests and is granted a release from its obligation under the Transportation Agreement with HIOS, the Assigning Shipper shall be the subject to the continuing liability and responsibility for all charges associated with the assigned capacity, as stated in subsection 18.7(d) of this Section 18. In assigning firm capacity to a Replacement~~

GENERAL TERMS AND CONDITIONS

(Continued)

~~Downstream Shipper, the Assigning Shipper recognizes and agrees that such assignment shall reduce the Assigning Shipper's firm capacity rights under its underlying Transportation Agreement with HIOS, beginning on the effective date of the assignment.~~

~~18.7(c) Release By Replacement Downstream Shipper. A release of assigned capacity by a Replacement Downstream Shipper under the capacity release provisions of Section 17 of this Tariff shall not relieve the Assigning Shipper, or any Replacement Shipper in the sequence of assignment and releases between the Assigning Shipper and the Replacement Shipper holding the capacity, or their obligations under this tariff or their respective Transportation Agreements with HIOS.~~

(Sheet Nos. 150 through 156 are Reserved for Future Use)

GENERAL TERMS AND CONDITIONS

~~(Continued)~~

~~18.7(d) Billing.~~

- ~~(i) HIOS shall bill a Replacement Downstream Shipper for all applicable rates and charges under the Transportation Agreement between HIOS and the Replacement Downstream Shipper, and the Replacement Downstream Shipper shall pay the billed amounts directly to HIOS.~~
- ~~(ii) Payments received by HIOS from a Replacement Downstream Shipper shall be applied to amounts owed in the following order: (1) any penalty that is due; (2) late charges; (3) interruptible overrun service charges; (4) commodity based charges; and (5) reservation or demand charges.~~
- ~~(iii) If a Replacement Downstream Shipper fails to pay HIOS all of the charges due under its Transportation Agreement with HIOS, then HIOS shall notify the Assigning Shipper of the amount due, including any late charges, and the Assigning Shipper shall pay such amount to HIOS. If HIOS subsequently receives any payment of the amount billed from the delinquent Replacement Downstream Shipper, the amount of such payment shall be credited to the Assigning Shipper.~~



Transportation Service Request Form  
(Continued)

8. Point(s) of Receipt

Location

Short Haul Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	Central Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
<u>H.I. A-264</u>		<u>A.C. 25</u>	
<u>W.C. 167</u>			

West Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	East Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-270		H.I. A-271	
H.I. A-283		H.I. A-280	
H.I. A-468		H.I. A-298	
H.I. A-470		H.I. A-316	
H.I. A-492		H.I. A-323	
H.I. A-498		H.I. A-343M	
H.I. A-526		H.I. A-345	
H.I. A-539		H.I. A-332	
H.I. A-555		H.I. A-330M	
H.I. A-582M			

(If more space is required, please attach a listing).

9. Point(s) of Delivery

Location -----	MDQ FT-1/FT-2 -----	Party Receiving Gas from HIOS -----
(1) ANR Pipeline/W.C. 167	_____	_____
(2) UTOS/W.C. 167	_____	_____
(3) Stingray/H.I. 330	_____	_____
(4) Tennessee Gas Pipeline /W.C. 167	_____	_____

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
QUALIFIED BID FORM  
(Continued)

5. Point(s) of Receipt

Location			
Short Haul Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	Central Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
H.I. A-264		A.C. 25	
W.C. 167			
West Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	East Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-270		H.I. A-271	
H.I. A-283		H.I. A-280	
H.I. A-468		H.I. A-298	
H.I. A-470		H.I. A-316	
H.I. A-492		H.I. A-323	
H.I. A-498		H.I. A-343M	
H.I. A-526		H.I. A-345	
H.I. A-539		H.I. A-332	
H.I. A-555		H.I. A-330M	
H.I. A-582M			

(If more space is required, please attach a listing).

6. Point(s) of Delivery

Location -----	MDQ -----	Party Receiving Gas from HIOS -----
(1) ANR Pipeline/W.C. 167	_____	_____
(2) UTOS/W.C. 167	_____	_____
(3) Stingray/H.I. 330	_____	_____
(4) Tennessee Gas Pipeline /W.C. 167	_____	_____

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
FIRM SHIPPER  
CAPACITY RELEASE FORM  
Prearranged Transaction  
-----  
(Continued)

5. Point(s) of Receipt - Specify volume(s) and location(s) for capacity release.

Location			
Short Haul Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	Central Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
H.I. A-264		A.C. 25	
W.C. 167			
West Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	East Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-270		H.I. A-271	
H.I. A-283		H.I. A-280	
H.I. A-468		H.I. A-298	
H.I. A-470		H.I. A-316	
H.I. A-492		H.I. A-323	
H.I. A-498		H.I. A-343M	
H.I. A-526		H.I. A-345	
H.I. A-539		H.I. A-332	
H.I. A-555		H.I. A-330M	
H.I. A-582M			

(If more space is required, please attach a listing).

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
FIRM SHIPPER  
CAPACITY RELEASE FORM  
Prearranged Transaction  
-----

(Continued)

6. Point(s) of Delivery

Location	MDQ	Party Receiving Gas from HIOS
-----	-----	-----
(1) ANR Pipeline/W.C. 167	_____	_____
(2) UTOS/W.C. 167	_____	_____
(3) Stingray/H.I. 330	_____	_____

7. Point(s) of Receipt - Specify Releasing Shipper's remaining volume(s) and location(s)

Location			
Short Haul Point(s) of Receipt	Maximum Daily Volumes in Dth @ 14.73 Psia	Central Lateral Point(s) of Receipt	Maximum Daily Volumes in Dth @ 14.73 Psia
-----	-----	-----	-----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
<u>H.I. A-264</u>		<u>A.C. 25</u>	
<u>W.C. 167</u>			

West Lateral Point(s) of Receipt	Maximum Daily Volumes in Dth @ 14.73 Psia	East Lateral Point(s) of Receipt	Maximum Daily Volumes in Dth @ 14.73 Psia
-----	-----	-----	-----
H.I. A-270		H.I. A-271	
H.I. A-283		H.I. A-280	
H.I. A-468		H.I. A-298	
H.I. A-470		H.I. A-316	
H.I. A-492		H.I. A-323	
H.I. A-498		H.I. A-343M	
H.I. A-526		H.I. A-345	
H.I. A-539		H.I. A-332	
H.I. A-555		H.I. A-330M	
H.I. A-582M			

(If more space is required, please attach a listing).

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
CAPACITY RELEASE REQUEST FORM  
Prospective Replacement  
-----

(Continued)

4. Requested Maximum Daily Quantity (MDQ)  
(Complete Item 7 first; then give the sum of volumes here)

Long Haul \_\_\_\_\_ Dth per day

Short Haul \_\_\_\_\_ Dth per day

5. Requested Total Quantity for Initial Term (MDQ x Days in Initial Term)

\_\_\_\_\_ Dth

6. Liquids & Liquefiabiles

Is Shipper requesting transportation of Associated Liquids?

YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, name and location of Processing Plant: \_\_\_\_\_

\_\_\_\_\_  
(Attach a table showing associated liquids at points of Receipts)

7. Point(s) of Receipt - Specify desired volume(s) and location(s)

Location

Short Haul Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----	Central Lateral Point(s) of Receipt -----	Maximum Daily Volumes in Dth @ 14.73 Psia -----
H.I. A-218		H.I. A-281	
H.I. A-247		H.I. A-303	
W.C. 314		H.I. A-340	
W.C. 342		H.I. A-546	
W.C. 376		H.I. A-573	
<u>H.I. A-264</u>		<u>A.C. 25</u>	
<u>W.C. 167</u>			

~~HIGH ISLAND OFFSHORE SYSTEM~~

~~FIRM SHIPPER  
ASSIGNMENT PROPOSAL FORM~~

~~Send to: High Island Offshore System  
P. O. Box 4324  
Houston, Texas 77210-4324  
Attention: Manager, Contract Administration  
  
Telecopier Number: (713) 381-7996  
Verification Number: (713) 381-7940~~

~~Information Required for Valid Assignment~~

- ~~1. Assigning Shipper's Name and Address (The "Assigning Shipper" is the party that seeks to assign its firm transportation capacity rights on HIOS)~~

~~\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_~~

~~Attention: \_\_\_\_\_~~

~~Telephone: (\_\_\_\_\_) \_\_\_\_\_ Facsimile: (\_\_\_\_\_) \_\_\_\_\_~~

~~Assigning Shipper's Rate Schedule Number or Contract Number \_\_\_\_\_~~

- ~~2. Replacement Downstream Shipper's Name and Address (The "Replacement Downstream Shipper" is the party that is seeking Assigning Shipper's firm transportation capacity rights)~~

~~\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_~~

~~Attention: \_\_\_\_\_~~

~~Telephone: (\_\_\_\_\_) \_\_\_\_\_ Facsimile: (\_\_\_\_\_) \_\_\_\_\_~~

- ~~3. Commencement of Service~~

~~Date capacity assignment is requested to commence: \_\_\_\_\_~~

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
THIRD REVISED VOLUME NO. 1

Fourth Revised Sheet No. 196  
Third Revised Sheet No. 196  
Effective: December 15, 2007  
Issued: November 14, 2007  
Page 2

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(Sheet Nos. 196 through 200 are Reserved for Future Use)

~~HIGH ISLAND OFFSHORE SYSTEM, L.L.C.~~

~~FIRM SHIPPER  
ASSIGNMENT PROPOSAL FORM  
(Continued)~~

~~4. Assigning Shipper's Contract Demand~~

~~A. Current Maximum Daily Quantity (MDQ)~~

~~Long Haul \_\_\_\_\_ Dth per day~~

~~Short Haul \_\_\_\_\_ Dth per day~~

~~B. Requested Maximum Daily Quantity (MDQ) for Capacity Assignment  
(Complete Item 5 first; then give the sum of volumes here)~~

~~\_\_\_\_\_ Dth per day~~

~~C. Assigning Shipper's Remaining Maximum Daily Quantity (MDQ)  
(Complete Item 7 first; then give the sum of volumes here)~~

~~\_\_\_\_\_ Dth per day~~

~~5. Point(s) of Receipt Specify volume(s) and location(s) for capacity assignment~~

~~Location~~

<del>Short Haul</del>	<del>Maximum Daily</del>	<del>Central Lateral</del>	<del>Maximum Daily</del>
<del>Point(s) of</del>	<del>Volumes in Dth</del>	<del>Point(s) of</del>	<del>Volumes in Dth</del>
<del>Receipt</del>	<del>@ 14.73 Psia</del>	<del>Receipt</del>	<del>@ 14.73 Psia</del>

~~H.I. A 218~~

~~H.I. A 281~~

~~H.I. A 247~~

~~H.I. A 303~~

~~W.C. 314~~

~~H.I. A 340~~

~~W.C. 342~~

~~H.I. A 546~~

~~W.C. 376~~

~~H.I. A 573~~



HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
THIRD REVISED VOLUME NO. 1

First Revised Sheet No. 197  
Original Sheet No. 197  
Effective: April 7, 1999  
Issued: April 7, 1999  
Page 2

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(Sheet Nos. 196 through 200 are Reserved for Future Use)

~~HIGH ISLAND OFFSHORE SYSTEM, L.L.C.~~

~~FIRM SHIPPER  
ASSIGNMENT PROPOSAL FORM  
(Continued)~~

~~5. Point(s) of Receipt Specify volume(s) and location(s) for capacity assignment  
(cont'd)~~

~~Location~~

<del>West Lateral</del>	<del>Maximum Daily</del>	<del>East Lateral</del>	<del>Maximum Daily</del>
<del>Point(s) of</del>	<del>Volumes in Dth</del>	<del>Point(s) of</del>	<del>Volumes in Dth</del>
<del>Receipt</del>	<del>@ 14.73 Psia</del>	<del>Receipt</del>	<del>@ 14.73 Psia</del>
<del>H.I. A 270</del>		<del>H.I. A 271</del>	
<del>H.I. A 283</del>		<del>H.I. A 280</del>	
<del>H.I. A 468</del>		<del>H.I. A 298</del>	
<del>H.I. A 470</del>		<del>H.I. A 316</del>	
<del>H.I. A 492</del>		<del>H.I. A 323</del>	
<del>H.I. A 498</del>		<del>H.I. A 343M</del>	
<del>H.I. A 526</del>		<del>H.I. A 345</del>	
<del>H.I. A 539</del>		<del>H.I. A 332</del>	
<del>H.I. A 555</del>		<del>H.I. A 330M</del>	
<del>H.I. A 582M</del>			

~~(If more space is required, please attach a listing).~~

~~6. Point(s) of Delivery Specify total delivery volume for capacity assignment~~

<del>Location</del>	<del>MDQ</del>	<del>Party Receiving Gas from HIOS</del>
<del>(1) ANR Pipeline/W.C. 167</del>		
<del>(2) UTOS/W.C. 167</del>		
<del>(3) Stingray/H.I. 330</del>		
<del>(4) Tennessee Gas Pipeline /W.C. 167</del>		

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
THIRD REVISED VOLUME NO. 1

Second Revised Sheet No. 198  
First Revised Sheet No. 198  
Effective: December 7, 2001  
Issued: December 7, 2001  
Page 2

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(Sheet Nos. 196 through 200 are Reserved for Future Use)

~~HIGH ISLAND OFFSHORE SYSTEM, L.L.C.~~

~~FIRM SHIPPER  
ASSIGNMENT PROPOSAL FORM  
(Continued)~~

~~7. Point(s) of Receipt Specify Assigning Shipper's remaining volume(s) and location(s)~~

~~Location~~

<del>Short Haul</del>	<del>Maximum Daily</del>	<del>Central Lateral</del>	<del>Maximum Daily</del>
<del>Point(s) of</del>	<del>Volumes in Dth</del>	<del>Point(s) of</del>	<del>Volumes in Dth</del>
<del>Receipt</del>	<del>@ 14.73 Psia</del>	<del>Receipt</del>	<del>@ 14.73 Psia</del>

<del>H.I. A 218</del>	<del>H.I. A 281</del>
<del>H.I. A 247</del>	<del>H.I. A 303</del>
<del>W.C. 314</del>	<del>H.I. A 340</del>
<del>W.C. 342</del>	<del>H.I. A 546</del>
<del>W.C. 376</del>	<del>H.I. A 573</del>

<del>West Lateral</del>	<del>Maximum Daily</del>	<del>East Lateral</del>	<del>Maximum Daily</del>
<del>Point(s) of</del>	<del>Volumes in Dth</del>	<del>Point(s) of</del>	<del>Volumes in Dth</del>
<del>Receipt</del>	<del>@ 14.73 Psia</del>	<del>Receipt</del>	<del>@ 14.73 Psia</del>

<del>H.I. A 270</del>	<del>H.I. A 271</del>
<del>H.I. A 283</del>	<del>H.I. A 280</del>
<del>H.I. A 468</del>	<del>H.I. A 298</del>
<del>H.I. A 470</del>	<del>H.I. A 316</del>
<del>H.I. A 492</del>	<del>H.I. A 323</del>
<del>H.I. A 498</del>	<del>H.I. A 343M</del>
<del>H.I. A 526</del>	<del>H.I. A 345</del>
<del>H.I. A 539</del>	<del>H.I. A 332</del>
<del>H.I. A 555</del>	<del>H.I. A 330M</del>
<del>H.I. A 582M</del>	

~~(If more space is required, please attach a listing).~~

~~8. Point(s) of Delivery Specify total delivery volume for Assigning Shipper~~

<del>Location</del>	<del>MDQ</del>	<del>Party Receiving Gas</del>
		<del>from HIOS</del>
<del>(1) ANR Pipeline/W.C. 167</del>	<del></del>	<del></del>
<del>(2) UTOS/W.C. 167</del>	<del></del>	<del></del>
<del>(3) Stingray/H.I. 330</del>	<del></del>	<del></del>
<del>(4) Tennessee Gas Pipeline</del>	<del></del>	<del></del>
<del>/W.C. 167</del>	<del></del>	<del></del>

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
THIRD REVISED VOLUME NO. 1

Second Revised Sheet No. 199  
First Revised Sheet No. 199  
Effective: December 7, 2001  
Issued: December 7, 2001  
Page 2

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(Sheet Nos. 196 through 200 are Reserved for Future Use)

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
THIRD REVISED VOLUME NO. 1

Second Revised Sheet No. 200  
First Revised Sheet No. 200  
Effective: November 27, 2005  
Issued: October 27, 2005  
Page 1

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~~HIGH ISLAND OFFSHORE SYSTEM, L.L.C.~~

~~FIRM SHIPPER~~

~~ASSIGNMENT PROPOSAL FORM~~  
~~(Continued)~~

~~THIS AUTHORIZATION FOR CAPACITY ASSIGNMENT IS HEREBY SUBMITTED this \_\_\_\_\_ day of~~  
~~\_\_\_\_\_, \_\_\_\_\_,~~

~~By \_\_\_\_\_~~

~~Title \_\_\_\_\_~~

~~Telephone: (\_\_\_\_\_) \_\_\_\_\_~~

(Sheet Nos. 196 through 200 are Reserved for Future Use)

# **HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**

## **Customer Service List**

### **Page 1 of 3**

Adams Resources Marketing Inc.  
Lynda Croy  
900 Rockmead, Suite 274  
Kingwood, TX 77339

Apache Corp  
James Stanberry  
2000 Post Oak Blvd., Suite 100  
Houston, TX 77056

Arena Energy LLC  
Bernice Norris  
4200 Research Forest Dr., Suite 500  
The Woodlands, TX 77381

BP Exploration & Production Inc.  
Beverly Montgomery  
200 Westlake Park Blvd., Rm 2025D  
Houston, TX 77079

Badger Oil Corporation  
Burt Skinner  
P. O. Box 52745  
Lafayette, LA 70505

Beryl Oil and Gas LP  
A. Carl Isaac  
12707 North Freeway, Suite 200  
Houston, TX 77060

Chevron U.S.A. Inc.  
Anita Patton  
1111 Bagby, Rm 4344  
Houston, TX 77002

Cokinos Natural Gas Co.  
Natalie McGinely  
5718 Westheimer, Suite 900  
Houston, TX 77057

Delta Energy LLC  
Keith Mathias  
5200 Blazer Parkway  
Dublin, OH 43017

Devon Energy Production Co LP  
Charlene Merrill  
20 North Broadway, Suite 1500  
Oklahoma City, OK 73102-8260

El Paso Production Oil & Gas Co  
Linda Gallagher  
1001 Louisiana, Travis Place, 8th Fl  
Houston, TX 77002

ExxonMobil Gas & Power Marketing Co  
Mark Cole  
800 Bell, RM 3605P  
Houston, TX 77002-2180

# **HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**

## **Customer Service List**

### **Page 2 of 3**

Hunt Chieftain Development LP  
Geoff Street  
1445 Ross Ave, Suite 1700  
Dallas, TX 75202-2785

LLOG Exploration Offshore Inc  
Kim Lindemann  
433 Metairie Road, Suite 600  
Metairie, LA 70005

Louis Dreyfus Energy Services LP  
Kathy Kanar  
13430 Northwest Freeway, Suite 1200  
Houston, TX 77040-6019

Mariner Energy Inc Et. Al.  
Jan Laverne  
100 Asma Blvd, Suite 300 E  
Lafayette, LA 70508

McMoran Oil & Gas  
Anne Nguyen  
363 North Sam Houston Pkwy,  
E Suite 2020  
Houston, TX 77060

Minerals Management Service  
Bonnie Briggs  
MS 386H1  
4141 N. Sam Houston Pkwy East  
Houston, TX 77032-3843

National Energy & Trade LP  
Ashley Kinnett  
5847 San Felipe St., Suite 1910  
Houston, TX 77057

Nexen Marketing  
Colin Drader  
801 – 7<sup>th</sup> Avenue S.W., Suite 2900  
Calgary Alberta, Canada  
T2P 3P7

Noble Energy Marketing Inc  
Greg Lannin  
100 Glenborough, 13th Floor  
Houston, TX 77067

Northwestern Mutual Life Ins. Co.  
Liz Johnston  
12777 Jones Road, Suite 220  
Houston, TX 77070

Online Resources Exchange  
Gabina Wilm  
13135 Dairy Ashford, Suite 575  
Sugar Land, TX 77478

Rosetta Resources Offshore LLC  
Loy Powell  
717 Texas Avenue, Suite 2800  
Houston, TX 77002



# **HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**

## **Customer Service List**

### **Page 3 of 3**

Sequent Energy  
Roland Mercier  
1200 Smith Street, Suite 900  
Houston, TX 77002

SPN Resources Inc  
Tom Rodgers  
12707 North Freeway, Suite 200  
Houston, TX 77060

Southwest Energy LP  
John Crumley  
Two Greenway Plaza, Suite 720  
Houston, TX 77046

W&T Offshore Inc  
Cheryl Lategano  
3900 North Causeway Blvd, Suite 1200  
Metairie, LA 70002

Walter Oil & Gas Corp.  
Lynn Admire  
1100 Louisiana Street, Suite 200  
Houston, TX 77002-5299

High Island Offshore System L.L.C.  
Certificate of Service

I certify that I am serving the foregoing document upon each of High Island Offshore System L.L.C.'s customers and public bodies as set forth on the attached service list. I also certify that the electronic media of this filing contains the same information as contained on the paper copies.

Dated at Houston, Texas, this 31<sup>st</sup> Day of March, 2009.

/s/ Richard W. Porter

Richard W. Porter

Director, Natural Gas Rates & Regulatory Affairs  
High Island Offshore System L.L.C.

(713) 381-2526

(713) 381-2534 (fax)

**STATEMENT OF PRINCIPAL ACCOUNTING OFFICER**

**RATE FILING OF  
HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**

**DOCKET NO. RP09-\_\_\_\_\_**

**TO THE FEDERAL ENERGY REGULATORY COMMISSION:**

**I, Michael Knesek, Senior Vice President and Controller of High Island Offshore System, L.L.C. represent that the cost statements and supporting data, together with the related required working papers, submitted as a part of the above mentioned filing by High Island Offshore System, L.L.C., which purport to reflect the books of the Company do, in fact, set forth the results shown by such books.**

**/s/ Michael Knesek**

**Michael Knesek**

**Senior Vice President and Controller  
High Island Offshore System, L.L.C.**

**Dated: 3/ 26/ 2009**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

High Island Offshore System, L.L.C.

Docket No. RP09-\_\_\_\_-000

NOTICE OF PROPOSED CHANGES  
IN FERC GAS TARIFF

Take notice that on March 31, 2009, High Island Offshore System, L.L.C. (HIOS) tendered for filing as part of its FERC Gas Tariff, Third Revised Volume No. 1, the tariff sheets listed in Appendix A to the filing, to become effective May 1, 2009.

HIOS states that the proposed rate changes are derived from an annual cost of service of \$58.0 million based on the 12-month base period ending December 31, 2008, as adjusted for known and measurable changes through the nine month test period ending September 30, 2009. HIOS further states that the rate change is necessary to compensate HIOS for increases in its operating costs, depreciation expense, negative salvage expenses, and continuing reductions in transportation throughput. HIOS also proposes to refunctionalize certain transmission facilities as gathering for rate design purposes.

HIOS states that a full copy of its filing is being served on all jurisdictional customers, applicable state commissions and interested parties that have requested service.

Any person desiring to be heard or to protest said filing should file a motion to intervene or a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Sections 385.214 or 385.211 of the Commission's Rules and Regulations. All such motions or protests must be filed in accordance with Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. This filing is available for review at the Commission in the Public Reference Room or may be viewed on the Commission's website at <http://www.ferc.gov> using the "e-Library" link. Enter the docket number excluding the last three digits in the docket number field to access the document. For Assistance, please contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or toll-free at (866) 208-3676, or TTY, contact (202) 502-8659. Comments, protests and interventions may be filed electronically via the Internet in lieu of paper. The Commission strongly encourages electronic filings. See, 18 CFR 385.2001 (a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link.

Kimberly D. Bose  
Secretary

Exhibit No. HIO-1

Docket No. RP09-  
Statement A

**High Island Offshore System, L.L.C.**  
**Overall Cost of Service**  
**Twelve Months Ending December 31, 2008, As Adjusted**

<b>Line No.</b>	<b>Description</b>	<b>Statement</b>	<b>Twelve Months Ended December 31, 2008 As Adjusted</b>	
			<b>(1)</b>	
			<b>(2)</b>	
			<b>(3)</b>	
1	Operating Expenses	H-1	\$	32,648,404
2	Depreciation & Negative Salvage	H-2		11,129,275
3	Return	B		10,334,821
4	Income Taxes	H-3		3,716,991
5	Taxes - Other Income Taxes	H-4		330,344
6	Total Cost of Service		<u>\$</u>	<u>58,159,835</u>
7	Revenue Credits	G-5		(132,838)
8	Net Cost of Service		<u>\$</u>	<u>58,026,997</u>

Exhibit No. HIO-2

Docket No. RP09-  
Statement B

**High Island Offshore System, L.L.C.**  
**Rate Base**  
**Twelve Months Ending December 31, 2008, As Adjusted**

<b>Line No.</b>	<b>Description</b>	<b>Statement</b>	<b>Twelve Months Ended December 31, 2008 As Adjusted Total</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	Gas Plant in Service	C	\$ 484,457,468
	Accumulated DD & A		
2	Plant		\$ (339,415,808)
3	Supplemental Depreciation	D	(65,358,548)
4	Negative Salvage	D	(16,464,364)
5	Total Accumulated DD & A		<u>\$ (421,238,720)</u>
6	Net Plant		<u>63,218,748</u>
7	Deferred Income Taxes	B - 1	179,021
8	Working Capital	E	12,863,238
9	Regulatory Asset	B-2	<u>6,417,561</u>
10	Rate Base		<u><u>\$ 82,678,568</u></u>
11	Rate of Return	F-2	12.50%
12	Return		<u><u>\$ 10,334,821</u></u>

High Island Offshore System, L.L.C.  
Accumulated Deferred Income Taxes  
Actual & As Adjusted

Line No.	Particulars	Account 190	Account 282	Account 283	Net Acc. Deferred Income Taxes
	(1)	(2)	(3)	(4)	(5)
1	Balance at December 31, 2008, Actual	\$ 4,630,349	\$ (492,147)	\$ -	\$ 4,138,202
2	<u>Monthly Activity during Test Period</u>				
3	January 31, 2009	21,080	(460,989)	-	(439,909)
4	February 28, 2009	21,080	(460,989)	-	(439,909)
5	March 31, 2009	21,080	(460,989)	-	(439,909)
6	April 30, 2009	21,080	(460,989)	-	(439,909)
7	May 31, 2009	21,080	(460,989)	-	(439,909)
8	June 30, 2009	21,080	(460,989)	-	(439,909)
9	July 31, 2009	21,080	(460,989)	-	(439,909)
10	August 31, 2009	21,080	(460,989)	-	(439,909)
	September 30, 2009	21,080	(460,989)	-	(439,909)
11	Balance at September 30, 2009	\$ 4,820,069	\$ (4,641,048)	\$ -	\$ 179,021
12	Adjustments	\$ -	\$ -	\$ -	\$ -
13	Balance at September 30, 2009, as Adjusted	\$ 4,820,069	\$ (4,641,048)	\$ -	\$ 179,021

High Island Offshore System, L.L.C.  
Reconciliation of Net Book Plant to Net Tax Plant  
FERC Account No. 282  
Actual & As Adjusted

Line No.	Particulars	Balance At		Retirements	December 31, 2008 Actual	Net Additions	Retirements	Rate Design Refunctionalization	Plant Related DFIT Balance At	
		December 31, 2007 Actual	December 31, 2008 Actual						December 31, 2008 As Adjusted	December 31, 2008 As Adjusted
	(1)	(2)	(5)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Plant Per Books:</b>										
1	Book Plant	\$ 392,240,145	\$ 395,637,428	\$ -	\$ 395,637,428	\$ 88,820,040	\$ -	\$ -	\$	\$ 484,457,468
2	Accumulated Book Depreciation	(383,221,592)	(385,208,212)	-	(385,208,212)	(21,235,947)	-	-	-	(406,444,159)
3	Net Book Plant	\$ 9,018,553	\$ 10,429,216	\$ -	\$ 10,429,216	\$ 67,584,093	\$ -	\$ -	\$	\$ 78,013,309
<b>Plant Per Tax:</b>										
4	Tax Plant	\$ 392,240,145	\$ 395,637,428	\$ -	\$ 395,637,428	\$ 61,433,762	\$ -	\$ -	\$	\$ 457,071,190
5	Accumulated Tax Depreciation	(386,233,321)	(386,718,793)	0	(386,718,793)	(6,584,163)	-	-	-	(393,302,956)
6	Net Tax Plant	\$ 6,006,824	\$ 8,918,635	\$ -	\$ 8,918,635	\$ 54,849,599	\$ -	\$ -	\$	\$ 63,768,234
7	Book in Excess of Tax Plant	\$ (3,011,729)	\$ (1,510,581)	\$ -	\$ (1,510,581)	\$ (12,734,494)	\$ -	\$ -	\$	\$ (14,245,075)
8	Effective Combined Income Tax Rate	32.58%	32.58%	32.58%	32.58%	32.58%	32.58%	32.58%	32.58%	32.58%
9	Deferred Income Taxes	\$ (981,221)	\$ (492,147)	\$ -	\$ (492,147)	\$ (4,148,898)	\$ -	\$ -	\$	\$ (4,641,045)
10	Amount Reflected in FERC Account No. 282		\$ (492,147)		\$ (492,147)	\$ (4,148,898)	\$ -	\$ -	\$	\$ (4,641,045)
11	Remaining Difference		\$ -		\$ -	\$ -	\$ -	\$ -	\$	\$ -



High Island Offshore System, L.L.C.  
Accumulated Deferred Income Taxes  
December 31, 2008, Actual

Line No.	Particulars	FERC Account 190		FERC Acct. 282		FERC Account 283		Net	
		Negative Salvage	Bad Debt Reserve	Plant Book vs. Tax Basis	Net FERC Fees	Billing Matters	Bad Debt Reserve	Accumulated Deferred Income Taxes	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1	Balance at December 31, 2007	\$ 4,453,613	\$ -	\$ (981,221)	\$ -	-	-	\$ 3,472,392	
2	January 31, 2008	14,728	-	40,756	-	-	-	55,484	
3	February 28, 2008	14,728	-	40,756	-	-	-	55,484	
4	March 31, 2008	14,728	-	40,756	-	-	-	55,484	
5	April 30, 2008	14,728	-	40,756	-	-	-	55,484	
6	May 31, 2008	14,728	-	40,756	-	-	-	55,484	
7	June 30, 2008	14,728	-	40,756	-	-	-	55,484	
8	July 31, 2008	14,728	-	40,756	-	-	-	55,484	
9	August 31, 2008	14,728	-	40,756	-	-	-	55,484	
10	September 30, 2008	14,728	-	40,756	-	-	-	55,484	
11	October 31, 2008	14,728	-	40,756	-	-	-	55,484	
12	November 30, 2008	14,728	-	40,756	-	-	-	55,484	
13	December 31, 2008	14,728	-	40,756	-	-	-	55,484	
14	Balance at December 31, 2008, Actual	\$ 4,630,349	\$ -	\$ (492,147)	\$ -	-	-	\$ 4,138,202	

High Island Offshore System, L.L.C.  
Regulatory Asset and Liability  
Twelve Months Ending December 31, 2008, As Adjusted

Line No.	Particulars	Hurricane Repairs Account 182.3	Account 254
	(1)	(2)	(3)
1	January 2008	\$ 91,700	\$ -
2	February 2008	104,800	-
3	March 2008	117,900	-
4	April 2008	131,000	-
5	May 2008	144,100	-
6	June 2008	157,200	-
7	July 2008	157,200	-
8	August 2008	157,200	-
9	September 2008	9,619,705	-
10	October 2008	9,619,705	-
11	November 2008	9,626,342	-
12	December 2008	9,626,342	-
13	Test Period Adjustment	(3,208,781)	-
14	Balance at December 31, 2008, as Adjusted	<u>\$ 6,417,561</u>	<u>\$ -</u>

High Island Offshore System, L.L.C.  
Cost of Plant  
Twelve Months Ended December 31, 2008, Actual & As Adjusted

Line No.	Account No.	DESCRIPTION	Balance At December 31, 2007 Actual	Additions	Reductions	Balance At December 31, 2008 Actual	Net Additions	Rate Design Refunctionalization	Balance At December 31, 2008 As Adjusted
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	101	Gas plant in service	\$ 392,240,145	\$ 3,397,283	\$ -	\$ 395,637,428	\$ 88,820,040	\$ -	\$ 484,457,468
2	107	Construction work in progress	2,204,064	2,820,695	3,397,283	1,627,476	(1,627,476)	-	-
3		Total Cost of Plant	\$ 394,444,209	\$ 6,217,978	\$ 3,397,283	\$ 397,264,904	\$ 87,192,564	\$ -	\$ 484,457,468

High Island Offshore System, L.L.C.  
Gas Plant in Service by Plant Account  
Balance per Books at December 31, 2008, Actual & As Adjusted

Line No.	Plant Account No.	DESCRIPTION	Balance At December 31, 2008 Actual	Net Additions	Rate Design Refunctionalization	Balance At December 31, 2008 As Adjusted
	(1)	(2)	(3)	(4)	(5)	(6)
		<u>FERC Account No. 101</u>				
		Intangible Plant				
1	302	Franchises and consents	\$ 881,419	\$ -	\$ -	\$ 881,419
2		Total Intangible Plant	\$ 881,419	\$ -	\$ -	\$ 881,419
		Gathering Plant				
3	325.4	Rights-of-way	\$ -	\$ -	\$ -	\$ -
4	325.5	Other land and land rights	-	-	-	-
5	327	Field compressor station structure	-	-	-	-
6	328	Field measuring and Regulating station struct	-	-	-	-
7	329	Other Structures	-	-	40,465,786	40,465,786
8	332	Field lines	-	88,185,702	144,256,915	232,442,617
9	333	Field compressor station equipment	-	-	59,602,306	59,602,306
10	334	Field measuring and regulating station equipr	-	634,338	8,625,443	9,259,781
11	337	Other equipment	-	-	753,058	753,058
12		Total Gathering Plant	\$ -	\$ 88,820,040	\$ 253,703,508	\$ 342,523,548
		Transmission Plant				
		Onshore				
13	365.1	Land	\$ -	\$ -	\$ -	\$ -
14	366.2	Measuring and regulating station	-	-	-	-
15	366.3	Other Structures	-	-	-	-
16	369	Measuring & regulating sta. equipment	1,797,169	-	-	1,797,169
17		Sub-Total Onshore Plant	\$ 1,797,169	\$ -	\$ -	\$ 1,797,169
		Offshore				
18	366.1	Compressor station structures	\$ 39,059,608	\$ -	\$ (38,521,288)	\$ 538,320
19	366.2	Measuring and regulating station	1,102,039	-	(1,043,149)	58,890
20	366.3	Other Structures	1,853,432	-	(901,349)	952,083
21	367	Mains	258,786,091	-	(144,256,915)	114,529,176
22	368	Compressor station equipment	62,125,295	-	(59,602,306)	2,522,989
23	369	Measuring & regulating sta. equipment	9,476,147	-	(8,625,443)	850,704
24		Sub-Total Offshore Plant	\$ 372,402,612	\$ -	\$ (252,950,450)	\$ 119,452,162
25		Total Transmission Plant	\$ 374,199,781	\$ -	\$ (252,950,450)	\$ 121,249,331
26	370	Communication Equipment	\$ 4,038,569	\$ -	\$ (420,774)	\$ 3,617,795
27	371	Other Equipment	457,293	-	(332,284)	125,009
28	372	Asset Retirement Costs	3,828,654	-	-	3,828,654
		General Plant				
29	389	Land & Land Rights	\$ 985,152	\$ -	\$ -	\$ 985,152
30	390	Structures & Improvements	5,243,314	-	-	5,243,314
31	391	Office furniture and equipment	418,180	-	-	418,180
32	392	Transportation equipment	2,938,204	-	-	2,938,204
33	394	Tools, shop and garage equipment	2,245,049	-	-	2,245,049
34	398	Miscellaneous equipment	401,813	-	-	401,813
35		Total General Plant	\$ 12,231,712	\$ -	\$ -	\$ 12,231,712
36		Total Plant in Account 101	\$ 395,637,428	\$ 88,820,040	\$ -	\$ 484,457,468

High Island Offshore System, L.L.C.  
Construction Work in Progress by Functional Classification  
Balance per Books at December 31, 2008, Actual & As Adjusted

Line No.	Plant Account No.	DESCRIPTION	Balance At December 31, 2008 Actual	Net Additions	Rate Design Refunctionalization	Balance At December 31, 2008 As Adjusted
	(1)	(2)	(3)	(4)	(5)	(6)
1	107	Gathering Plant	\$ -	\$ -	\$ -	\$ -
2	107	Transmission Plant Offshore	\$ 1,358,178	\$ (1,358,178)	\$ -	\$ -
3		Total Transmission	\$ 1,358,178	\$ (1,358,178)	\$ -	\$ -
4	107	Communications Plant	\$ 269,298	\$ (269,298)	\$ -	\$ -
5		Total Account No. 107 - Work in Progress	\$ 1,627,476	\$ (1,627,476)	\$ -	\$ -
6		Total All Plant	\$ 397,264,904	\$ 87,192,564	\$ -	\$ 484,457,468

High Island Offshore System, L.L.C.  
Cost of Plant Adjustments  
December 31, 2008, Actual & As Adjusted

Line No.	FERC Account No.	DESCRIPTION	Balance At December 31, 2008 Actual	(3)	Gathering Plant Additions Adj. No. 1	(4)	Transmission Plant Additions Adj. No. 2	(5)	Construction Work in Progress Adj. No. 3	(6)	Rate Design Refunctionalization Adj. No. 4	(7)	Balance At December 31, 2008 As Adjusted	(8)
1	101	Intangible Plant (Acct. No. 302)	\$ 881,419		\$ -		\$ -		\$ -		\$ -		\$ 881,419	
2	101	Gathering Plant (Acct. 325-338)	-		88,185,702		-		-		254,337,846		342,523,548	
3	101	Transmission Plant (Acct. Nos. 365-369)	374,199,781		-		634,338		-		(253,584,788)		121,249,331	
4	101	Communication Equipment (Acct. No. 370)	4,038,569		-		-		-		(420,774)		3,617,795	
5	101	Other Equipment (Acct. No. 371)	457,293		-		-		-		(332,284)		125,009	
6	101	Asset Retirement Costs (Acct. No. 372)	3,828,654		-		-		-		-		3,828,654	
7	101	General Plant (Acct. Nos. 391 - 398)	12,231,712		-		-		-		-		12,231,712	
8	101	Total Plant in Service	\$ 395,637,428		\$ 88,185,702		\$ 634,338		\$ -		\$ -		\$ 484,457,468	
9	107	Construction Work in Progress	\$ 1,627,476		-		\$ (634,338)		\$ (993,138)		\$ -		\$ -	
10		Total	\$ 397,264,904		\$ 88,185,702		\$ -		\$ (993,138)		\$ -		\$ 484,457,468	

High Island Offshore System, L.L.C.  
Major Plant Additions and Retirements  
January 1, 2009 to September 30, 2009

Line No.	Work Order No.	FERC Code	DESCRIPTION	Gas Plant In Service	Accumulated Reserve for Depreciation
	(1)	(2)	(3)	(4)	(5)
			<u>Additions</u>		
			Gathering Plant		
1		1/	East Breaks Assets	\$ 88,185,702	\$ 27,389,278
2			Total Gathering Plant	\$ 88,185,702	\$ 27,389,278
			Transmission Plant		
3	P12862	366.2/334	HIOS Upgrd EFM Transmitters	\$ 634,338	\$ -
4			Total Transmission Plant	\$ 634,338	\$ -
			General Plant		
5				\$ -	\$ -
6			Total General Plant	-	-
7			Total Plant	\$ 88,820,040	\$ 27,389,278

1/ These entries have unassigned work order numbers.  
Work Orders

**Exhibit No. HIO-8**

**Docket No. RP09-  
Schedule C-2**

**Page 2 of 2**

**High Island Offshore System, L.L.C.  
Major Plant Additions and Retirements**

High Island Offshore System, L.L.C. had not budgeted for any major retirements during the Test Period.



High Island Offshore System, L.L.C.  
Uncompleted Work Orders at December 31, 2008  
Account 107

Line No.	Work Order No.	DESCRIPTION	Balance At December 31, 2008 (3)	Docket Number (4)	Test Period Closed to Plant (5)	Test Period Adjustment (6)	Balance At December 31, 2008 As Adjusted (7)
1	P12862	HIOS Upgrd EFM Transmitters					
2	P13741	Upgrd WC167 Fire Water-Suppression System Installation	\$ 634,338		\$ (634,338)	\$ -	\$ -
3	P14368	WC167 Sump Tank Fabrication w/Piping-Installed	441,085			(441,085)	-
4	P12169	West Cam 294 Lateral Connection To HIOS WC 167	143,873			(143,873)	-
5	P14364	HIA-264 Liquid Handling Enhancement Valves Automation	2,898			(2,898)	-
6	P14366	Pig Trap Door Upgrade-HIA264(HIA-573-582 Receivers)	42,086			(42,086)	-
7	P14369	HIOS-Data-Comm-Cable @ WC167-Phone System @ HIA582	93,898			(93,898)	-
8	P14367	HIOS Voice Radio Upgrade-Microwave MIA-264-330-343	137,475			(137,475)	-
9		Total	\$ 1,627,476		\$ (634,338)	\$ (993,138)	\$ -

Exhibit No. HIO-9

Docket No. RP09-

Schedule C-2.1

**Exhibit No. HIO-10**

**Docket No. RP09-  
Schedule C-3**

**High Island Offshore System, L.L.C.  
Gas Storage**

High Island Offshore System, L.L.C. does not have any gas storage.

High Island Offshore System, L.L.C.  
Accumulated Provision for Depreciation, Depletion, and Amortization  
Twelve Months Ended December 31, 2008, Actual & As Adjusted

Line No.	DESCRIPTION	Balance At		Additions	Reductions	Balance At		Adjustments		Balance At
		December 31, 2007 Actual	(2)	(3)	(4)	December 31, 2008 Actual	(5)	Gathering And Other Adjustments	Test Period Depreciation Adjustments	December 31, 2008 As Adjusted
	(1)							(6)	(7)	(8)
	Account 108 - Accumulated Provisions for Depreciation of Gas Plant in Service									
1	Gathering Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,389,278	\$ 243,733,598	\$ 271,122,876
2	Negative Salvage	-	-	-	-	-	-	9,740,231	1,669,803	11,410,034
	Transmission									
3	Onshore	\$ 221,427	\$ 38,998	\$ -	\$ -	\$ 260,425	\$ -	\$ -	\$ 29,249	\$ 289,674
4	Offshore	301,311,283	165,279	-	-	301,476,562	-	(8,233,015)	(243,245,674)	49,997,873
5	Negative Salvage	13,689,775	542,456	-	-	14,212,231	-	(9,740,231)	582,330	5,054,330
6	Total Transmission	\$ 315,202,485	\$ 746,733	\$ -	\$ -	\$ 315,949,218	\$ -	\$ (17,973,246)	\$ (242,634,095)	\$ 55,341,877
7	Communication Plant	\$ 3,274,553	\$ 142,274	\$ -	\$ -	\$ 3,416,827	\$ -	\$ -	\$ (141,892)	\$ 3,274,935
8	Other Equipment	81,875	27,221	-	-	109,096	-	-	(71,644)	37,452
9	Asset Retirement Costs	1,201,459	1,471,176	-	-	2,672,635	-	-	-	2,672,635
10	General Plant	10,891,028	141,672	-	-	11,032,700	-	-	106,244	11,138,944
11	Supplemental Depreciation	65,358,548	-	-	-	65,358,548	-	-	-	65,358,548
12	Total Account 108	\$ 396,009,948	\$ 2,529,076	\$ -	\$ -	\$ 398,539,024	\$ -	\$ 19,156,263	\$ 2,662,014	\$ 420,357,301
13	Account 111 - Intangible	\$ 881,419	\$ -	\$ -	\$ -	\$ 881,419	\$ -	\$ -	\$ -	\$ 881,419
14	Total Accumulated Provision	\$ 396,891,367	\$ 2,529,076	\$ -	\$ -	\$ 399,420,443	\$ -	\$ 19,156,263	\$ 2,662,014	\$ 421,238,720

High Island Offshore System, L.L.C.  
Computation of Provisions for Depreciation  
December 31, 2008 through September 30, 2009

Line No.	Functional Classification	Depreciable Plant (Statement H(2))									
		At Balance		Annual Depreciation Rate	Rate Design		December 31, 2008 Plant	Net Additions	Rate Design		Total
		December 31, 2008 Actual	(2)		Net Additional	(3)			Test Period Depreciation	Base Period Refunctionalization	
	(1)		(2)	(5)	(4)	(3)	(6)	(7)	(8)	(9)	(10)
<u>Depreciable Plant</u>											
1	Intangible Plant	\$ 881,419	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Gathering Plant	\$ -	\$ 88,820,040	0.05%	\$ 253,703,508	\$ -	\$ -	\$ 33,308	\$ 95,139	\$ 249,093,828	\$ 249,222,275
3	Negative Salvage	-	-	0.65%	-	-	-	432,998	1,236,805	-	1,669,803
<u>Transmission Plant</u>											
4	Onshore (Excluding Land)	\$ 1,797,169	\$ -	2.17%	\$ -	\$ -	\$ 29,249	\$ -	\$ -	\$ -	\$ 29,249
5	Offshore	372,402,612	-	0.05%	(252,950,450)	-	139,651	-	(94,856)	(248,779,146)	(248,734,351)
6	Negative Salvage	-	-	0.65%	-	-	1,815,463	-	(1,233,133)	-	582,330
7	Communication Plant	\$ 4,038,569	\$ -	3.50%	\$ (420,774)	\$ -	106,012	\$ -	(11,045)	(236,859)	(141,892)
8	Other Equipment	457,293	-	6.59%	(332,284)	-	22,602	-	(16,423)	(77,823)	(71,644)
9	Asset Retirement Costs	3,828,654	-	0.00%	-	-	-	-	-	-	-
<u>General Plant</u>											
10	Structures & Improvements	\$ 5,243,314	\$ -	2.17%	\$ -	\$ -	\$ 85,335	\$ -	\$ -	\$ -	\$ 85,335
11	Office Furniture and Equipment	418,180	-	6.67%	-	-	20,909	-	-	-	20,909
12	Transportation Equipment	2,938,204	-	0.00%	-	-	-	-	-	-	-
13	Tools, Shop and Garage Equipment	2,245,049	-	0.00%	-	-	-	-	-	-	-
14	Misc. Equipment	401,813	-	0.00%	-	-	-	-	-	-	-
15	Total	\$ 394,652,276	\$ 88,820,040		\$ -	\$ -	\$ 2,219,224	\$ 466,306	\$ (23,513)	\$ -	\$ 2,662,014

Exhibit No. HIO-11

Docket No. RP09-

Statement D

Page 2 of 2

**Exhibit No. HIO-12**

**Docket No. RP09-  
Statement E**

**High Island Offshore System, L.L.C.  
Working Capital  
Average for 13 Months Ended December 31, 2008, As Adjusted**

<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Balance At December 31, 2008, As Adjusted</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	Cash Working Capital		\$ -
2	Material and Supplies		-
3	Prepayments	E-2 Page 3	12,863,238
4	Total		<u>\$ 12,863,238</u>

**Exhibit No. HIO-13**

**Docket No. RP09-  
Schedule E-1**

**High Island Offshore System, L.L.C.  
Cash Working Capital**

High Island Offshore System, L.L.C. is not claiming a cash working capital amount in rate base in this proceeding; therefore, this schedule is not applicable.

**High Island Offshore System, L.L.C.**  
**Balances for Material and Supplies**  
**Twelve Months Ended December 31, 2008, As Adjusted**

<u>Line No.</u>	<u>Year</u>	<u>Month</u>	<u>Stores Account. 154</u>	<u>Undistributed Stores Exp. Account 163</u>	<u>Total</u>
		(1)	(2)	(3)	(4)
1	2007	December	\$ -	\$ -	\$ -
2	2008	January	-	-	-
3		February	-	-	-
4		March	-	-	-
5		April	-	-	-
6		May	-	-	-
7		June	-	-	-
8		July	-	-	-
9		August	-	-	-
10		September	-	-	-
11		October	-	-	-
12		November	-	-	-
13		December	-	-	-
14		Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
15	Average -13 months		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
16	Adjustment - Schedule E-2 Page 2		<u>-</u>	<u>-</u>	<u>-</u>
17	Mat. & Sup. At December 31, 2008, As Adjusted		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**High Island Offshore System, L.L.C.**  
**Balances for Materials and Supplies**  
**Twelve Months Ended December 31, 2008, As Adjusted**

<u>Line No.</u>	<u>Year</u>	<u>Month</u>	<u>Stores Account. 154</u>	<u>Undistributed Stores Exp. Account 163</u>	<u>Total</u>
		(1)	(2)	(3)	(4)
1	2008	September	\$ -	\$ -	\$ -
2		October	-	-	-
3		November	-	-	-
4		December	-	-	-
5	2009	January	-	-	-
6		February	-	-	-
7		March	-	-	-
8		April	-	-	-
9		May	-	-	-
10		June	-	-	-
11		July	-	-	-
12		August	-	-	-
13		September	-	-	-
14		Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
15	Average -13 months		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
16	Average -13 months Ended Dec. 31, 2008		<u>-</u>	<u>-</u>	<u>-</u>
17	Adjustment		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**High Island Offshore System, L.L.C.**  
**Balances for Prepayments**  
**Twelve Months Ended December 31, 2008, As Adjusted**

<u>Line No.</u>	<u>Year</u>	<u>Month</u>	<u>36 Month Budget</u>	<u>Insurance</u>	<u>Total</u>
		(1)	(2)	(3)	(4)
1	2007	December	\$ 6,382,568	\$ -	\$ 6,382,568
2	2008	January	7,357,878	-	7,357,878
3		February	6,934,658	-	6,934,658
4		March	7,521,039	-	7,521,039
5		April	8,416,619	-	8,416,619
6		May	8,710,571	-	8,710,571
7		June	9,001,376	-	9,001,376
8		July	8,555,931	-	8,555,931
9		August	8,330,547	-	8,330,547
10		September	(658,532)	-	(658,532)
11		October	8,864,054	-	8,864,054
12		November	11,818,040	-	11,818,040
13		December	10,045,941	-	10,045,941
14		Total	<u>\$ 101,280,690</u>	<u>\$ -</u>	<u>\$ 101,280,690</u>
15	Average -13 months		<u>\$ 7,790,822</u>	<u>\$ -</u>	<u>\$ 7,790,822</u>
16	Adjustment - Schedule E-2 Page 4		<u>2,445,655</u>	<u>2,626,761</u>	<u>5,072,416</u>
17	Prepayments At December 31, 2008, As Adjusted		<u>\$ 10,236,477</u>	<u>\$ 2,626,761</u>	<u>\$ 12,863,238</u>

**High Island Offshore System, L.L.C.**  
**Adjustments for Prepayments**  
**Twelve Months Ended December 31, 2008, As Adjusted**

<u>Line No.</u>	<u>Year</u>	<u>Month</u>	<u>36 Month Budget</u>	<u>Insurance</u>	<u>Total</u>
		(1)	(2)	(3)	(4)
1	2008	September	\$ (658,532)	\$ -	\$ (658,532)
2		October	8,864,054	-	8,864,054
3		November	11,818,040	-	11,818,040
4		December	10,045,941	-	10,045,941
5	2009	January	10,325,746	-	10,325,746
6		February	10,605,551	-	10,605,551
7		March	10,885,356	-	10,885,356
8		April	11,165,161	-	11,165,161
9		May	11,444,966	8,195,497	19,640,463
10		June	11,724,771	7,512,538	19,237,309
11		July	12,004,576	6,829,579	18,834,155
12		August	12,284,381	6,146,620	18,431,001
13		September	12,564,186	5,463,661	18,027,847
14		Total	<u>\$ 133,074,197</u>	<u>\$ 34,147,895</u>	<u>\$ 167,222,092</u>
15	Average -13 months		<u>\$ 10,236,477</u>	<u>\$ 2,626,761</u>	<u>\$ 12,863,238</u>
16	Average -13 months Ended Dec. 31, 2008		<u>7,790,822</u>	<u>-</u>	<u>7,790,822</u>
17	Adjustment		<u>\$ 2,445,655</u>	<u>\$ 2,626,761</u>	<u>\$ 5,072,416</u>

**Exhibit No. HIO-15**

**Docket No. RP09-  
Schedule E-3**

**High Island Offshore System, L.L.C.  
Cost of Storage Gas**

High Island Offshore System, L.L.C. does not have any Gas Storage. Consequently, there are no costs or volumes shown on this schedule or included in the computation of working capital.

**Exhibit No. HIO-16**

**Docket No. RP09-  
Statement F-1**

**High Island Offshore System, L.L.C.  
Rate of Return Claimed**

High Island Offshore System, L.L.C. (HIOS) has included in its total cost of service a using an overall rate of return of 12.50%. This overall rate of return is based upon a a weighted average cost of 8% on long debt and an allowance of 15.50% on equity applied to a hypothetical 40% debt / 60% equity capitalization as of September 30, 2009, as shown on Statement F-2.

The data submitted herewith and in Statement P, incorporated herein by reference, fully demonstrates that the rate of return claimed is the minimum required consistent with the present costs of capital and current financial and economic conditions of HIOS and is justified due to the level of uncertainties and current business risk facing HIOS and the natural pipeline industry. The capital structure, return on debt, and return on equity are supported by HIOS witness Porter and Gaske.

Exhibit No. HIO-17

Docket No. RP09-  
Statement F-2

High Island Offshore System, L.L.C.  
Capitalization, Cost of Capital & Rate of Return

Line No.	Capitalization	Ratio	Cost of Capital	Return
	(1)	(2)	(3)	(4)
1	Long Term Debt	40.00%	8.00%	3.20%
2	Equity	<u>60.00%</u>	15.50%	<u>9.30%</u>
3	Total	<u>100.00%</u>		<u>12.50%</u>

**Exhibit No. HIO-18**

**Docket No. RP09-  
Statement F-3**

**High Island Offshore System, L.L.C.  
Statement of Long-Term Debt**

High Island Offshore System, L.L.C. does not reflect any long term debt on its financials at the end of the Base Period (December 31, 2008) nor does it expect to issue any long term debt as of the end of the Test Period (September 30, 2009). For purposes of HIOS' capitalization, HIOS is reflecting a 40% long term debt capitalization at a weighted cost of debt of 8%, reflecting a hypothetical capital structure and cost of debt, as explained in the testimony of HIOS Witness Porter.

**Exhibit No. HIO-19**

**Docket No. RP09-  
Statement F-4**

**High Island Offshore System, L.L.C.  
Preferred Stock Capital**

High Island Offshore System, L.L.C. has \$0 Preferred Stock Capital outstanding at the end of the Base Period (December 31, 2008) or at the end of the Test Period (September 30, 2009).

**High Island Offshore System, L.L.C.**  
**Summary of Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008**  
**Actual and As Adjusted**

Line No.	Rate Schedule	Sch. Ref.	Longhaul Revenues				Shorthaul Revenues				Total Revenues (col 6 + col 10)
			Reservation	Commodity	Authorized Overrun	Total	Reservation	Commodity	Authorized Overrun	Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Base Period</b>											
1	FT-2 1/	Sch. G-1	\$ -	\$ 1,456,653	\$ 271,666	\$ 1,728,319	\$ -	\$ -	\$ -	\$ -	\$ 1,728,319
2	IT 2/	Sch. G-1	-	19,992,713	-	\$ 19,992,713	-	513,396	-	\$ 513,396	\$ 20,506,109
3	Total Firm and IT		\$ -	\$ 21,449,366	\$ 271,666	\$ 21,721,032	\$ -	\$ 513,396	\$ -	\$ 513,396	\$ 22,234,428
4	Other Revenues 3/	Sch. G-5	-	-	-	\$ 195,158				-	\$ 195,158
5	Total System Revenue		<u>\$ -</u>	<u>\$ 21,449,366</u>	<u>\$ 271,666</u>	<u>\$ 21,916,190</u>	<u>\$ -</u>	<u>\$ 513,396</u>	<u>\$ -</u>	<u>\$ 513,396</u>	<u>\$ 22,429,586</u>
<b>As Adjusted</b>											
6	FT-2 1/	Sch. G-2	\$ -	\$ 1,204,500	\$ -	\$ 1,204,500	\$ -	\$ -	\$ -	\$ -	\$ 1,204,500
7	IT 4/	Sch. G-2	-	56,007,266	-	\$ 56,007,266	-	819,112	-	\$ 819,112	\$ 56,826,378
8	Total Firm and IT		\$ -	\$ 57,211,766	\$ -	\$ 57,211,766	\$ -	\$ 819,112	\$ -	\$ 819,112	\$ 58,030,878
9	Other Revenues 3/	Sch. G-5	-	-	-	\$ 46,900	-	-	-	\$ 85,938	\$ 132,838
10	Total System Revenue		<u>\$ -</u>	<u>\$ 57,211,766</u>	<u>\$ -</u>	<u>\$ 57,258,666</u>	<u>\$ -</u>	<u>\$ 819,112</u>	<u>\$ -</u>	<u>\$ 905,050</u>	<u>\$ 58,163,716</u>

1/ All FT-2 revenues collected pursuant to discounted rate of \$0.15.

2/ Includes \$4,798,206 of revenue collected pursuant to discounted rate agreements.

3/ Revenues booked to FERC Account No. 495. See Schedule G-5.

4/ Includes \$11,134,726 of revenue collected pursuant to discounted rate agreements.



**High Island Offshore System, L.L.C.  
Summary of Transportation Revenues  
For the Twelve Months Ended December 31, 2008  
Actual and As Adjusted**

Line No.	Rate Schedule	Sch. Ref.	Longhaul Volumes				Shorthaul Volumes			
			Reservation	Commodity	Authorized Overrun	Total	Reservation	Commodity	Authorized Overrun	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Base Period</b>										
1	FT-2 1/	Sch. G-1	-	9,711,022	1,811,104	11,522,126	-	-	-	-
2	IT 2/	Sch. G-1	-	92,705,210	-	92,705,210	-	5,347,817	-	5,347,817
3	Total Firm and IT		-	102,416,232	1,811,104	104,227,336	-	5,347,817	-	5,347,817
4	Other Quantities 3/	Sch. G-5	-	-	-	155,658	-	-	-	-
5	Total System Quantities		-	102,416,232	1,811,104	104,382,994	-	5,347,817	-	5,347,817
<b>As Adjusted</b>										
6	FT-2 1/	Sch. G-2	-	8,030,000	-	8,030,000	-	-	-	-
7	IT 4/	Sch. G-2	-	88,660,992	-	88,660,992	-	5,720,064	-	5,720,064
8	Total Firm and IT		-	96,690,992	-	96,690,992	-	5,720,064	-	5,720,064
9	Other Quantities 3/	Sch. G-5	-	-	-	48,469	-	-	-	45,756
10	Total System Quantities		-	96,690,992	-	96,739,461	-	5,720,064	-	5,765,820

1/ All FT-2 volumes flow pursuant to discounted rate of \$0.15.

2/ Includes 29,394,773 Dth related to discounted rate agreements.

3/ Volumes booked to FERC Account No. 495. See Schedule G-5.

4/ Includes 28,112,443 Dth related to discounted rate agreements.

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Reservation Quantity (Dth)	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Rate	Short Haul Rate	Overrun Rate	Reservation Revenue	Long Haul Revenue	Short Haul Revenue	Authorized Overrun Revenue	Total Revenue
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	FT-2	Jan 2008	4855	BP EXPLORATION & PRODUCTION INC	-	186,000	-	108,827	\$ 0.1500	\$ -	\$ 0.1500	\$ -	\$ 27,900	\$ -	\$ 16,324	\$ 44,224
2	FT-2	Feb 2008	4855	BP EXPLORATION & PRODUCTION INC	-	174,000	-	80,185	0.1500	-	0.1500	-	26,100	-	12,028	38,128
3	FT-2	Mar 2008	4855	BP EXPLORATION & PRODUCTION INC	-	186,000	-	46,753	0.1500	-	0.1500	-	27,900	-	7,013	34,913
4	FT-2	Apr 2008	4855	BP EXPLORATION & PRODUCTION INC	-	180,000	-	58,481	0.1500	-	0.1500	-	27,000	-	8,772	35,772
5	FT-2	May 2008	4855	BP EXPLORATION & PRODUCTION INC	-	186,000	-	63,746	0.1500	-	0.1500	-	27,900	-	9,562	37,462
6	FT-2	Jun 2008	4855	BP EXPLORATION & PRODUCTION INC	-	180,000	-	59,589	0.1500	-	0.1500	-	27,000	-	8,938	35,938
7	FT-2	Jul 2008	4855	BP EXPLORATION & PRODUCTION INC	-	186,000	-	23,732	0.1500	-	0.1500	-	27,900	-	3,560	31,460
8	FT-2	Aug 2008	4855	BP EXPLORATION & PRODUCTION INC	-	186,000	-	38,406	0.1500	-	0.1500	-	27,900	-	5,761	33,661
9	FT-2	Sep 2008	4855	BP EXPLORATION & PRODUCTION INC	-	42,002	-	8,724	0.1500	-	0.1500	-	6,300	-	1,309	7,609
10	FT-2	Oct 2008	4855	BP EXPLORATION & PRODUCTION INC	-	-	-	-	0.1500	-	0.1500	-	-	-	-	-
11	FT-2	Nov 2008	4855	BP EXPLORATION & PRODUCTION INC	-	71,061	-	1,145	0.1500	-	0.1500	-	10,659	-	172	10,831
12	FT-2	Dec 2008	4855	BP EXPLORATION & PRODUCTION INC	-	155,000	-	71,695	0.1500	-	0.1500	-	23,250	-	10,754	34,004
13	FT-2			SHIPPER TOTAL	-	1,732,063	-	561,283				\$ -	\$ 259,809	\$ -	\$ 84,193	\$ 344,002
14	FT-2	Jan 2008	4856	EXXON MOBIL CORPORATION	-	824,600	-	354,706	\$ 0.1500	\$ -	\$ 0.1500	\$ -	\$ 123,690	\$ -	\$ 53,206	\$ 176,896
15	FT-2	Feb 2008	4856	EXXON MOBIL CORPORATION	-	771,400	-	291,434	0.1500	-	0.1500	-	115,710	-	43,715	159,425
16	FT-2	Mar 2008	4856	EXXON MOBIL CORPORATION	-	824,600	-	163,352	0.1500	-	0.1500	-	123,690	-	24,503	148,193
17	FT-2	Apr 2008	4856	EXXON MOBIL CORPORATION	-	864,000	-	152,674	0.1500	-	0.1500	-	129,600	-	22,901	152,501
18	FT-2	May 2008	4856	EXXON MOBIL CORPORATION	-	892,800	-	106,183	0.1500	-	0.1500	-	133,920	-	15,927	149,847
19	FT-2	Jun 2008	4856	EXXON MOBIL CORPORATION	-	864,000	-	94,350	0.1500	-	0.1500	-	129,600	-	14,153	143,753
20	FT-2	Jul 2008	4856	EXXON MOBIL CORPORATION	-	813,353	-	-	0.1500	-	0.1500	-	122,003	-	-	122,003
21	FT-2	Aug 2008	4856	EXXON MOBIL CORPORATION	-	870,264	-	-	0.1500	-	0.1500	-	130,540	-	-	130,540
22	FT-2	Sep 2008	4856	EXXON MOBIL CORPORATION	-	196,716	-	-	0.1500	-	0.1500	-	29,507	-	-	29,507
23	FT-2	Oct 2008	4856	EXXON MOBIL CORPORATION	-	-	-	-	0.1500	-	0.1500	-	-	-	-	-
24	FT-2	Nov 2008	4856	EXXON MOBIL CORPORATION	-	254,326	-	-	0.1500	-	0.1500	-	38,149	-	-	38,149
25	FT-2	Dec 2008	4856	EXXON MOBIL CORPORATION	-	802,900	-	87,122	0.1500	-	0.1500	-	120,435	-	13,068	133,503
26	FT-2			SHIPPER TOTAL	-	7,978,959	-	1,249,821				\$ -	\$ 1,196,844	\$ -	\$ 187,473	\$ 1,384,317
27	FT-2			SUB-TOTAL: BASE PERIOD FIRM TRANSPORTATION	-	9,711,022	-	1,811,104				\$ -	\$ 1,456,653	\$ -	\$ 271,666	\$ 1,728,319

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	4697	ADAMS RESOURCES MKTG	191,301	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 45,912	\$ -	\$ -	\$ 45,912
2	IT	Feb 2008	4697	ADAMS RESOURCES MKTG	149,824	-		0.2400	0.0960	0.2400	35,958	-	-	35,958
3	IT	Mar 2008	4697	ADAMS RESOURCES MKTG	9,579	-		0.2400	0.0960	0.2400	2,299	-	-	2,299
4	IT	Apr 2008	4697	ADAMS RESOURCES MKTG	9,270	-		0.2400	0.0960	0.2400	2,225	-	-	2,225
5	IT	May 2008	4697	ADAMS RESOURCES MKTG	5,118	-		0.2400	0.0960	0.2400	1,228	-	-	1,228
6	IT	Jun 2008	4697	ADAMS RESOURCES MKTG	3,960	-		0.2400	0.0960	0.2400	950	-	-	950
7	IT	Jul 2008	4697	ADAMS RESOURCES MKTG	3,026	-		0.2400	0.0960	0.2400	726	-	-	726
8	IT	Aug 2008	4697	ADAMS RESOURCES MKTG	3,484	-		0.2400	0.0960	0.2400	836	-	-	836
9	IT	Sep 2008	4697	ADAMS RESOURCES MKTG	426	-		0.2400	0.0960	0.2400	102	-	-	102
10	IT	Oct 2008	4697	ADAMS RESOURCES MKTG	-	-		0.2400	0.0960	0.2400	-	-	-	-
11	IT	Nov 2008	4697	ADAMS RESOURCES MKTG	5,750	-		0.2400	0.0960	0.2400	1,380	-	-	1,380
12	IT	Dec 2008	4697	ADAMS RESOURCES MKTG	32,014	-		0.2400	0.0960	0.2400	7,683	-	-	7,683
13	IT			SHIPPER TOTAL	413,752	-	-				\$ 99,299	\$ -	\$ -	\$ 99,299
14	IT	Jan 2008	6005	APACHE CORP	184,797	57,613		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 44,351	\$ 5,531	\$ -	\$ 49,882
15	IT	Feb 2008	6005	APACHE CORP	189,990	60,627		0.2400	0.0960	0.2400	45,598	5,820	-	51,418
16	IT	Mar 2008	6005	APACHE CORP	182,853	64,496		0.2400	0.0960	0.2400	43,885	6,192	-	50,077
17	IT	Apr 2008	6005	APACHE CORP	201,981	127,513		0.2400	0.0960	0.2400	48,475	12,241	-	60,716
18	IT	May 2008	6005	APACHE CORP	262,273	144,630		0.2400	0.0960	0.2400	62,946	13,884	-	76,830
19	IT	Jun 2008	6005	APACHE CORP	228,832	109,879		0.2400	0.0960	0.2400	54,920	10,548	-	65,468
20	IT	Jul 2008	6005	APACHE CORP	233,122	113,267		0.2400	0.0960	0.2400	55,949	10,874	-	66,823
21	IT	Aug 2008	6005	APACHE CORP	232,554	82,936		0.2400	0.0960	0.2400	55,813	7,962	-	63,775
22	IT	Sep 2008	6005	APACHE CORP	71,842	14,777		0.2400	0.0960	0.2400	17,242	1,419	-	18,661
23	IT	Oct 2008	6005	APACHE CORP	-	84,041		0.2400	0.0960	0.2400	-	8,068	-	8,068
24	IT	Nov 2008	6005	APACHE CORP	51,866	62,325		0.2400	0.0960	0.2400	12,448	5,983	-	18,431
25	IT	Dec 2008	6005	APACHE CORP	66,885	78,492		0.2400	0.0960	0.2400	16,052	7,535	-	23,587
26	IT			SHIPPER TOTAL	1,906,995	1,000,596	-				\$ 457,679	\$ 96,057	\$ -	\$ 553,736
27	IT	Jan 2008	6719	ARENA ENERGY LLC	334,148	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 80,196	\$ -	\$ -	\$ 80,196
28	IT	Feb 2008	6719	ARENA ENERGY LLC	348,358	-		0.2400	0.0960	0.2400	83,606	-	-	83,606
29	IT	Mar 2008	6719	ARENA ENERGY LLC	352,790	-		0.2400	0.0960	0.2400	84,670	-	-	84,670
30	IT	Apr 2008	6719	ARENA ENERGY LLC	367,786	-		0.2400	0.0960	0.2400	88,269	-	-	88,269
31	IT	May 2008	6719	ARENA ENERGY LLC	357,409	-		0.2400	0.0960	0.2400	85,778	-	-	85,778
32	IT	Jun 2008	6719	ARENA ENERGY LLC	376,408	-		0.2400	0.0960	0.2400	90,338	-	-	90,338
33	IT	Jul 2008	6719	ARENA ENERGY LLC	307,832	-		0.2400	0.0960	0.2400	73,880	-	-	73,880
34	IT	Aug 2008	6719	ARENA ENERGY LLC	363,648	-		0.2400	0.0960	0.2400	87,276	-	-	87,276
35	IT	Sep 2008	6719	ARENA ENERGY LLC	107,745	-		0.2400	0.0960	0.2400	25,859	-	-	25,859
36	IT	Oct 2008	6719	ARENA ENERGY LLC	-	-		0.2400	0.0960	0.2400	-	-	-	-
37	IT	Nov 2008	6719	ARENA ENERGY LLC	48,499	-		0.2400	0.0960	0.2400	11,640	-	-	11,640
38	IT	Dec 2008	6719	ARENA ENERGY LLC	46,741	-		0.2400	0.0960	0.2400	11,218	-	-	11,218
39	IT			SHIPPER TOTAL	3,011,364	-	-				\$ 722,730	\$ -	\$ -	\$ 722,730

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	8214	BADGER OIL CORPORATION	975,288	-		\$ 0.1400	\$ -	\$ 0.1400	\$ 136,540	\$ -	\$ -	\$ 136,540
2	IT	Feb 2008	8214	BADGER OIL CORPORATION	1,066,188	-		0.1400	-	0.1400	149,266	-	-	149,266
3	IT	Mar 2008	8214	BADGER OIL CORPORATION	1,085,775	-		0.1400	-	0.1400	152,009	-	-	152,009
4	IT	Apr 2008	8214	BADGER OIL CORPORATION	978,257	-		0.1400	-	0.1400	136,956	-	-	136,956
5	IT	May 2008	8214	BADGER OIL CORPORATION	933,080	-		0.1400	-	0.1400	130,631	-	-	130,631
6	IT	Jun 2008	8214	BADGER OIL CORPORATION	966,760	-		0.1400	-	0.1400	135,346	-	-	135,346
7	IT	Jul 2008	8214	BADGER OIL CORPORATION	452,649	-		0.1400	-	0.1400	63,371	-	-	63,371
8	IT	Aug 2008	8214	BADGER OIL CORPORATION	366,245	-		0.1400	-	0.1400	51,274	-	-	51,274
9	IT	Sep 2008	8214	BADGER OIL CORPORATION	73,103	-		0.1400	-	0.1400	10,234	-	-	10,234
10	IT	Oct 2008	8214	BADGER OIL CORPORATION	-	-		0.1400	-	0.1400	-	-	-	-
11	IT	Nov 2008	8214	BADGER OIL CORPORATION	19,208	-		0.1400	-	0.1400	2,689	-	-	2,689
12	IT	Dec 2008	8214	BADGER OIL CORPORATION	39,191	-		0.1400	-	0.1400	5,487	-	-	5,487
13	IT			SHIPPER TOTAL	<u>6,955,744</u>	<u>-</u>	<u>-</u>				<u>\$ 973,803</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 973,803</u>
14	IT	Jan 2008	4681	CHEVRON USA INC	701,471	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 168,353	\$ -	\$ -	\$ 168,353
15	IT	Feb 2008	4681	CHEVRON USA INC	606,116	-		0.2400	0.0960	0.2400	145,468	-	-	145,468
16	IT	Mar 2008	4681	CHEVRON USA INC	608,366	-		0.2400	0.0960	0.2400	146,008	-	-	146,008
17	IT	Apr 2008	4681	CHEVRON USA INC	950,927	-		0.2400	0.0960	0.2400	228,222	-	-	228,222
18	IT	May 2008	4681	CHEVRON USA INC	879,310	-		0.2400	0.0960	0.2400	211,034	-	-	211,034
19	IT	Jun 2008	4681	CHEVRON USA INC	905,609	-		0.2400	0.0960	0.2400	217,346	-	-	217,346
20	IT	Jul 2008	4681	CHEVRON USA INC	835,615	-		0.2400	0.0960	0.2400	200,548	-	-	200,548
21	IT	Aug 2008	4681	CHEVRON USA INC	851,894	-		0.2400	0.0960	0.2400	204,455	-	-	204,455
22	IT	Sep 2008	4681	CHEVRON USA INC	116,960	-		0.2400	0.0960	0.2400	28,070	-	-	28,070
23	IT	Oct 2008	4681	CHEVRON USA INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
24	IT	Nov 2008	4681	CHEVRON USA INC	20,329	-		0.2400	0.0960	0.2400	4,879	-	-	4,879
25	IT	Dec 2008	4681	CHEVRON USA INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
26	IT			SHIPPER TOTAL	<u>6,476,597</u>	<u>-</u>	<u>-</u>				<u>\$ 1,554,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,554,383</u>
27	IT	Jan 2008	5688	COKINOS NATURAL GAS COMPANY	26,722	14,955		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 6,413	\$ 1,436	\$ -	\$ 7,849
28	IT	Feb 2008	5688	COKINOS NATURAL GAS COMPANY	9,420	18,270		0.2400	0.0960	0.2400	2,261	1,754	-	4,015
29	IT	Mar 2008	5688	COKINOS NATURAL GAS COMPANY	17,732	18,090		0.2400	0.0960	0.2400	4,256	1,737	-	5,993
30	IT	Apr 2008	5688	COKINOS NATURAL GAS COMPANY	12,570	23,562		0.2400	0.0960	0.2400	3,017	2,262	-	5,279
31	IT	May 2008	5688	COKINOS NATURAL GAS COMPANY	13,082	17,571		0.2400	0.0960	0.2400	3,140	1,687	-	4,827
32	IT	Jun 2008	5688	COKINOS NATURAL GAS COMPANY	11,460	22,228		0.2400	0.0960	0.2400	2,750	2,134	-	4,884
33	IT	Jul 2008	5688	COKINOS NATURAL GAS COMPANY	8,842	27,968		0.2400	0.0960	0.2400	2,122	2,685	-	4,807
34	IT	Aug 2008	5688	COKINOS NATURAL GAS COMPANY	6,038	3,577		0.2400	0.0960	0.2400	1,449	343	-	1,792
35	IT	Sep 2008	5688	COKINOS NATURAL GAS COMPANY	50	-		0.2400	0.0960	0.2400	12	-	-	12
36	IT	Oct 2008	5688	COKINOS NATURAL GAS COMPANY	-	-		0.2400	0.0960	0.2400	-	-	-	-
37	IT	Nov 2008	5688	COKINOS NATURAL GAS COMPANY	2,401	-		0.2400	0.0960	0.2400	576	-	-	576
38	IT	Dec 2008	5688	COKINOS NATURAL GAS COMPANY	-	7,424		0.2400	0.0960	0.2400	-	713	-	713
39	IT			SHIPPER TOTAL	<u>108,317</u>	<u>153,645</u>	<u>-</u>				<u>\$ 25,996</u>	<u>\$ 14,751</u>	<u>\$ -</u>	<u>\$ 40,747</u>

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	6892	DELTA ENERGY LLC	590,896	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 141,815	\$ -	\$ -	\$ 141,815
2	IT	Feb 2008	6892	DELTA ENERGY LLC	366,312	-		0.2400	0.0960	0.2400	87,915	-	-	87,915
3	IT	Mar 2008	6892	DELTA ENERGY LLC	248,835	-		0.2400	0.0960	0.2400	59,720	-	-	59,720
4	IT	Apr 2008	6892	DELTA ENERGY LLC	64,584	-		0.2400	0.0960	0.2400	15,500	-	-	15,500
5	IT	May 2008	6892	DELTA ENERGY LLC	38,274	-		0.2400	0.0960	0.2400	9,186	-	-	9,186
6	IT	Jun 2008	6892	DELTA ENERGY LLC	35,874	-		0.2400	0.0960	0.2400	8,610	-	-	8,610
7	IT	Jul 2008	6892	DELTA ENERGY LLC	28,990	-		0.2400	0.0960	0.2400	6,958	-	-	6,958
8	IT	Aug 2008	6892	DELTA ENERGY LLC	21,415	-		0.2400	0.0960	0.2400	5,140	-	-	5,140
9	IT	Sep 2008	6892	DELTA ENERGY LLC	5,416	-		0.2400	0.0960	0.2400	1,300	-	-	1,300
10	IT	Oct 2008	6892	DELTA ENERGY LLC	-	-		0.2400	0.0960	0.2400	-	-	-	-
11	IT	Nov 2008	6892	DELTA ENERGY LLC	12,140	-		0.2400	0.0960	0.2400	2,914	-	-	2,914
12	IT	Dec 2008	6892	DELTA ENERGY LLC	28,249	-		0.2400	0.0960	0.2400	6,780	-	-	6,780
13	IT			SHIPPER TOTAL	<u>1,440,985</u>	<u>-</u>	<u>-</u>				<u>\$ 345,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 345,838</u>
14	IT	Jan 2008	4883	DEVON ENERGY PRODUCTION CO LP	363,164	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 87,159	\$ -	\$ -	\$ 87,159
15	IT	Feb 2008	4883	DEVON ENERGY PRODUCTION CO LP	312,580	-		0.2400	0.0960	0.2400	75,019	-	-	75,019
16	IT	Mar 2008	4883	DEVON ENERGY PRODUCTION CO LP	333,760	-		0.2400	0.0960	0.2400	80,102	-	-	80,102
17	IT	Apr 2008	4883	DEVON ENERGY PRODUCTION CO LP	294,837	-		0.2400	0.0960	0.2400	70,761	-	-	70,761
18	IT	May 2008	4883	DEVON ENERGY PRODUCTION CO LP	283,566	-		0.2400	0.0960	0.2400	68,056	-	-	68,056
19	IT	Jun 2008	4883	DEVON ENERGY PRODUCTION CO LP	258,328	-		0.2400	0.0960	0.2400	61,999	-	-	61,999
20	IT	Jul 2008	4883	DEVON ENERGY PRODUCTION CO LP	218,939	-		0.2400	0.0960	0.2400	52,545	-	-	52,545
21	IT	Aug 2008	4883	DEVON ENERGY PRODUCTION CO LP	215,128	-		0.2400	0.0960	0.2400	51,631	-	-	51,631
22	IT	Sep 2008	4883	DEVON ENERGY PRODUCTION CO LP	32,886	-		0.2400	0.0960	0.2400	7,893	-	-	7,893
23	IT	Oct 2008	4883	DEVON ENERGY PRODUCTION CO LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
24	IT	Nov 2008	4883	DEVON ENERGY PRODUCTION CO LP	2,297	-		0.2400	0.0960	0.2400	551	-	-	551
25	IT	Dec 2008	4883	DEVON ENERGY PRODUCTION CO LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
26	IT			SHIPPER TOTAL	<u>2,315,485</u>	<u>-</u>	<u>-</u>				<u>\$ 555,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555,716</u>
27	IT	Jan 2008	5622	EL PASO E&P COMPANY LP	1,177,441	-		\$ 0.1900	\$ 0.0960	\$ 0.1900	\$ 223,714	\$ -	\$ -	\$ 223,714
28	IT	Feb 2008	5622	EL PASO E&P COMPANY LP	1,228,017	-		0.1900	0.0960	0.1900	233,323	-	-	233,323
29	IT	Mar 2008	5622	EL PASO E&P COMPANY LP	1,664,697	-		0.1900	0.0960	0.1900	316,292	-	-	316,292
30	IT	Apr 2008	5622	EL PASO E&P COMPANY LP	1,562,823	-		0.1900	0.0960	0.1900	296,936	-	-	296,936
31	IT	May 2008	5622	EL PASO E&P COMPANY LP	1,597,480	-		0.1900	0.0960	0.1900	303,521	-	-	303,521
32	IT	Jun 2008	5622	EL PASO E&P COMPANY LP	1,631,909	-		0.1900	0.0960	0.1900	310,063	-	-	310,063
33	IT	Jul 2008	5622	EL PASO E&P COMPANY LP	1,589,454	-		0.1900	0.0960	0.1900	301,996	-	-	301,996
34	IT	Aug 2008	5622	EL PASO E&P COMPANY LP	1,463,294	-		0.1900	0.0960	0.1900	278,026	-	-	278,026
35	IT	Sep 2008	5622	EL PASO E&P COMPANY LP	451,345	-		0.1900	0.0960	0.1900	85,756	-	-	85,756
36	IT	Oct 2008	5622	EL PASO E&P COMPANY LP	-	-		0.1900	0.0960	0.1900	-	-	-	-
37	IT	Nov 2008	5622	EL PASO E&P COMPANY LP	495,019	-		0.1900	0.0960	0.1900	94,054	-	-	94,054
38	IT	Dec 2008	5622	EL PASO E&P COMPANY LP	797,315	-		0.1900	0.0960	0.1900	151,490	-	-	151,490
39	IT			SHIPPER TOTAL	<u>13,658,794</u>	<u>-</u>	<u>-</u>				<u>\$ 2,595,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,595,171</u>

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	5622	EL PASO E&P COMPANY LP	108,818	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 26,117	\$ -	\$ -	\$ 26,117
2	IT	Feb 2008	5622	EL PASO E&P COMPANY LP	92,440	-		0.2400	0.0960	0.2400	22,186	-	-	22,186
3	IT	Mar 2008	5622	EL PASO E&P COMPANY LP	90,613	-		0.2400	0.0960	0.2400	21,747	-	-	21,747
4	IT	Apr 2008	5622	EL PASO E&P COMPANY LP	74,705	-		0.2400	0.0960	0.2400	17,929	-	-	17,929
5	IT	May 2008	5622	EL PASO E&P COMPANY LP	82,981	-		0.2400	0.0960	0.2400	19,915	-	-	19,915
6	IT	Jun 2008	5622	EL PASO E&P COMPANY LP	73,866	-		0.2400	0.0960	0.2400	17,728	-	-	17,728
7	IT	Jul 2008	5622	EL PASO E&P COMPANY LP	31,524	-		0.2400	0.0960	0.2400	7,566	-	-	7,566
8	IT	Aug 2008	5622	EL PASO E&P COMPANY LP	12,171	-		0.2400	0.0960	0.2400	2,921	-	-	2,921
9	IT	Sep 2008	5622	EL PASO E&P COMPANY LP	1,047	-		0.2400	0.0960	0.2400	251	-	-	251
10	IT	Oct 2008	5622	EL PASO E&P COMPANY LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
11	IT	Nov 2008	5622	EL PASO E&P COMPANY LP	326	-		0.2400	0.0960	0.2400	78	-	-	78
12	IT	Dec 2008	5622	EL PASO E&P COMPANY LP	6,475	-		0.2400	0.0960	0.2400	1,554	-	-	1,554
13	IT			SHIPPER TOTAL	574,966	-	-				\$ 137,992	\$ -	\$ -	\$ 137,992
14	IT	Jan 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	19,376	25,424		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 4,650	\$ 2,441	\$ -	\$ 7,091
15	IT	Feb 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	9,656	32,068		0.2400	0.0960	0.2400	2,317	3,079	-	5,396
16	IT	Mar 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	23,591	32,204		0.2400	0.0960	0.2400	5,662	3,092	-	8,754
17	IT	Apr 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	30,336	41,907		0.2400	0.0960	0.2400	7,280	4,023	-	11,303
18	IT	May 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	26,658	30,450		0.2400	0.0960	0.2400	6,397	2,923	-	9,320
19	IT	Jun 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	23,901	39,394		0.2400	0.0960	0.2400	5,736	3,782	-	9,518
20	IT	Jul 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	22,133	51,243		0.2400	0.0960	0.2400	5,311	4,919	-	10,230
21	IT	Aug 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	19,870	5,812		0.2400	0.0960	0.2400	4,769	558	-	5,327
22	IT	Sep 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	859	-		0.2400	0.0960	0.2400	206	-	-	206
23	IT	Oct 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
24	IT	Nov 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
25	IT	Dec 2008	5402	HUNT CHIEFTAIN DEVELOPMENT LP	51	12,924		0.2400	0.0960	0.2400	12	1,241	-	1,253
26	IT			SHIPPER TOTAL	176,431	271,426	-				\$ 42,340	\$ 26,058	\$ -	\$ 68,398
27	IT	Jan 2008	6275	HUNT PETROLEUM AEC INC	8,765	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 2,104	\$ -	\$ -	\$ 2,104
28	IT	Feb 2008	6275	HUNT PETROLEUM AEC INC	5,199	-		0.2400	0.0960	0.2400	1,248	-	-	1,248
29	IT	Mar 2008	6275	HUNT PETROLEUM AEC INC	10,499	-		0.2400	0.0960	0.2400	2,520	-	-	2,520
30	IT	Apr 2008	6275	HUNT PETROLEUM AEC INC	15,729	-		0.2400	0.0960	0.2400	3,775	-	-	3,775
31	IT	May 2008	6275	HUNT PETROLEUM AEC INC	17,738	-		0.2400	0.0960	0.2400	4,256	-	-	4,256
32	IT	Jun 2008	6275	HUNT PETROLEUM AEC INC	16,879	-		0.2400	0.0960	0.2400	4,051	-	-	4,051
33	IT	Jul 2008	6275	HUNT PETROLEUM AEC INC	15,958	-		0.2400	0.0960	0.2400	3,830	-	-	3,830
34	IT	Aug 2008	6275	HUNT PETROLEUM AEC INC	14,361	-		0.2400	0.0960	0.2400	3,447	-	-	3,447
35	IT	Sep 2008	6275	HUNT PETROLEUM AEC INC	1,838	-		0.2400	0.0960	0.2400	441	-	-	441
36	IT	Oct 2008	6275	HUNT PETROLEUM AEC INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
37	IT	Nov 2008	6275	HUNT PETROLEUM AEC INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
38	IT	Dec 2008	6275	HUNT PETROLEUM AEC INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
39	IT			SHIPPER TOTAL	106,966	-	-				\$ 25,672	\$ -	\$ -	\$ 25,672

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	7044	LLOG EXPLORATION OFFSHORE INC	1,463,078	-		\$ 0.1400	\$ 0.0960	\$ 0.1400	\$ 204,831	\$ -	\$ -	\$ 204,831
2	IT	Feb 2008	7044	LLOG EXPLORATION OFFSHORE INC	1,175,694	-		0.1400	0.0960	0.1400	164,597	-	-	164,597
3	IT	Mar 2008	7044	LLOG EXPLORATION OFFSHORE INC	1,197,281	-		0.1400	0.0960	0.1400	167,619	-	-	167,619
4	IT	Apr 2008	7044	LLOG EXPLORATION OFFSHORE INC	1,078,724	-		0.1400	0.0960	0.1400	151,021	-	-	151,021
5	IT	May 2008	7044	LLOG EXPLORATION OFFSHORE INC	1,028,907	-		0.1400	0.0960	0.1400	144,047	-	-	144,047
6	IT	Jun 2008	7044	LLOG EXPLORATION OFFSHORE INC	773,953	-		0.1400	0.0960	0.1400	108,353	-	-	108,353
7	IT	Jul 2008	7044	LLOG EXPLORATION OFFSHORE INC	658,969	-		0.1400	0.0960	0.1400	92,256	-	-	92,256
8	IT	Aug 2008	7044	LLOG EXPLORATION OFFSHORE INC	533,177	-		0.1400	0.0960	0.1400	74,645	-	-	74,645
9	IT	Sep 2008	7044	LLOG EXPLORATION OFFSHORE INC	107,814	-		0.1400	0.0960	0.1400	15,094	-	-	15,094
10	IT	Oct 2008	7044	LLOG EXPLORATION OFFSHORE INC	-	-		0.1400	0.0960	0.1400	-	-	-	-
11	IT	Nov 2008	7044	LLOG EXPLORATION OFFSHORE INC	18,126	-		0.1400	0.0960	0.1400	2,538	-	-	2,538
12	IT	Dec 2008	7044	LLOG EXPLORATION OFFSHORE INC	36,989	-		0.1400	0.0960	0.1400	5,178	-	-	5,178
13	IT			SHIPPER TOTAL	8,072,712	-	-				\$ 1,130,179	\$ -	\$ -	\$ 1,130,179
14	IT	Jan 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	2,082,556	214,364		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 499,813	\$ 20,579	\$ -	\$ 520,392
15	IT	Feb 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	2,124,396	166,062		0.2400	0.0960	0.2400	509,855	15,942	-	525,797
16	IT	Mar 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	2,242,568	156,564		0.2400	0.0960	0.2400	538,216	15,030	-	553,246
17	IT	Apr 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	2,275,601	155,456		0.2400	0.0960	0.2400	546,144	14,924	-	561,068
18	IT	May 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,983,048	196,170		0.2400	0.0960	0.2400	475,932	18,832	-	494,764
19	IT	Jun 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,928,567	177,039		0.2400	0.0960	0.2400	462,856	16,996	-	479,852
20	IT	Jul 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	2,015,340	142,723		0.2400	0.0960	0.2400	483,682	13,701	-	497,383
21	IT	Aug 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,913,001	139,027		0.2400	0.0960	0.2400	459,120	13,347	-	472,467
22	IT	Sep 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	361,481	28,573		0.2400	0.0960	0.2400	86,755	2,743	-	89,498
23	IT	Oct 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	-	22,219		0.2400	0.0960	0.2400	-	2,133	-	2,133
24	IT	Nov 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	405,180	38,335		0.2400	0.0960	0.2400	97,243	3,680	-	100,923
25	IT	Dec 2008	5438	LOUIS DREYFUS ENERGY SERVICES LP	734,373	45,760		0.2400	0.0960	0.2400	176,250	4,393	-	180,643
26	IT			SHIPPER TOTAL	18,066,111	1,482,292	-				\$ 4,335,866	\$ 142,300	\$ -	\$ 4,478,166
27	IT	Jan 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	1,142,256	65,172		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 274,141	\$ 6,257	\$ -	\$ 280,398
28	IT	Feb 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	1,019,476	52,320		0.2400	0.0960	0.2400	244,674	5,023	-	249,697
29	IT	Mar 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	980,170	62,227		0.2400	0.0960	0.2400	235,241	5,974	-	241,215
30	IT	Apr 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	859,931	65,727		0.2400	0.0960	0.2400	206,383	6,310	-	212,693
31	IT	May 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	849,150	68,636		0.2400	0.0960	0.2400	203,796	6,589	-	210,385
32	IT	Jun 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	875,487	58,653		0.2400	0.0960	0.2400	210,117	5,631	-	215,748
33	IT	Jul 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	821,184	71,873		0.2400	0.0960	0.2400	197,084	6,900	-	203,984
34	IT	Aug 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	748,974	16,905		0.2400	0.0960	0.2400	179,754	1,623	-	181,377
35	IT	Sep 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	185,916	8,673		0.2400	0.0960	0.2400	44,620	833	-	45,453
36	IT	Oct 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
37	IT	Nov 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	439,872	-		0.2400	0.0960	0.2400	105,569	-	-	105,569
38	IT	Dec 2008	6157	LOUIS DREYFUS ENERGY SERVICES LP	597,544	6,141		0.2400	0.0960	0.2400	143,411	590	-	144,001
39	IT			SHIPPER TOTAL	8,519,960	476,327	-				\$ 2,044,790	\$ 45,730	\$ -	\$ 2,090,520

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	6018	MAGNUM HUNTER PRODUCTION INC		31,499		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ -	\$ 3,024	\$ -	\$ 3,024
2	IT	Feb 2008	6018	MAGNUM HUNTER PRODUCTION INC		15,874		0.2400	0.0960	0.2400	-	1,524	-	1,524
3	IT	Mar 2008	6018	MAGNUM HUNTER PRODUCTION INC		9,570		0.2400	0.0960	0.2400	-	919	-	919
4	IT	Apr 2008	6018	MAGNUM HUNTER PRODUCTION INC		12,415		0.2400	0.0960	0.2400	-	1,192	-	1,192
5	IT	May 2008	6018	MAGNUM HUNTER PRODUCTION INC		12,214		0.2400	0.0960	0.2400	-	1,173	-	1,173
6	IT	Jun 2008	6018	MAGNUM HUNTER PRODUCTION INC		8,901		0.2400	0.0960	0.2400	-	854	-	854
7	IT	Jul 2008	6018	MAGNUM HUNTER PRODUCTION INC		7,454		0.2400	0.0960	0.2400	-	716	-	716
8	IT	Aug 2008	6018	MAGNUM HUNTER PRODUCTION INC		4,461		0.2400	0.0960	0.2400	-	428	-	428
9	IT	Sep 2008	6018	MAGNUM HUNTER PRODUCTION INC		1,528		0.2400	0.0960	0.2400	-	147	-	147
10	IT	Oct 2008	6018	MAGNUM HUNTER PRODUCTION INC		-		0.2400	0.0960	0.2400	-	-	-	-
11	IT	Nov 2008	6018	MAGNUM HUNTER PRODUCTION INC		-		0.2400	0.0960	0.2400	-	-	-	-
12	IT	Dec 2008	6018	MAGNUM HUNTER PRODUCTION INC		-		0.2400	0.0960	0.2400	-	-	-	-
13	IT			SHIPPER TOTAL	-	103,916	-				\$ -	\$ 9,977	\$ -	\$ 9,977
14	IT	Jan 2008	6980	MARINER ENERGY INC ET AL		-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ -	\$ -	\$ -	\$ -
15	IT	Feb 2008	6980	MARINER ENERGY INC ET AL		-		0.2400	0.0960	0.2400	-	-	-	-
16	IT	Mar 2008	6980	MARINER ENERGY INC ET AL		-		0.2400	0.0960	0.2400	-	-	-	-
17	IT	Apr 2008	6980	MARINER ENERGY INC ET AL		-		0.2400	0.0960	0.2400	-	-	-	-
18	IT	May 2008	6980	MARINER ENERGY INC ET AL		-		0.2400	0.0960	0.2400	-	-	-	-
19	IT	Jun 2008	6980	MARINER ENERGY INC ET AL		-		0.2400	0.0960	0.2400	-	-	-	-
20	IT	Jul 2008	6980	MARINER ENERGY INC ET AL		-		0.2400	0.0960	0.2400	-	-	-	-
21	IT	Aug 2008	6980	MARINER ENERGY INC ET AL		-		0.2400	0.0960	0.2400	-	-	-	-
22	IT	Sep 2008	6980	MARINER ENERGY INC ET AL		51,283		0.2400	0.0960	0.2400	-	4,923	-	4,923
23	IT	Oct 2008	6980	MARINER ENERGY INC ET AL		656,718		0.2400	0.0960	0.2400	-	63,045	-	63,045
24	IT	Nov 2008	6980	MARINER ENERGY INC ET AL		383,453		0.2400	0.0960	0.2400	-	36,811	-	36,811
25	IT	Dec 2008	6980	MARINER ENERGY INC ET AL		138,507		0.2400	0.0960	0.2400	-	13,297	-	13,297
26	IT			SHIPPER TOTAL	-	1,229,961	-				\$ -	\$ 118,076	\$ -	\$ 118,076
27	IT	Jan 2008	5686	MINERALS MANAGEMENT SERVICE	1,001,643	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 240,394	\$ -	\$ -	\$ 240,394
28	IT	Feb 2008	5686	MINERALS MANAGEMENT SERVICE	943,309	-		0.2400	0.0960	0.2400	226,394	-	-	226,394
29	IT	Mar 2008	5686	MINERALS MANAGEMENT SERVICE	1,067,742	-		0.2400	0.0960	0.2400	256,258	-	-	256,258
30	IT	Apr 2008	5686	MINERALS MANAGEMENT SERVICE	1,000,354	-		0.2400	0.0960	0.2400	240,085	-	-	240,085
31	IT	May 2008	5686	MINERALS MANAGEMENT SERVICE	969,714	-		0.2400	0.0960	0.2400	232,731	-	-	232,731
32	IT	Jun 2008	5686	MINERALS MANAGEMENT SERVICE	896,342	-		0.2400	0.0960	0.2400	215,122	-	-	215,122
33	IT	Jul 2008	5686	MINERALS MANAGEMENT SERVICE	822,699	-		0.2400	0.0960	0.2400	197,448	-	-	197,448
34	IT	Aug 2008	5686	MINERALS MANAGEMENT SERVICE	730,485	-		0.2400	0.0960	0.2400	175,316	-	-	175,316
35	IT	Sep 2008	5686	MINERALS MANAGEMENT SERVICE	157,224	-		0.2400	0.0960	0.2400	37,734	-	-	37,734
36	IT	Oct 2008	5686	MINERALS MANAGEMENT SERVICE	-	-		0.2400	0.0960	0.2400	-	-	-	-
37	IT	Nov 2008	5686	MINERALS MANAGEMENT SERVICE	-	-		0.2400	0.0960	0.2400	-	-	-	-
38	IT	Dec 2008	5686	MINERALS MANAGEMENT SERVICE	-	-		0.2400	0.0960	0.2400	-	-	-	-
39	IT			SHIPPER TOTAL	7,589,512	-	-				\$ 1,821,482	\$ -	\$ -	\$ 1,821,482



**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	7828	MINERALS MANAGEMENT SERVICE	706,251	92,850		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 169,500	\$ 8,914	\$ -	\$ 178,414
2	IT	Feb 2008	7828	MINERALS MANAGEMENT SERVICE	664,995	76,795		0.2400	0.0960	0.2400	159,599	7,372	-	166,971
3	IT	Mar 2008	7828	MINERALS MANAGEMENT SERVICE	646,557	76,916		0.2400	0.0960	0.2400	155,174	7,384	-	162,558
4	IT	Apr 2008	7828	MINERALS MANAGEMENT SERVICE	504,988	8,618		0.2400	0.0960	0.2400	121,197	827	-	122,024
5	IT	May 2008	7828	MINERALS MANAGEMENT SERVICE	472,599	13,750		0.2400	0.0960	0.2400	113,424	1,320	-	114,744
6	IT	Jun 2008	7828	MINERALS MANAGEMENT SERVICE	478,096	13,081		0.2400	0.0960	0.2400	114,743	1,256	-	115,999
7	IT	Jul 2008	7828	MINERALS MANAGEMENT SERVICE	456,321	7,955		0.2400	0.0960	0.2400	109,517	764	-	110,281
8	IT	Aug 2008	7828	MINERALS MANAGEMENT SERVICE	415,173	2,480		0.2400	0.0960	0.2400	99,642	238	-	99,880
9	IT	Sep 2008	7828	MINERALS MANAGEMENT SERVICE	85,294	1,019		0.2400	0.0960	0.2400	20,471	98	-	20,569
10	IT	Oct 2008	7828	MINERALS MANAGEMENT SERVICE	-	-		0.2400	0.0960	0.2400	-	-	-	-
11	IT	Nov 2008	7828	MINERALS MANAGEMENT SERVICE	-	-		0.2400	0.0960	0.2400	-	-	-	-
12	IT	Dec 2008	7828	MINERALS MANAGEMENT SERVICE	-	-		0.2400	0.0960	0.2400	-	-	-	-
13	IT			SHIPPER TOTAL	<u>4,430,274</u>	<u>293,464</u>	<u>-</u>				<u>\$ 1,063,267</u>	<u>\$ 28,173</u>	<u>\$ -</u>	<u>\$ 1,091,440</u>
14	IT	Jan 2008	5389	NATIONAL ENERGY & TRADE LP	21,809	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 5,234	\$ -	\$ -	\$ 5,234
15	IT	Feb 2008	5389	NATIONAL ENERGY & TRADE LP	24,705	-		0.2400	0.0960	0.2400	5,929	-	-	5,929
16	IT	Mar 2008	5389	NATIONAL ENERGY & TRADE LP	19,588	-		0.2400	0.0960	0.2400	4,701	-	-	4,701
17	IT	Apr 2008	5389	NATIONAL ENERGY & TRADE LP	71,244	-		0.2400	0.0960	0.2400	17,099	-	-	17,099
18	IT	May 2008	5389	NATIONAL ENERGY & TRADE LP	98,940	-		0.2400	0.0960	0.2400	23,746	-	-	23,746
19	IT	Jun 2008	5389	NATIONAL ENERGY & TRADE LP	70,442	-		0.2400	0.0960	0.2400	16,906	-	-	16,906
20	IT	Jul 2008	5389	NATIONAL ENERGY & TRADE LP	65,231	-		0.2400	0.0960	0.2400	15,655	-	-	15,655
21	IT	Aug 2008	5389	NATIONAL ENERGY & TRADE LP	58,788	-		0.2400	0.0960	0.2400	14,109	-	-	14,109
22	IT	Sep 2008	5389	NATIONAL ENERGY & TRADE LP	8,381	-		0.2400	0.0960	0.2400	2,011	-	-	2,011
23	IT	Oct 2008	5389	NATIONAL ENERGY & TRADE LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
24	IT	Nov 2008	5389	NATIONAL ENERGY & TRADE LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
25	IT	Dec 2008	5389	NATIONAL ENERGY & TRADE LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
26	IT			SHIPPER TOTAL	<u>439,128</u>	<u>-</u>	<u>-</u>				<u>\$ 105,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,390</u>
27	IT	Jan 2008	4691	NOBLE ENERGY INC	411,742	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 98,818	\$ -	\$ -	\$ 98,818
28	IT	Feb 2008	4691	NOBLE ENERGY INC	362,367	-		0.2400	0.0960	0.2400	86,968	-	-	86,968
29	IT	Mar 2008	4691	NOBLE ENERGY INC	352,948	-		0.2400	0.0960	0.2400	84,708	-	-	84,708
30	IT	Apr 2008	4691	NOBLE ENERGY INC	272,090	-		0.2400	0.0960	0.2400	65,302	-	-	65,302
31	IT	May 2008	4691	NOBLE ENERGY INC	263,386	-		0.2400	0.0960	0.2400	63,213	-	-	63,213
32	IT	Jun 2008	4691	NOBLE ENERGY INC	236,305	-		0.2400	0.0960	0.2400	56,713	-	-	56,713
33	IT	Jul 2008	4691	NOBLE ENERGY INC	180,490	-		0.2400	0.0960	0.2400	43,318	-	-	43,318
34	IT	Aug 2008	4691	NOBLE ENERGY INC	115,264	-		0.2400	0.0960	0.2400	27,663	-	-	27,663
35	IT	Sep 2008	4691	NOBLE ENERGY INC	20,979	-		0.2400	0.0960	0.2400	5,035	-	-	5,035
36	IT	Oct 2008	4691	NOBLE ENERGY INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
37	IT	Nov 2008	4691	NOBLE ENERGY INC	6,170	-		0.2400	0.0960	0.2400	1,481	-	-	1,481
38	IT	Dec 2008	4691	NOBLE ENERGY INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
39	IT			SHIPPER TOTAL	<u>2,221,741</u>	<u>-</u>	<u>-</u>				<u>\$ 533,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,219</u>

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	43,232	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 10,376	\$ -	\$ -	\$ 10,376
2	IT	Feb 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	44,561	-		0.2400	0.0960	0.2400	10,695	-	-	10,695
3	IT	Mar 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	53,061	-		0.2400	0.0960	0.2400	12,735	-	-	12,735
4	IT	Apr 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	44,156	-		0.2400	0.0960	0.2400	10,597	-	-	10,597
5	IT	May 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	51,591	-		0.2400	0.0960	0.2400	12,382	-	-	12,382
6	IT	Jun 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	64,982	-		0.2400	0.0960	0.2400	15,596	-	-	15,596
7	IT	Jul 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	57,703	-		0.2400	0.0960	0.2400	13,849	-	-	13,849
8	IT	Aug 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	58,271	-		0.2400	0.0960	0.2400	13,985	-	-	13,985
9	IT	Sep 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	9,473	-		0.2400	0.0960	0.2400	2,274	-	-	2,274
10	IT	Oct 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	-	-		0.2400	0.0960	0.2400	-	-	-	-
11	IT	Nov 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	-	-		0.2400	0.0960	0.2400	-	-	-	-
12	IT	Dec 2008	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	-	-		0.2400	0.0960	0.2400	-	-	-	-
13	IT			SHIPPER TOTAL	<u>427,030</u>	<u>-</u>	<u>-</u>				<u>\$ 102,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,489</u>
14	IT	Jan 2008	6034	ONLINE RESOURCE EXCHANGE	14,630	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 3,511	\$ -	\$ -	\$ 3,511
15	IT	Feb 2008	6034	ONLINE RESOURCE EXCHANGE	13,875	-		0.2400	0.0960	0.2400	3,330	-	-	3,330
16	IT	Mar 2008	6034	ONLINE RESOURCE EXCHANGE	13,957	-		0.2400	0.0960	0.2400	3,350	-	-	3,350
17	IT	Apr 2008	6034	ONLINE RESOURCE EXCHANGE	9,763	-		0.2400	0.0960	0.2400	2,343	-	-	2,343
18	IT	May 2008	6034	ONLINE RESOURCE EXCHANGE	9,235	-		0.2400	0.0960	0.2400	2,216	-	-	2,216
19	IT	Jun 2008	6034	ONLINE RESOURCE EXCHANGE	8,377	-		0.2400	0.0960	0.2400	2,010	-	-	2,010
20	IT	Jul 2008	6034	ONLINE RESOURCE EXCHANGE	7,396	-		0.2400	0.0960	0.2400	1,775	-	-	1,775
21	IT	Aug 2008	6034	ONLINE RESOURCE EXCHANGE	7,673	-		0.2400	0.0960	0.2400	1,842	-	-	1,842
22	IT	Sep 2008	6034	ONLINE RESOURCE EXCHANGE	1,044	-		0.2400	0.0960	0.2400	251	-	-	251
23	IT	Oct 2008	6034	ONLINE RESOURCE EXCHANGE	-	-		0.2400	0.0960	0.2400	-	-	-	-
24	IT	Nov 2008	6034	ONLINE RESOURCE EXCHANGE	55	-		0.2400	0.0960	0.2400	13	-	-	13
25	IT	Dec 2008	6034	ONLINE RESOURCE EXCHANGE	-	-		0.2400	0.0960	0.2400	-	-	-	-
26	IT			SHIPPER TOTAL	<u>86,005</u>	<u>-</u>	<u>-</u>				<u>\$ 20,641</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,641</u>
27	IT	Jan 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	30,459	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 7,310	\$ -	\$ -	\$ 7,310
28	IT	Feb 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	27,832	-		0.2400	0.0960	0.2400	6,680	-	-	6,680
29	IT	Mar 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	29,920	-		0.2400	0.0960	0.2400	7,181	-	-	7,181
30	IT	Apr 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	33,850	-		0.2400	0.0960	0.2400	8,124	-	-	8,124
31	IT	May 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	33,602	-		0.2400	0.0960	0.2400	8,064	-	-	8,064
32	IT	Jun 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	35,215	-		0.2400	0.0960	0.2400	8,452	-	-	8,452
33	IT	Jul 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	33,331	-		0.2400	0.0960	0.2400	7,999	-	-	7,999
34	IT	Aug 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	24,415	-		0.2400	0.0960	0.2400	5,860	-	-	5,860
35	IT	Sep 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	-	-		0.2400	0.0960	0.2400	-	-	-	-
36	IT	Oct 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	-	-		0.2400	0.0960	0.2400	-	-	-	-
37	IT	Nov 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	-	-		0.2400	0.0960	0.2400	-	-	-	-
38	IT	Dec 2008	7511	ROSETTA RESOURCES OFFSHORE LLC	-	-		0.2400	0.0960	0.2400	-	-	-	-
39	IT			SHIPPER TOTAL	<u>248,624</u>	<u>-</u>	<u>-</u>				<u>\$ 59,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,670</u>

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	5914	SEQUENT ENERGY MANAGEMENT LP	350,895	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 84,215	\$ -	\$ -	\$ 84,215
2	IT	Feb 2008	5914	SEQUENT ENERGY MANAGEMENT LP	350,087	-		0.2400	0.0960	0.2400	84,021	-	-	84,021
3	IT	Mar 2008	5914	SEQUENT ENERGY MANAGEMENT LP	354,378	-		0.2400	0.0960	0.2400	85,051	-	-	85,051
4	IT	Apr 2008	5914	SEQUENT ENERGY MANAGEMENT LP	60,111	-		0.2400	0.0960	0.2400	14,427	-	-	14,427
5	IT	May 2008	5914	SEQUENT ENERGY MANAGEMENT LP	57,554	-		0.2400	0.0960	0.2400	13,813	-	-	13,813
6	IT	Jun 2008	5914	SEQUENT ENERGY MANAGEMENT LP	52,461	-		0.2400	0.0960	0.2400	12,591	-	-	12,591
7	IT	Jul 2008	5914	SEQUENT ENERGY MANAGEMENT LP	45,183	-		0.2400	0.0960	0.2400	10,844	-	-	10,844
8	IT	Aug 2008	5914	SEQUENT ENERGY MANAGEMENT LP	48,988	-		0.2400	0.0960	0.2400	11,757	-	-	11,757
9	IT	Sep 2008	5914	SEQUENT ENERGY MANAGEMENT LP	6,682	-		0.2400	0.0960	0.2400	1,604	-	-	1,604
10	IT	Oct 2008	5914	SEQUENT ENERGY MANAGEMENT LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
11	IT	Nov 2008	5914	SEQUENT ENERGY MANAGEMENT LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
12	IT	Dec 2008	5914	SEQUENT ENERGY MANAGEMENT LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
13	IT			SHIPPER TOTAL	<u>1,326,339</u>	<u>-</u>	<u>-</u>				<u>\$ 318,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,323</u>
14	IT	Jan 2008	6162	SOUTHWEST ENERGY LP	235,030	50,669		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 56,407	\$ 4,864	\$ -	\$ 61,271
15	IT	Feb 2008	6162	SOUTHWEST ENERGY LP	177,268	35,938		0.2400	0.0960	0.2400	42,544	3,450	-	45,994
16	IT	Mar 2008	6162	SOUTHWEST ENERGY LP	279,127	46,185		0.2400	0.0960	0.2400	66,990	4,434	-	71,424
17	IT	Apr 2008	6162	SOUTHWEST ENERGY LP	260,044	43,201		0.2400	0.0960	0.2400	62,411	4,147	-	66,558
18	IT	May 2008	6162	SOUTHWEST ENERGY LP	206,265	50,227		0.2400	0.0960	0.2400	49,504	4,822	-	54,326
19	IT	Jun 2008	6162	SOUTHWEST ENERGY LP	219,916	39,716		0.2400	0.0960	0.2400	52,780	3,813	-	56,593
20	IT	Jul 2008	6162	SOUTHWEST ENERGY LP	212,506	47,821		0.2400	0.0960	0.2400	51,001	4,591	-	55,592
21	IT	Aug 2008	6162	SOUTHWEST ENERGY LP	168,692	13,765		0.2400	0.0960	0.2400	40,486	1,321	-	41,807
22	IT	Sep 2008	6162	SOUTHWEST ENERGY LP	16,393	8,668		0.2400	0.0960	0.2400	3,934	832	-	4,766
23	IT	Oct 2008	6162	SOUTHWEST ENERGY LP	-	-		0.2400	0.0960	0.2400	-	-	-	-
24	IT	Nov 2008	6162	SOUTHWEST ENERGY LP	3,448	-		0.2400	0.0960	0.2400	828	-	-	828
25	IT	Dec 2008	6162	SOUTHWEST ENERGY LP	12,686	-		0.2400	0.0960	0.2400	3,045	-	-	3,045
26	IT			SHIPPER TOTAL	<u>1,791,375</u>	<u>336,190</u>	<u>-</u>				<u>\$ 429,930</u>	<u>\$ 32,274</u>	<u>\$ -</u>	<u>\$ 462,204</u>
27	IT	Jan 2008	8445	SPN RESOURCES LLC	-	-		\$ 0.1400	\$ 0.0960	\$ 0.1400	\$ -	\$ -	\$ -	\$ -
28	IT	Feb 2008	8445	SPN RESOURCES LLC	-	-		0.1400	0.0960	0.1400	-	-	-	-
29	IT	Mar 2008	8445	SPN RESOURCES LLC	-	-		0.1400	0.0960	0.1400	-	-	-	-
30	IT	Apr 2008	8445	SPN RESOURCES LLC	-	-		0.1400	0.0960	0.1400	-	-	-	-
31	IT	May 2008	8445	SPN RESOURCES LLC	-	-		0.1400	0.0960	0.1400	-	-	-	-
32	IT	Jun 2008	8445	SPN RESOURCES LLC	-	-		0.1400	0.0960	0.1400	-	-	-	-
33	IT	Jul 2008	8445	SPN RESOURCES LLC	370,479	-		0.1400	0.0960	0.1400	51,867	-	-	51,867
34	IT	Aug 2008	8445	SPN RESOURCES LLC	299,758	-		0.1400	0.0960	0.1400	41,966	-	-	41,966
35	IT	Sep 2008	8445	SPN RESOURCES LLC	24,672	-		0.1400	0.0960	0.1400	3,454	-	-	3,454
36	IT	Oct 2008	8445	SPN RESOURCES LLC	-	-		0.1400	0.0960	0.1400	-	-	-	-
37	IT	Nov 2008	8445	SPN RESOURCES LLC	4,149	-		0.1400	0.0960	0.1400	581	-	-	581
38	IT	Dec 2008	8445	SPN RESOURCES LLC	8,465	-		0.1400	0.0960	0.1400	1,185	-	-	1,185
39	IT			SHIPPER TOTAL	<u>707,523</u>	<u>-</u>	<u>-</u>				<u>\$ 99,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,053</u>

**High Island Offshore System, L.L.C.**  
**Base Period Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, Actual**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	Jan 2008	6598	STONE ENERGY CORPORATION	2,075	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 498	\$ -	\$ -	\$ 498
2	IT	Feb 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
3	IT	Mar 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
4	IT	Apr 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
5	IT	May 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
6	IT	Jun 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
7	IT	Jul 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
8	IT	Aug 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
9	IT	Sep 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
10	IT	Oct 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
11	IT	Nov 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
12	IT	Dec 2008	6598	STONE ENERGY CORPORATION		-		0.2400	0.0960	0.2400	-	-	-	-
13	IT			SHIPPER TOTAL	<u>2,075</u>	<u>-</u>	<u>-</u>				<u>\$ 498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498</u>
14	IT	Jan 2008	6610	W & T OFFSHORE INC	-	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ -	\$ -	\$ -	\$ -
15	IT	Feb 2008	6610	W & T OFFSHORE INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
16	IT	Mar 2008	6610	W & T OFFSHORE INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
17	IT	Apr 2008	6610	W & T OFFSHORE INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
18	IT	May 2008	6610	W & T OFFSHORE INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
19	IT	Jun 2008	6610	W & T OFFSHORE INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
20	IT	Jul 2008	6610	W & T OFFSHORE INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
21	IT	Aug 2008	6610	W & T OFFSHORE INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
22	IT	Sep 2008	6610	W & T OFFSHORE INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
23	IT	Oct 2008	6610	W & T OFFSHORE INC	-	-		0.2400	0.0960	0.2400	-	-	-	-
24	IT	Nov 2008	6610	W & T OFFSHORE INC	17,705	-		0.2400	0.0960	0.2400	4,249	-	-	4,249
25	IT	Dec 2008	6610	W & T OFFSHORE INC	<u>55,491</u>	<u>-</u>		<u>0.2400</u>	<u>0.0960</u>	<u>0.2400</u>	<u>13,318</u>	<u>-</u>	<u>-</u>	<u>13,318</u>
26	IT			SHIPPER TOTAL	<u>73,196</u>	<u>-</u>	<u>-</u>				<u>\$ 17,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,567</u>
27	IT	Jan 2008	6718	WALTER OIL & GAS CORPORATION	256,871	-		\$ 0.2400	\$ 0.0960	\$ 0.2400	\$ 61,649	\$ -	\$ -	\$ 61,649
28	IT	Feb 2008	6718	WALTER OIL & GAS CORPORATION	295,033	-		0.2400	0.0960	0.2400	70,808	-	-	70,808
29	IT	Mar 2008	6718	WALTER OIL & GAS CORPORATION	294,641	-		0.2400	0.0960	0.2400	70,714	-	-	70,714
30	IT	Apr 2008	6718	WALTER OIL & GAS CORPORATION	222,350	-		0.2400	0.0960	0.2400	53,364	-	-	53,364
31	IT	May 2008	6718	WALTER OIL & GAS CORPORATION	140,859	-		0.2400	0.0960	0.2400	33,806	-	-	33,806
32	IT	Jun 2008	6718	WALTER OIL & GAS CORPORATION	124,531	-		0.2400	0.0960	0.2400	29,887	-	-	29,887
33	IT	Jul 2008	6718	WALTER OIL & GAS CORPORATION	105,669	-		0.2400	0.0960	0.2400	25,361	-	-	25,361
34	IT	Aug 2008	6718	WALTER OIL & GAS CORPORATION	95,352	-		0.2400	0.0960	0.2400	22,884	-	-	22,884
35	IT	Sep 2008	6718	WALTER OIL & GAS CORPORATION	18,962	-		0.2400	0.0960	0.2400	4,551	-	-	4,551
36	IT	Oct 2008	6718	WALTER OIL & GAS CORPORATION	-	-		0.2400	0.0960	0.2400	-	-	-	-
37	IT	Nov 2008	6718	WALTER OIL & GAS CORPORATION	-	-		0.2400	0.0960	0.2400	-	-	-	-
38	IT	Dec 2008	6718	WALTER OIL & GAS CORPORATION	<u>2,941</u>	<u>-</u>		<u>0.2400</u>	<u>0.0960</u>	<u>0.2400</u>	<u>706</u>	<u>-</u>	<u>-</u>	<u>706</u>
39	IT			SHIPPER TOTAL	<u>1,557,209</u>	<u>-</u>	<u>-</u>				<u>\$ 373,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,730</u>
40	SUB-TOTAL: BASE PERIOD INTERRUPTIBLE TRANSPORTATION				<u>92,705,210</u>	<u>5,347,817</u>	<u>-</u>				<u>\$ 19,992,713</u>	<u>\$ 513,396</u>	<u>\$ -</u>	<u>\$ 20,506,109</u>
41	TOTAL BASE PERIOD FIRM AND INTERRUPTIBLE TRANSPORTATION				<u>102,416,232</u>	<u>5,347,817</u>	<u>1,811,104</u>				<u>\$ 21,449,366</u>	<u>\$ 513,396</u>	<u>\$ 271,666</u>	<u>\$ 22,234,428</u>

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Reservation Quantity (Dth)	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Rate	Short Haul Rate	Overrun Rate	Reservation Revenue	Long Haul Revenue	Short Haul Revenue	Authorized Overrun Revenue	Total Revenue
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	FT-2	January	4855	BP EXPLORATION & PRODUCTION INC		135,718			\$ 0.1500	\$ -	\$ 0.1500	\$ -	\$ 20,358	\$ -	\$ -	\$ 20,358
2	FT-2	February	4855	BP EXPLORATION & PRODUCTION INC		122,584			0.1500	-	0.1500	-	18,388	-	-	18,388
3	FT-2	March	4855	BP EXPLORATION & PRODUCTION INC		135,718			0.1500	-	0.1500	-	20,358	-	-	20,358
4	FT-2	April	4855	BP EXPLORATION & PRODUCTION INC		131,340			0.1500	-	0.1500	-	19,701	-	-	19,701
5	FT-2	May	4855	BP EXPLORATION & PRODUCTION INC		135,718			0.1500	-	0.1500	-	20,358	-	-	20,358
6	FT-2	June	4855	BP EXPLORATION & PRODUCTION INC		131,340			0.1500	-	0.1500	-	19,701	-	-	19,701
7	FT-2	July	4855	BP EXPLORATION & PRODUCTION INC		135,718			0.1500	-	0.1500	-	20,358	-	-	20,358
8	FT-2	August	4855	BP EXPLORATION & PRODUCTION INC		135,718			0.1500	-	0.1500	-	20,358	-	-	20,358
9	FT-2	September	4855	BP EXPLORATION & PRODUCTION INC		131,340			0.1500	-	0.1500	-	19,701	-	-	19,701
10	FT-2	October	4855	BP EXPLORATION & PRODUCTION INC		135,718			0.1500	-	0.1500	-	20,358	-	-	20,358
11	FT-2	November	4855	BP EXPLORATION & PRODUCTION INC		131,340			0.1500	-	0.1500	-	19,701	-	-	19,701
12	FT-2	December	4855	BP EXPLORATION & PRODUCTION INC		135,718			0.1500	-	0.1500	-	20,358	-	-	20,358
13	FT-2			SHIPPER TOTAL		1,597,970	-					\$ -	\$ 239,698	\$ -	\$ -	\$ 239,698
14	FT-2	January	4856	EXXON MOBIL CORPORATION		546,282			\$ 0.1500	\$ -	\$ 0.1500	\$ -	\$ 81,942	\$ -	\$ -	\$ 81,942
15	FT-2	February	4856	EXXON MOBIL CORPORATION		493,416			0.1500	-	0.1500	-	74,012	-	-	74,012
16	FT-2	March	4856	EXXON MOBIL CORPORATION		546,282			0.1500	-	0.1500	-	81,942	-	-	81,942
17	FT-2	April	4856	EXXON MOBIL CORPORATION		528,660			0.1500	-	0.1500	-	79,299	-	-	79,299
18	FT-2	May	4856	EXXON MOBIL CORPORATION		546,282			0.1500	-	0.1500	-	81,942	-	-	81,942
19	FT-2	June	4856	EXXON MOBIL CORPORATION		528,660			0.1500	-	0.1500	-	79,299	-	-	79,299
20	FT-2	July	4856	EXXON MOBIL CORPORATION		546,282			0.1500	-	0.1500	-	81,942	-	-	81,942
21	FT-2	August	4856	EXXON MOBIL CORPORATION		546,282			0.1500	-	0.1500	-	81,942	-	-	81,942
22	FT-2	September	4856	EXXON MOBIL CORPORATION		528,660			0.1500	-	0.1500	-	79,299	-	-	79,299
23	FT-2	October	4856	EXXON MOBIL CORPORATION		546,282			0.1500	-	0.1500	-	81,942	-	-	81,942
24	FT-2	November	4856	EXXON MOBIL CORPORATION		528,660			0.1500	-	0.1500	-	79,299	-	-	79,299
25	FT-2	December	4856	EXXON MOBIL CORPORATION		546,282			0.1500	-	0.1500	-	81,942	-	-	81,942
26	FT-2			SHIPPER TOTAL		6,432,030	-					\$ -	\$ 964,802	\$ -	\$ -	\$ 964,802
27	SUB-TOTAL: BASE PERIOD FIRM TRANSPORTATION, AS ADJUSTED				-	8,030,000	-	-				\$ -	\$ 1,204,500	\$ -	\$ -	\$ 1,204,500

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	4697	ADAMS RESOURCES MKTG	33,608			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 24,907	\$ -	\$ -	\$ 24,907
2	IT	February	4697	ADAMS RESOURCES MKTG	30,355			0.7411	0.1432	0.7411	22,496	-	-	22,496
3	IT	March	4697	ADAMS RESOURCES MKTG	33,608			0.7411	0.1432	0.7411	24,907	-	-	24,907
4	IT	April	4697	ADAMS RESOURCES MKTG	32,523			0.7411	0.1432	0.7411	24,103	-	-	24,103
5	IT	May	4697	ADAMS RESOURCES MKTG	33,608			0.7411	0.1432	0.7411	24,907	-	-	24,907
6	IT	June	4697	ADAMS RESOURCES MKTG	32,522			0.7411	0.1432	0.7411	24,102	-	-	24,102
7	IT	July	4697	ADAMS RESOURCES MKTG	33,608			0.7411	0.1432	0.7411	24,907	-	-	24,907
8	IT	August	4697	ADAMS RESOURCES MKTG	33,608			0.7411	0.1432	0.7411	24,907	-	-	24,907
9	IT	September	4697	ADAMS RESOURCES MKTG	32,523			0.7411	0.1432	0.7411	24,103	-	-	24,103
10	IT	October	4697	ADAMS RESOURCES MKTG	33,608			0.7411	0.1432	0.7411	24,907	-	-	24,907
11	IT	November	4697	ADAMS RESOURCES MKTG	32,523			0.7411	0.1432	0.7411	24,103	-	-	24,103
12	IT	December	4697	ADAMS RESOURCES MKTG	33,608			0.7411	0.1432	0.7411	24,907	-	-	24,907
13	IT			SHIPPER TOTAL	395,702	-					\$ 293,256	\$ -	\$ -	\$ 293,256
14	IT	January	6005	APACHE CORP	154,898	90,898		\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 114,795	\$ 13,017	\$ -	\$ 127,812
15	IT	February	6005	APACHE CORP	139,908	82,101		0.7411	0.1432	0.7411	103,686	11,757	-	115,443
16	IT	March	6005	APACHE CORP	154,898	90,898		0.7411	0.1432	0.7411	114,795	13,017	-	127,812
17	IT	April	6005	APACHE CORP	149,902	87,965		0.7411	0.1432	0.7411	111,092	12,597	-	123,689
18	IT	May	6005	APACHE CORP	154,898	90,898		0.7411	0.1432	0.7411	114,795	13,017	-	127,812
19	IT	June	6005	APACHE CORP	149,902	87,965		0.7411	0.1432	0.7411	111,092	12,597	-	123,689
20	IT	July	6005	APACHE CORP	154,898	90,898		0.7411	0.1432	0.7411	114,795	13,017	-	127,812
21	IT	August	6005	APACHE CORP	154,898	90,898		0.7411	0.1432	0.7411	114,795	13,017	-	127,812
22	IT	September	6005	APACHE CORP	149,902	87,965		0.7411	0.1432	0.7411	111,092	12,597	-	123,689
23	IT	October	6005	APACHE CORP	154,898	90,898		0.7411	0.1432	0.7411	114,795	13,017	-	127,812
24	IT	November	6005	APACHE CORP	149,902	87,965		0.7411	0.1432	0.7411	111,092	12,597	-	123,689
25	IT	December	6005	APACHE CORP	154,898	90,898		0.7411	0.1432	0.7411	114,795	13,017	-	127,812
26	IT			SHIPPER TOTAL	1,823,802	1,070,247					\$ 1,351,619	\$ 153,264	\$ -	\$ 1,504,883
27	IT	January	6719	ARENA ENERGY LLC	244,602			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 181,275	\$ -	\$ -	\$ 181,275
28	IT	February	6719	ARENA ENERGY LLC	220,931			0.7411	0.1432	0.7411	163,732	-	-	163,732
29	IT	March	6719	ARENA ENERGY LLC	244,602			0.7411	0.1432	0.7411	181,275	-	-	181,275
30	IT	April	6719	ARENA ENERGY LLC	236,712			0.7411	0.1432	0.7411	175,427	-	-	175,427
31	IT	May	6719	ARENA ENERGY LLC	244,602			0.7411	0.1432	0.7411	181,275	-	-	181,275
32	IT	June	6719	ARENA ENERGY LLC	236,712			0.7411	0.1432	0.7411	175,427	-	-	175,427
33	IT	July	6719	ARENA ENERGY LLC	244,602			0.7411	0.1432	0.7411	181,275	-	-	181,275
34	IT	August	6719	ARENA ENERGY LLC	244,602			0.7411	0.1432	0.7411	181,275	-	-	181,275
35	IT	September	6719	ARENA ENERGY LLC	236,712			0.7411	0.1432	0.7411	175,427	-	-	175,427
36	IT	October	6719	ARENA ENERGY LLC	244,602			0.7411	0.1432	0.7411	181,275	-	-	181,275
37	IT	November	6719	ARENA ENERGY LLC	236,712			0.7411	0.1432	0.7411	175,427	-	-	175,427
38	IT	December	6719	ARENA ENERGY LLC	244,602			0.7411	0.1432	0.7411	181,275	-	-	181,275
39	IT			SHIPPER TOTAL	2,879,993	-					\$ 2,134,365	\$ -	\$ -	\$ 2,134,365

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	8214	BADGER OIL CORPORATION	564,990			\$ 0.1400	\$ -	\$ 0.1400	\$ 79,099	\$ -	\$ -	\$ 79,099
2	IT	February	8214	BADGER OIL CORPORATION	510,314			0.1400	-	0.1400	71,444	-	-	71,444
3	IT	March	8214	BADGER OIL CORPORATION	564,990			0.1400	-	0.1400	79,099	-	-	79,099
4	IT	April	8214	BADGER OIL CORPORATION	546,765			0.1400	-	0.1400	76,547	-	-	76,547
5	IT	May	8214	BADGER OIL CORPORATION	564,990			0.1400	-	0.1400	79,099	-	-	79,099
6	IT	June	8214	BADGER OIL CORPORATION	546,765			0.1400	-	0.1400	76,547	-	-	76,547
7	IT	July	8214	BADGER OIL CORPORATION	564,990			0.1400	-	0.1400	79,099	-	-	79,099
8	IT	August	8214	BADGER OIL CORPORATION	564,990			0.1400	-	0.1400	79,099	-	-	79,099
9	IT	September	8214	BADGER OIL CORPORATION	546,765			0.1400	-	0.1400	76,547	-	-	76,547
10	IT	October	8214	BADGER OIL CORPORATION	564,990			0.1400	-	0.1400	79,099	-	-	79,099
11	IT	November	8214	BADGER OIL CORPORATION	546,765			0.1400	-	0.1400	76,547	-	-	76,547
12	IT	December	8214	BADGER OIL CORPORATION	564,990			0.1400	-	0.1400	79,099	-	-	79,099
13	IT			SHIPPER TOTAL	6,652,304	-					\$ 931,325	\$ -	\$ -	\$ 931,325
14	IT	January	4681	CHEVRON USA INC	526,071			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 389,871	\$ -	\$ -	\$ 389,871
15	IT	February	4681	CHEVRON USA INC	475,161			0.7411	0.1432	0.7411	352,142	-	-	352,142
16	IT	March	4681	CHEVRON USA INC	526,071			0.7411	0.1432	0.7411	389,871	-	-	389,871
17	IT	April	4681	CHEVRON USA INC	509,101			0.7411	0.1432	0.7411	377,295	-	-	377,295
18	IT	May	4681	CHEVRON USA INC	526,071			0.7411	0.1432	0.7411	389,871	-	-	389,871
19	IT	June	4681	CHEVRON USA INC	509,101			0.7411	0.1432	0.7411	377,295	-	-	377,295
20	IT	July	4681	CHEVRON USA INC	526,071			0.7411	0.1432	0.7411	389,871	-	-	389,871
21	IT	August	4681	CHEVRON USA INC	526,071			0.7411	0.1432	0.7411	389,871	-	-	389,871
22	IT	September	4681	CHEVRON USA INC	509,101			0.7411	0.1432	0.7411	377,295	-	-	377,295
23	IT	October	4681	CHEVRON USA INC	526,071			0.7411	0.1432	0.7411	389,871	-	-	389,871
24	IT	November	4681	CHEVRON USA INC	509,101			0.7411	0.1432	0.7411	377,295	-	-	377,295
25	IT	December	4681	CHEVRON USA INC	526,071			0.7411	0.1432	0.7411	389,871	-	-	389,871
26	IT			SHIPPER TOTAL	6,194,062	-					\$ 4,590,419	\$ -	\$ -	\$ 4,590,419
27	IT	January	5688	COKINOS NATURAL GAS COMPANY	8,798	13,958		\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 6,520	\$ 1,999	\$ -	\$ 8,519
28	IT	February	5688	COKINOS NATURAL GAS COMPANY	7,947	12,607		0.7411	0.1432	0.7411	5,890	1,805	-	7,695
29	IT	March	5688	COKINOS NATURAL GAS COMPANY	8,798	13,958		0.7411	0.1432	0.7411	6,520	1,999	-	8,519
30	IT	April	5688	COKINOS NATURAL GAS COMPANY	8,514	13,508		0.7411	0.1432	0.7411	6,310	1,934	-	8,244
31	IT	May	5688	COKINOS NATURAL GAS COMPANY	8,798	13,958		0.7411	0.1432	0.7411	6,520	1,999	-	8,519
32	IT	June	5688	COKINOS NATURAL GAS COMPANY	8,514	13,508		0.7411	0.1432	0.7411	6,310	1,934	-	8,244
33	IT	July	5688	COKINOS NATURAL GAS COMPANY	8,798	13,958		0.7411	0.1432	0.7411	6,520	1,999	-	8,519
34	IT	August	5688	COKINOS NATURAL GAS COMPANY	8,798	13,958		0.7411	0.1432	0.7411	6,520	1,999	-	8,519
35	IT	September	5688	COKINOS NATURAL GAS COMPANY	8,514	13,508		0.7411	0.1432	0.7411	6,310	1,934	-	8,244
36	IT	October	5688	COKINOS NATURAL GAS COMPANY	8,798	13,958		0.7411	0.1432	0.7411	6,520	1,999	-	8,519
37	IT	November	5688	COKINOS NATURAL GAS COMPANY	8,514	13,508		0.7411	0.1432	0.7411	6,310	1,934	-	8,244
38	IT	December	5688	COKINOS NATURAL GAS COMPANY	8,798	13,958		0.7411	0.1432	0.7411	6,520	1,999	-	8,519
39	IT			SHIPPER TOTAL	103,589	164,345					\$ 76,770	\$ 23,534	\$ -	\$ 100,304

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	6892	DELTA ENERGY LLC	117,046			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 86,743	\$ -	\$ -	\$ 86,743
2	IT	February	6892	DELTA ENERGY LLC	105,719			0.7411	0.1432	0.7411	78,348	-	-	78,348
3	IT	March	6892	DELTA ENERGY LLC	117,046			0.7411	0.1432	0.7411	86,743	-	-	86,743
4	IT	April	6892	DELTA ENERGY LLC	113,270			0.7411	0.1432	0.7411	83,944	-	-	83,944
5	IT	May	6892	DELTA ENERGY LLC	117,046			0.7411	0.1432	0.7411	86,743	-	-	86,743
6	IT	June	6892	DELTA ENERGY LLC	113,270			0.7411	0.1432	0.7411	83,944	-	-	83,944
7	IT	July	6892	DELTA ENERGY LLC	117,046			0.7411	0.1432	0.7411	86,743	-	-	86,743
8	IT	August	6892	DELTA ENERGY LLC	117,046			0.7411	0.1432	0.7411	86,743	-	-	86,743
9	IT	September	6892	DELTA ENERGY LLC	113,270			0.7411	0.1432	0.7411	83,944	-	-	83,944
10	IT	October	6892	DELTA ENERGY LLC	117,046			0.7411	0.1432	0.7411	86,743	-	-	86,743
11	IT	November	6892	DELTA ENERGY LLC	113,270			0.7411	0.1432	0.7411	83,944	-	-	83,944
12	IT	December	6892	DELTA ENERGY LLC	117,046			0.7411	0.1432	0.7411	86,743	-	-	86,743
13	IT			SHIPPER TOTAL	1,378,121	-					\$ 1,021,325	\$ -	\$ -	\$ 1,021,325
14	IT	January	4883	DEVON ENERGY PRODUCTION CO LP	188,079			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 139,385	\$ -	\$ -	\$ 139,385
15	IT	February	4883	DEVON ENERGY PRODUCTION CO LP	169,877			0.7411	0.1432	0.7411	125,896	-	-	125,896
16	IT	March	4883	DEVON ENERGY PRODUCTION CO LP	188,079			0.7411	0.1432	0.7411	139,385	-	-	139,385
17	IT	April	4883	DEVON ENERGY PRODUCTION CO LP	182,011			0.7411	0.1432	0.7411	134,888	-	-	134,888
18	IT	May	4883	DEVON ENERGY PRODUCTION CO LP	188,079			0.7411	0.1432	0.7411	139,385	-	-	139,385
19	IT	June	4883	DEVON ENERGY PRODUCTION CO LP	182,011			0.7411	0.1432	0.7411	134,888	-	-	134,888
20	IT	July	4883	DEVON ENERGY PRODUCTION CO LP	188,079			0.7411	0.1432	0.7411	139,385	-	-	139,385
21	IT	August	4883	DEVON ENERGY PRODUCTION CO LP	188,079			0.7411	0.1432	0.7411	139,385	-	-	139,385
22	IT	September	4883	DEVON ENERGY PRODUCTION CO LP	182,011			0.7411	0.1432	0.7411	134,888	-	-	134,888
23	IT	October	4883	DEVON ENERGY PRODUCTION CO LP	188,079			0.7411	0.1432	0.7411	139,385	-	-	139,385
24	IT	November	4883	DEVON ENERGY PRODUCTION CO LP	182,011			0.7411	0.1432	0.7411	134,888	-	-	134,888
25	IT	December	4883	DEVON ENERGY PRODUCTION CO LP	188,079			0.7411	0.1432	0.7411	139,385	-	-	139,385
26	IT			SHIPPER TOTAL	2,214,474	-					\$ 1,641,143	\$ -	\$ -	\$ 1,641,143
27	IT	January	5622	EL PASO E&P COMPANY LP	1,109,455			\$ 0.6911	\$ 0.1432	\$ 0.6911	\$ 766,744	\$ -	\$ -	\$ 766,744
28	IT	February	5622	EL PASO E&P COMPANY LP	1,002,088			0.6911	0.1432	0.6911	692,543	-	-	692,543
29	IT	March	5622	EL PASO E&P COMPANY LP	1,109,455			0.6911	0.1432	0.6911	766,744	-	-	766,744
30	IT	April	5622	EL PASO E&P COMPANY LP	1,073,666			0.6911	0.1432	0.6911	742,011	-	-	742,011
31	IT	May	5622	EL PASO E&P COMPANY LP	1,109,455			0.6911	0.1432	0.6911	766,744	-	-	766,744
32	IT	June	5622	EL PASO E&P COMPANY LP	1,073,666			0.6911	0.1432	0.6911	742,011	-	-	742,011
33	IT	July	5622	EL PASO E&P COMPANY LP	1,109,455			0.6911	0.1432	0.6911	766,744	-	-	766,744
34	IT	August	5622	EL PASO E&P COMPANY LP	1,109,455			0.6911	0.1432	0.6911	766,744	-	-	766,744
35	IT	September	5622	EL PASO E&P COMPANY LP	1,073,666			0.6911	0.1432	0.6911	742,011	-	-	742,011
36	IT	October	5622	EL PASO E&P COMPANY LP	1,109,455			0.6911	0.1432	0.6911	766,744	-	-	766,744
37	IT	November	5622	EL PASO E&P COMPANY LP	1,073,666			0.6911	0.1432	0.6911	742,011	-	-	742,011
38	IT	December	5622	EL PASO E&P COMPANY LP	1,109,455			0.6911	0.1432	0.6911	766,744	-	-	766,744
39	IT			SHIPPER TOTAL	13,062,937	-					\$ 9,027,795	\$ -	\$ -	\$ 9,027,795



**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	5622	EL PASO E&P COMPANY LP	46,702			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 34,611	\$ -	\$ -	\$ 34,611
2	IT	February	5622	EL PASO E&P COMPANY LP	42,183			0.7411	0.1432	0.7411	31,262	-	-	31,262
3	IT	March	5622	EL PASO E&P COMPANY LP	46,702			0.7411	0.1432	0.7411	34,611	-	-	34,611
4	IT	April	5622	EL PASO E&P COMPANY LP	45,196			0.7411	0.1432	0.7411	33,495	-	-	33,495
5	IT	May	5622	EL PASO E&P COMPANY LP	46,702			0.7411	0.1432	0.7411	34,611	-	-	34,611
6	IT	June	5622	EL PASO E&P COMPANY LP	45,196			0.7411	0.1432	0.7411	33,495	-	-	33,495
7	IT	July	5622	EL PASO E&P COMPANY LP	46,702			0.7411	0.1432	0.7411	34,611	-	-	34,611
8	IT	August	5622	EL PASO E&P COMPANY LP	46,702			0.7411	0.1432	0.7411	34,611	-	-	34,611
9	IT	September	5622	EL PASO E&P COMPANY LP	45,196			0.7411	0.1432	0.7411	33,495	-	-	33,495
10	IT	October	5622	EL PASO E&P COMPANY LP	46,702			0.7411	0.1432	0.7411	34,611	-	-	34,611
11	IT	November	5622	EL PASO E&P COMPANY LP	45,196			0.7411	0.1432	0.7411	33,495	-	-	33,495
12	IT	December	5622	EL PASO E&P COMPANY LP	46,702			0.7411	0.1432	0.7411	34,611	-	-	34,611
13	IT			SHIPPER TOTAL	549,881	-					\$ 407,519	\$ -	\$ -	\$ 407,519
14	IT	January	5402	HUNT CHIEFTAIN DEVELOPMENT LP	14,331	24,657		\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 10,621	\$ 3,531	\$ -	\$ 14,152
15	IT	February	5402	HUNT CHIEFTAIN DEVELOPMENT LP	12,944	22,271		0.7411	0.1432	0.7411	9,593	3,189	-	12,782
16	IT	March	5402	HUNT CHIEFTAIN DEVELOPMENT LP	14,331	24,657		0.7411	0.1432	0.7411	10,621	3,531	-	14,152
17	IT	April	5402	HUNT CHIEFTAIN DEVELOPMENT LP	13,869	23,861		0.7411	0.1432	0.7411	10,278	3,417	-	13,695
18	IT	May	5402	HUNT CHIEFTAIN DEVELOPMENT LP	14,331	24,657		0.7411	0.1432	0.7411	10,621	3,531	-	14,152
19	IT	June	5402	HUNT CHIEFTAIN DEVELOPMENT LP	13,869	23,861		0.7411	0.1432	0.7411	10,278	3,417	-	13,695
20	IT	July	5402	HUNT CHIEFTAIN DEVELOPMENT LP	14,331	24,657		0.7411	0.1432	0.7411	10,621	3,531	-	14,152
21	IT	August	5402	HUNT CHIEFTAIN DEVELOPMENT LP	14,331	24,657		0.7411	0.1432	0.7411	10,621	3,531	-	14,152
22	IT	September	5402	HUNT CHIEFTAIN DEVELOPMENT LP	13,869	23,861		0.7411	0.1432	0.7411	10,278	3,417	-	13,695
23	IT	October	5402	HUNT CHIEFTAIN DEVELOPMENT LP	14,331	24,657		0.7411	0.1432	0.7411	10,621	3,531	-	14,152
24	IT	November	5402	HUNT CHIEFTAIN DEVELOPMENT LP	13,869	23,861		0.7411	0.1432	0.7411	10,278	3,417	-	13,695
25	IT	December	5402	HUNT CHIEFTAIN DEVELOPMENT LP	14,331	24,657		0.7411	0.1432	0.7411	10,621	3,531	-	14,152
26	IT			SHIPPER TOTAL	168,737	290,314					\$ 125,052	\$ 41,574	\$ -	\$ 166,626
27	IT	January	6275	HUNT PETROLEUM AEC INC	8,688			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 6,439	\$ -	\$ -	\$ 6,439
28	IT	February	6275	HUNT PETROLEUM AEC INC	7,848			0.7411	0.1432	0.7411	5,816	-	-	5,816
29	IT	March	6275	HUNT PETROLEUM AEC INC	8,688			0.7411	0.1432	0.7411	6,439	-	-	6,439
30	IT	April	6275	HUNT PETROLEUM AEC INC	8,408			0.7411	0.1432	0.7411	6,231	-	-	6,231
31	IT	May	6275	HUNT PETROLEUM AEC INC	8,688			0.7411	0.1432	0.7411	6,439	-	-	6,439
32	IT	June	6275	HUNT PETROLEUM AEC INC	8,408			0.7411	0.1432	0.7411	6,231	-	-	6,231
33	IT	July	6275	HUNT PETROLEUM AEC INC	8,688			0.7411	0.1432	0.7411	6,439	-	-	6,439
34	IT	August	6275	HUNT PETROLEUM AEC INC	8,688			0.7411	0.1432	0.7411	6,439	-	-	6,439
35	IT	September	6275	HUNT PETROLEUM AEC INC	8,408			0.7411	0.1432	0.7411	6,231	-	-	6,231
36	IT	October	6275	HUNT PETROLEUM AEC INC	8,688			0.7411	0.1432	0.7411	6,439	-	-	6,439
37	IT	November	6275	HUNT PETROLEUM AEC INC	8,408			0.7411	0.1432	0.7411	6,231	-	-	6,231
38	IT	December	6275	HUNT PETROLEUM AEC INC	8,688			0.7411	0.1432	0.7411	6,439	-	-	6,439
39	IT			SHIPPER TOTAL	102,296	-					\$ 75,813	\$ -	\$ -	\$ 75,813

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	7044	LLOG EXPLORATION OFFSHORE INC	655,717			\$ 0.1400	\$ -	\$ 0.1400	\$ 91,800	\$ -	\$ -	\$ 91,800
2	IT	February	7044	LLOG EXPLORATION OFFSHORE INC	592,261			0.1400	-	0.1400	82,917	-	-	82,917
3	IT	March	7044	LLOG EXPLORATION OFFSHORE INC	655,717			0.1400	-	0.1400	91,800	-	-	91,800
4	IT	April	7044	LLOG EXPLORATION OFFSHORE INC	634,565			0.1400	-	0.1400	88,839	-	-	88,839
5	IT	May	7044	LLOG EXPLORATION OFFSHORE INC	655,717			0.1400	-	0.1400	91,800	-	-	91,800
6	IT	June	7044	LLOG EXPLORATION OFFSHORE INC	634,565			0.1400	-	0.1400	88,839	-	-	88,839
7	IT	July	7044	LLOG EXPLORATION OFFSHORE INC	655,717			0.1400	-	0.1400	91,800	-	-	91,800
8	IT	August	7044	LLOG EXPLORATION OFFSHORE INC	655,717			0.1400	-	0.1400	91,800	-	-	91,800
9	IT	September	7044	LLOG EXPLORATION OFFSHORE INC	634,565			0.1400	-	0.1400	88,839	-	-	88,839
10	IT	October	7044	LLOG EXPLORATION OFFSHORE INC	655,717			0.1400	-	0.1400	91,800	-	-	91,800
11	IT	November	7044	LLOG EXPLORATION OFFSHORE INC	634,565			0.1400	-	0.1400	88,839	-	-	88,839
12	IT	December	7044	LLOG EXPLORATION OFFSHORE INC	655,717			0.1400	-	0.1400	91,800	-	-	91,800
13	IT			SHIPPER TOTAL	<u>7,720,540</u>	<u>-</u>					<u>\$ 1,080,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,080,873</u>
14	IT	January	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,467,445	134,657		\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 1,087,523	\$ 19,283	\$ -	\$ 1,106,806
15	IT	February	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,325,435	121,625		0.7411	0.1432	0.7411	982,280	17,417	-	999,697
16	IT	March	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,467,445	134,657		0.7411	0.1432	0.7411	1,087,523	19,283	-	1,106,806
17	IT	April	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,420,108	130,313		0.7411	0.1432	0.7411	1,052,442	18,661	-	1,071,103
18	IT	May	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,467,445	134,657		0.7411	0.1432	0.7411	1,087,523	19,283	-	1,106,806
19	IT	June	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,420,108	130,313		0.7411	0.1432	0.7411	1,052,442	18,661	-	1,071,103
20	IT	July	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,467,445	134,657		0.7411	0.1432	0.7411	1,087,523	19,283	-	1,106,806
21	IT	August	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,467,445	134,657		0.7411	0.1432	0.7411	1,087,523	19,283	-	1,106,806
22	IT	September	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,420,108	130,313		0.7411	0.1432	0.7411	1,052,442	18,661	-	1,071,103
23	IT	October	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,467,445	134,657		0.7411	0.1432	0.7411	1,087,523	19,283	-	1,106,806
24	IT	November	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,420,108	130,313		0.7411	0.1432	0.7411	1,052,442	18,661	-	1,071,103
25	IT	December	5438	LOUIS DREYFUS ENERGY SERVICES LP	1,467,445	134,657		0.7411	0.1432	0.7411	1,087,523	19,283	-	1,106,806
26	IT			SHIPPER TOTAL	<u>17,277,982</u>	<u>1,585,476</u>					<u>\$ 12,804,709</u>	<u>\$ 227,042</u>	<u>\$ -</u>	<u>\$ 13,031,751</u>
27	IT	January	6157	LOUIS DREYFUS ENERGY SERVICES LP	692,046	43,271		\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 512,875	\$ 6,196	\$ -	\$ 519,071
28	IT	February	6157	LOUIS DREYFUS ENERGY SERVICES LP	625,074	39,083		0.7411	0.1432	0.7411	463,242	5,597	-	468,839
29	IT	March	6157	LOUIS DREYFUS ENERGY SERVICES LP	692,046	43,271		0.7411	0.1432	0.7411	512,875	6,196	-	519,071
30	IT	April	6157	LOUIS DREYFUS ENERGY SERVICES LP	669,722	41,875		0.7411	0.1432	0.7411	496,331	5,997	-	502,328
31	IT	May	6157	LOUIS DREYFUS ENERGY SERVICES LP	692,046	43,271		0.7411	0.1432	0.7411	512,875	6,196	-	519,071
32	IT	June	6157	LOUIS DREYFUS ENERGY SERVICES LP	669,722	41,875		0.7411	0.1432	0.7411	496,331	5,997	-	502,328
33	IT	July	6157	LOUIS DREYFUS ENERGY SERVICES LP	692,046	43,271		0.7411	0.1432	0.7411	512,875	6,196	-	519,071
34	IT	August	6157	LOUIS DREYFUS ENERGY SERVICES LP	692,046	43,271		0.7411	0.1432	0.7411	512,875	6,196	-	519,071
35	IT	September	6157	LOUIS DREYFUS ENERGY SERVICES LP	669,722	41,875		0.7411	0.1432	0.7411	496,331	5,997	-	502,328
36	IT	October	6157	LOUIS DREYFUS ENERGY SERVICES LP	692,046	43,271		0.7411	0.1432	0.7411	512,875	6,196	-	519,071
37	IT	November	6157	LOUIS DREYFUS ENERGY SERVICES LP	669,722	41,875		0.7411	0.1432	0.7411	496,331	5,997	-	502,328
38	IT	December	6157	LOUIS DREYFUS ENERGY SERVICES LP	692,046	43,271		0.7411	0.1432	0.7411	512,875	6,196	-	519,071
39	IT			SHIPPER TOTAL	<u>8,148,284</u>	<u>509,480</u>					<u>\$ 6,038,691</u>	<u>\$ 72,957</u>	<u>\$ -</u>	<u>\$ 6,111,648</u>

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	6018	MAGNUM HUNTER PRODUCTION INC	-	9,440		\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ -	\$ 1,352	\$ -	\$ 1,352
2	IT	February	6018	MAGNUM HUNTER PRODUCTION INC	-	8,526		0.7411	0.1432	0.7411	-	1,221	-	1,221
3	IT	March	6018	MAGNUM HUNTER PRODUCTION INC	-	9,440		0.7411	0.1432	0.7411	-	1,352	-	1,352
4	IT	April	6018	MAGNUM HUNTER PRODUCTION INC	-	9,136		0.7411	0.1432	0.7411	-	1,308	-	1,308
5	IT	May	6018	MAGNUM HUNTER PRODUCTION INC	-	9,440		0.7411	0.1432	0.7411	-	1,352	-	1,352
6	IT	June	6018	MAGNUM HUNTER PRODUCTION INC	-	9,136		0.7411	0.1432	0.7411	-	1,308	-	1,308
7	IT	July	6018	MAGNUM HUNTER PRODUCTION INC	-	9,440		0.7411	0.1432	0.7411	-	1,352	-	1,352
8	IT	August	6018	MAGNUM HUNTER PRODUCTION INC	-	9,440		0.7411	0.1432	0.7411	-	1,352	-	1,352
9	IT	September	6018	MAGNUM HUNTER PRODUCTION INC	-	9,136		0.7411	0.1432	0.7411	-	1,308	-	1,308
10	IT	October	6018	MAGNUM HUNTER PRODUCTION INC	-	9,440		0.7411	0.1432	0.7411	-	1,352	-	1,352
11	IT	November	6018	MAGNUM HUNTER PRODUCTION INC	-	9,136		0.7411	0.1432	0.7411	-	1,308	-	1,308
12	IT	December	6018	MAGNUM HUNTER PRODUCTION INC	-	9,440		0.7411	0.1432	0.7411	-	1,352	-	1,352
13	IT			SHIPPER TOTAL	-	111,150					\$ -	\$ 15,917	\$ -	\$ 15,917
14	IT	January	6980	MARINER ENERGY INC ET AL	-	111,734		\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ -	\$ 16,000	\$ -	\$ 16,000
15	IT	February	6980	MARINER ENERGY INC ET AL	-	100,921		0.7411	0.1432	0.7411	-	14,452	-	14,452
16	IT	March	6980	MARINER ENERGY INC ET AL	-	111,734		0.7411	0.1432	0.7411	-	16,000	-	16,000
17	IT	April	6980	MARINER ENERGY INC ET AL	-	108,129		0.7411	0.1432	0.7411	-	15,484	-	15,484
18	IT	May	6980	MARINER ENERGY INC ET AL	-	111,734		0.7411	0.1432	0.7411	-	16,000	-	16,000
19	IT	June	6980	MARINER ENERGY INC ET AL	-	108,129		0.7411	0.1432	0.7411	-	15,484	-	15,484
20	IT	July	6980	MARINER ENERGY INC ET AL	-	111,734		0.7411	0.1432	0.7411	-	16,000	-	16,000
21	IT	August	6980	MARINER ENERGY INC ET AL	-	111,734		0.7411	0.1432	0.7411	-	16,000	-	16,000
22	IT	September	6980	MARINER ENERGY INC ET AL	-	108,129		0.7411	0.1432	0.7411	-	15,484	-	15,484
23	IT	October	6980	MARINER ENERGY INC ET AL	-	111,734		0.7411	0.1432	0.7411	-	16,000	-	16,000
24	IT	November	6980	MARINER ENERGY INC ET AL	-	108,129		0.7411	0.1432	0.7411	-	15,484	-	15,484
25	IT	December	6980	MARINER ENERGY INC ET AL	-	111,734		0.7411	0.1432	0.7411	-	16,000	-	16,000
26	IT			SHIPPER TOTAL	-	1,315,575					\$ -	\$ 188,388	\$ -	\$ 188,388
27	IT	January	5686	MINERALS MANAGEMENT SERVICE	616,469			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 456,865	\$ -	\$ -	\$ 456,865
28	IT	February	5686	MINERALS MANAGEMENT SERVICE	556,811			0.7411	0.1432	0.7411	412,653	-	-	412,653
29	IT	March	5686	MINERALS MANAGEMENT SERVICE	616,469			0.7411	0.1432	0.7411	456,865	-	-	456,865
30	IT	April	5686	MINERALS MANAGEMENT SERVICE	596,583			0.7411	0.1432	0.7411	442,128	-	-	442,128
31	IT	May	5686	MINERALS MANAGEMENT SERVICE	616,469			0.7411	0.1432	0.7411	456,865	-	-	456,865
32	IT	June	5686	MINERALS MANAGEMENT SERVICE	596,583			0.7411	0.1432	0.7411	442,128	-	-	442,128
33	IT	July	5686	MINERALS MANAGEMENT SERVICE	616,469			0.7411	0.1432	0.7411	456,865	-	-	456,865
34	IT	August	5686	MINERALS MANAGEMENT SERVICE	616,469			0.7411	0.1432	0.7411	456,865	-	-	456,865
35	IT	September	5686	MINERALS MANAGEMENT SERVICE	596,583			0.7411	0.1432	0.7411	442,128	-	-	442,128
36	IT	October	5686	MINERALS MANAGEMENT SERVICE	616,469			0.7411	0.1432	0.7411	456,865	-	-	456,865
37	IT	November	5686	MINERALS MANAGEMENT SERVICE	596,583			0.7411	0.1432	0.7411	442,128	-	-	442,128
38	IT	December	5686	MINERALS MANAGEMENT SERVICE	616,469			0.7411	0.1432	0.7411	456,865	-	-	456,865
39	IT			SHIPPER TOTAL	7,258,426	-					\$ 5,379,220	\$ -	\$ -	\$ 5,379,220

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	7828	MINERALS MANAGEMENT SERVICE	359,855	26,660		\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 266,689	\$ 3,818	\$ -	\$ 270,507
2	IT	February	7828	MINERALS MANAGEMENT SERVICE	325,031	24,079		0.7411	0.1432	0.7411	240,880	3,448	-	244,328
3	IT	March	7828	MINERALS MANAGEMENT SERVICE	359,855	26,660		0.7411	0.1432	0.7411	266,689	3,818	-	270,507
4	IT	April	7828	MINERALS MANAGEMENT SERVICE	348,247	25,799		0.7411	0.1432	0.7411	258,086	3,694	-	261,780
5	IT	May	7828	MINERALS MANAGEMENT SERVICE	359,854	26,661		0.7411	0.1432	0.7411	266,688	3,818	-	270,506
6	IT	June	7828	MINERALS MANAGEMENT SERVICE	348,247	25,799		0.7411	0.1432	0.7411	258,086	3,694	-	261,780
7	IT	July	7828	MINERALS MANAGEMENT SERVICE	359,855	26,655		0.7411	0.1432	0.7411	266,689	3,817	-	270,506
8	IT	August	7828	MINERALS MANAGEMENT SERVICE	359,855	26,655		0.7411	0.1432	0.7411	266,689	3,817	-	270,506
9	IT	September	7828	MINERALS MANAGEMENT SERVICE	348,247	25,799		0.7411	0.1432	0.7411	258,086	3,694	-	261,780
10	IT	October	7828	MINERALS MANAGEMENT SERVICE	359,855	26,655		0.7411	0.1432	0.7411	266,689	3,817	-	270,506
11	IT	November	7828	MINERALS MANAGEMENT SERVICE	348,247	25,799		0.7411	0.1432	0.7411	258,086	3,694	-	261,780
12	IT	December	7828	MINERALS MANAGEMENT SERVICE	359,855	26,660		0.7411	0.1432	0.7411	266,689	3,818	-	270,507
13	IT			SHIPPER TOTAL	<u>4,237,003</u>	<u>313,881</u>					<u>\$ 3,140,046</u>	<u>\$ 44,947</u>	<u>\$ -</u>	<u>\$ 3,184,993</u>
14	IT	January	5389	NATIONAL ENERGY & TRADE LP	35,669			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 26,434	\$ -	\$ -	\$ 26,434
15	IT	February	5389	NATIONAL ENERGY & TRADE LP	32,217			0.7411	0.1432	0.7411	23,876	-	-	23,876
16	IT	March	5389	NATIONAL ENERGY & TRADE LP	35,669			0.7411	0.1432	0.7411	26,434	-	-	26,434
17	IT	April	5389	NATIONAL ENERGY & TRADE LP	34,518			0.7411	0.1432	0.7411	25,581	-	-	25,581
18	IT	May	5389	NATIONAL ENERGY & TRADE LP	35,669			0.7411	0.1432	0.7411	26,434	-	-	26,434
19	IT	June	5389	NATIONAL ENERGY & TRADE LP	34,518			0.7411	0.1432	0.7411	25,581	-	-	25,581
20	IT	July	5389	NATIONAL ENERGY & TRADE LP	35,669			0.7411	0.1432	0.7411	26,434	-	-	26,434
21	IT	August	5389	NATIONAL ENERGY & TRADE LP	35,669			0.7411	0.1432	0.7411	26,434	-	-	26,434
22	IT	September	5389	NATIONAL ENERGY & TRADE LP	34,518			0.7411	0.1432	0.7411	25,581	-	-	25,581
23	IT	October	5389	NATIONAL ENERGY & TRADE LP	35,669			0.7411	0.1432	0.7411	26,434	-	-	26,434
24	IT	November	5389	NATIONAL ENERGY & TRADE LP	34,518			0.7411	0.1432	0.7411	25,581	-	-	25,581
25	IT	December	5389	NATIONAL ENERGY & TRADE LP	35,669			0.7411	0.1432	0.7411	26,434	-	-	26,434
26	IT			SHIPPER TOTAL	<u>419,972</u>	<u>-</u>					<u>\$ 311,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,238</u>
27	IT	January	4691	NOBLE ENERGY INC	180,464			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 133,742	\$ -	\$ -	\$ 133,742
28	IT	February	4691	NOBLE ENERGY INC	163,000			0.7411	0.1432	0.7411	120,799	-	-	120,799
29	IT	March	4691	NOBLE ENERGY INC	180,464			0.7411	0.1432	0.7411	133,742	-	-	133,742
30	IT	April	4691	NOBLE ENERGY INC	174,643			0.7411	0.1432	0.7411	129,428	-	-	129,428
31	IT	May	4691	NOBLE ENERGY INC	180,464			0.7411	0.1432	0.7411	133,742	-	-	133,742
32	IT	June	4691	NOBLE ENERGY INC	174,643			0.7411	0.1432	0.7411	129,428	-	-	129,428
33	IT	July	4691	NOBLE ENERGY INC	180,464			0.7411	0.1432	0.7411	133,742	-	-	133,742
34	IT	August	4691	NOBLE ENERGY INC	180,464			0.7411	0.1432	0.7411	133,742	-	-	133,742
35	IT	September	4691	NOBLE ENERGY INC	174,643			0.7411	0.1432	0.7411	129,428	-	-	129,428
36	IT	October	4691	NOBLE ENERGY INC	180,464			0.7411	0.1432	0.7411	133,742	-	-	133,742
37	IT	November	4691	NOBLE ENERGY INC	174,643			0.7411	0.1432	0.7411	129,428	-	-	129,428
38	IT	December	4691	NOBLE ENERGY INC	180,464			0.7411	0.1432	0.7411	133,742	-	-	133,742
39	IT			SHIPPER TOTAL	<u>2,124,820</u>	<u>-</u>					<u>\$ 1,574,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,574,705</u>

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	34,686			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 25,706	\$ -	\$ -	\$ 25,706
2	IT	February	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	31,329			0.7411	0.1432	0.7411	23,218	-	-	23,218
3	IT	March	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	34,686			0.7411	0.1432	0.7411	25,706	-	-	25,706
4	IT	April	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	33,567			0.7411	0.1432	0.7411	24,877	-	-	24,877
5	IT	May	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	34,686			0.7411	0.1432	0.7411	25,706	-	-	25,706
6	IT	June	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	33,567			0.7411	0.1432	0.7411	24,877	-	-	24,877
7	IT	July	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	34,686			0.7411	0.1432	0.7411	25,706	-	-	25,706
8	IT	August	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	34,686			0.7411	0.1432	0.7411	25,706	-	-	25,706
9	IT	September	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	33,567			0.7411	0.1432	0.7411	24,877	-	-	24,877
10	IT	October	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	34,686			0.7411	0.1432	0.7411	25,706	-	-	25,706
11	IT	November	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	33,567			0.7411	0.1432	0.7411	24,877	-	-	24,877
12	IT	December	4736	NORTHWESTERN MUTUAL LIFE INSURANCE CO	34,686			0.7411	0.1432	0.7411	25,706	-	-	25,706
13	IT			SHIPPER TOTAL	<u>408,399</u>	<u>-</u>					<u>\$ 302,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,668</u>
14	IT	January	6034	ONLINE RESOURCE EXCHANGE	6,986			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 5,177	\$ -	\$ -	\$ 5,177
15	IT	February	6034	ONLINE RESOURCE EXCHANGE	6,310			0.7411	0.1432	0.7411	4,676	-	-	4,676
16	IT	March	6034	ONLINE RESOURCE EXCHANGE	6,986			0.7411	0.1432	0.7411	5,177	-	-	5,177
17	IT	April	6034	ONLINE RESOURCE EXCHANGE	6,761			0.7411	0.1432	0.7411	5,011	-	-	5,011
18	IT	May	6034	ONLINE RESOURCE EXCHANGE	6,986			0.7411	0.1432	0.7411	5,177	-	-	5,177
19	IT	June	6034	ONLINE RESOURCE EXCHANGE	6,761			0.7411	0.1432	0.7411	5,011	-	-	5,011
20	IT	July	6034	ONLINE RESOURCE EXCHANGE	6,986			0.7411	0.1432	0.7411	5,177	-	-	5,177
21	IT	August	6034	ONLINE RESOURCE EXCHANGE	6,986			0.7411	0.1432	0.7411	5,177	-	-	5,177
22	IT	September	6034	ONLINE RESOURCE EXCHANGE	6,761			0.7411	0.1432	0.7411	5,011	-	-	5,011
23	IT	October	6034	ONLINE RESOURCE EXCHANGE	6,986			0.7411	0.1432	0.7411	5,177	-	-	5,177
24	IT	November	6034	ONLINE RESOURCE EXCHANGE	6,761			0.7411	0.1432	0.7411	5,011	-	-	5,011
25	IT	December	6034	ONLINE RESOURCE EXCHANGE	6,986			0.7411	0.1432	0.7411	5,177	-	-	5,177
26	IT			SHIPPER TOTAL	<u>82,256</u>	<u>-</u>					<u>\$ 60,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,959</u>
27	IT	January	7511	ROSETTA RESOURCES OFFSHORE LLC	20,195			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 14,967	\$ -	\$ -	\$ 14,967
28	IT	February	7511	ROSETTA RESOURCES OFFSHORE LLC	18,241			0.7411	0.1432	0.7411	13,518	-	-	13,518
29	IT	March	7511	ROSETTA RESOURCES OFFSHORE LLC	20,195			0.7411	0.1432	0.7411	14,967	-	-	14,967
30	IT	April	7511	ROSETTA RESOURCES OFFSHORE LLC	19,543			0.7411	0.1432	0.7411	14,483	-	-	14,483
31	IT	May	7511	ROSETTA RESOURCES OFFSHORE LLC	20,195			0.7411	0.1432	0.7411	14,967	-	-	14,967
32	IT	June	7511	ROSETTA RESOURCES OFFSHORE LLC	19,543			0.7411	0.1432	0.7411	14,483	-	-	14,483
33	IT	July	7511	ROSETTA RESOURCES OFFSHORE LLC	20,195			0.7411	0.1432	0.7411	14,967	-	-	14,967
34	IT	August	7511	ROSETTA RESOURCES OFFSHORE LLC	20,195			0.7411	0.1432	0.7411	14,967	-	-	14,967
35	IT	September	7511	ROSETTA RESOURCES OFFSHORE LLC	19,543			0.7411	0.1432	0.7411	14,483	-	-	14,483
36	IT	October	7511	ROSETTA RESOURCES OFFSHORE LLC	20,195			0.7411	0.1432	0.7411	14,967	-	-	14,967
37	IT	November	7511	ROSETTA RESOURCES OFFSHORE LLC	19,543			0.7411	0.1432	0.7411	14,483	-	-	14,483
38	IT	December	7511	ROSETTA RESOURCES OFFSHORE LLC	20,195			0.7411	0.1432	0.7411	14,967	-	-	14,967
39	IT			SHIPPER TOTAL	<u>237,778</u>	<u>-</u>					<u>\$ 176,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,219</u>

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	5914	SEQUENT ENERGY MANAGEMENT LP	107,734			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 79,842	\$ -	\$ -	\$ 79,842
2	IT	February	5914	SEQUENT ENERGY MANAGEMENT LP	97,308			0.7411	0.1432	0.7411	72,115	-	-	72,115
3	IT	March	5914	SEQUENT ENERGY MANAGEMENT LP	107,734			0.7411	0.1432	0.7411	79,842	-	-	79,842
4	IT	April	5914	SEQUENT ENERGY MANAGEMENT LP	104,258			0.7411	0.1432	0.7411	77,266	-	-	77,266
5	IT	May	5914	SEQUENT ENERGY MANAGEMENT LP	107,734			0.7411	0.1432	0.7411	79,842	-	-	79,842
6	IT	June	5914	SEQUENT ENERGY MANAGEMENT LP	104,258			0.7411	0.1432	0.7411	77,266	-	-	77,266
7	IT	July	5914	SEQUENT ENERGY MANAGEMENT LP	107,734			0.7411	0.1432	0.7411	79,842	-	-	79,842
8	IT	August	5914	SEQUENT ENERGY MANAGEMENT LP	107,734			0.7411	0.1432	0.7411	79,842	-	-	79,842
9	IT	September	5914	SEQUENT ENERGY MANAGEMENT LP	104,258			0.7411	0.1432	0.7411	77,266	-	-	77,266
10	IT	October	5914	SEQUENT ENERGY MANAGEMENT LP	107,734			0.7411	0.1432	0.7411	79,842	-	-	79,842
11	IT	November	5914	SEQUENT ENERGY MANAGEMENT LP	104,258			0.7411	0.1432	0.7411	77,266	-	-	77,266
12	IT	December	5914	SEQUENT ENERGY MANAGEMENT LP	107,734			0.7411	0.1432	0.7411	79,842	-	-	79,842
13	IT			SHIPPER TOTAL	1,268,478	-					\$ 940,073	\$ -	\$ -	\$ 940,073
14	IT	January	6162	SOUTHWEST ENERGY LP	145,507	30,541		\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 107,835	\$ 4,373	\$ -	\$ 112,208
15	IT	February	6162	SOUTHWEST ENERGY LP	131,426	27,585		0.7411	0.1432	0.7411	97,400	3,950	-	101,350
16	IT	March	6162	SOUTHWEST ENERGY LP	145,507	30,541		0.7411	0.1432	0.7411	107,835	4,373	-	112,208
17	IT	April	6162	SOUTHWEST ENERGY LP	140,813	29,556		0.7411	0.1432	0.7411	104,357	4,232	-	108,589
18	IT	May	6162	SOUTHWEST ENERGY LP	145,507	30,541		0.7411	0.1432	0.7411	107,835	4,373	-	112,208
19	IT	June	6162	SOUTHWEST ENERGY LP	140,813	29,556		0.7411	0.1432	0.7411	104,357	4,232	-	108,589
20	IT	July	6162	SOUTHWEST ENERGY LP	145,507	30,541		0.7411	0.1432	0.7411	107,835	4,373	-	112,208
21	IT	August	6162	SOUTHWEST ENERGY LP	145,507	30,541		0.7411	0.1432	0.7411	107,835	4,373	-	112,208
22	IT	September	6162	SOUTHWEST ENERGY LP	140,813	29,556		0.7411	0.1432	0.7411	104,357	4,232	-	108,589
23	IT	October	6162	SOUTHWEST ENERGY LP	145,507	30,541		0.7411	0.1432	0.7411	107,835	4,373	-	112,208
24	IT	November	6162	SOUTHWEST ENERGY LP	140,813	29,556		0.7411	0.1432	0.7411	104,357	4,232	-	108,589
25	IT	December	6162	SOUTHWEST ENERGY LP	145,507	30,541		0.7411	0.1432	0.7411	107,835	4,373	-	112,208
26	IT			SHIPPER TOTAL	1,713,227	359,596					\$ 1,269,673	\$ 51,489	\$ -	\$ 1,321,162
27	IT	January	8445	SPN RESOURCES LLC	57,470			\$ 0.1400	\$ -	\$ 0.1400	\$ 8,046	\$ -	\$ -	\$ 8,046
28	IT	February	8445	SPN RESOURCES LLC	51,908			0.1400	-	0.1400	7,267	-	-	7,267
29	IT	March	8445	SPN RESOURCES LLC	57,470			0.1400	-	0.1400	8,046	-	-	8,046
30	IT	April	8445	SPN RESOURCES LLC	55,616			0.1400	-	0.1400	7,786	-	-	7,786
31	IT	May	8445	SPN RESOURCES LLC	57,470			0.1400	-	0.1400	8,046	-	-	8,046
32	IT	June	8445	SPN RESOURCES LLC	55,616			0.1400	-	0.1400	7,786	-	-	7,786
33	IT	July	8445	SPN RESOURCES LLC	57,470			0.1400	-	0.1400	8,046	-	-	8,046
34	IT	August	8445	SPN RESOURCES LLC	57,470			0.1400	-	0.1400	8,046	-	-	8,046
35	IT	September	8445	SPN RESOURCES LLC	55,616			0.1400	-	0.1400	7,786	-	-	7,786
36	IT	October	8445	SPN RESOURCES LLC	57,470			0.1400	-	0.1400	8,046	-	-	8,046
37	IT	November	8445	SPN RESOURCES LLC	55,616			0.1400	-	0.1400	7,786	-	-	7,786
38	IT	December	8445	SPN RESOURCES LLC	57,470			0.1400	-	0.1400	8,046	-	-	8,046
39	IT			SHIPPER TOTAL	676,662	-					\$ 94,733	\$ -	\$ -	\$ 94,733

**High Island Offshore System, L.L.C.**  
**Test Period As Adjusted Transportation Revenues**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Rate Sched.	Month	Contract No.	Shipper	Long Haul Quantity (Dth)	Short Haul Quantity (Dth)	Authorized Overrun Quantity	Long Haul Commodity Rate	Short Haul Commodity Rate	Overrun Rate	Long Haul Commodity Revenue	Short Haul Commodity Revenue	Authorized Overrun Revenue	Total Revenue
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	IT	January	6598	STONE ENERGY CORPORATION	169			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 125	\$ -	\$ -	\$ 125
2	IT	February	6598	STONE ENERGY CORPORATION	152			0.7411	0.1432	0.7411	113	-	-	113
3	IT	March	6598	STONE ENERGY CORPORATION	169			0.7411	0.1432	0.7411	125	-	-	125
4	IT	April	6598	STONE ENERGY CORPORATION	163			0.7411	0.1432	0.7411	121	-	-	121
5	IT	May	6598	STONE ENERGY CORPORATION	169			0.7411	0.1432	0.7411	125	-	-	125
6	IT	June	6598	STONE ENERGY CORPORATION	163			0.7411	0.1432	0.7411	121	-	-	121
7	IT	July	6598	STONE ENERGY CORPORATION	169			0.7411	0.1432	0.7411	125	-	-	125
8	IT	August	6598	STONE ENERGY CORPORATION	169			0.7411	0.1432	0.7411	125	-	-	125
9	IT	September	6598	STONE ENERGY CORPORATION	163			0.7411	0.1432	0.7411	121	-	-	121
10	IT	October	6598	STONE ENERGY CORPORATION	169			0.7411	0.1432	0.7411	125	-	-	125
11	IT	November	6598	STONE ENERGY CORPORATION	163			0.7411	0.1432	0.7411	121	-	-	121
12	IT	December	6598	STONE ENERGY CORPORATION	169			0.7411	0.1432	0.7411	125	-	-	125
13	IT			SHIPPER TOTAL	<u>1,987</u>	<u>-</u>					<u>\$ 1,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,472</u>
14	IT	January	6610	W & T OFFSHORE INC	5,945			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 4,406	\$ -	\$ -	\$ 4,406
15	IT	February	6610	W & T OFFSHORE INC	5,370			0.7411	0.1432	0.7411	3,980	-	-	3,980
16	IT	March	6610	W & T OFFSHORE INC	5,945			0.7411	0.1432	0.7411	4,406	-	-	4,406
17	IT	April	6610	W & T OFFSHORE INC	5,754			0.7411	0.1432	0.7411	4,264	-	-	4,264
18	IT	May	6610	W & T OFFSHORE INC	5,945			0.7411	0.1432	0.7411	4,406	-	-	4,406
19	IT	June	6610	W & T OFFSHORE INC	5,754			0.7411	0.1432	0.7411	4,264	-	-	4,264
20	IT	July	6610	W & T OFFSHORE INC	5,945			0.7411	0.1432	0.7411	4,406	-	-	4,406
21	IT	August	6610	W & T OFFSHORE INC	5,945			0.7411	0.1432	0.7411	4,406	-	-	4,406
22	IT	September	6610	W & T OFFSHORE INC	5,754			0.7411	0.1432	0.7411	4,264	-	-	4,264
23	IT	October	6610	W & T OFFSHORE INC	5,945			0.7411	0.1432	0.7411	4,406	-	-	4,406
24	IT	November	6610	W & T OFFSHORE INC	5,754			0.7411	0.1432	0.7411	4,264	-	-	4,264
25	IT	December	6610	W & T OFFSHORE INC	5,945			0.7411	0.1432	0.7411	4,406	-	-	4,406
26	IT			SHIPPER TOTAL	<u>70,001</u>	<u>-</u>					<u>\$ 51,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,878</u>
27	IT	January	6718	WALTER OIL & GAS CORPORATION	126,487			\$ 0.7411	\$ 0.1432	\$ 0.7411	\$ 93,740	\$ -	\$ -	\$ 93,740
28	IT	February	6718	WALTER OIL & GAS CORPORATION	114,246			0.7411	0.1432	0.7411	84,668	-	-	84,668
29	IT	March	6718	WALTER OIL & GAS CORPORATION	126,487			0.7411	0.1432	0.7411	93,740	-	-	93,740
30	IT	April	6718	WALTER OIL & GAS CORPORATION	122,406			0.7411	0.1432	0.7411	90,715	-	-	90,715
31	IT	May	6718	WALTER OIL & GAS CORPORATION	126,487			0.7411	0.1432	0.7411	93,740	-	-	93,740
32	IT	June	6718	WALTER OIL & GAS CORPORATION	122,406			0.7411	0.1432	0.7411	90,715	-	-	90,715
33	IT	July	6718	WALTER OIL & GAS CORPORATION	126,487			0.7411	0.1432	0.7411	93,740	-	-	93,740
34	IT	August	6718	WALTER OIL & GAS CORPORATION	126,487			0.7411	0.1432	0.7411	93,740	-	-	93,740
35	IT	September	6718	WALTER OIL & GAS CORPORATION	122,406			0.7411	0.1432	0.7411	90,715	-	-	90,715
36	IT	October	6718	WALTER OIL & GAS CORPORATION	126,487			0.7411	0.1432	0.7411	93,740	-	-	93,740
37	IT	November	6718	WALTER OIL & GAS CORPORATION	122,406			0.7411	0.1432	0.7411	90,715	-	-	90,715
38	IT	December	6718	WALTER OIL & GAS CORPORATION	126,487			0.7411	0.1432	0.7411	93,740	-	-	93,740
39	IT			SHIPPER TOTAL	<u>1,489,279</u>	<u>-</u>					<u>\$ 1,103,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,103,708</u>
40	SUB-TOTAL: BASE PERIOD INTERRUPTIBLE TRANSPORTATION, AS ADJUSTED				88,660,992	5,720,064	-				\$ 56,007,266	\$ 819,112	\$ -	\$ 56,826,378
41	SUB-TOTAL: BASE PERIOD FIRM TRANSPORTATION, AS ADJUSTED				<u>8,030,000</u>	<u>-</u>	<u>-</u>				<u>1,204,500</u>	<u>-</u>	<u>-</u>	<u>1,204,500</u>
42	TOTAL BASE PERIOD FIRM AND INTERRUPTIBLE TRANSPORTATION, AS ADJUSTED				<u>96,690,992</u>	<u>5,720,064</u>	<u>-</u>				<u>\$ 57,211,766</u>	<u>\$ 819,112</u>	<u>\$ -</u>	<u>\$ 58,030,878</u>

**High Island Offshore System, L.L.C.**  
**Test Period Adjustments to Base Period Throughput**

Line No.	Description	Base Period Actuals	Test Period Adjustments				As Adjusted			
			Normalize for Impact of Hurricane Ike	Adjust for Hurricane Outages	Adjust for Expected Throughput	Refunctionalization of Assets to Gathering	Volumes by Segment		Volumes by Receipt	
							Gathering	Transmission	Long Haul	Short Haul
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>FT-2 Longhaul</b>										
1	Transmission	11,522,126	3,840,709	(1,220,609)	(6,112,226) <sup>1/</sup>	(8,030,000)	-	-	-	-
2	Gathering	-	-	-	- <sup>1/</sup>	8,030,000	8,030,000	-	8,030,000	-
3	Total	<u>11,522,126</u>	<u>3,840,709</u>	<u>(1,220,609)</u>	<u>(6,112,226)</u>	<u>-</u>	<u>8,030,000</u>	<u>-</u>	<u>8,030,000</u>	<u>-</u>
<b>FT-2 Shorthaul</b>										
4	Transmission	11,522,126	3,840,709	(1,220,609)	(6,112,226) <sup>1/</sup>	-	-	8,030,000	-	-
5	Gathering	-	-	-	- <sup>1/</sup>	-	-	-	-	-
6	Total	<u>11,522,126</u>	<u>3,840,709</u>	<u>(1,220,609)</u>	<u>(6,112,226)</u>	<u>-</u>	<u>-</u>	<u>8,030,000</u>	<u>-</u>	<u>-</u>
<b>IT Longhaul</b>										
7	Transmission	92,705,210	30,901,737	(9,820,826)	(25,125,129) <sup>2/</sup>	(88,660,992)	-	-	-	-
8	Gathering	-	-	-	- <sup>2/</sup>	88,660,992	88,660,992	-	88,660,992	-
9	Total	<u>92,705,210</u>	<u>30,901,737</u>	<u>(9,820,826)</u>	<u>(25,125,129)</u>	<u>-</u>	<u>88,660,992</u>	<u>-</u>	<u>88,660,992</u>	<u>-</u>
<b>IT Shorthaul</b>										
10	Transmission	98,053,027	32,684,342	(10,387,353)	(25,968,960) <sup>2/</sup>	-	-	94,381,056	-	5,720,064
11	Gathering	-	-	-	- <sup>2/</sup>	-	-	-	-	-
12	Total	<u>98,053,027</u>	<u>32,684,342</u>	<u>(10,387,353)</u>	<u>(25,968,960)</u>	<u>-</u>	<u>-</u>	<u>94,381,056</u>	<u>-</u>	<u>5,720,064</u>
13	Total Longhaul	104,227,336	34,742,446	(11,041,435)	(31,237,355)	(96,690,992)	-	-		
14	Total Shorthaul	-	-	-	-	96,690,992	96,690,992	102,411,056		
15	Total Throughput	<u>104,227,336</u>	<u>34,742,446</u>	<u>(11,041,435)</u>	<u>(31,237,355)</u>	<u>-</u>	<u>96,690,992</u>	<u>102,411,056</u>	<u>96,690,992</u>	<u>5,720,064</u>

1/ FT-2 throughput is based on MDQ's provided by FT-2 shippers.

2/ See testimony of HIOS Witness J. Scott Jenkins.



**Exhibit No. HIO-24**

**Docket No. RP09-  
Schedule G-4**

**High Island Offshore System, L.L.C.**

**At-Risk Revenue**

This schedule is not applicable to High Island Offshore System, L.L.C.

**High Island Offshore System, L.L.C.**  
**Twelve Months Ended December 31, 2008, as Adjusted**  
**Other Revenues**

Line No.	Description	FERC Account No.	Shipper	Base Period			Test Period		
				Volume	Rate	Amount	Volume 1/	Rate	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Transportation of Liquids	Account No. 495	Apache Corporation	89	\$ 1.025	\$ 91	54	\$ 1.025	\$ 55
2	Transportation of Liquids	Account No. 495	Badger Oil Corporation	37,284	1.025	38,216	22,569	1.025	23,133
3	Transportation of Liquids	Account No. 495	Beryl Oil & Gas LP	72,242	1.025	74,048	43,731	1.025	44,825
4	Transportation of Liquids	Account No. 495	LLOG Exploration Offshore Inc	732	1.025	750	443	1.025	454
5	Transportation of Liquids	Account No. 495	Maritech Resources Inc	8,859	1.025	9,080	5,363	1.025	5,497
6	Transportation of Liquids	Account No. 495	McMoran Oil & Gas LLC	2,561	1.025	2,625	1,550	1.025	1,589
7	Transportation of Liquids	Account No. 495	Offshore Shelf LLC	5,007	1.025	5,132	3,031	1.025	3,107
8	Transportation of Liquids	Account No. 495	Stone Energy Corporation	287	1.025	294	174	1.025	178
9	Transportation of Liquids	Account No. 495	Tarpon Operation and Development LLC	1,570	1.025	1,609	950	1.025	974
10	Transportation of Liquids	Account No. 495	Walter Oil & Gas Corporation	27,027	1.025	27,703	16,360	1.025	16,769
11	Transportation of Liquids	Account No. 495	Total - FERC Account No. 495	<u>155,658</u>		<u>\$ 159,549</u>	<u>94,225</u>		<u>\$ 96,581</u> 2/
12	Platform Rental Fees	Account No. 493	Hydro Gulf of Mexico LLC			\$ 14,459			\$ -
13	Platform Rental Fees	Account No. 493	Mariner Gulf of Mexico LLC			21,150			36,257
14	Platform Rental Fees	Account No. 493	Total - FERC Account No. 493			<u>\$ 35,609</u>			<u>\$ 36,257</u> 3/
15			Total Other Revenue			<u>\$ 195,158</u>			<u>\$ 132,838</u>

1/ See Schedule G-5, page 2 of 2.

2/ \$46,900 has been allocated to gathering and \$49,681 has been allocated to transmission. See Schedule I-1(d), page 6.

3/ Entire amount has been allocated to transmission as the revenue is related to the West Cameron Block 167 platform.

High Island Offshore System, L.L.C.  
Liquids Transportation Volumes and Revenues  
2006 - 2008

Line No.	Year (1)	Revenue (2)	Volume (barrels) (3)
1	2006	\$ 468,644 1/	457,214
2	2007	308,940 1/	301,405
3	Annualized 2008 2/	<u>212,732</u>	<u>207,543</u>
4	% Decline 2006 - 2008		-54.6%
5	Estimated Test Period Based on Historical Decline	<u>\$ 96,581</u>	<u>94,225</u>

1/ Actuals per FERC Form No. 2.

2/ HIOS has annualized liquids activity for January 2008 through September 2008 as shown below. Due to Hurricane Ike liquids transportation volumes were zero for the months of October 2008 through December 2008.

2008 Pre-hurricane (Jan. 08 through Sep. 08)	\$ 159,549	155,658
2008 Pre-hurricane annualized	\$ 212,732	207,543

High Island Offshore System, L.L.C.  
Twelve Months Ending December 31, 2008, as Adjusted  
Miscellaneous Revenue

Line No.	Month	Cash Out	Exit Fees 1/	Penalties 2/	Total
	(1)	(2)	(3)	(4)	(5)
1	Jan-08	\$ (56)	\$ -	\$ -	\$ (56)
2	Feb-08	3,173	-	-	3,173
3	Mar-08	26,498	-	-	26,498
4	Apr-08	2,235	-	-	2,235
5	May-08	1,805	-	-	1,805
6	Jun-08	1,975	-	-	1,975
7	Jul-08	3,175	-	-	3,175
8	Aug-08	5,004	-	-	5,004
9	Sep-08	37,593	-	-	37,593
10	Oct-08	58	-	-	58
11	Nov-08	(144,340)	-	-	(144,340)
12	Dec-08	(95)	-	-	(95)
13	Base Period Total	<u>\$ (62,973)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (62,973)</u>
14	Test Period Adjustment 3/	62,973	-	-	62,973
15	As Adjusted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

1/ The HIOS tariff does not provide for the collection of exit fees.

2/ HIOS did not collect any penalty revenues that would require crediting pursuant to Section 27 of the tariff.

3/ Section 8 of the HIOS tariff provides for the treatment of cashout revenues

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**  
**Operation and Maintenance Expenses**  
**Twelve Months Ended December 31, 2008**  
**Actual and As-Adjusted**

FERC																Twelve Months		Twelve Months	
Line	Acct.	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Ended	Adjustments	Ended		
No.	No.														31-Dec-08		31-Dec-08		
															Actual		As-Adjusted		
		(1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)		
<b>Gathering Expenses</b>																			
Operation -																			
1	750	Supervision & engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,975,204	\$ 1,975,204		
2	753	Field lines expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	3,662,198	3,662,198		
3	754	Field Compressor Station exp.	-	-	-	-	-	-	-	-	-	-	-	-	-	1,653,655	1,653,655		
4	756	Measuring & regulation station exp.	-	-	-	-	-	-	-	-	-	-	-	-	-	5,895,326	5,895,326		
5	759	Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	660,614	660,614		
6		Total Operation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,846,997	\$ 13,846,997		
Maintenance -																			
7	761	Supervision & Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,492	\$ 1,492		
8	762	Structures & improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	1,998	1,998		
9	766	Measuring & regulation station equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	5,575	5,575		
10	769	Other Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	911	911		
11		Total Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,976	\$ 9,976		
12		Total Gathering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,856,973	\$ 13,856,973		
<b>Transmission Expenses</b>																			
Operation -																			
13	850	Supervision & engineering	\$ 226,367	\$ 225,083	\$ 227,230	\$ 226,693	\$ 219,996	\$ 220,291	\$ 220,729	\$ 219,035	\$ 219,476	\$ 219,829	\$ 219,624	\$ 220,291	\$ 2,664,644	\$ (1,968,183)	\$ 696,461		
14	851	System control and load dispatching	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
15	852	Communication system expenses	13,758	12,247	6,530	2,221	4,661	4,324	5,159	2,743	9,736	6,293	16,105	8,599	92,376	(65,171)	27,205		
16	853	Compressor station Labor & exp.	(101,300)	78,890	18,280	154,325	113,072	137,470	251,722	196,795	311,351	160,643	(52,655)	894,286	2,162,879	(2,162,879)	-		
17	854	Gas for Compressor Station Fuel	608,986	640,754	679,813	825,196	861,051	539,890	959,298	732,108	546,820	12,652	24,105	10,785	6,441,458	(6,441,458)	-		
18	856	Mains expenses	152,348	264,881	268,833	342,585	529,184	460,834	515,818	504,320	305,797	(872,403)	311,488	1,454,821	4,238,506	(3,060,189)	1,178,317		
19	857	Measuring & regulation station exp.	423,942	439,349	439,177	439,244	439,470	440,167	(114,248)	360,331	362,679	360,133	361,211	351,413	4,302,868	(2,222,374)	2,080,494		
20	859	Other expenses	70,818	54,652	47,823	53,947	48,618	51,935	54,473	59,490	54,756	102,518	56,604	76,677	732,311	(526,382)	205,929		
21	860	Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
22		Total Operation	\$ 1,394,919	\$ 1,715,856	\$ 1,687,686	\$ 2,044,211	\$ 2,216,052	\$ 1,854,911	\$ 1,892,951	\$ 2,074,822	\$ 1,810,615	\$ (10,335)	\$ 936,482	\$ 3,016,872	\$ 20,635,042	\$ (16,446,636)	\$ 4,188,406		
Maintenance -																			
23	861	Supervision & Engineering	\$ 175	\$ 67	\$ 168	\$ -	\$ 82	\$ 135	\$ 116	\$ 119	\$ 292	\$ 109	\$ 186	\$ 207	\$ 1,656	\$ (1,130)	\$ 526		
24	862	Structures & improvements	(13,724)	-	622	-	-	-	13,102	(13,102)	-	13,102	(13,102)	-	-	(13,102)	13,807	705	
25	863	Mains	-	10,433	-	(10,432)	-	-	-	-	-	-	-	-	1	(1)	-		
26	864	Compressor station equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
27	865	Measuring & regulation station equip.	-	-	-	-	-	-	1,488	1,113	1,113	2,026	138	811	6,689	(4,721)	1,968		
28	866	Communication Equipment	630	349	11	39	6,231	61	25	11	15	19	(20)	11	7,382	(7,062)	320		
29	867	Other equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
30		Total Maintenance	\$ (12,919)	\$ 10,849	\$ 801	\$ (10,393)	\$ 6,313	\$ 13,298	\$ (11,473)	\$ 1,243	\$ 14,522	\$ (10,948)	\$ 304	\$ 1,029	\$ 2,626	\$ 893	\$ 3,519		
31		Total Transmission Expenses	\$ 1,382,000	\$ 1,726,705	\$ 1,688,487	\$ 2,033,818	\$ 2,222,365	\$ 1,868,209	\$ 1,881,478	\$ 2,076,065	\$ 1,825,137	\$ (21,283)	\$ 936,786	\$ 3,017,901	\$ 20,637,668	\$ (16,445,743)	\$ 4,191,925		
<b>Customer Account Expenses</b>																			
32	904	Uncollectible Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Admin. &amp; General Expenses</b>																			
33	920	Administrative and general salaries	\$ 386,984	\$ 297,755	\$ 334,453	\$ 329,476	\$ 322,894	\$ 318,235	\$ 311,591	\$ 323,626	\$ 353,032	\$ 336,080	\$ 337,910	\$ 351,831	\$ 4,003,867	\$ 468,779	\$ 4,472,646		
34	921	Office supplies and expenses	5,165	3,307	2,956	2,924	3,378	144	5,945	1,025	406	223	198	728	26,399	19,315	45,714		
35	923	Outside services employed	5,792	6,922	5,792	5,983	8,864	33,703	5,792	5,792	5,792	5,792	2,419	4,420	97,063	(27,943)	69,120		
36	924	Property insurance	480,439	480,467	480,467	480,467	490,230	444,721	416,225	430,839	430,565	430,565	430,565	430,565	5,426,115	2,769,377	8,195,492		
37	925	Injuries and damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
38	926	Employee pensions and benefits	51,346	51,628	51,187	51,187	51,187	51,187	51,187	51,228	51,214	51,187	51,187	51,187	614,912	(33)	614,879		
39	927	Franchise Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
40	928	Regulatory commission expenses	29,874	29,874	21,117	29,874	29,874	29,874	29,874	29,874	29,874	22,322	22,322	22,322	327,075	780,925	1,108,000		
41	930.2	Miscellaneous general expenses	8,634	6,006	5,059	7,385	6,070	6,023	6,439	5,369	11,599	1,505	14,658	1,262	80,009	13,646	93,655		
42		Total Admin. & General Expenses	\$ 968,234	\$ 875,959	\$ 901,031	\$ 907,296	\$ 912,497	\$ 883,887	\$ 827,053	\$ 847,753	\$ 882,482	\$ 847,674	\$ 859,259	\$ 862,315	\$ 10,575,440	\$ 4,024,066	\$ 14,599,506		
43		Total Operation & Maintenance	\$ 2,350,234	\$ 2,602,664	\$ 2,589,518	\$ 2,941,114	\$ 3,134,862	\$ 2,752,096	\$ 2,708,531	\$ 2,923,818	\$ 2,707,619	\$ 826,391	\$ 1,796,045	\$ 3,880,216	\$ 31,213,108	\$ 1,435,296	\$ 32,648,404		

High Island Offshore System, L.L.C.  
Depreciation Expense  
For Twelve Months Ended December 31, 2008, as Adjusted

Line No.	Functional Classification	Balance At		Utility Plant		Rate Design		Balance At		Annual Depreciation Rate (1)	Depreciation
		December 31, 2008 Actual	(2)	Net Additions January 1, 2009 to September 30, 2009	(3)	Refunctionalization	(4)	December 31, 2008 As Adjusted	(5)		
	(1)									(6)	(7)
<u>Depreciable Plant</u>											
1	Intangible Plant	\$ 881,419	\$	-	\$	-	\$	\$ 881,419		0.00%	\$ -
2	Gathering Plant	\$ -	\$	88,820,040	\$	253,703,508	\$	\$ 342,523,548		1.66%	\$ 5,685,891
3	Negative Salvage	\$ -	\$							0.92%	\$ 3,154,125
<u>Transmission Plant</u>											
4	Onshore (Excluding Land)	\$ 1,797,169	\$	-	\$	-	\$	\$ 1,797,169		1.66%	\$ 29,833
5	Offshore	\$ 372,402,612	\$	-	\$	(252,950,450)	\$	\$ 119,452,162		1.66%	\$ 1,982,906
6	Negative Salvage							\$ -		0.00%	\$ -
<u>Communication Plant</u>											
7	Other Equipment	\$ 4,038,569	\$	-	\$	(420,774)	\$	\$ 3,617,795		3.50%	\$ 126,623
8	Asset Retirement Costs	\$ 457,293	\$	-	\$	(332,284)	\$	\$ 125,009		6.59%	\$ 8,238
9		\$ 3,828,654	\$	-	\$	-	\$	\$ 3,828,654		0.00%	\$ -
<u>General Plant</u>											
10	Structures & Improvements	\$ 5,243,314	\$	-	\$	-	\$	\$ 5,243,314		2.17%	\$ 113,780
11	Office Furniture and Equipment	\$ 418,180	\$	-	\$	-	\$	\$ 418,180		6.67%	\$ 27,879
12	Transportation Equipment	\$ 2,938,204	\$	-	\$	-	\$	\$ 2,938,204		0.00%	\$ -
13	Tools, Shop and Garage Equipment	\$ 2,245,049	\$	-	\$	-	\$	\$ 2,245,049		0.00%	\$ -
14	Miscellaneous Equipment	\$ 401,813	\$	-	\$	-	\$	\$ 401,813		0.00%	\$ -
15	Sub-total	\$ 394,652,276	\$	88,820,040	\$	-	\$	\$ 483,472,316			\$ 11,129,275
<u>Non - Depreciable Plant</u>											
16	Land	\$ 985,152	\$	-	\$	-	\$	\$ 985,152			
17	Construction Work in Progress	\$ 1,627,476	\$	(1,627,476)	\$	-	\$	\$ -			
18	Total	\$ 397,254,904	\$	87,192,564	\$	-	\$	\$ 484,457,468			

Note: (1) Intangible Plant is fully depreciated at end of the base period.

**High Island Offshore System, L.L.C.**  
**Calculation of Transmission Plant Depreciation Rate**

Line No.	Description	Reference	Amount
	(1)	(2)	(3)
	<u>Gross Plant at 9/30/2009</u>		
1	Gathering	C-1	\$ 342,523,548
2	Onshore Transmission Plant	C-1	1,797,169
3	Offshore Transmission Plant	C-1	119,452,162
4	Total Gross Plant		<u>463,772,879</u>
5	Gathering	D	\$ (271,122,876)
6	Onshore Transmission	D	\$ (289,674)
7	Offshore Transmission	D	<u>\$ (115,356,421) **</u>
8	Total Accumulated DD&A		<u>\$ (386,768,971)</u>
9	Net Plant	Line 4 + Line 8	\$ 77,003,908
10	Remaining Life		10
11	Annual Depreciation Expense	Line 9 / Line 10	<u>\$ 7,700,391</u>
12	Annual Depreciation Rate	Line 11 / Line 4	<u>1.66%</u>

\*\* Accum DD&A includes \$65.3 MM supplemental depreciation

**High Island Offshore System, L.L.C.**  
**Calculation of Offshore Negative Salvage Amortization Rate**

<b>Line No.</b>	<b>Description</b>	<b>Reference</b>	<b>Amount</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	Negative Salvage Costs	Exhibit No. HIO-91	\$48,005,611
2	Accumulated DD&A	D	<u>\$ (16,464,364)</u>
3	Remaining Negative Salvage to be Collected	Line 1 + Line 2	\$ 31,541,247
4	Remaining Life in Years		10
5	Annual Depreciation Expense	Line 3 / Line 4	<u>\$ 3,154,125</u>
6	Gathering Plant	H-2	342,523,548
7	Annual Offshore Negative Salvage Rate	Line 5 / Line 6	<u>0.92%</u>



**Exhibit No. HIO-30**

**Docket No. RP09-  
Schedule H-2(1)**

**High Island Offshore System, L.L.C.  
Reconciliation of Depreciable Plant**

Reconciliation of the depreciable plant with the aggregate investment in gas plant shown in Statement C is set forth on Statement H (2).

**High Island Offshore System, L.L.C.  
Income Taxes**

<b>Line No.</b>	<b>Particulars</b>	<b>Reference</b>	<b>Detail</b>	<b>Amount</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	Return on Rate Base	Statement B		\$ 10,334,821
2	Less: Return Fiananced by Long Term Debt			<u>\$ (2,645,714)</u>
3	Income Tax Base	Line 1 + Line 2		<u><u>\$ 7,689,107</u></u>
4	State Tax Income Rate	Exhibit HIO-91	5.3045%	
5	Federal Income Tax Rate	Exhibit HIO-91	28.8114%	
6	Adjustment to FIT Rate for SIT Impact	Line 5 -(Line 5 * Line 4)	27.2831%	
7	Federal and State Income Tax Rate	Line 4 + Line 6	32.5876%	
8	Federal and State Income Tax Factor	Line 7 / (1 - Line 7)		<u><u>48.3410%</u></u>
9	Total Federal and State Income Taxes	Line 3 * Line 7		<u><u>\$ 3,716,991</u></u>

Exhibit No. HIO-32

Docket No. RP09-  
Statement H-4

**HIGH ISLAND OFFSHORE SYSTEM**  
**Other Taxes**  
**Twelve Months Ended December 31, 2008 Actual, as Adjusted**

<b>Line No.</b>	<b>Particulars</b>	<b>Twelve Months Ended 31-Dec-08 Actual</b>	<b>Adjustment</b>	<b>Twelve Months Ended 31-Dec-08 As-Adjusted</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	Ad Valorem	\$ 62,664	\$ 15,162	\$ 77,826
2	Payroll Tax	\$ 252,518	\$ -	\$ 252,518
3	Sales Tax	\$ (19)	\$ 19	\$ -
4	Total	<u>\$ 315,163</u>	<u>\$ 15,181</u>	<u>\$ 330,344</u>

**High Island Offshore System, L.L.C.**  
**Overall Cost-of-Service**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

<b>Line No.</b>	<b>Description (1)</b>	<b>Total (2)</b>
1	Operating Expenses	\$ 32,648,404
2	Depreciation	7,975,150
3	Negative Salvage	3,154,125
4	Return	10,334,821
	Taxes	
5	Federal and State Income Tax	3,716,991
6	Other	330,344
7	Total Cost of Service	<u>\$ 58,159,835</u>
8	Revenue Credits	(132,838)
9	Net Cost of Service	<u><u>\$ 58,026,997</u></u>

**High Island Offshore System, L.L.C.**  
**Functionalization of Cost-of-Service**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Description (1)	Total (2)	Gathering (3)	Transmission (4)
1	O&M	\$ 18,048,898	\$ 13,856,973	\$ 4,191,925
2	A&G	14,599,506	10,594,275	4,005,231
3	Total Operating Expenses	\$ 32,648,404	\$ 24,451,248	\$ 8,197,156
4	Depreciation	7,975,150	5,890,129	2,085,021
5	Negative Salvage	3,154,125	3,154,125	-
6	Return	10,334,821	9,542,815	792,006
	Taxes			
7	Federal and State Income	3,716,991	3,432,269	284,722
8	Other	330,344	243,992	86,352
9	Total Cost of Service	<u>\$ 58,159,835</u>	<u>\$ 46,714,578</u>	<u>\$ 11,445,257</u>
10	Revenue Credits	(132,838)	(46,900)	(85,938)
11	Net Cost of Service	<u><u>\$ 58,026,997</u></u>	<u><u>\$ 46,667,678</u></u>	<u><u>\$ 11,359,319</u></u>

**Exhibit No. HIO-35**

**Docket No. RP09-  
Schedule I-1(b)**

**High Island Offshore System, L.L.C.  
Incremental and Non-Incremental Cost of Service**

This schedule is not applicable to HIOS as none of HIOS's facilities are billed on an incremental basis.

**Exhibit No. HIO-36**

**Docket No. RP09-  
Schedule I-1(c)**

**High Island Offshore System, L.L.C.  
Cost of Service by Zone**

This schedule is not applicable as HIOS does not have rates zones.

**High Island Offshore System, L.L.C.**  
**Administrative and General Expenses**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Account No.	Description	Amount	Gas Plant Related	Labor Related	Other
	(1)	(2)	(3)	(4)	(5)	(6)
1	920	Administrative and general salaries	\$ 4,472,646	\$ -	\$ 4,472,646	\$ -
2	921	Office supplies and expenses	45,714	-	45,714	-
3	923	Outside services employed	69,120	-	-	69,120
4	924	Property insurance	8,195,492	8,195,492	-	-
5	925	Injuries and damages	-	-	-	-
6	926	Employee pensions and benefits	614,879	-	614,879	-
7	927	Franchise Requirements	-	-	-	-
8	928	Regulatory commission expenses	1,108,000	-	-	1,108,000
9	930.2	Miscellaneous general expenses	93,655	-	-	93,655
10		Total	<u>\$ 14,599,506</u>	<u>\$ 8,195,492</u>	<u>\$ 5,133,239</u>	<u>\$ 1,270,775</u>
11		Ratio of Gas Plant Related to Labor Related A&G		61.49%	38.51%	
12		Allocation of "Other" (based on ratios on line 11)		<u>\$ 781,400</u>	<u>\$ 489,375</u>	<u>\$ (1,270,775)</u>
13		Total	<u><u>\$ 14,599,506</u></u>	<u><u>\$ 8,976,892</u></u>	<u><u>\$ 5,622,614</u></u>	<u><u>\$ -</u></u>



**High Island Offshore System, L.L.C.**  
**Functional Classification of Administrative and General Expenses**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Description (1)	A&G Expenses Allocated Based on Gas Plant		A&G Expenses Allocated Based on Direct Labor		Total A&G (6)
		Amount (2)	% (3)	Amount (4)	% (5)	
1	Gathering	\$ 6,630,332	73.86% 1/	\$ 3,963,943	70.50% 2/	\$ 10,594,275
2	Transmission	2,346,560	26.14% 3/	1,658,671	29.50% 4/	4,005,231
3	Total	<u>\$ 8,976,892</u>	<u>100.00%</u>	<u>\$ 5,622,614</u>	<u>100.00%</u>	<u>\$ 14,599,506</u>

1/ See Schedule I-1(d), page 7, column 3, line 1.

2/ See Schedule I-1(d), page 7, column 5, line 1.

3/ See Schedule I-1(d), page 7, column 3, line 2.

4/ See Schedule I-1(d), page 7, column 5, line 2.

**High Island Offshore System, L.L.C.**  
**Allocation of Depreciation Expense Related to General and Other Plant**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Description	Depreciation Expense 1/	Allocation Factors		Allocation of Depreciation Expense		Depreciation Expense After Allocation
			Gathering 2/	Transmission 3/	Gathering	Transmission	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Gathering Plant	\$ 5,685,891					\$ 5,890,129
	Transmission Plant						
2	Onshore (excluding land)	\$ 29,833					
3	Offshore (excluding negative salvage)	1,982,906					
4	Total Transmission Plant	\$ 2,012,739					\$ 2,085,021
5	Communication Plant	126,623	73.86%	26.14%	93,524	33,099	
6	Other Equipment	8,238	73.86%	26.14%	6,085	2,153	
	General Plant						
7	Structures & Improvements	\$ 113,780					
8	Office Furniture and Equipment	27,879					
9	Total General Plant	\$ 141,659	73.86%	26.14%	104,629	37,030	
10	Total Depreciation Expense	<u>\$ 7,975,150</u>			<u>\$ 204,238</u>	<u>\$ 72,282</u>	<u>\$ 7,975,150</u>

1/ See Schedule H-2, column 7.

2/ See Schedule I-1(d), page 7, col. 3, line 1.

3/ See Schedule I-1(d), page 7, col. 3, line 2.

**High Island Offshore System, L.L.C.**  
**Allocation of Income and Other Taxes**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Description (1)	Amount (2)	Allocation Factors		Functionalized Amounts After Allocation	
			Gathering (3)	Transmission (4)	Gathering (5)	Transmission (6)
1	Federal and State Income Taxes	\$ 3,716,991	92.34% 1/	7.66% 2/	\$ 3,432,269	\$ 284,722
2	Other Taxes	\$ 330,344	73.86% 3/	26.14% 4/	\$ 243,992	\$ 86,352

1/ See Schedule I-1(d), page 7, column 9, line 1.

2/ See Schedule I-1(d), page 7, column 9, line 2.

3/ See Schedule I-1(d), page 7, column 3, line 1.

4/ See Schedule I-1(d), page 7, column 3, line 2.

**High Island Offshore System, L.L.C.**  
**Functionalization of General, Other Plant and Other Rate Base Items**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Description	Sch. Ref.					Allocation Factors		General and Other		Functionalized Amounts After Allocations		
			Gathering	Transmission	General and Other 1/	Total	Gath. 2/	Trans. 3/	Gathering	Transmission	Gathering	Transmission	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Gas Plant in Service	C	\$ 342,523,548	\$ 121,249,331	\$ 20,684,589	\$ 484,457,468	73.86%	26.14%	\$ 15,277,637	\$ 5,406,952	\$ 357,801,185	\$ 126,656,283	\$ 484,457,468
2	Accumulated DD&A Plant	D	\$ (271,122,876)	\$ (50,287,547)	\$ (18,005,385)	\$ (339,415,808)	73.86%	26.14%	\$ (13,298,777)	\$ (4,706,608)	\$ (284,421,653)	\$ (54,994,155)	\$ (339,415,808)
3	Supplemental Depreciation 4/	D	-	-	-	(65,358,548)	0.00%	100.00%	-	(65,358,548)	-	(65,358,548)	(65,358,548)
4	Negative Salvage 5/	D	-	-	-	(16,464,364)	69.30%	30.70%	(11,410,034)	(5,054,330)	(11,410,034)	(5,054,330)	(16,464,364)
5	Working Capital	E	-	-	\$ 12,863,238		73.86%	26.14%	\$ 9,500,788	\$ 3,362,450	\$ 9,500,788	\$ 3,362,450	\$ 12,863,238
6	Deferred Income Taxes	B-1	-	-	\$ 179,021		73.86%	26.14%	\$ 132,225	\$ 46,796	\$ 132,225	\$ 46,796	\$ 179,021
7	Regulatory Asset	B-2	-	-	\$ 6,417,561		73.86%	26.14%	\$ 4,740,011	\$ 1,677,550	\$ 4,740,011	\$ 1,677,550	\$ 6,417,561
8	Rate Base										\$ 76,342,522	\$ 6,336,046	\$ 82,678,568
9	Rate of Return										12.50%	12.50%	12.50%
10	Return										\$ 9,542,815	\$ 792,006	\$ 10,334,821

1/ Includes general plant, intangible plant, communication equipment, other equipment and asset retirement costs.

2/ See Schedule I-1(d), page 7, col. 3, line 1.

3/ See Schedule I-1(d), page 7, col. 3, line 2.

4/ Supplemental depreciation has been fully allocated to transmission.

5/ Amount allocated to transmission is sufficient enough to fund the liability calculated by HIOS witness Robert C. Byrd. The remainder has been allocated to gathering.

**High Island Offshore System, L.L.C.**  
**Allocation of Other Revenue and Volumes by Functions**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Description	Reference	Amount	Allocation Factor	Functionalized Amount
	(1)	(2)	(3)	(4)	(5)
1	Transportation of Liquids - Volumes, As Adjusted	Sch G-5, pg 1, col. 7, line 11	94,225		
2	Gathering			48.56% 1/	45,756
3	Transmission			51.44% 1/	48,469
4	Total Volume				<u>94,225</u>
5	Transportation of Liquids - Revenue, As Adjusted	Sch G-5, pg 1, col. 9, line 11	\$ 96,581		
6	Gathering			48.56% 1/	\$ 46,900
7	Transmission			51.44% 1/	<u>49,681</u>
8	Total Revenue				<u>\$ 96,581</u>

1/ See Schedule I-1(d), page 7, column 7, line 1.

2/ See Schedule I-1(d), page 7, column 7, line 2.

**High Island Offshore System, L.L.C.**  
**Basis of Allocation of General and Common Costs**  
**For the Twelve Months Ended December 31, 2008, As Adjusted**

Line No.	Description (1)	Gas Plant		Direct Labor		Volumes		Tax Base/Return	
		Amount (2)	% (3)	Amount (4)	% (5)	Amount (6)	% (7)	Amount (8)	% (9)
1	Gathering	\$ 342,523,548	73.86%	\$ 1,975,204	70.50%	96,690,992	48.56%	9,542,815	92.34%
2	Transmission	121,249,331	26.14%	826,646	29.50%	102,411,056	51.44%	792,006	7.66%
3	Total	<u>\$ 463,772,879</u>	<u>100.00%</u>	<u>\$ 2,801,850</u>	<u>100.00%</u>	<u>199,102,048</u>	<u>100.00%</u>	<u>10,334,821</u>	<u>100.00%</u>

**High Island Offshore System, L.L.C.**  
**Classification of Gathering Cost-of-Service**

Line No.	Particulars	Total	Fixed / Reservation	Variable / Usage
	(1)	(2)	(3)	(4)
	Operating Expenses			
1	750 Supervision & engineering	\$ 1,975,204	\$ 1,975,204	\$ -
2	751 Production maps and records	-	-	-
3	753 Field lines expenses	3,662,198	3,662,198	-
4	754 Field compressor station expenses	1,653,655	-	1,653,655
5	755 Field compressor station fuel	-	-	-
6	756 Field measuring and regulating station exp.	5,895,326	5,895,326	-
7	757 Purification expenses	-	-	-
8	759 Other expenses	660,614	660,614	-
9	Total Operation	<u>\$ 13,846,997</u>	<u>\$ 12,193,342</u>	<u>\$ 1,653,655</u>
10	761 Supervision & engineering	\$ 1,492	\$ 1,492	\$ -
11	762 Structures & improvements	1,998	1,998	-
12	764 Field lines	-	-	-
13	765 Field compressor station equip.	-	-	-
14	766 Field measuring & regulation station equip.	5,575	5,575	-
15	767 Purification equipment	-	-	-
16	769 Other equipment	911	911	-
17	Total Maintenance	<u>\$ 9,976</u>	<u>\$ 9,976</u>	<u>\$ -</u>
18	Total Operation and Maintenance	<u>\$ 13,856,973</u>	<u>\$ 12,203,318</u>	<u>\$ 1,653,655</u>
19	Total A&G	<u>\$ 10,594,275</u>	<u>\$ 10,594,275</u>	<u>\$ -</u>
20	Total Gathering Operating Expenses	<u>\$ 24,451,248</u>	<u>\$ 22,797,593</u>	<u>\$ 1,653,655</u>
21	Depreciation	\$ 5,890,129	\$ 5,890,129	\$ -
22	Negative Salvage	3,154,125	3,154,125	-
23	Return	9,542,815	9,542,815	-
	Taxes			
24	Federal income	3,432,269	3,432,269	-
25	Other	243,992	243,992	-
26	Total Cost of Service	<u>\$ 46,714,578</u>	<u>\$ 45,060,923</u>	<u>\$ 1,653,655</u>
27	Revenue Credits	(46,900)	(46,900)	-
28	Net Gathering Cost of Service	<u><u>\$ 46,667,678</u></u>	<u><u>\$ 45,014,023</u></u>	<u><u>\$ 1,653,655</u></u>

**High Island Offshore System, L.L.C.**  
**Classification of Transmission Cost-of-Service**

Line No.	Particulars	Total	Fixed / Reservation	Variable / Usage
	(1)	(2)	(3)	(4)
	Operating Expenses			
1	850 Supervision & engineering	\$ 696,461	\$ 696,461	\$ -
2	851 System control and load dispatching	-	-	-
3	852 Communication system expenses	27,205	27,205	-
4	853 Compressor station Labor & exp.	-	-	-
5	854 Gas for Compressor Station Fuel	-	-	-
6	856 Mains expenses	1,178,317	1,178,317	-
7	857 Measuring & regulation station exp.	2,080,494	2,080,494	-
8	859 Other expenses	205,929	205,929	-
9	860 Rents	-	-	-
10	Total Operation	<u>\$ 4,188,406</u>	<u>\$ 4,188,406</u>	<u>\$ -</u>
11	861 Supervision & Engineering	\$ 526	\$ 526	\$ -
12	862 Structures & improvements	705	705	-
13	863 Mains	-	-	-
14	864 Compressor station equip.	-	-	-
15	865 Measuring & regulation station equip.	1,968	1,968	-
16	866 Communication Equipment	320	320	-
17	867 Other equipment	-	-	-
18	Total Maintenance	<u>\$ 3,519</u>	<u>\$ 3,519</u>	<u>\$ -</u>
19	Total Operation and Maintenance	<u>\$ 4,191,925</u>	<u>\$ 4,191,925</u>	<u>\$ -</u>
20	Total A&G	<u>\$ 4,005,231</u>	<u>\$ 4,005,231</u>	<u>\$ -</u>
21	Total Operating Expenses	<u>\$ 8,197,156</u>	<u>\$ 8,197,156</u>	<u>\$ -</u>
22	Depreciation	\$ 2,085,021	\$ 2,085,021	\$ -
23	Negative Salvage	-	-	-
24	Return	792,006	792,006	-
	Taxes			
25	Federal income	284,722	284,722	-
26	Other	86,352	86,352	-
27	Total Cost of Service	<u>\$ 11,445,257</u>	<u>\$ 11,445,257</u>	<u>\$ -</u>
28	Revenue Credits	(85,938)	(85,938)	-
29	Net Transmission Cost of Service	<u><u>\$ 11,359,319</u></u>	<u><u>\$ 11,359,319</u></u>	<u><u>\$ -</u></u>



**Exhibit No. HIO-39**

**Docket No. RP09-  
Schedule I-3**

**High Island Offshore System, L.L.C.  
Allocation of Cost of Service**

This schedule is not applicable to HIOS as HIOS does not allocate costs to bundled services, market-based rate services or rate zones.

**Exhibit No. HIO-40**

**Docket No. RP09-  
Schedule I-4**

**High Island Offshore System, L.L.C.  
Transmission and Compression of Gas By Others**

This schedule is not applicable to HIOS as HIOS does not have any contracts with third parties for transportation and compression of gas by others (FERC Account No. 858).

**High Island Offshore System, L.L.C.**  
**Gas Account - Natural Gas**  
**Twelve Months Ended December 31, 2008, Actual and As Adjusted**  
**Volumes in Dth @ 14.73 PSIA**

Line No.	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
	<u>GAS RECEIVED</u>									
1	Long Haul Gas of Others Received (Account 489.2)	-	-	-	-	-	-	-		
2	Short Haul Gas of Others Received (Account 489.2)	14,423,038	13,332,535	13,638,371	12,923,350	12,287,720	11,781,959	10,974,437		
3	Gas Received from Shippers as Compressor Station Fuel	46,279	52,211	209,614	67,215	156,476	183,331	119,537		
4	Other Receipts	284,146	272,896	318,705	294,458	309,998	273,970	286,662		
5	Total Receipts	<u>14,753,463</u>	<u>13,657,642</u>	<u>14,166,690</u>	<u>13,285,023</u>	<u>12,754,194</u>	<u>12,239,260</u>	<u>11,380,636</u>		
	<u>GAS DELIVERED</u>									
6	Long Haul Gas of Others Delivered (Account 489.2)	-	-	-	-	-	-	-		
7	Short Haul Gas of Others Delivered (Account 489.2)	14,423,054	13,327,562	13,641,817	12,923,191	12,290,400	11,784,897	10,969,447		
8	Gas Used for Compressor Station Fuel	80,598	82,004	88,922	85,762	48,595	77,114	63,386		
9	Other Deliveries	284,067	277,738	315,117	294,515	307,258	270,926	291,546		
10	Total Deliveries	<u>14,787,719</u>	<u>13,687,304</u>	<u>14,045,856</u>	<u>13,303,468</u>	<u>12,646,253</u>	<u>12,132,937</u>	<u>11,324,379</u>		
11	Gas Unaccounted For	(34,256)	(29,662)	120,834	(18,445)	107,941	106,323	56,257		
12	Total Deliveries and Unaccounted For	<u>14,753,463</u>	<u>13,657,642</u>	<u>14,166,690</u>	<u>13,285,023</u>	<u>12,754,194</u>	<u>12,239,260</u>	<u>11,380,636</u>		
							<b>Twelve Months Ended Dec 31, 2008, Actual</b>	<b>Adjustments</b>	<b>Twelve Months Ended Dec 31, 2008, As Adjusted</b>	
		<b>Aug-08</b>	<b>Sep-08</b>	<b>Oct-08</b>	<b>Nov-08</b>	<b>Dec-08</b>	<b>(7)</b>	<b>(8)</b>	<b>(9)</b>	
		<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>				
	<u>GAS RECEIVED</u>									
13	Long Haul Gas of Others Received (Account 489.2)	-	-	-	-	-	-	96,690,992	96,690,992	
14	Short Haul Gas of Others Received (Account 489.2)	10,122,689	2,332,315	762,978	2,272,904	3,450,585	108,302,881	(102,582,817)	5,720,064	
15	Gas Received from Shippers as Compressor Station Fuel	29,057	(102,520)	3,587	90,281	420,790	1,275,858	(136,793)	1,139,065	
16	Other Receipts	267,853	37,076	212,273	51,529	8,577	2,618,143	(280,709)	2,337,434	
17	Total Receipts	<u>10,419,599</u>	<u>2,266,871</u>	<u>978,838</u>	<u>2,414,714</u>	<u>3,879,952</u>	<u>112,196,882</u>	<u>(6,309,327)</u>	<u>105,887,555</u>	
	<u>GAS DELIVERED</u>									
18	Long Haul Gas of Others Delivered (Account 489.2)	-	-	-	-	-	-	96,690,992	96,690,992	
19	Short Haul Gas of Others Delivered (Account 489.2)	10,128,902	2,341,822	763,144	2,239,756	3,452,105	108,286,097	(102,566,033)	5,720,064	
20	Gas Used for Compressor Station Fuel	65,331	1,656	3,587	1,644	1,391	599,990	539,075	1,139,065	
21	Other Deliveries	261,652	27,563	212,273	84,263	7,041	2,633,959	(296,525)	2,337,434	
22	Total Deliveries	<u>10,455,885</u>	<u>2,371,041</u>	<u>979,004</u>	<u>2,325,663</u>	<u>3,460,537</u>	<u>111,520,046</u>	<u>(5,632,491)</u>	<u>105,887,555</u>	
23	Gas Unaccounted For	(36,286)	(104,170)	(166)	89,051	419,415	676,836	(676,836)	-	
24	Total Deliveries and Unaccounted For	<u>10,419,599</u>	<u>2,266,871</u>	<u>978,838</u>	<u>2,414,714</u>	<u>3,879,952</u>	<u>112,196,882</u>	<u>(6,309,327)</u>	<u>105,887,555</u>	

**High Island Offshore System, L.L.C.  
Comparison and Reconciliation  
Revenues With Cost-of-Service  
12 Months Ended December 31, 2008, As Adjusted**

<b>Line No.</b>	<b>Description (1)</b>	<b>Reference (2)</b>	<b>Amount (3)</b>
	<b>Transmission Revenues by Rate Schedule -</b>		
1	FT-1		\$ -
2	FT-2	Stmt G, pg 1, col 11, line 6	1,204,500
3	IT - LH	Stmt G, pg 1, col 6, line 7	56,007,266
4	IT - SH	Stmt G, pg 1, col 10, line 7	819,112
5	Total Revenues, As Adjusted		<u>\$ 58,030,878</u>
6	<b>Cost of Service</b>	Schedule I-1	<u>\$ 58,026,997</u> 1/
7	<b>Revenue Excess/(Deficiency)</b>		<u><u>\$ 3,881</u></u>

1/ HIOS has allocated costs to transmission and gathering, but not to rate schedules. HIOS has calculated a system-wide rate for each service type and rates are derived from the system-wide rate. See Schedule J-2.

High Island Offshore System, L.L.C.  
Calculation of Rate Design Determinants  
Twelve Months Ended December 31, 2008, As Adjusted  
Gathering Service

Line No.	Description	Gathering Billing Determinants As Adjusted	Rate Design Adjustments			Gathering Discount Adjustment	Gathering Rate Design Determinants 1/
			Refunctionalize Assets to Gathering	Reflect Commodity Billing of FT-2	Impute MDQ		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Gathering Reservation Determinants</b>							
1	FT-1	-	-	-	-	-	-
2	FT-2	22,000	-	-	(22,000)	-	-
3	Total Firm	22,000	-	-	(22,000)	-	-
4	IT	-	-	-	264,907	(52,553)	212,354
5	Total Interruptible	-	-	-	264,907	(52,553)	212,354
6	Total Gathering Reservation Determinants	22,000	-	-	242,907	(52,553)	212,354
<b>Gathering Commodity Determinants:</b>							
7	FT-1	-	-	-	-	-	-
8	FT-2	8,030,000	-	(8,030,000)	-	-	-
9	Total Firm	8,030,000	-	(8,030,000)	-	-	-
10	IT	-	88,660,992	8,030,000	-	(19,181,788)	77,509,204
11	Total Interruptible	-	88,660,992	8,030,000	-	(19,181,788)	77,509,204
12	Total Gathering Commodity Determinants	8,030,000	88,660,992	-	-	(19,181,788)	77,509,204

1/ Used to derive rates in Schedule J-2.

**High Island Offshore System, L.L.C.**  
**Calculation of Rate Design Determinants**  
**Twelve Months Ended December 31, 2008, As Adjusted**  
**Transmission Service**

Line No.	Description	Transmission Billing Determinants As Adjusted	Rate Design Adjustments				Transmission Rate Design Determinants 2/
			Refunctionalize Assets to Gathering 1/	Reflect Commodity Billing of FT-2	Impute MDQ	Transmission Discount Adjustment	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Transmission Reservation Determinants</b>							
1	FT-1	-	-	-	-	-	-
2	FT-2	22,000	-	-	(22,000)	-	-
3	Total Firm	22,000	-	-	(22,000)	-	-
4	IT	-	-	-	280,578	(63,232)	217,346
5	Total Interruptible	-	-	-	280,578	(63,232)	217,346
6	Total Transmission Reservation Determinants	22,000	-	-	258,578	(63,232)	217,346
<b>Transmission Commodity Determinants:</b>							
7	FT-1	-	-	-	-	-	-
8	FT-2	8,030,000	-	(8,030,000)	-	-	-
9	Total Firm	8,030,000	-	(8,030,000)	-	-	-
10	IT	94,381,056	-	8,030,000	-	(23,079,506)	79,331,550
11	Total Interruptible	94,381,056	-	8,030,000	-	(23,079,506)	79,331,550
12	Total Transmission Commodity Determinants	102,411,056	-	-	-	(23,079,506)	79,331,550

1/ No adjustment is necessary. The refunctionalization does not decrease the level of transmission throughput as all volumes refunctionalized as gathering will also utilize the downstream transmission facilities.

2/ Used to derive rates in Schedule J-2.

High Island Offshore System, L.L.C.  
Summary of Transportation Rates

Line No.	Description (1)	Rates		
		Gathering (2)	Transmission (3)	Total (4)
	FT-1 Reservation			
1	Long Haul	\$ 17.6647	\$ 4.3553	\$ 22.0200
2	Short Haul	\$ -	\$ 4.3553	\$ 4.3553
	FT-1 Commodity			
3	Long Haul	\$ 0.0171	\$ -	\$ 0.0171
4	Short Haul	\$ -	\$ -	\$ -
5	Long Haul Overrun/Volumetric	\$ 0.5979	\$ 0.1432	\$ 0.7411
6	Short Haul Overrun/Volumetric	\$ -	\$ 0.1432	\$ 0.1432
	FT-2 Reservation			
7	Long Haul	\$ 17.6647	\$ 4.3553	\$ 22.0200
8	Short Haul	\$ -	\$ 4.3553	\$ 4.3553
	FT-2 Commodity			
9	Long Haul	\$ 0.0171	\$ -	\$ 0.0171
10	Short Haul	\$ -	\$ -	\$ -
11	Long Haul Overrun/Volumetric	\$ 0.5979	\$ 0.1432	\$ 0.7411
12	Short Haul Overrun/Volumetric	\$ -	\$ 0.1432	\$ 0.1432
	IT			
13	Long Haul	\$ 0.5979	\$ 0.1432	\$ 0.7411
14	Short Haul	\$ -	\$ 0.1432	\$ 0.1432

**High Island Offshore System, L.L.C.  
Derivation of Gathering Rates**

<b>Line No.</b>	<b>Description (1)</b>	<b>Reference (2)</b>	<b>Total (3)</b>	<b>Fixed (4)</b>	<b>Variable (5)</b>
1	Total Gathering Cost of Service	Sch. I-2, page 1, line 28	\$ 46,667,678	\$ 45,014,023	\$ 1,653,655
				<b>Reservation</b>	<b>Commodity</b>
2	<b>Derivation of Gathering System Rate</b> Design Determinants	Sch. J-1, pg 1, col. 7		212,354	96,690,992
3	System Rate			<u>\$ 17.6647</u>	<u>\$ 0.0171</u>
				<b>Maximum Rate</b>	<b>Minimum Rate</b>
<b>Derivation of Firm Gathering Service Rates</b>					
Reservation					
4	FT-1			\$ 17.6647	\$ 0.0171
5	FT-2			\$ 17.6647	\$ 0.0171
Commodity					
6	FT-1			\$ 0.0171	\$ 0.0171
7	FT-2			\$ 0.0171	\$ 0.0171
Overrun/Volumetric					
8	FT-1			\$ 0.5979	\$ 0.0171
9	FT-2			\$ 0.5979	\$ 0.0171
<b>Derivation of Interruptible Gathering Service Rates</b>					
10	IT			\$ 0.5979	\$ 0.0171



**High Island Offshore System, L.L.C.  
Derivation of Transmission Rates**

<b>Line No.</b>	<b>Description (1)</b>	<b>Reference (2)</b>	<b>Total (3)</b>	<b>Fixed (4)</b>	<b>Variable (5)</b>
1	Total Transmission Cost of Service	Sch. I-2, page 2, line 29	\$ 11,359,319	\$ 11,359,319	\$ -
				<b>Reservation</b>	<b>Commodity</b>
2	<b>Derivation of Transmission System Rate</b> Design Determinants	Sch. J-1, pg 2, col. 7		217,346	102,411,056
3	System Rate			<u>\$ 4.3553</u>	<u>\$ -</u>
				<b>Maximum Rate</b>	<b>Minimum Rate</b>
<b>Derivation of Firm Transmission Service Rates</b>					
Reservation					
4	FT-1			\$ 4.3553	\$ -
5	FT-2			\$ 4.3553	\$ -
Commodity					
6	FT-1			\$ -	\$ -
7	FT-2			\$ -	\$ -
Overrun/Volumetric					
8	FT-1			\$ 0.1432	\$ -
9	FT-2			\$ 0.1432	\$ -
<b>Derivation of Interruptible Transmission Service Rates</b>					
10	IT			\$ 0.1432	\$ -

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Comparative Balance Sheet

Line No.	Title of Account	Balance at 31-Dec-08	Balance at 31-Dec-07
	(1)	(2)	(3)
	<b><u>Utility Plant</u></b>		
1	Utility Plant (101-106,114)	\$ 395,637,428	\$ 392,240,145
2	Construction Work in Progress	1,627,477	2,204,064
3	Total Utility Plant (total of lines 1 and 2)	\$ 397,264,905	\$ 394,444,209
4	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)	399,420,443	396,891,367
5	Net Utility Plant (total of lines 3 less 4)	\$ (2,155,538)	\$ (2,447,158)
	<b><u>Current and Accrued Assets</u></b>		
6	Customer Accounts Receivable (142)	\$ 899,424	\$ 2,493,364
7	Accounts Receivable from Associated Companies (146)	2,201,914	5,466,495
8	Prepayments (165)	10,246,836	6,642,676
9	Total Current and Accrued Assets	\$ 13,348,174	\$ 14,602,535
	<b><u>Deferred Debits</u></b>		
10	Other Regulatory Assets (182.3)	\$ 9,626,342	\$ 78,600
11	Accumulated Deferred Income Taxes (190)	4,653,000	4,760,000
12	Total Deferred Debits	\$ 14,279,342	\$ 4,838,600
13	Total Assets and Other Debits	\$ 25,471,978	\$ 16,993,977
	<b><u>Proprietary Capital</u></b>		
14	Other Paid-In Capital (208-211)	\$ 7,667,236	\$ 4,580,269
15	Retained Earnings (215, 215.1, 216)	(3,794,553)	6,962,287
16	Total Proprietary Capital	\$ 3,872,683	\$ 11,542,556
	<b><u>Other Noncurrent Liabilities</u></b>		
17	Asset Retirement Obligations (230)	\$ 3,184,703	3,531,518
18	Total Other Noncurrent Liabilities	\$ 3,184,703	\$ 3,531,518
	<b><u>Current and Accrued Liabilities</u></b>		
19	Accounts Payable (232)	\$ 1,820,923	\$ 219,768
20	Accounts Payable to Associated Companies (234)	6,337,318	-
21	Taxes Accrued (236)	47,945	86,414
22	Miscellaneous Current and Accrued Liabilities (242)	8,678,406	34,721
	Total Current and Accrued Liabilities	\$ 16,884,592	\$ 340,903
	<b><u>Deferred Credits</u></b>		
23	Accumulated Deferred Income Taxes - Other Property (282)	\$ 1,472,000	\$ 1,502,000
24	Accumulated Deferred Income Taxes - Other (283)	58,000	77,000
25	Total Deferred Credits	\$ 1,530,000	\$ 1,579,000
26	Total Liabilities and Other Credits	\$ 25,471,978	\$ 16,993,977

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**  
**Statement of Income**  
**For the Twelve Months Ended December 31, 2008**

Line No.	Description (1)	Amount (2)
	<b><u>Utility Operating Income</u></b>	
1	Gas Operating Revenues (400)	\$ 22,553,224
2	Operating Expenses (401)	\$ 25,071,006
3	Maintenance Expenses (402)	2,625
4	Depreciation Expense (403)	2,655,754
5	Taxes Other than Income Taxes (408.1)	315,163
6	Income Taxes - Federal (409.1)	(1,630,000)
7	Provision of Deferred Income Taxes (410.1)	1,575,000
8	(Less) Provision for Deferred Income Taxes-Credit (411.1)	1,517,000
9	Total Utility Operating Expenses	<u>\$ 26,472,548</u>
10	Net Utility Operating Income	<u>\$ (3,919,324)</u>
	<b><u>Other Income and Deductions</u></b>	
11	Interest and Dividend Income (419)	\$ 87,484
12	Income Taxes - Federal (409.2)	25,000
	Net Other Income and Deductions	<u>\$ 62,484</u>
	<b><u>Interest Charges</u></b>	
13	Interest on Debt to Associated Companies (430)	\$ 80,494
14	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)	80,494
15	Net Interest Charges	<u>\$ -</u>
16	Net Income	<u><u>\$ (3,856,840)</u></u>
	<b><u>Unappropriated Retained Earnings</u></b>	
17	Balance-Beginning of Period	\$ 6,962,287
18	Balance Transferred from Income (433)	(3,856,840)
19	Distribution to Member	<u>(6,900,000)</u>
20	Balance-end of period	<u><u>\$ (3,794,553)</u></u>







**High Island Offshore System, L.L.C.  
History of Major Expansion Filings  
Years 1991 through 2008**

There has been no major expansion of facilities for the period 1991 through 2008.  
However, there was a minor increase by HIOS of ownership in the HIA-350 and HIA-370 laterals:  
The new ownership percentages effective 7/1/2007 are:  
HIA-350 Lateral: HIOS 75.71% (previously 50.71%), Transco 24.29%  
HIA-370A Lateral: ANR 9.21%, HIOS 73.48% (previously 60.76%), Transco 17.31%

In addition, HIOS purchased the East Breaks Gathering System:  
Includes the pipeline and facilities generally known as the Diana Gas Export Pipeline consisting of approximately 85 miles of 18 and 20 inch pipeline extending from Alaminos Canyon Block 25 to a HIOS owned platform in High Island South Addition Block A-573 and associated pig launching and metering facilities located on ExxonMobil's facility in Alaminos Canyon Block 25.

**High Island Offshore System, L.L.C.  
Description of Design and Operation**

The High Island Offshore System (HIOS) was designed and initially operated to provide firm gas transportation service to parties desiring to enter into long-term contracts. However, all of the original firm service agreements have reached their initial terms and have been terminated by the respective shippers. Two (2) non-affiliated shippers currently maintain firm (Rate Schedule FT-2) service agreements, with a total commitment of less than five percent of HIOS' originally certificated capacity. HIOS became an open access transporter in accordance with FERC Order NO. 509 on April 1, 1990. On November 1, 1993, HIOS initiated restructured services under its FERC Order No. 636 compliance filing. Under the provisions of these Orders, HIOS also provides interruptible transportation service. A monthly average of 24 shippers, currently transport gas on an interruptible basis. HIOS facilities incorporate a spare compressor unit at the High Island Block 264 compressor complex to assure continuity of service to its Shippers.

The gas flow formula (attached) used in the design calculations for HIOS is the Rhodes formula. The Rhodes formula was originally developed by the Ford, Bacon and Davis Engineering firm exclusively for the use of ANR Pipeline Company, the original operator of HIOS. The formula is based upon actual data and contains all of the components which are standard in gas flow formulas.

The brake horsepower formula (attached) used in the design calculations is the standard formula for such calculations, as defined by the American Gas Association. The variables used within the equation are based on actual data from ANR Pipeline's operation experience. When appropriate, manufacturer's curves are used (for instance, to determine the effect of ambient temperatures).

All materials specifications, design, construction and testing of the facilities are in accordance with Minimum Federal Safety Standards for Transportation of Natural Gas by Pipeline, Part 192, Title 49, Code of Federal Regulations.

High Island Offshore System, L.L.C.  
Gas Flow Formula

$$Q = 211.35 \cdot \frac{T_o}{P_o} \cdot \left[ \frac{1}{G} \right]^{0.46} \cdot \left[ \frac{1}{Z} \right]^{0.081} \cdot \left[ \frac{B(P_1^2 - P_2^2)}{TL} \right]^{0.541} \cdot E \cdot D^{2.624}$$

Where:

Q = Flow, cu. Ft. per day, measured at base pressure and temperature

P<sub>o</sub> = Base Pressure, lbs. Per sq. in. absolute

T<sub>o</sub> = Base Temperature, deg. F. absolute

G = Specific Gravity, (air = 1.0), 0.6

Z = Viscosity, lbs. Per ft. sec.

B = Supercompressibility Factor

T = Flow Temperature, deg. F. absolute

D = Inside Diameter of Pipe, inches

P<sub>1</sub> = Line inlet Pressure, lbs. Per sq. in. absolute

P<sub>2</sub> = Line Outlet Pressure, lbs. Per sq. in. absolute

L = Length of Pipeline, miles

E = Line Flow Efficiency

**High Island Offshore System, L.L.C.  
Power To Compress Natural Gas**

$$H = 3.03 \times \frac{P_o}{E} \times \frac{n}{n-1} \times \frac{T_s}{T_o} \times \left[ R \frac{1}{n} - 1 \right] + K$$

Where:

H = Brake Horsepower per MMCF per day

P<sub>o</sub> = Base Pressure, lbs. Per sq. in. absolute

T<sub>o</sub> = Base Temperature, deg. F. absolute

T<sub>s</sub> = Suction Temperature, deg. F. absolute

n = Specific Heat Ratio

R = Compression Ratio

E = Efficiency

K = Valve Losses



**Exhibit No. HIO-45**

**Docket No. RP09-  
Schedule C-4**

**High Island Offshore System, L.L.C.  
Allowance for Funds Used During Construction**

No Change in method or procedure has been made since the end of the year as reported in the Last FERC Form 2.

**Exhibit No. HIO-46**

**Docket No. RP09-  
Schedule C-5**

**High Island Offshore System, L.L.C.  
Cost of Gas Plant in Service Not Being Used  
In Rendering Gas Service**

This schedule is not applicable.

**Exhibit No. HIO-47**

**Docket No. RP09-  
Schedule D-1**

**High Island Offshore System, L.L.C.  
Depreciation Reserve Applicable to  
Depreciation Rates Not Yet Approved**

This schedule is not applicable.

**Exhibit No. HIO-48**

**Docket No. RP09-  
Schedule D-2**

**High Island Offshore System, L.L.C.  
Methods and Procedures Followed in  
Depreciating, Depleting and Amortizing  
Plant and Recording Abandonments**

No policy change has been made effective since the last FERC Form 2 was filed with the Commission.

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**  
**Operation and Maintenance Expenses**  
**Adjustments**

Line No.	FERC Acct. No.	Description	Twelve Months Ended 31-Dec-08 (3)	Adjust AC 924 Increase in Property Insurance Expense Adjust No. 1 (4)	Adjust Various AC's - Out of Period Non Recurring Normalization Adjust No. 2 (5)	Adjust AC 923 Operating Agreement Turnkey Fee Adjustment Adjust No. 3 (6)	Adjust AC 854 Elimination of Co-Use Fuel Adjust No. 4 (7)	Adjust AC 928 Regulatory Commission Expense, ACA Billing Adjust No. 5 (8)	Adjust Various AC's - Amortization of Regulatory Asset Adjust No. 6 (9)	Adjust Various AC's - Acquisition of Gathering System Adjust No. 7 (10)	Adjust Various AC's - 36 Month Operating Budget Adjust No. 8 (11)	Adjust Various AC's - Rate Design Refunctionalization Adjust No. 9 (12)	Total Adjustments (13)	Twelve Months Ended 31-Dec-08 As-Adjusted (14)
<b>Gathering Expenses</b>														
1	750	Operation - Supervision & engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,704	\$ -	\$ 1,973,500	\$ 1,975,204	\$ 1,975,204.00
2	753	Field lines expenses	-	-	-	-	-	-	-	323,296	-	3,338,902	3,662,198	3,662,198
3	754	Field Compressor Station exp.	-	-	-	-	-	-	-	-	-	1,653,655	1,653,655	1,653,655
4	756	Measuring & regulation station exp.	-	-	-	-	-	-	-	-	-	5,895,326	5,895,326	5,895,326
5	759	Other expenses	-	-	-	-	-	-	-	-	-	660,614	660,614	660,614
6		Total Operation	-	-	-	-	-	-	-	325,000	-	13,521,997	13,846,997	13,846,997
<b>Maintenance -</b>														
7	761	Supervision & Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,492	1,492	1,492
8	762	Structures & improvements	-	-	-	-	-	-	-	-	-	1,998	1,998	1,998
9	766	Measuring & regulation station equip.	-	-	-	-	-	-	-	-	-	5,575	5,575	5,575
10	769	Other Equipment	-	-	-	-	-	-	-	-	-	911	911	911
11		Total Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,976	9,976	9,976
12		Total Gathering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	325,000	\$ -	13,531,973	13,856,973	13,856,973
<b>Transmission Expenses</b>														
<b>Operation -</b>														
13	850	Supervision & engineering	\$ 2,664,644	\$ -	\$ -	\$ 5,317	\$ -	\$ -	\$ -	\$ -	\$ -	(1,973,500)	(1,968,183)	696,461
14	851	System control and load dispatching	-	-	-	-	-	-	-	-	-	-	-	-
15	852	Communication system expenses	92,376	-	-	11,919	-	-	-	-	-	(77,090)	(65,171)	27,205
16	853	Compressor station Labor & exp.	2,162,879	-	(56,477)	(2,544)	-	-	-	-	(450,203)	(1,653,655)	(2,162,879)	-
17	854	Gas for Compressor Station Fuel	6,441,458	-	-	-	(6,441,458)	-	-	-	-	-	(6,441,458)	-
18	856	Mains expenses	4,238,506	-	149,167	355,355	-	-	52,400	-	(278,209)	(3,338,902)	(3,060,189)	1,178,317
19	857	Measuring & regulation station exp.	4,302,868	-	515,804	767	-	-	3,156,381	-	-	(5,895,326)	(2,222,374)	2,080,494
20	859	Other expenses	732,311	-	-	57,142	-	-	-	-	-	(583,524)	(526,382)	205,929
21	860	Rents	-	-	-	-	-	-	-	-	-	-	-	-
22		Total Operation	\$ 20,635,042	\$ -	\$ 608,494	\$ 427,956	\$ (6,441,458)	\$ -	\$ 3,208,781	\$ -	\$ (728,412)	\$ (13,521,997)	\$ (16,446,636)	\$ 4,188,406
<b>Maintenance -</b>														
23	861	Supervision & Engineering	\$ 1,656	\$ -	\$ 151	\$ 211	\$ -	\$ -	\$ -	\$ -	\$ -	(1,492)	(1,130)	526
24	862	Structures & improvements	(13,102)	-	13,102	-	-	-	-	-	2,703	(1,998)	13,807	705
25	863	Mains	1	-	(1)	-	-	-	-	-	-	-	(1)	-
26	864	Compressor station equip.	-	-	-	-	-	-	-	-	-	-	-	-
27	865	Measuring & Regulation station equip	6,689	-	-	854	-	-	-	-	-	(5,575)	(4,721)	1,968
28	866	Communication Equipment	7,382	-	(7,094)	943	-	-	-	-	-	(911)	(7,062)	320
29	867	Other equipment	-	-	-	-	-	-	-	-	-	-	-	-
30		Total Maintenance	\$ 2,626	\$ -	\$ 6,158	\$ 2,008	\$ -	\$ -	\$ -	\$ -	\$ 2,703	\$ (9,976)	\$ 893	\$ 3,519
31		Total Transmission Expenses	\$ 20,637,668	\$ -	\$ 614,652	\$ 429,964	\$ (6,441,458)	\$ -	\$ 3,208,781	\$ -	\$ (725,709)	\$ (13,531,973)	\$ (16,445,743)	\$ 4,191,925
<b>Customer Account Expenses</b>														
32	904	Uncollectible Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Admin. &amp; General Expenses</b>														
33	920	Administrative and general salaries	\$ 4,003,867	\$ -	\$ 39,164	\$ 429,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	468,779	4,472,646
34	921	Office supplies and expenses	26,399	-	15,944	3,371	-	-	-	-	-	-	19,315	45,714
35	923	Outside services employed	97,063	-	(27,943)	-	-	-	-	-	-	-	(27,943)	69,120
36	924	Property insurance	5,426,115	1,539,489	-	-	-	-	-	1,229,888	-	-	2,769,377	8,195,492
37	925	Injuries and damages	-	-	-	-	-	-	-	-	-	-	-	-
38	926	Employee pensions and benefits	-	-	-	-	-	-	-	-	(33)	-	(33)	614,879
39	927	Franchise Requirements	614,912	-	-	-	-	-	-	-	-	-	-	-
40	928	Regulatory commission expenses	327,075	-	-	-	-	780,925	-	-	-	-	780,925	1,108,000
41	930.2	Miscellaneous general expenses	80,009	-	3,428	10,218	-	-	-	-	-	-	13,646	93,655
42		Total Admin. & General Expenses	\$ 10,575,440	\$ 1,539,489	\$ 30,593	\$ 443,204	\$ -	\$ 780,925	\$ -	\$ 1,229,888	\$ (33)	\$ -	\$ 4,024,066	\$ 14,599,506
43		Total Operation & Maintenance	\$ 31,213,108	\$ 1,539,489	\$ 645,245	\$ 873,168	\$ (6,441,458)	\$ 780,925	\$ 3,208,781	\$ 1,554,888	\$ (725,742)	\$ -	\$ 1,435,296	\$ 32,648,404

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**  
**Operation and Maintenance Expense**  
**Adjustments**

Line No.	FERC Acct.	Description	Calculation	Adjustment
	(1)	(2)	(3)	(4)
1		<b><u>Adjustment No. 1 - Adjustment to reflect the increase in property insurance costs on an annualized basis</u></b>		
2		Monthly insurance premium effective June 2009	\$ 580,467	
3		Annualized insurance cost	x 12	
4		Less: Base Period property insurance expense	6,965,604	
5		Property Insurance - Materials & Other	5,426,115	
			<u>\$ 1,539,489</u>	
6		Total Adjustment		<u>\$ 1,539,489</u>
7		<b><u>Adjustment No. 2 - Adjustment to normalize and eliminate out-of-period and non-recurring expenses</u></b>		
8				
9		<b><u>O&amp;M Accounts:</u></b>		
10	853	Compressor station labor & expenses - Materials & Other	(56,477)	
11	856	Mains expenses - Materials & Other	149,167	
12	857	Measuring & regulation station expenses - Materials & Other	515,804	
13	861	Supervision & engineering - Labor	151	
14	862	Structures & improvements	13,102	
15	863	Mains - Materials & Other	(1)	
16	866	Communication Equipment - Labor	(7,094)	
17	920	Administrative and general salaries - Labor	79,047	
18	920	Administrative and general salaries - Material & Other	(39,883)	
19	921	Office supplies and expenses - Material & Other	15,944	
20	923	Outside services employed - Material & Other	(27,943)	
21	930.2	Miscellaneous general expenses - Material & Other	3,428	
22		Total O&M Adjustment	<u>645,245</u>	
23		Total Adjustment		<u>\$ 645,245</u>

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**  
**Operation and Maintenance Expense**  
**Adjustments**

Line	FERC (1)	Description (2)	Calculation (3)	Adjustment (4)
1		<b><u>Adjustment No. 3 - Adjustment of the Operating Agreement Turnkey Fee, as provided by</u></b>		
2		Adjusted Monthly Turnkey Fee, effective January 1, 2009	\$ 986,387	
3		Current Monthly Turnkey Fee, effective January 2008 - December 2008	913,623	
4		Monthly Increase	72,764	
			x 12	
5		Annualized Increase in Turnkey Fee	\$ 873,168	
6	850	Supervision & engineering - Labor	5,317	
7	852	Communication system expenses - Material & Other	11,919	
8	853	Compressor station labor & expenses - Material & Other	(2,544)	
9	856	Mains expenses - Labor	281	
10	856	Mains expenses - Material & Other	355,074	
11	857	Measuring & regulation station expenses - Material & Other	767	
12	859	Other expenses - Material & Other	57,142	
13	861	Supervision & engineering - Labor	211	
14	865	Measuring & regulation station equip. - Material & Other	854	
15	866	Communication Equipment - Labor	943	
16	920	Administrative and general salaries - Labor	429,615	
17	921	Office supplies and expenses - Material & Other	3,371	
18	930.2	Miscellaneous general expenses - Material & Other	10,218	
		Total O&M Adjustment	873,168	
19		Total Adjustment		\$ 873,168
20		<b><u>Adjustment No. 4 - Adjustment to eliminate company-use gas used for compressor fuel</u></b>		
21		Company use fuel is recovered through a fuel tracker mechanism.		
22	854	Gas for Compressor Station Fuel	\$ (6,441,458)	
23		Total Adjustment		\$ (6,441,458)
24		<b><u>Adjustment No. 5 - Acct. 928, Regulatory Commission Expenses</u></b>		
25		FERC fiscal year 2009 HIOS Annual Charge Billing	\$ 400,000	
26		Less: Base Period Account 928 Balance	327,075	
27		Annual increase	72,925	
		<b><u>Regulatory Consultants</u></b>		
28		Rate of Return Study	160,000	
29		Negative Salvage Study	23,000	
30		Legal Fees	525,000	
31		Total Regulatory Consultants	708,000	
32	928	Regulatory Commission Expenses	\$ 780,925	
33		Total Adjustment		\$ 780,925

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**  
**Operation and Maintenance Expense**  
**Adjustments**

Line No.	FERC Acct. (1)	Description (2)	Calculation (3)	Adjustment (4)
1		<b><u>Adjustment No. 6 - Amortization of Regulatory Asset - Hurricane Repairs</u></b>		
2		Total amount expensed booked to account 182.3 for hurricane repairs	\$ 9,626,342	
3		Hurricane expenses billed to HIOS by a third party	157,200	
4	856	One year of three year amortization of expenses	$\div 3$ \$ 52,400	
5		Expenses related to Hurricane Ike	9,469,142	
6	857	One year of three amortization of expenses	$\div 3$ \$ 3,156,381	
7		Total Adjustment		<u>\$ 3,208,781</u>
8		<b><u>Adjustment No. 7 - Adjustment for acquisition of gathering system</u></b>		
		<b><u>O&amp;M Accounts:</u></b>		
9	750	Supervision & engineering - Labor	\$ 1,704	
10	753	Field lines expenses - Material & Other	323,296	
11	924	Property Insurance - Material & Other	1,229,888	
12		Total O&M Adjustment	<u>1,554,888</u>	
13		Total adjustment		<u>\$ 1,554,888</u>
14		<b><u>Adjustment No. 8 - Adjustment in 36-month Operating Budget as provided in the HIOS Operating agreement, Sections 3.2.2 , 3.4 and 3.6.</u></b>		
15		Total 36 month Non-Routine Budgeted Services - 2008	\$ 10,386,564	
16		Total 36 month Non-Routine Budgeted Services - 2009	9,113,333	
17		Annual Decrease	<u>\$ 1,273,231</u>	
18		Projected Percentage of Non-Routine Budgeted Expenses - 2009	57%	
19		Projected Annual decrease in expenses from 36 month Non-Routine Budgeted Services - 2009	(725,742)	
20		<b><u>Allocation of Projected 2009 Non-Routine Budgeted Services</u></b>		
21	853	Compressor station Labor & Exp	\$ (450,203)	
22	856	Mains expenses - Labor	(220)	
23	856	Mains expenses - Material & Other	(277,989)	
24	862	Structures & improvements - Material & Other	2,703	
25	863	Mains - Material & Other	-	
26	926	Employee pensions and benefits - Labor	<u>(33)</u>	
27		Total Adjustment		<u>\$ (725,742)</u>



**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**  
**Operation and Maintenance Expense**  
**Adjustments**

Line No.	FERC Acct.	Description	Calculation	Adjustment
	(1)	(2)	(3)	(4)
1		<b><u>Adjustment No. 9 - Adjustment to reflect rate design refunctionalization</u></b>		
2		Total O&M Expenses as adjusted	\$ 32,648,404	
3		Less: Expenses from gathering system acquisition	325,000	
4		Less: Administrative & General Expenses	14,599,506	
6		Less: Expenses attributed to compression	/1 1,653,655	
5		Expenses to be allocated	16,070,243	
7		Less: Expenses attributed to gathering platforms	/2 6,901,417	
8		Less: Expenses attributed to transmission platforms	/2 1,878,800	
9		Pipeline Expenses	7,290,026	
10		Expenses allocated to gathering function	/3 4,976,901	
11		Add: Expenses attributed to gathering platforms	6,901,417	
12		Expenses allocated to transmission function	/3 2,313,125	
13		Add: Expenses attributed to transmission platforms	1,878,800	
14		<b><u>Allocation of expenses to gathering accounts</u></b>		
15	750	Supervision & engineering - Labor	1,973,500	
16	753	Field Lines exp.	3,338,902	
17	754	Field Compressor Station exp	/4 1,653,655	
18	756	Measuring & regulation station exp.	5,895,326	
19	759	Other expenses	660,614	
20	761	Maintenance supervision & engineering	1,492	
21	762	Structures & improvements	1,998	
22	766	Measuring & regulation station equip.	5,575	
23	769	Other Equipment	911	
24		Total Gathering Adjustment	\$ 13,531,973	
25		<b><u>Allocation of expenses to transmission accounts</u></b>		
26	850	Supervision & engineering - Labor	(1,964,760)	
27	850	Supervision & engineering - Material & Other	(8,740)	
28	852	Communication system expenses	(77,090)	
29	853	Compressor station Labor & Exp	/4 (1,653,655)	
30	856	Mains expenses - Labor	127,018	
31	856	Mains expenses - Material & Other	(3,465,920)	
32	857	Measuring & regulation station exp.	(5,895,326)	
33	859	Other expenses	(583,524)	
34	861	Maintenance supervision & engineering - Labor	(1,492)	
35	862	Structures & improvements	(1,998)	
36	865	Measuring & regulation station equip. - Labor	(5,575)	
37	866	Communication Equipment - Labor	(911)	
38		Total Transmission Adjustment	\$ (13,531,973)	
39		Total Adjustment		-
40		<b>Total - All Adjustments</b>		<b>\$ 1,435,296</b>

/1 After refunctionalization, all compression will occur upstream of transmission.

/2 Expenses attributed to platforms have been based on the direct assignment of costs by field personnel.

/3 Pipelines expenses allocated based on an inch mile study of assets.

/4 \$1,655,655 from account 853 was transferred directly to account 754. After refunctionalization all compression will occur upstream of transmission and no expenses will remain in 853.

**Exhibit No. HIO-50**

**Docket No. RP09-  
Schedule H-1(1)(a)**

FERC															Twelve Months		Twelve Months	
Line No.	Acct. No.	Description	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Ended 31-Dec-08 Actual	Adjustments	Ended 31-Dec-08 As-Adjusted	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)		
Gathering Expenses																		
Operation -																		
1	750	Supervision & engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,975,204	\$ 1,975,204	
2	753	Field lines expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	754	Field Compressor Station exp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	756	Measuring & regulation station exp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	759	Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6		Total Operation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,975,204	\$ 1,975,204	
Maintenance -																		
7	761	Supervision & Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	762	Structures & improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	766	Measuring & regulation station equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	769	Other Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11		Total Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12		Total Gathering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,975,204	\$ 1,975,204	
Transmission Expenses																		
Operation -																		
13	850	Supervision & engineering	\$ 225,661	\$ 224,557	\$ 224,768	\$ 225,575	\$ 219,341	\$ 219,782	\$ 219,463	\$ 218,533	\$ 218,803	\$ 218,505	\$ 218,615	\$ 219,240	\$ 2,652,843	\$ (1,959,443)	\$ 693,400	
14	851	System control and load dispatching	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	852	Communication system expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	853	Compressor station Labor & exp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	854	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	856	Mains expenses	-	108	-	-	-	-	345	686	335	347	1,014	518	3,353	127,079	130,432	
19	857	Measuring & regulation station exp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	859	Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	860	Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22		Total Operation	\$ 225,661	\$ 224,665	\$ 224,768	\$ 225,575	\$ 219,341	\$ 219,782	\$ 219,808	\$ 219,219	\$ 219,138	\$ 218,852	\$ 219,629	\$ 219,758	\$ 2,656,196	\$ (1,832,364)	\$ 823,832	
Maintenance -																		
23	861	Supervision & Engineering	\$ 175	\$ 67	\$ 168	\$ -	\$ 82	\$ 135	\$ 116	\$ 119	\$ 292	\$ 109	\$ 186	\$ 207	\$ 1,656	\$ (1,130)	\$ 526	
24	862	Structures & improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	863	Mains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	864	Compressor station equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	865	Measuring & regulation station equip.	-	-	-	-	-	-	1,488	1,113	1,113	2,026	138	811	6,689	(4,721)	1,968	
28	866	Communication Equipment	630	349	11	39	6,231	61	25	11	15	19	(20)	11	7,382	(7,062)	320	
29	867	Other equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30		Total Maintenance	\$ 805	\$ 416	\$ 179	\$ 39	\$ 6,313	\$ 196	\$ 1,629	\$ 1,243	\$ 1,420	\$ 2,154	\$ 304	\$ 1,029	\$ 15,727	\$ (12,913)	\$ 2,814	
31		Total Transmission Expenses	\$ 226,466	\$ 225,081	\$ 224,947	\$ 225,614	\$ 225,654	\$ 219,978	\$ 221,437	\$ 220,462	\$ 220,558	\$ 221,006	\$ 219,933	\$ 220,787	\$ 2,671,923	\$ (1,845,277)	\$ 826,646	
Customer Account Expenses																		
32	904	Uncollectible Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Admin. & General Expenses																		
33	920	Administrative and general salaries	\$ 386,984	\$ 257,872	\$ 334,453	\$ 329,476	\$ 322,894	\$ 318,235	\$ 311,591	\$ 323,626	\$ 353,032	\$ 336,080	\$ 337,910	\$ 351,831	\$ 3,963,984	\$ 508,662	\$ 4,472,646	
34	921	Office supplies and expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
35	923	Outside services employed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
36	924	Property insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
37	925	Injuries and damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
38	926	Employee pensions and benefits	51,346	51,628	51,187	51,187	51,187	51,187	51,187	51,228	51,214	51,187	51,187	51,187	614,912	-	614,912	
39	927	Franchise Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40	928	Regulatory commission expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
41	930.2	Miscellaneous general expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
42		Total Admin. & General Expenses	\$ 438,330	\$ 309,500	\$ 385,640	\$ 380,663	\$ 374,081	\$ 369,422	\$ 362,778	\$ 374,854	\$ 404,246	\$ 387,267	\$ 389,097	\$ 403,018	\$ 4,578,896	\$ 508,662	\$ 5,087,558	
43		Total Operation & Maintenance	\$ 664,796	\$ 534,581	\$ 610,587	\$ 606,277	\$ 599,735	\$ 589,400	\$ 584,215	\$ 595,316	\$ 624,804	\$ 608,273	\$ 609,030	\$ 623,805	\$ 7,250,819	\$ 638,589	\$ 7,889,400	

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Operation and Maintenance Expenses - Materials & Other  
Twelve Months Ended December 31, 2008  
Actual and As-Adjusted

Line No.	FERC Acct. No.	Description													Twelve Months Ended 31-Dec-08 Actual	Adjustments	Twelve Months Ended 12/31/08 As-Adjusted
			Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	(15)	(16)	(17)
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<b>Gathering Expenses</b>																	
Operation -																	
1	750	Supervision & engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	753	Field lines expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	3,662,198	3,662,198
3	754	Field Compressor Station exp.	-	-	-	-	-	-	-	-	-	-	-	-	-	1,653,655	1,653,655
4	756	Measuring & regulation station exp.	-	-	-	-	-	-	-	-	-	-	-	-	-	5,895,326	5,895,326
5	759	Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	660,614	660,614
6		Total Operation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11,871,793	11,871,793
Maintenance -																	
7	761	Supervision & Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,492	1,492
8	762	Structures & improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	1,998	1,998
9	766	Measuring & regulation station equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	5,575	5,575
10	769	Other Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	911	911
11		Total Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,976	9,976
12		Total Gathering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11,881,769	11,881,769
<b>Transmission Expenses</b>																	
Operation -																	
13	850	Supervision & engineering	\$ 706	\$ 526	\$ 2,462	\$ 1,118	\$ 655	\$ 509	\$ 1,266	\$ 502	\$ 673	\$ 1,324	\$ 1,009	\$ 1,051	\$ 11,801	\$ (8,740)	\$ 3,061
14	851	System control and load dispatching	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	852	Communication system expenses	13,758	12,247	6,530	2,221	4,661	4,324	5,159	2,743	9,736	6,293	16,105	8,599	92,376	\$ (65,171)	27,205
16	853	Compressor station Labor & exp.	(101,300)	78,890	18,280	154,325	113,072	137,470	251,722	196,795	311,351	160,643	(52,655)	894,286	2,162,879	\$ (2,162,879)	-
17	854	Gas for Compressor Station Fuel	608,986	640,754	679,813	825,196	861,051	539,890	959,298	732,108	546,820	12,652	24,105	10,785	6,441,458	\$ (6,441,458)	-
18	856	Mains expenses	152,348	264,773	268,833	342,585	529,184	460,834	515,473	503,634	305,462	(872,750)	310,474	1,454,303	4,235,153	\$ (3,187,268)	1,047,885
19	857	Measuring & regulation station exp.	423,942	439,349	439,177	439,244	439,470	440,167	(114,248)	360,331	362,679	360,133	361,211	351,413	4,302,868	\$ (2,222,374)	2,080,494
20	859	Other expenses	70,818	54,652	47,823	53,947	48,618	51,935	54,473	59,490	54,756	102,518	56,604	76,677	732,311	\$ (526,382)	205,929
21	860	Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22		Total Operation	\$ 1,169,258	\$ 1,491,191	\$ 1,462,918	\$ 1,818,636	\$ 1,996,711	\$ 1,635,129	\$ 1,673,143	\$ 1,855,603	\$ 1,591,477	\$ (229,187)	\$ 716,853	\$ 2,797,114	\$ 17,978,846	\$ (14,614,272)	\$ 3,364,574
Maintenance -																	
23	861	Supervision & Engineering	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
24	862	Structures & improvements	(13,724)	-	622	-	-	13,102	(13,102)	-	13,102	(13,102)	-	-	(13,102)	13,807	705
25	863	Mains	-	10,433	-	(10,432)	-	-	-	-	-	-	-	-	1	(1)	-
26	864	Compressor station equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	865	Measuring & regulation station equip.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	866	Communication Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	867	Other equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30		Total Maintenance	\$ (13,724)	\$ 10,433	\$ 622	\$ (10,432)	\$ -	\$ 13,102	\$ (13,102)	\$ -	\$ 13,102	\$ (13,102)	\$ -	\$ -	\$ (13,101)	\$ 13,806	\$ 705
31		Total Transmission Expenses	\$ 1,155,534	\$ 1,501,624	\$ 1,463,540	\$ 1,808,204	\$ 1,996,711	\$ 1,648,231	\$ 1,660,041	\$ 1,855,603	\$ 1,604,579	\$ (242,289)	\$ 716,853	\$ 2,797,114	\$ 17,965,745	\$ (14,600,466)	\$ 3,365,279
<b>Customer Account Expenses</b>																	
32	904	Uncollectible Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Admin. &amp; General Expenses</b>																	
33	920	Administrative and general salaries	\$ -	\$ 39,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,883	\$ (39,883)	\$ -
34	921	Office supplies and expenses	5,165	3,307	2,956	2,924	3,378	144	5,945	1,025	406	223	198	728	26,399	\$ 19,315	45,714
35	923	Outside services employed	5,792	6,922	5,792	5,983	8,864	33,703	5,792	5,792	5,792	5,792	2,419	4,420	97,063	(27,943)	69,120
36	924	Property insurance	480,439	480,467	480,467	480,467	490,230	444,721	416,225	430,839	430,565	430,565	430,565	430,565	5,426,115	2,769,377	8,195,492
37	925	Injuries and damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	926	Employee pensions and benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	(33)	(33)
39	927	Franchise Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	928	Regulatory commission expenses	29,874	29,874	21,117	29,874	29,874	29,874	29,874	29,874	29,874	22,322	22,322	22,322	327,075	780,925	1,108,000
41	930.2	Miscellaneous general expenses	8,634	6,006	5,059	7,385	6,070	6,023	6,439	5,369	11,599	1,505	14,658	1,262	80,009	13,646	93,655
42		Total Admin. & General Expenses	\$ 529,904	\$ 566,459	\$ 515,391	\$ 526,633	\$ 538,416	\$ 514,465	\$ 464,275	\$ 472,899	\$ 478,236	\$ 460,407	\$ 470,162	\$ 459,297	\$ 5,996,544	\$ 3,515,404	\$ 9,511,948
43		Total Operation & Maintenance	\$ 1,685,438	\$ 2,068,083	\$ 1,978,931	\$ 2,334,837	\$ 2,535,127	\$ 2,162,696	\$ 2,124,316	\$ 2,328,502	\$ 2,082,815	\$ 218,118	\$ 1,187,015	\$ 3,256,411	\$ 23,962,289	\$ 796,707	\$ 24,758,996

HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Quantities Applicable to Account 810, 811 and 812  
Twelve Months Ended December 31, 2008  
Actual and As-Adjusted  
(Dths)

Line No.	FERC Acct No.	Description													Twelve Months Ended 31-Dec-08 Actual	Adjustments	Twelve Months Ended 31-Dec-08 As-Adjusted
			Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	(15)	(16)	(17)
			(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)			
1	810	Gas Used for Compressor Station Fuel-Credit	80,598	82,004	88,922	85,762	48,595	77,114	63,386	65,331	1,656	3,587	1,644	1,391	599,990	(599,990)	-
2	811	Gas Used for Products Extraction-Credit													-	-	-
3	812	Gas Used for Other Utility Operations-Credit	(34,256)	(29,662)	120,834	(18,445)	107,941	106,323	56,257	(36,286)	(104,170)	(166)	89,051	419,415	676,836	(676,836)	-
4		Total	<u>46,342</u>	<u>52,342</u>	<u>209,756</u>	<u>67,317</u>	<u>156,536</u>	<u>183,437</u>	<u>119,643</u>	<u>29,045</u>	<u>(102,514)</u>	<u>3,421</u>	<u>90,695</u>	<u>420,806</u>	<u>1,276,826</u>	<u>(1,276,826)</u>	<u>-</u>

Exhibit No. HIO-52  
Docket No. RP09-  
Schedule H-1(1)(c)

**Exhibit No. HIO-53**

**Docket No. RP09-  
Schedule H-1 (2)(a)**

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Fuel Used and Gas Losses (All Accounts)  
For the Twelve Months Ended December 31, 2008, as Adjusted**

HIOS fuel costs are recovered by a fuel tracking mechanism established by FERC Order dated January 24, 2005. Therefore, this schedule is not applicable.

**Exhibit No. HIO-54**

**Docket No. RP09-  
Schedule H-1(2)(b)**

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Advertising Expense (Account Nos. 913 & 930.1)**

This schedule is not applicable.

Exhibit No. HIO-55

Docket No. RP09-  
Schedule H-1 (2)(c)

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**

**Office Supplies and Expenses - Account No. 921  
Twelve Months Ended December 31, 2008 Actual, as Adjusted**

		<b>Twelve Months Ended 31-Dec-08 Actual</b>	<b>Adjustments</b>	<b>Twelve Months Ended 31-Dec-08 As-Adjusted</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	Miscellaneous	\$ 26,399	\$ 19,315	\$ 45,714
2	Total	<u>\$ 26,399</u>	<u>\$ 19,315</u>	<u>\$ 45,714</u>

**Exhibit No. HIO-56**

**Docket No. RP09-  
Schedule H-1 (2)(d)**

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Administrative Expenses Transferred – Account No. 922**

This schedule is not applicable.



Exhibit No. HIO-57

Docket No. RP09-  
Schedule H-1 (2)(e)

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**

**Outside Services Employed - Account No. 923**

**Twelve Months Ended December 31, 2008 Actual, as Adjusted**

		Twelve Months Ended 31-Dec-08 Actual	Adjustments	Twelve Months Ended 31-Dec-08 As-Adjusted
	(1)	(2)	(3)	(4)
1	Miscellaneous	\$ 97,063	\$ (27,943)	\$ 69,120
2	Total	<u>\$ 97,063</u>	<u>\$ (27,943)</u>	<u>\$ 69,120</u>

**Exhibit No. HIO-58**

**Docket No. RP09-  
Schedule H-1 (2)(f)**

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Employee Pensions and Benefits – Account 926**

HIOS does not have any employees. Employees are provided to HIOS by its operating company, Enterprise GTM Offshore Operating Company. Employment expenses are included as part of the Operating Services Agreement Turnkey Fee, Section 2.2. \$614,879 has been allocated to HIOS and is reflected in Account 926, Statement H-1 (Exhibit 27, Col. 17, line 38).

Exhibit No. HIO-59

Docket No. RP09-  
Schedule H-1 (2)(g)

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**

**Regulatory Commission Expense - Account No. 928  
Twelve Months Ended December 31, 2008 Actual, as Adjusted**

		Twelve Months Ended 31-Dec-08 Actual	Adjustments	Twelve Months Ended 31-Dec-08 As-Adjusted
	(1)	(2)	(3)	(4)
1	FERC Annual Charge	\$ 327,075	\$ 72,925	\$ 400,000
2	Other Expenses	-	708,000	\$ 708,000
3	Total	<u>\$ 327,075</u>	<u>\$ 780,925</u>	<u>\$ 1,108,000</u>

**Exhibit No. HIO-60**

**Docket No. RP09-  
Schedule H-1 (2)(h)**

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Duplicate Charges – Account No. 929**

This schedule is not applicable.

Exhibit No. HIO-61

Docket No. RP09-  
Schedule H-1 (2)(i)

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.**

**Miscellaneous General Expenses - Account No. 930.2  
Twelve Months Ended December 31, 2008 Actual, as Adjusted**

Line No.	Particulars	Twelve Months Ended 31-Dec-08 Actual	Twelve Months Ended 31-Dec-08 As-Adjusted	
		(2)	Adjustments (3)	(4)
1	Miscellaneous	\$ 80,009	\$ 13,646	\$ 93,655
2	Total	<u>\$ 80,009</u>	<u>\$ 13,646</u>	<u>\$ 93,655</u>

**Exhibit No. HIO-62**

**Docket No. RP09-  
Schedule H-1 (2)(j)**

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Intercompany and Interdepartmental Transactions**

This schedule is not applicable.

**Exhibit No. HIO-63**

**Docket No. RP09-  
Schedule H-1 (2)(k)**

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Lease Payments Applicable to Gas Operation**

This schedule is not applicable.

**Exhibit No. HIO-64**

**Docket No. RP09-  
Schedule H-3 (1)**

**HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
Income Taxes Paid State Government**

This schedule is not applicable.



**Exhibit No. HIO-65**

**Docket No. RP09-  
Schedule H-3 (2)**

**HIGH ISLAND OFFSHORE SYSTEM  
Reconciliation Between Depreciable Plant  
and Tax Depreciable Plant and  
Accumulated Provision for  
Deferred Income Taxes**

See Schedule B-1 Page 2 of 3.