

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

Florida Gas Transmission Company § Docket No. RP10-____-000

**PREPARED DIRECT TESTIMONY
OF
DEBRA E. THOMPSON**

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

2 A. My name is Debra E. Thompson. My business address is 5444 Westheimer Road,
3 Houston, Texas 77056.

4 **Q. On whose behalf are you testifying in this proceeding?**

5 A. I am testifying on behalf of Florida Gas Transmission Company, LLC (“FGT”).

6 **Q. What are your responsibilities with FGT?**

7 A. I am Coordinator of Cost of Service within the Rates and Regulatory Affairs
8 Department for the Panhandle Energy Pipeline Group. In this capacity I work for
9 FGT.

10 **Q. Please briefly describe your educational background and work experience.**

11 A. I hold a Bachelor of Business Administration in Accounting from the University
12 of Houston. I began my career with FGT in June 1975 and held various positions
13 of increasing responsibility within the Accounts Payable and Corporate Tax
14 Departments. In 1988, I joined the Rates and Certificates Department as a Rate
15 Analyst and, in January 1991, I assumed my present position.

1 **Q. Have you previously submitted testimony before the Federal Energy**
2 **Regulatory Commission?**

3 A. Yes. I have submitted testimony in Black Marlin Pipeline Company, Docket No.
4 RP93-70-000, Black Marlin Pipeline Company, Docket No. RP98-274-000, and
5 Florida Gas Transmission Company, Docket No. RP04-12-000.

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

7 A. I will testify in the following areas as they relate to the Cost of Service for FGT's
8 Non-Incremental and Incremental Facilities:

- 9 1) Accumulated Deferred Income Taxes;
10 2) Regulatory Assets;
11 3) Operation and Maintenance ("O&M") Expenses; and
12 4) Income Taxes

13 **Q. What Exhibits are you sponsoring in this proceeding?**

14 A. I am sponsoring the following exhibits and schedules, which support my testimony
15 and have been prepared by me or under my direction. As stated by FGT Witness
16 Rickey J. Brocato, separate statements and schedules were prepared for the Non-
17 Incremental and Incremental Facilities using the extensions ".1" for statements and
18 schedules containing data related to the Non-Incremental Facilities and ".2" for
19 statements or schedules for the Incremental Facilities. If no such extension was
20 used, the statement or schedule applies to both the Non-Incremental Facilities and
21 Incremental Facilities. The heading on each statement or schedule also identifies
22 whether it relates to the Non-Incremental Facilities or the Incremental Facilities.

For the sake of clarity, I will discuss the exhibits and schedules for the Non-Incremental Facilities first, and then discuss the corresponding exhibits and schedules related to the Incremental Facilities.

NON-INCREMENTAL FACILITIES

<u>Exhibit No.</u>	<u>Reference</u>	<u>Description</u>
FGT-33	Schedule B-1.1	Accumulated Deferred Income Taxes
FGT-34	Schedule B-2.1	Regulatory Assets
FGT-35	STATEMENT H-1.1	Operation and Maintenance Expenses
FGT-36	STATEMENT H-3.1	Income Taxes

INCREMENTAL FACILITIES

<u>Exhibit No.</u>	<u>Reference</u>	<u>Description</u>
FGT-37	Schedule B-1.2	Accumulated Deferred Income Taxes
FGT-38	Schedule B-2.2	Regulatory Assets
FGT-39	STATEMENT H-1.2	Operation and Maintenance Expenses
FGT-40	STATEMENT H-3.2	Income Taxes

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

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

8 **NON-INCREMENTAL FACILITIES**

9 **Q. Please explain Exhibit No. FGT-33 as it relates to the Non-Incremental**
10 **Facilities.**

11 A. Exhibit No. FGT-33, Page 1, sets forth the Accumulated Deferred Income Taxes
12 by FERC account for the Non-Incremental Facilities. Columns (a) through (l)
13 show the balances in FERC Accounts 190, 282 and 283 for each month of the
14 Base Period. Column (m) reflects the changes in the provision for Deferred
15 Income Taxes projected to occur during the Adjustment Period, including changes
16 resulting from plant additions and retirements; tax and book depreciation; and
17 other related entries projected to be recorded during the Adjustment Period.
18 Column (n) on Page 1 eliminates the Accumulated Deferred Income Taxes not
19 claimed in Rate Base and Column (o) reflects the resulting Test Period
20 Accumulated Deferred Income Taxes of (\$103,726,626) included in the derivation
21 of the Test Period Rate Base, as supported in the prepared direct testimony of FGT

1 Witness Brocato. Page 2 of Exhibit No. FGT-33 identifies the individual
2 components that comprise the Accumulated Deferred Income Taxes in FERC
3 Accounts 190, 282 and 283, and indicates those claimed in Rate Base.

4 **Q. Please explain Exhibit No. FGT-34 as it relates to the Non-Incremental**
5 **Facilities.**

6 A. Exhibit No. FGT-34 sets forth the Regulatory Assets for the Non-Incremental
7 Facilities included in Test Period Rate Base. These Regulatory Assets include
8 those established pursuant to Commission Order issued September 24, 1997 in
9 Docket Nos. RP96-366, et al. for: 1) the deficiency in FGT's accumulated
10 deferred income taxes due to the change in the corporate income tax rate enacted
11 by the Revenue Reconciliation Act of 1993 ("Unfunded Deferred Income Tax
12 Regulatory Asset"), and 2) the excess of FGT's postretirement benefits other than
13 pension expense recorded on an accrual basis over such expenses on a pay-as-you-
14 go basis recorded since FGT's adoption of Statement of Financial Accounting
15 Standards No. 106 on January 1, 1993 ("FAS No. 106 Regulatory Asset").

16 Line 1 of Exhibit No. FGT-34 reflects the unamortized balances at
17 May 31, 2008 associated with the Unfunded Deferred Income Tax Regulatory
18 Asset and the FAS No. 106 Regulatory Asset. Lines 2 through 13 reflect the
19 balances for each month of the Base Period and Line 14 shows the Base Period
20 ending balances at May 31, 2009. The adjustments on Line 15 represent the
21 amortization to occur during the Adjustment Period. The total projected balance

1 at February 28, 2010 of \$434,439 reflected on Line 16, Column (c), has been
2 carried forward to FGT Witness Brocato's Exhibit No. FGT-20, Line 6.

3 **Q. Will you now turn to Exhibit No. FGT-35 and explain the cost allocations**
4 **that underlie that exhibit?**

5 A. The August 25, 1992 Stipulation and Agreement in Docket No. CP92-182, et al.
6 ("Phase III Settlement") required that an incremental cost of service be utilized to
7 derive rates for Rate Schedule FTS-2 for service through the Incremental
8 Facilities. In order to segregate the costs of FGT's expansions from the costs
9 related to FGT's Non-Incremental Facilities, FGT established separate accounting
10 records for each system. As stated by FGT Witness Michael T. Langston, FGT
11 continues to allocate indirect or shared O&M Expenses in conformance with the
12 methodology agreed to in the Phase III Settlement, even though the agreement has
13 expired. The only exception is Administrative and General ("A&G") expenses,
14 which are allocated utilizing the "*Kansas-Nebraska* methodology"¹ ("KN
15 methodology") pursuant to the Settlement in Docket No. RP04-12-000, as
16 approved by Commission order dated December 21, 2004 ("2004 Settlement").

17 **Q. Are there additional cost allocations that impact FGT's O&M Expenses?**

18 A. Yes. Pursuant to the Order Issuing Certificate and Granting Abandonment
19 Authority dated June 20, 2005 in Docket No. CP05-64-000 and the August 20,
20 2004 Facility Operation and Maintenance Reimbursement Agreement, as amended

¹ As described in *Kansas-Nebraska Natural Gas Co., Inc. ("Kansas-Nebraska")*, 53 FPC 1691, 1721 (1975).

March 3, 2005 (“O&M Reimbursement Agreement”), Florida Power & Light Company (“FPL”) reimburses FGT on a monthly basis for ongoing O&M Expenses incurred, directly and *indirectly*, in the operation and maintenance of the Compressor Station 22/Turkey Point North facilities (“Station 22 Facilities”). To determine the level of reimbursement from FPL for indirect O&M Expenses, FGT utilizes the same methods used to allocate indirect O&M Expenses between its Non-Incremental and Incremental Facilities. Specifically, a portion of FGT’s indirect O&M Expenses are attributed to the Station 22 Facilities using the methodology agreed to in the Phase III Settlement, with the exception of A&G expenses, which are allocated following the KN methodology. Direct O&M Expenses related to the Station 22 Facilities, as well as the allocated indirect O&M Expenses are excluded from the O&M Expenses claimed in the instant proceeding.

Q. Would you now begin to explain the schedules that comprise Exhibit No. FGT-35?

A. Pages 1 and 2 of Exhibit No. FGT-35, Columns (a) through (d), summarize the O&M Expenses for the Non-Incremental Facilities for the twelve months of actual experience ended May 31, 2009; the adjustments to these Base Period expenses in Columns (e) through (h); and the total O&M Expenses, as adjusted, in Columns (i) through (l). The O&M Expenses are shown by FERC account and are subdivided between labor, supplies and expenses (“S&E”) and gas cost. O&M Expenses, as adjusted, for the Non-Incremental Facilities total \$66,577,337 as shown on Page 2,

1 employees. Column (a) on Pages 28 and 29 reflects Base Period labor by FERC
2 account, as reflected on Schedule H-1(1)(a).1 of the instant filing. Columns (b)
3 and (c) adjust Base Period labor for other adjustments to O&M Expenses
4 discussed below that impact labor. Column (d) on Pages 28 and 29 removes labor
5 related to the second pay period in April 2009, as well as May 2009 Base Period
6 labor. Salary increases were first reflected in employees' paychecks on April 24,
7 2009. An average salary increase of 3.7 percent is applied in Column (f) to the net
8 adjusted labor reflected in Column (e). The total adjustment of \$648,050 is shown
9 on Line 16, Column (f) of Page 29.

10 **Q. Please describe Adjustment No. 2 to O&M Expenses as it relates to the Non-**
11 **Incremental Facilities.**

12 A. Adjustment No. 2 for \$45,162, on Page 30 of my Exhibit No. FGT-35, reflects the
13 projected increase in the cost of S&E through the end of February 2010. Pages 31
14 and 32 of Exhibit No. FGT-35 show the series of wholesale price indices
15 published by the U.S. Department of Labor, Bureau of Labor Statistics that were
16 utilized to project the level of cost increase to S&E of 0.26 percent. Column (a)
17 on Page 30 reflects Base Period S&E by FERC account, as reflected on Schedule
18 H-1(1)(b).1 of the instant filing, with the exception of expenses recorded in FERC
19 Account 858, Transmission and Compression of Gas by Others, which are
20 excluded from this adjustment. Column (b) adjusts Base Period S&E for other
21 adjustments to O&M Expenses discussed below that affect S&E. The S&E factor

1 Line 23, Column (l). This amount is included as Total Operating Expenses in the
2 Overall Cost of Service for FGT's Non-Incremental Facilities, as shown on Line 3
3 of FGT Witness Brocato's Exhibit No. FGT-19. Pages 3 through 16 of my
4 Exhibit No. FGT-35 set forth the O&M Expenses for the Non-Incremental
5 Facilities, by month, between labor and S&E, and also identify those O&M
6 Expenses directly assigned or to be allocated between FGT's Western Division
7 and Market Area.

8 **Q. Have you itemized the adjustments to Base Period O&M Expenses for the**
9 **Non-Incremental Facilities?**

10 A. Yes. Adjustments to Base Period O&M Expenses for the Non-Incremental
11 Facilities total \$9,289,758 (Page 2, Line 23, Column (h)). Page 17 of Exhibit No.
12 FGT-35 identifies each adjustment and provides a brief description and the
13 amount for each adjustment. Pages 18 through 27 set forth, by adjustment
14 number, the FERC accounts adjusted and the categories impacted (i.e., labor,
15 S&E, or gas cost). Details of each O&M adjustment for the Non-Incremental
16 Facilities are set forth on Pages 28 through 60.

17 **Q. Please describe Adjustment No. 1 to O&M Expenses.**

18 A. Adjustment No. 1 for \$648,050, as calculated on Pages 28 and 29 of my Exhibit
19 No. FGT-35, normalizes salary increases which became effective during the
20 twelve-month period ending May 31, 2009, as projected through the end of
21 February 2010. This adjustment includes merit increases necessary to continue
22 FGT's policy of maintaining compensation programs that will attract and retain

1 of 0.26 percent is applied in Column (d) to the net adjusted S&E reflected in
2 Column (c) to arrive at Adjustment No. 2 totaling \$45,162.

3 **Q. Has the Commission approved a Cost of Service including S&E increases**
4 **measured by the indices you are recommending?**

5 A. Yes, it has. Although the Commission did not address the issue directly because
6 there was no exception to the Administrative Law Judge's ("ALJ's") Decision,
7 Opinion No. 395 in Panhandle Eastern Pipe Line Company's proceeding in
8 Docket No. RP91-229-000, 71 FERC ¶61,228 (1995), affirmed in pertinent part
9 the ALJ's Decision, 68 FERC ¶63,008 at 65,094 (1994), which approved cost
10 increases which had actually occurred during the Base and Test Periods of that
11 proceeding measured by the use of these indices.

12 **Q. Please explain O&M Adjustment No. 3.**

13 A. The purpose of Adjustment No. 3, shown on Page 33 of Exhibit No. FGT-35 in
14 the amount of (\$93,167), is twofold. First, it eliminates entries related to the
15 valuation of line pack pursuant to Order Nos. 581, et seq., and to costs and
16 revenues arising from system balancing activities that are settled pursuant to
17 Section 19.1 of the General Terms and Conditions ("GTC") of FGT's FERC Gas
18 Tariff, Fourth Revised Volume No. 1 ("Tariff"). These entries are not considered
19 in establishing FGT's transportation rates.

20 Secondly, Adjustment No. 3 eliminates the cost of gas and electricity
21 used in FGT's utility operations, as well as gas lost from FGT's system or

1 otherwise unaccounted for. These costs are recovered separately through FGT's
2 Fuel Reimbursement Charge set forth in Section 27 of the GTC of FGT's Tariff.

3 **Q. Please explain the adjustments to Transmission Expense that comprise**
4 **Adjustment No. 4 as it relates to the Non-Incremental Facilities.**

5 A. Adjustment No. 4, summarized on Page 34 of my Exhibit No. FGT-35, is an
6 adjustment to Transmission Expenses totaling \$9,542,277, which includes: 1) an
7 increase in FGT's pipeline safety user fee; 2) an increase in environmental
8 expenses related to Greenhouse Gas monitoring; 3) the exclusion of O&M
9 Expenses associated with certain offshore facilities; 4) the annualization of
10 expenses for transmission of gas by others; 5) an increase in class location work;
11 6) pipeline integrity assessment costs; and 7) the amortization of an environmental
12 remediation regulatory asset.

13 **Q. Please explain the adjustment to increase FGT's pipeline safety use fee.**

14 A. The derivation of this adjustment is set forth on Page 35 of my Exhibit No. FGT-
15 35, and begins on Line 1 with the Department of Transportation's actual fiscal
16 year 2009 pipeline safety user fee assessed FGT in the amount of \$977,029. A
17 portion of this fee is allocated to the Station 22 Facilities on Line 2 in accordance
18 with the O&M Reimbursement Agreement. The remaining balance on Line 3 of
19 \$969,268 is then allocated between the Incremental and Non-Incremental
20 Facilities based on the Phase III Settlement with the results shown on Lines 4 and
21 5, respectively. Of the total to be allocated, \$565,761 has been attributed to the
22 Non-Incremental Facilities for the Test Period. Lines 6 and 7 compare the Test

1 Period user fee for the Non-Incremental Facilities with the actual Base Period
2 expense. The difference of \$97,581 on Line 8 equals the adjustment to FERC
3 Account 850, Operation Supervision and Engineering, for the increase in FGT's
4 pipeline safety user fee attributed to the Non-Incremental Facilities.

5 **Q. Please explain the adjustment related to Greenhouse Gas monitoring.**

6 A. The Environmental Protection Agency ("EPA") issued a proposed rule titled
7 "Mandatory Reporting of Greenhouse Gases," which was published in the Federal
8 Register on April 10, 2009. The proposed rule will require the annual monitoring
9 of Greenhouse Gas emissions at compressor stations along FGT's system. The
10 primary goal of this regulation is to obtain a more exact Greenhouse Gas
11 inventory, not only from FGT, but from all industrial sources for use in any
12 Greenhouse Gas reduction law that may be passed by Congress. A final rule will
13 be issued before the end of 2009 and requirements for the collection of data will
14 become effective January 1, 2010. Page 36 of Exhibit No. FGT-35 reflects the
15 projected annual costs associated with the monitoring of Greenhouse Gas
16 emissions at FGT's compressor stations. For purposes of this adjustment, the total
17 cost of \$624,000 on Line 7 has been allocated to the Station 22 Facilities and
18 between the Non-Incremental and Incremental Facilities based on certificated
19 horsepower, which is set forth on Page 37. The resultant adjustment to FERC
20 Account 853, Compressor Station Expenses, for the Non-Incremental Facilities is
21 \$215,342, as shown on Line 9 of Page 36.

1 **Q. Please explain the adjustment to exclude O&M Expenses associated with**
2 **certain offshore facilities.**

3 A. As footnoted on Page 38 of Exhibit No. FGT-35, a certificate application was filed
4 by FGT on September 3, 2009, in Docket No. CP09-461-000, requesting
5 authorization to abandon its obligation to provide transportation service utilizing
6 its ownership interest in the Matagorda Offshore Pipeline System. The adjustment
7 on Page 38 in the amount of \$98,656 simply eliminates Base Period O&M
8 Expenses recorded in FERC Account 856, Mains Expenses, related to these
9 offshore facilities. The adjustment actually increases O&M Expenses due to the
10 elimination of some out-of-period reversals recorded during the Base Period.

11 **Q. Has FERC Account 858, Transmission and Compression of Gas by Others**
12 **been adjusted?**

13 A. Yes. Page 39 of Exhibit No. FGT-35 reflects an adjustment of \$160,900. Page 1
14 of FGT Witness Lawrence J. Biediger's Exhibit No. FGT-51 sets forth this
15 adjustment in detail.

16 **Q. What adjustment was made to Transmission Expense with respect to class**
17 **location work?**

18 A. FGT is required from time to time to test and sometimes upgrade portions of its
19 system by pipe replacement in accordance with class location regulations issued by
20 the Department of Transportation's Pipeline and Hazardous Materials Safety
21 Administration under Title 49, Part 192 of the Code of Federal Regulations
22 ("CFR"). Page 40 of Exhibit No. FGT-35 identifies hydrostatic testing projects

1 scheduled during the Adjustment Period, along with the associated expenses,
2 related to class location changes for FGT's Non-Incremental Facilities. It is
3 anticipated that future annual costs will decline significantly from the Adjustment
4 Period costs. Therefore, the total on Line 8 in the amount of \$8,332,023 has been
5 adjusted on Line 9 to an annual representative cost of \$1,666,405. FERC Account
6 863, Maintenance of Mains, has been increased by this amount.

7 **Q. Please describe the adjustment to Transmission Expense related to pipeline**
8 **integrity assessment costs.**

9 A. Article IX of the 2004 Settlement and Section 26 of the GTC of FGT's Tariff
10 provide for the recovery of depreciation expense and pretax return on certain
11 defined capital expenditures during the term of the 2004 Settlement through a
12 surcharge ("Capital Surcharge"). In order to implement a Capital Surcharge, FGT
13 was required to incur a threshold of \$20 million of eligible capital cost
14 expenditures closed to gas plant in service on the Non-Incremental or Incremental
15 Facilities, evaluated separately. Pursuant to the 2004 Settlement and Section 26,
16 eligible capital cost expenditures include, but are not limited to, costs to assess the
17 integrity of FGT's pipeline in high consequence areas ("HCAs") in compliance
18 with the Pipeline Safety Improvement Act of 2002 and regulations issued
19 thereunder. Such pipeline integrity assessment costs include those incurred for in-
20 line inspections (or smart pigging), hydrostatic testing, or direct assessments. In
21 accordance with the 2004 Settlement and Section 26, these Capital Surcharge

1 provisions will terminate with the effectiveness of revised base tariff rates for
2 FGT.

3 In June 2005, FERC issued an order in Docket No. AI05-1-000 requiring
4 that pipeline assessment costs of a pipeline integrity management program be
5 accounted for as maintenance and charged to expense in the period incurred.

6 Upon the termination of the Capital Surcharge provisions with the effectiveness of
7 new rates, FGT will begin expensing costs incurred for smart pigging, hydrostatic
8 testing, or direct assessments in HCAs in accordance with Docket No. AI05-1-
9 000. Page 41 of my Exhibit No. FGT-35 shows the projected pipeline integrity
10 assessment costs for the Non-Incremental Facilities over the next five years. Also
11 included are costs associated with required measures to prevent pipeline failure or
12 to mitigate the consequences of a pipeline failure in HCAs. The total on Line 6 of
13 \$35,776,908 is divided by 5 to arrive at an average annual cost of \$7,155,382, as
14 shown on Line 7, to be incurred over the next five years. FERC Account 863,
15 Maintenance of Mains, has been adjusted by this amount.

16 **Q. Please provide an explanation of the adjustment to Transmission Expense to**
17 **amortize FGT's environmental remediation regulatory asset.**

18 A. FGT incurs expenses associated with the assessment, remediation, and monitoring
19 of soil and groundwater contamination resulting from prior waste management
20 practices at Rio Paisano (located near Falfurrias, Texas) and FGT's Compressor
21 Station 11. Such expenses incurred during the Base Period were charged against a
22 previously established reserve and cleared from O&M Expenses. FGT's projected

1 environmental remediation costs associated with Rio Paisano and Compressor
2 Station 11 to be incurred beginning April 1, 2010 through the year 2017 were
3 recorded as a Regulatory Asset in the amount of \$1,147,086. On Page 42 of
4 Exhibit No. FGT-35, FGT has reflected an amortization of this amount over 7.75
5 years, based on the number of months between April 1, 2010 and December 31,
6 2017. This results in an annual amortization of \$148,011 as reflected on Line 3, of
7 Page 42. An adjustment to increase FERC Account 867, Maintenance of Other
8 Equipment by this amount has been made.

9 **Q. What adjustments to A&G Expenses are included in Adjustment No. 5 as it**
10 **relates to the Non-Incremental Facilities?**

11 A. Adjustment No. 5, summarized on Page 43 of Exhibit No. FGT-35, is a net credit
12 adjustment to A&G expenses in the amount of (\$471,617), which includes: 1) an
13 increase in software maintenance costs; 2) an increase in insurance expenses; 3) a
14 reclassification of regulatory amortization; 4) an increase in the net periodic cost
15 for postretirement benefits other than pensions ("OPEB"); 5) an increase in the
16 savings plan match; 6) the exclusion of expired amortizations; 7) the amortization
17 of projected regulatory expenses; and 8) the removal of ACA expenses.

18 **Q. Please explain the adjustment to increase in software maintenance costs.**

19 A. FGT and its affiliates have purchased and are implementing software developed
20 and supported by a third party to replace their current SCADA systems. FGT will
21 begin paying its share of an annual fee to the third party to obtain ongoing support
22 and enhancements ensuring system availability and improvements to its business

1 processes. Page 44 of my Exhibit No. FGT-35 shows the derivation of this
2 adjustment. Line 1 on that page shows FGT's expected increase annually in
3 software support costs related to the new SCADA system in the amount of
4 \$114,000. A portion of this increase is allocated to the Station 22 Facilities on
5 Line 2 in accordance with the O&M Reimbursement Agreement. The remaining
6 balance on Line 3 of \$113,131 is then allocated between the Incremental and Non-
7 Incremental Facilities based on the KN methodology with the results shown on
8 Lines 4 and 5, respectively. Of the total to be allocated, \$81,672 has been
9 attributed to the Non-Incremental Facilities resulting as an increase to Account
10 923, Outside Services Employed for the Test Period.

11 **Q. Please explain the increase in insurance expenses.**

12 A. This adjustment seeks to normalize the Base Period activity for the net increase in
13 insurance costs incurred during the Adjustment Period related to FERC Account
14 924, Property Insurance, or Account 925, Injuries and Damages. FGT's insurance
15 premiums for the 2009-2010 coverage period are listed on Page 46 of Exhibit No.
16 FGT-35, with the totals reflected by FERC account on Line 1, Columns (a) and (b)
17 of Page 45 of Exhibit No. FGT-35. Portions of these premium costs are allocated
18 to the Station 22 Facilities on Line 2 in accordance with the O&M Reimbursement
19 Agreement. The differences on Line 3 are then allocated between the Incremental
20 and Non-Incremental Facilities on Lines 4 and 5, respectively, utilizing the factors
21 applied to FERC Accounts 924 and 925 prescribed by the KN methodology. Of
22 the totals allocated, \$1,021,351 and \$1,389,838 have been attributed to the Non-

1 Incremental Facilities for FERC Accounts 924 and 925, respectively. Lines 6 and
2 7 compare these Test Period premium costs for the Non-Incremental Facilities
3 with the comparable expenses recorded during the Base Period. The differences
4 set forth on Line 8, Column (a) of \$247,358 and Column (b) of \$139,257 represent
5 the adjustments to increase FERC Accounts 924 and 925, respectively, for the
6 Non-Incremental Facilities.

7 **Q. Please explain the reclassification of regulatory asset amortization.**

8 A. As described earlier, a FAS No. 106 Regulatory Asset was established pursuant to
9 Commission Order issued September 24, 1997 in Docket Nos. RP96-366, et al.
10 Further, Article VI, Section 6, of the 2004 Settlement authorized FGT to continue
11 to include amortization of \$104,028 for this Regulatory Asset in its annual cost of
12 service until the unamortized balance is fully recovered. The monthly
13 amortization is recorded in FERC Account 407.3, Regulatory Debits, prescribed
14 by the Uniform System of Accounts. Page 47 of Exhibit No. FGT-35 reflects the
15 adjustment to reclassify the portion of this annual amortization attributed to the
16 Non-Incremental Facilities (based on the KN methodology) to FERC Account
17 926, Employee Pensions and Benefits, for purposes of deriving the Cost of Service
18 in the instant filing.

19 **Q. Please explain the adjustment to A&G Expenses to reflect an increase in**
20 **OPEB net periodic cost.**

21 A. Page 48 of Exhibit No. FGT-35. Line 1, reflects FGT's estimated 2009 OPEB net
22 periodic cost in the amount of \$2,112,941. This estimate was provided by FGT's

1 actuary on February 23, 2009 and is net of the Medicare Part D federal subsidy
2 offered to sponsors of retiree healthcare benefit plans that provide a prescription
3 drug benefit that is at least actuarially equivalent to the Medicare Part D
4 prescription drug benefit. The estimate on Line 1 is also reflective of an
5 amendment to FGT's postretirement benefit plan adopted in September 2008 to
6 provide for a defined dollar benefit with an account balance to be used for the
7 payment of retiree contributions for FGT employees who retire on or after
8 October 1, 2008.

9 A portion of the OPEB net periodic cost on Line 1 of Page 48 is allocated
10 to the Station 22 Facilities on Line 2 in accordance with the O&M Reimbursement
11 Agreement. The remaining balance on Line 3 of \$2,096,853 is then allocated
12 between the Incremental and Non-Incremental Facilities based on the KN
13 methodology with the results shown on Lines 4 and 5, respectively. Of the total
14 allocated, \$1,557,167 has been attributed to the Non-Incremental Facilities for the
15 Test Period. Lines 6 and 7 compare the Test Period net periodic cost for the Non-
16 Incremental Facilities with the comparable Base Period expense. The difference
17 of \$752,273 on Line 8 represents the adjustment to increase FERC Account 926,
18 Employee Pensions and Benefits, for FGT's net periodic cost with respect to the
19 Non-Incremental Facilities.

20 **Q. Please discuss the adjustment to increase the savings plan match.**

21 A. Effective with the January 16, 2009 pay date, FGT's savings plan match increased
22 from 100 percent on the first 2 percent deferred and 50 percent on the next 3

1 percent to 100 percent of the first 5 percent deferred. Pages 49 and 50 of Exhibit
2 No. FGT-35 set forth the calculation to normalize the Base Period expenses to
3 reflect this increase in the company match. Specifically, Lines 1 through 12
4 calculate an average savings plan match per pay period factoring in the salary
5 increase described earlier that was first reflected in employees' paychecks on
6 April 24, 2009. The resultant average is annualized on Line 12 and reflected in
7 Column (j). The savings plan match attributed to FGT's annual incentive payout
8 is determined on Lines 13 through 16 with the result shown on Line 16 in Column
9 (j). The actual Base Period company match activity for January through May 2009
10 cross-charged to and from FGT's affiliates is averaged on Lines 17 through 27,
11 with annualized amounts shown in Column (j). The total of these annualized
12 amounts on Lines 17 through 27, along with the annualized amounts on Lines 12
13 and 16 described above are summed to arrive at a Test Period savings plan match
14 before capitalization on Line 28 of \$1,439,351.

15 A portion of the savings plan match on Line 28 is allocated to the Station
16 22 Facilities on Line 29 in accordance with the O&M Reimbursement Agreement.
17 The remaining balance on Line 30 of \$1,428,392 is then allocated between the
18 Incremental and Non-Incremental Facilities based on the KN methodology with
19 the results shown on Lines 31 and 32, respectively. Of the total allocated,
20 \$1,060,754 has been attributed to the Non-Incremental Facilities. Next, this
21 amount is reduced by the average savings plan match capitalized during the Base
22 Period from January through May 2009. The result on Line 34 of \$848,205 is

1 compared to the actual Base Period expense on Line 35 for the Non-Incremental
2 Facilities. The difference of \$112,962 on Line 36 represents the adjustment to
3 increase FERC Account 926, Employee Pensions and Benefits, for FGT's savings
4 plan match with respect to the Non-Incremental Facilities.

5 **Q. Would you next please explain the exclusion of expired amortizations that are**
6 **part of Adjustment No. 5.**

7 A. Article VI, Sections 3 and 4 of the 2004 Settlement authorized FGT to amortize
8 over a five-year period beginning April 1, 2004: 1) its allocated share of the costs
9 to fully fund and terminate the Enron Corp. Cash Balance Plan, and 2) regulatory
10 commission expenses associated with Docket Nos. RP04-12, et al. These
11 amortizations expired during the Base Period. Page 51 of my Exhibit No. FGT-35
12 reflects the Base Period amounts excluded from FERC Accounts 926 and 928 for
13 the Non-Incremental Facilities' share of these amortizations.

14 **Q. Have you made any other adjustments for regulatory expenses that are part**
15 **of Adjustment No. 5?**

16 A. Yes. FERC Account 928, has been adjusted to include the recovery of estimated
17 regulatory expenses to be incurred in the instant rate proceeding. The estimated
18 expenses are summarized on Lines 1 through 3 on Page 52 of Exhibit No. FGT-
19 35. FGT is proposing to recover the total projected costs on Line 4 of \$624,400
20 over a five-year period. A portion of the annual amortization on Line 5 of
21 \$124,880 is allocated to the Station 22 Facilities on Line 6 in accordance with the
22 O&M Reimbursement Agreement. The remaining balance on Line 7 of \$123,928

1 is then allocated between the Incremental and Non-Incremental Facilities based on
2 the KN methodology with the results shown on Lines 8 and 9, respectively. Of the
3 total allocated, \$89,467 has been attributed to the Non-Incremental Facilities for
4 the Test Period. Lines 10 and 11 compare the Test Period expense for the Non-
5 Incremental Facilities with the actual Base Period expense. The difference of
6 \$82,054 on Line 12 represents the adjustment to FERC Account 928 to increase
7 FGT's regulatory expenses with respect to the Non-Incremental Facilities.

8 Adjustment No. 5 also removes the Base Period FERC Order No. 472
9 Annual Charge expenses for the Non-Incremental Facilities, as shown on Line 1,
10 Page 53 of my Exhibit No. FGT-35. These expenses are collected through a
11 separate surcharge as set forth in Section 22 of the GTC of FGT's Tariff,

12 **Q. Please describe Adjustment No. 6 as it relates to the Non-Incremental**
13 **Facilities.**

14 A. Adjustment No. 6 corrects three types of misclassified expenses. First, Pages 54
15 and 55 simply reclassify Base Period expenses from one O&M FERC account to
16 another. Second, Page 56 of Adjustment No. 6 reclassifies O&M Expenses as
17 S&E that were incorrectly recorded as labor during the Base Period. Third, Pages
18 57 through 59 reclassify, by removing from O&M Expenses, certain expenses
19 inadvertently recorded as such during the Base Period. Due to the fact that A&G
20 expenses are allocated at a FERC account level throughout FGT's Base Period to
21 the Station 22 Facilities and between the Non-Incremental and Incremental
22 Facilities, it was necessary on Pages 57 through 59 to replicate these monthly

1 allocations in order to determine the appropriate adjustments for these specific
2 misclassified transactions. Adjustment No. 6 totals (\$91,409) for the Non-
3 Incremental Facilities as shown on Page 59, Line 14, Column (m).

4 **Q. Did you eliminate expenses that did not pertain to FGT's Base Period for the**
5 **Non-Incremental Facilities?**

6 A. Yes. Adjustment No. 7, totaling (\$289,538), eliminates various entries recorded
7 during the Base Period for the Non-Incremental Facilities that relate to prior
8 periods. Page 60 of Exhibit No. FGT-35 summarizes by FERC account the
9 amounts removed from the O&M Expenses claimed for the Non-Incremental
10 Facilities in the instant filing.

11 **Q. Is FGT itself subject to income taxes?**

12 A. No. As a limited liability company, FGT is a pass-through entity for tax purposes
13 and, therefore, is not itself subject to income taxes. However, the ultimate owners
14 of FGT are subject to actual or potential income tax liability on their shares of
15 FGT's income.

16 **Q. Does the Commission's Policy Statement on Income Tax Allowances² ("Policy**
17 **Statement") authorize an income tax allowance in the case of an interstate**
18 **pipeline that is a pass-through entity for income tax purposes?**

19 A. Yes. The Policy Statement authorizes an income tax allowance in cases where
20 partnerships or similar pass-through entities own the assets of a regulated public
21 utility to the extent that the owner or owners of the pass-through entity are subject

1 to actual or potential income tax liability on their shares of the pass-through
2 entity's income.

3 **Q. What factors does the Commission consider when authorizing an income tax**
4 **allowance for a pipeline that is a pass-through entity for income tax**
5 **purposes?**

6 A. The Commission considers the pipeline's owners and their tax status. If there is
7 more than one level of pass-through entities, the Commission evaluates the owner
8 where ultimate tax liability resides and whether such owner has actual or potential
9 income tax liability on income from the pipeline (id. at Par. 42.) An income tax
10 allowance is authorized regardless of the type of entity or individual which
11 ultimately owns the public utility assets, "provided that an entity or individual has
12 an actual or potential income tax liability to be paid on that income from those
13 assets." (id. Par. 32.)

14 **Q. Please identify the owners of FGT.**

15 A. FGT is wholly owned by Citrus Corp. The ownership of Citrus Corp. is divided
16 50/50 indirectly through subsidiaries of Southern Union Company ("Southern
17 Union"), a Delaware corporation, and El Paso Corporation ("El Paso"), also a
18 Delaware corporation.

19 **Q. Are the ultimate owners of FGT subject to actual or potential income tax**
20 **liability with respect to income from FGT?**

² *Inquiry Regarding Income Tax Allowances*, 111 FERC ¶ 61,139 (2005).

1 A. Yes. Southern Union and El Paso, as corporations, are subject to the corporate
2 marginal tax rate of 35 percent, and 50 percent each of FGT's income is included
3 in the determination of Southern Union's and El Paso's federal and state income
4 tax liability.

5 **Q. What Federal and State Income Tax allowances are included in the Cost of**
6 **Service for the Non-Incremental Facilities?**

7 A. The allowances for Federal and State Income Taxes related to the Non-
8 Incremental Facilities are shown on Lines 7 and 8 of my Exhibit No. FGT-36 and
9 equal \$30,722,992 and \$4,557,771, respectively.

10 **Q. Please explain the Federal Income Tax computation for the Non-Incremental**
11 **Facilities shown on your Exhibit No. FGT-36.**

12 A. The Federal Income Tax allowance related to the Non-Incremental Facilities is
13 computed based on the applicable Return on Rate Base for the Non-Incremental
14 Facilities of \$78,183,539, as determined on FGT Witness Brocato's Exhibit No.
15 FGT-20. The Return is reduced on Line 2 by Interest and Debt Expense of
16 \$21,267,543, the calculation of which is set forth on Exhibit No. FGT-44, Page
17 10, of FGT Witness William W. Grygar's prepared direct testimony. This
18 reduction insures FGT's ratepayers are given the benefit of this deduction in the
19 Income Tax computation. The Return after Federal Income Tax Adjustments is
20 calculated on Line 4 in the amount of \$56,915,996. A tax-on-tax factor of
21 53.846154 percent is applied to the Return after Federal Income Tax Adjustments

1 to compute Federal Income Taxes of \$30,647,075, shown on Line 5. The tax-on-
2 tax factor is based on the statutory tax rate of 35 percent.

3 **Q. Please explain Line 6 labeled “South Georgia – Federal Tax Deficiency.”**

4 A. As discussed earlier, an Unfunded Deferred Income Tax Regulatory Asset was
5 established for the Non-Incremental Facilities pursuant to Commission Order
6 issued September 24, 1997 in Docket Nos. RP96-366, et al. FGT’s settlement
7 allowance for Income Taxes in Docket Nos. RP96-366, et al. included \$46,884
8 (\$75,917 adjusted for the tax-on-tax effect) designed to facilitate the collection of
9 these deficient deferred taxes over time. Article VI, Section 7, of the 2004
10 Settlement authorized FGT to continue to include \$75,917 in its annual Cost of
11 Service until the deficient deferred income taxes are fully recovered. Line 6
12 together with the Federal Income Taxes calculated on Line 5 total \$30,722,992
13 (Line 7), which represents the total Federal Income Tax allowance claimed in the
14 Cost of Service on FGT Witness Brocato’s Exhibit No. FGT-19, Line 7.

15 **Q. How were State Income Taxes for the Non-Incremental Facilities computed?**

16 A. A tax-on-tax factor of 5.205129 percent, based on FGT’s effective composite state
17 tax rate of 4.9476 percent, was applied to the sum of the Return after Federal
18 Income Tax Adjustments (Line 4) and the Federal Income Tax allowance (Line 5)
19 to compute the claimed State Income Tax allowance of \$4,557,771, as shown on
20 Line 8, related to the Non-Incremental Facilities. This amount has been carried
21 forward to FGT Witness Brocato’s Exhibit No. FGT-19, Line 8.

22

INCREMENTAL FACILITIES

Q. Please explain Exhibit No. FGT-37 as it relates to the Incremental Facilities.

A. Exhibit No. FGT-37, Page 1, sets forth the Accumulated Deferred Income Taxes by FERC account for the Incremental Facilities. Columns (a) through (l) show the balances in FERC Accounts 190, 282 and 283 for each month of the Base Period. Column (m) reflects the changes in the provision for Deferred Income Taxes projected to occur during the Adjustment Period, including changes resulting from plant additions and retirements; tax and book depreciation; and other entries projected to be recorded during the Adjustment Period. Column (n) on Page 1 eliminates the Accumulated Deferred Income Taxes not claimed in Rate Base and Column (o) reflects the resulting Test Period Accumulated Deferred Income Taxes of (\$443,734,961) included in the derivation of the Test Period Rate Base, as supported in the prepared direct testimony of FGT Witness Brocato. Page 2 of my Exhibit No. FGT-37 identifies the individual components that comprise the Accumulated Deferred Income Taxes in FERC Accounts 190, 282 and 283, and indicates those claimed in Rate Base.

Q. Please explain Exhibit No. FGT-38 of the Filing.

A. Exhibit No. FGT-38 sets forth the Regulatory Assets for the Incremental Facilities claimed in Test Period Rate Base, as reflected on FGT Witness Brocato's Exhibit No. FGT-26. First, pursuant to Commission Orders dated January 15, 1993 and April 21, 1993 in Docket Nos. CP92-182, et al., FGT established a regulatory asset to record the difference in the amount of straight-line depreciation expense for

1 book purposes and the amount of plant costs recovered in rates (“Levelization
2 Adjustment Regulatory Asset”). Secondly, regulatory assets were established
3 pursuant to Preliminary Determinations issued July 30, 1999 and November 22,
4 2000 in Docket Nos. CP99, et al. and CP00-40, et al., respectively, related to
5 certain facilities placed in service early in the Phase IV and Phase V expansions
6 (“Early In-Service Facilities Regulatory Asset”).

7 Line 1 of Exhibit No. FGT-38 reflects the unamortized balances at
8 May 31, 2008 associated with the Levelization Adjustment Regulatory Asset and
9 the Early In-Service Facilities Regulatory Asset. Lines 2 through 13 reflect the
10 balances for each month of the Base Period and Line 14 shows the Base Period
11 ending balance at May 31, 2009. The adjustments on Line 15 represent the
12 amortization to occur during the Adjustment Period. The total projected balance
13 at February 28, 2010 of \$447,623,189 reflected on Line 16, Column (c) has been
14 carried forward to FGT Witness Brocato’s Exhibit No. FGT-26, Line 6.

15 **Q. Will you now turn to Exhibit No. FGT-39 and explain that exhibit as it**
16 **relates to the Incremental Facilities?**

17 A. Pages 1 and 2 of my Exhibit No. FGT-39 Columns (a) through (d), set forth the
18 O&M Expenses for the Incremental Facilities for the twelve months of actual
19 experience ended May 31, 2009; the adjustments to these Base Period expenses in
20 Columns (e) through (h); and the total O&M Expenses, as adjusted, in Columns (i)
21 through (l). The O&M Expenses are shown by FERC account and are subdivided
22 between labor, S&E and gas cost. The annual O&M Expenses, as adjusted, for the

1 Incremental Facilities total \$37,976,351, as shown on Page 2, Column (l), Line 23.

2 This amount is included as Total Operating Expenses in the overall Cost of

3 Service for FGT's Incremental Facilities, as shown on Line 3 of FGT Witness

4 Brocato's Exhibit No. FGT-25. Pages 3 through 10 of Exhibit No. FGT-39 set

5 forth the O&M Expenses for the Incremental Facilities, by month, between labor

6 and S&E.

7 **Q. Have you detailed the adjustments to actual O&M Expenses for the**

8 **Incremental Facilities?**

9 A. Yes. Adjustments to the Base Period O&M Expenses for the Incremental

10 Facilities total \$3,035,997 (Page 2, Column (h), Line 23). Page 11 of Exhibit No.

11 FGT-39 identifies each adjustment and provides a brief description and the

12 amount for each adjustment. Pages 12 through 21 set forth, by adjustment

13 number, the FERC accounts adjusted and the categories impacted (i.e., labor,

14 S&E, or gas cost). Details of the O&M adjustments for the Incremental Facilities

15 are shown on Pages 22 through 34.

16 **Q. Would you briefly explain each of the O&M adjustments to the Incremental**

17 **Facilities?**

18 A. Adjustment No. 1, Pages 22 and 23 of Exhibit No. FGT-39, normalizes salary

19 increases that became effective during the Base Period in the same manner as was

20 described above for the Non-Incremental Facilities. Column (a) on Pages 22 and

21 23 reflects Base Period labor by FERC account as set forth on Schedule

1 H-1(1)(a).2 of the instant filing for the Incremental Facilities. Columns (b) and (c)
2 adjust Base Period labor for other adjustments to O&M Expenses discussed below
3 that affect labor. Column (d) on Pages 22 and 23 remove labor expenses
4 associated with the second pay period in April 2009, as well as May 2009 Base
5 Period labor. The average salary increase of 3.7 percent is applied in Column (f)
6 to the net adjusted labor reflected in Column (e). The total adjustment of
7 \$290,376 is shown by FERC account in Column (f) on Pages 22 and 23.

8 **Q. Please describe Adjustment No. 2 to O&M Expenses as it relates to the**
9 **Incremental Facilities.**

10 A. Adjustment No. 2 is identical to Adjustment No. 2 of Exhibit No. FGT-35
11 described above, but for the Incremental Facilities. Line 21, Column (d) of
12 Exhibit No. FGT-39, Page 24, reflects an adjustment of \$19,554, which represents
13 the projected increase in the cost of S&E through the end of February 2010 for the
14 Incremental Facilities. Column (a) on Page 24 reflects Base Period S&E by FERC
15 account as set forth on Schedule H-1(1)(b).2 of the instant filing for the
16 Incremental Facilities. Once again, expenses recorded in FERC Account 858 are
17 excluded from this adjustment. Column (b) adjusts Base Period S&E for other
18 O&M adjustments discussed below affecting S&E for the Incremental Facilities.
19 The S&E factor of 0.26 percent supported on Pages 31 and 32 of my Exhibit No.
20 FGT-35 is applied in Column (d) on Page 24 of Exhibit No. FGT-39 to the net
21 adjusted S&E reflected in Column (c) resulting in Adjustment No. 2 totaling
22 \$19,554.

1 **Q. Please explain O&M Adjustment No. 3 of Exhibit No. FGT-39.**

2 A. Adjustment No. 3 in the amount of (\$22,031), shown on Page 25 of Exhibit No.
3 FGT-39 eliminates the cost of gas used in FGT's utility operations. These costs
4 are recovered separately through FGT's Fuel Reimbursement Charge set forth in
5 Section 27 of the GTC of FGT's Tariff.

6 **Q. Please explain the adjustments to Transmission Expense that comprise**
7 **Adjustment No. 4 as it relates to the Incremental Facilities.**

8 A. Adjustment No. 4, summarized on Page 26 of my Exhibit No. FGT-39, is an
9 adjustment to Transmission Expenses totaling \$3,179,120, which is comprised of:
10 1) an increase in FGT's pipeline safety user fee; 2) an increase in environmental
11 expenses related to Greenhouse Gas monitoring; 3) a reclassification of operating
12 and maintenance fees; 4) the annualization of expenses for transmission and
13 compression of gas by others; and 5) pipeline integrity assessment costs.

14 **Q. Please explain the adjustment to increase FGT's pipeline safety use fee as it**
15 **relates to the Incremental Facilities.**

16 A. Please refer once again to Page 35 of my Exhibit No. FGT-35. As explained
17 above, a portion of the Department of Transportation's actual fiscal year 2009
18 pipeline safety user fee assessed FGT was first allocated to the Station 22
19 Facilities in accordance with the O&M Reimbursement Agreement. The
20 remaining balance was then allocated between the Non-Incremental and
21 Incremental Facilities based on the Phase III Settlement. The portion of the Test
22 Period user fee attributable to the Incremental Facilities is shown on Line 4 in the

1 amount of \$403,507. Lines 9 and 10 compare the Test Period user fee for the
2 Incremental Facilities with the actual Base Period expense. The difference of
3 \$68,299 on Line 11 is the adjustment to FERC Account 850 for the increase in
4 FGT's pipeline safety user fee attributed to the Incremental Facilities.

5 **Q. Please explain the adjustment to Incremental Facilities related to Greenhouse**
6 **Gas monitoring.**

7 A. Please turn once more to Pages 36 and 37 of my Exhibit No. FGT-35. As
8 explained before, the EPA issued a proposed rule earlier this year that will require
9 the annual monitoring of Greenhouse Gas emissions at FGT's compressor stations
10 beginning in 2010. Of the total projected costs associated with the annual
11 monitoring of Greenhouse Gas emissions at FGT's compressor stations, \$398,549
12 has been allocated to the Incremental Facilities as shown on Page 36, Line 10,
13 based on certificated horsepower. An adjustment for this amount has been made
14 to FERC Account 853 for the Incremental Facilities.

15 **Q. Please explain the reclassification that has been made with respect to**
16 **operating and maintenance fees.**

17 A. Base Period entries related to FGT's Operation and Maintenance Agreement with
18 Paragon ECS Holdings, LLC ("Paragon O&M Agreement") have been reclassified
19 from FERC Account 488, Miscellaneous Service Revenues, to FERC Account
20 853. Pursuant to the Paragon O&M Agreement, Paragon pays FGT a monthly fee
21 to operate and maintain the compressor motor facilities at FGT's Compressor

1 Station 13A. A reclassification in the amount of (\$315,849) credits these O&M
2 fees to FERC Account 853, as reflected on Page 27 of Exhibit No. FGT-39.

3 **Q. Has FERC Account 858, Transmission and Compression of Gas by Others,**
4 **for the Incremental Facilities been adjusted?**

5 A. Yes. Page 28 of Exhibit No. FGT-39 reflects an adjustment of \$2,186,703. Page
6 2 of FGT Witness Biediger's Exhibit No. FGT-51 sets forth this adjustment in
7 detail.

8 **Q. Please describe the adjustment to the Incremental Facilities related to**
9 **pipeline integrity assessment costs.**

10 A. As discussed above, upon termination of FGT's Capital Surcharge tariff
11 provisions with the effectiveness of new rates, FGT must begin expensing costs
12 for pipeline integrity assessments conducted in HCAs pursuant to the accounting
13 guidance outlined in Docket No. AI05-1-000. Page 29 of my Exhibit No. FGT-39
14 shows the projected pipeline integrity assessment costs for the Incremental
15 Facilities over the next five years, along with costs associated with additional
16 required preventive and mitigative measures that must be undertaken by FGT in
17 HCAs. The total on Line 6 of \$4,207,092 is divided by 5 to arrive at an average
18 annual cost of \$841,418, as shown on Line 7, over the next five years. FERC
19 Account 863, Maintenance of Mains, has been adjusted by this amount.

20 **Q. What changes to A&G Expenses are you proposing with Adjustment No. 5 as**
21 **it relates to the Incremental Facilities?**

1 A. Adjustment No. 5, summarized on Page 30 of Exhibit No. FGT-39, is a net credit
2 to A&G expenses in the amount of (\$313,597), which includes: 1) an increase in
3 software maintenance costs; 2) an increase in insurance expenses; 3) a
4 reclassification of regulatory amortization; 4) an increase in OPEB net periodic
5 cost; 5) an increase in the savings plan company match; 6) the exclusion of
6 expired amortizations; 7) the amortization of projected regulatory expenses; and 8)
7 the removal of ACA expenses.

8 **Q. Please explain the increase in software maintenance costs as it relates to the**
9 **Incremental Facilities.**

10 A. As discussed above, FGT will begin paying an annual fee for software
11 maintenance support in connection with the implementation of a new SCADA
12 system. Page 44, Line 4, of my Exhibit No. FGT-35 shows the portion of this
13 annual fee allocated to the Incremental Facilities utilizing the KN methodology.
14 Line 4 shows an increase to FERC Account 923, Outside Services Employed of
15 \$31,459.

16 **Q. Please explain the adjustment to increase insurance expenses.**

17 A. As discussed above in context of the Non-Incremental Facilities, this adjustment
18 seeks to normalize the Base Period activity for the net increase in insurance
19 premium costs for the 2009-2010 coverage period that are recorded in FERC
20 Account 924, Property Insurance, or Account 925, Injuries and Damages. The
21 portion of this adjustment attributed to the Incremental Facilities is set forth on
22 Page 45 of my Exhibit No. FGT-35. Using the factors prescribed by the KN

1 methodology for Accounts 924 and 925, a portion of the Test Period premium
2 costs are allocated to the Incremental Facilities on Line 4. Lines 9 and 10 of
3 Exhibit No. FGT-35 compare these Test Period premium costs for the Incremental
4 Facilities with the comparable expenses recorded during the Base Period. The
5 differences set forth on Line 11, Column (a) of \$346,763 and Column (b) of
6 \$37,389 represent the adjustments to increase FERC Accounts 924 and 925,
7 respectively, for the Incremental Facilities.

8 **Q. Please explain the reclassification of regulatory asset amortization for the**
9 **Incremental Facilities.**

10 A. Page 31 of Exhibit No. FGT-39 shows the portion of the FAS No. 106 Regulatory
11 Asset annual amortization attributed to the Incremental Facilities. As stated
12 above, this amortization is recorded in FERC Account 407.3, Regulatory Debits.
13 Page 31 of Exhibit No. FGT-39 reflects an adjustment to reclassify \$27,272 to
14 FERC Account 926, Employee Pensions and Benefits, for the Incremental
15 Facilities.

16 **Q. Please explain the increase in OPEB net periodic cost as it relates to the**
17 **Incremental Facilities.**

18 A. Please refer once again to Page 48 of Exhibit No. FGT-35. As discussed above
19 FGT's estimate from its actuary shows an increase in 2009 OPEB net periodic cost
20 over Base Period expenses. A portion of the 2009 net periodic cost was allocated
21 to the Incremental Facilities on Line 4 in the amount of \$539,686 based on the KN
22 methodology in accordance with the 2004 Settlement. Lines 9 and 10 on Page 48

1 of Exhibit No. FGT-35 compare the Test Period net periodic cost for the
2 Incremental Facilities with the Base Period expense. The difference of \$253,816
3 on Line 11 represents the adjustment to increase FERC Account 926 with respect
4 to FGT's OPEB net periodic cost for its Incremental Facilities.

5 **Q. Please discuss the adjustment to increase the savings plan company match as**
6 **it relates to the Incremental Facilities.**

7 A. As discussed above, FGT's savings plan match increased to 100 percent of the
8 first 5 percent deferred effective with employees' paychecks dated January 16,
9 2009. Pages 49 and 50 of Exhibit No. FGT-35 set forth the calculation to
10 normalize the Base Period Expenses to reflect the increase in the match. Of the
11 total increase in costs allocated, \$367,638 has been allocated to the Incremental
12 Facilities using the KN methodology, as set forth on Line 31, Page 49. This
13 amount has been carried forward to Page 50, Line 37. Actual Base Period savings
14 plan match expenses for January through May 2009 capitalized or cross-charged to
15 and from the Incremental Facilities' affiliates are averaged on Lines 38 through
16 40, with annualized amounts shown in Column (j). Lines 37 through 40, Column
17 (j) are summed to arrive at the net Test Period savings plan expense for the
18 Incremental Facilities of \$464,963 (Line 41). Next, this amount is compared to
19 the actual Base Period expense for the Incremental Facilities. The difference of
20 \$54,409 on Line 43 represents the adjustment to increase FERC Account 926 to
21 normalize FGT's savings plan match with respect to the Incremental Facilities.

1 **Q. Would you next explain the exclusion of expired amortizations that are part**
2 **of Adjustment No. 5.**

3 A. Page 32 of Exhibit No. FGT-39 eliminates the Incremental Facilities' allocated
4 portion of the Base Period amortizations authorized in the 2004 Settlement that
5 were described above and expired during the Base Period. Lines 1 and 2 on Page
6 32 reflect the credit adjustments to FERC Accounts 926 and 928 for the
7 Incremental Facilities in the amounts of (\$405,536) and (\$52,441), respectively.

8 **Q. Please describe the remaining adjustments to regulatory expenses for the**
9 **Incremental Facilities.**

10 A. FERC Account 928 has also been adjusted to include the recovery over a five-year
11 period of estimated regulatory expenses to be incurred in the instant rate
12 proceeding. The amount on Exhibit No. FGT-35, Page 52, Line 8, of \$34,461 is
13 the portion of the proposed annual recovery amount allocated to the Incremental
14 Facilities based on the KN methodology. Lines 13 and 14 compare the Test
15 Period expense for the Incremental Facilities with the actual Base Period expense.
16 The difference of \$31,464 on Line 15 represents the adjustment to increase FERC
17 Account 928 for FGT's regulatory expenses in the instant proceeding with respect
18 to the Incremental Facilities.

19 Adjustment No. 5 also includes an adjustment to remove Base Period
20 FERC Order No. 472 Annual Charge expenses for the Incremental Facilities.
21 Please refer to Page 33, Line 1, of Exhibit No. FGT-39. As stated earlier, this

1 expense is collected through a separate surcharge pursuant to Section 22 of the
2 GTC of FGT's Tariff.

3 **Q. Would you next describe Adjustment No. 6 as it relates to the Incremental**
4 **Facilities?**

5 A. Please refer to Pages 54 through 59 of Exhibit No. FGT-35, as well as my
6 discussion of Adjustment No. 6 above for the Non-Incremental Facilities.
7 Adjustment No. 6 results in a net decrease of (\$37,574) to O&M Expenses for the
8 Incremental Facilities as shown on Page 59, Line 13, Column (m).

9 **Q. Did you also eliminate expenses that did not pertain to FGT's Base Period for**
10 **the Incremental Facilities?**

11 A. Yes, Adjustment No. 7, totaling (\$79,851), eliminates various entries recorded
12 during the Base Period for the Incremental Facilities relating to prior periods.
13 Page 34 of Exhibit No. FGT-39 summarizes, by FERC account, the amounts
14 removed from O&M Expenses claimed for the Incremental Facilities.

15 **Q. Please explain the calculation of the Federal and State Income Tax**
16 **allowances for the Incremental Facilities as shown on Exhibit No. FGT-40.**

17 A. The allowances claimed for Federal and State Income Taxes related to the
18 Incremental Facilities are reflected on Lines 7 and 8 of Exhibit No. FGT-40 in the
19 amounts of \$59,839,436 and \$8,899,199, respectively. These amounts are in turn
20 carried forward to Lines 7 and 8 of FGT Witness Brocato's Exhibit No. FGT-25 in
21 the calculation of the Cost of Service for the Incremental Facilities.

1 **Q. Please explain the Federal Income Tax computation shown on your Exhibit**

2 **No. FGT-40.**

3 A. The Federal Income Tax allowance for the Incremental Facilities is computed
4 based on the Return on Rate Base for the Incremental Facilities of \$152,655,969
5 calculated on FGT Witness Brocato's Exhibit No. FGT-26, Line 8. The Return is
6 reduced on Line 2 of Exhibit No. FGT-40 by Interest and Debt Expense of
7 \$41,525,587, which is calculated on Exhibit No. FGT-44, Page 10, of FGT
8 Witness Grygar's prepared direct testimony. The Return after Federal Income Tax
9 Adjustments is calculated on Line 4 in the amount of \$111,130,382. A tax-on-tax
10 factor of 53.846154 percent is applied to the Return after Federal Income Tax
11 Adjustments to compute Federal Income Taxes \$59,839,436 for the Incremental
12 Facilities, as shown on Line 5. The tax-on-tax factor is calculated based on the
13 statutory tax rate of 35 percent.

14 **Q. How were State Income Taxes for the Incremental Facilities derived?**

15 A. A tax-on-tax factor of 5.205129 percent, based on FGT's effective composite state
16 tax rate of 4.9476 percent, was applied to the sum of the Return after Federal
17 Income Tax Adjustments (Line 4) and the Federal Income Tax allowance (Line 5)
18 to compute the claimed State Income Tax allowance of \$8,899,199, as shown on
19 Line 8, related to the Incremental Facilities.

20 **Q. Does this conclude your prepared direct testimony?**

21 A. Yes, it does.

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

Line No.	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	January (h)
1	Account No. 190	\$ 27,580,360	\$ 27,658,482	\$ 27,851,174	\$ 28,335,383	\$ 26,533,791	\$ 28,912,423	\$ 26,993,996	\$ 26,994,538
2	Account No. 282	(101,734,765)	(102,908,946)	(104,080,435)	(107,272,841)	(108,506,751)	(109,708,930)	(114,018,829)	(115,478,711)
3	Account No. 283	(13,234,472)	(12,896,989)	(14,486,473)	(16,776,539)	(13,761,514)	(16,992,040)	(14,994,230)	(14,904,492)
4	Total Deferred Taxes	\$ (87,388,877)	\$ (88,147,453)	\$ (90,715,734)	\$ (95,713,997)	\$ (95,734,474)	\$ (97,788,547)	\$ (102,019,063)	\$ (103,388,665)

Line No.	Description	February (i)	March (j)	April (k)	May (l)	Adjustment Period Activity (m)	Adjustments (n)	Total, As Adjusted (o)
1	Account No. 190	\$ 26,977,020	\$ 27,514,315	27,898,898	\$ 27,805,012	\$ 256,278	\$ (25,380,090)	\$ 2,681,200
2	Account No. 282	(116,474,187)	(120,219,187)	(121,566,821)	(122,894,196)	12,638,282	6,174,758	(104,081,156)
3	Account No. 283	(15,435,126)	(14,691,867)	(14,986,706)	(15,060,730)	2,359,522	10,374,538	(2,326,670)
4	Total Deferred Taxes	\$ (104,932,293)	\$ (107,396,739)	(108,654,629)	\$ (110,149,914)	\$ 15,254,082	\$ (8,830,794)	\$ (103,726,626)

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

Line No.	Description	Deferred Taxes (a)	Adjustments (b)	Deferred Taxes, As Adjusted (c)	Claimed in Rate Base (d)
1	Asset Retirement Obligation (ARO)	\$ 49,106	\$ -	\$ 49,106	\$ -
2	Bad Debt Expense	7,043	-	7,043	-
3	Capitalized Interest	2,235,613	445,587	2,681,200	2,681,200
4	CIAC - Nonutility	20,588,972	(244,840)	20,344,132	-
5	Deferred Compensation	262,447	-	262,447	-
6	Environmental Clean Up Costs	90,387	55,531	145,918	-
7	Insurance	266,377	-	266,377	-
8	OPEB	53,253	-	53,253	-
9	Balancing Tools	4,251,814	-	4,251,814	-
10	Subtotal - FERC Account 190	<u>27,805,012</u>	<u>256,278</u>	<u>28,061,290</u>	<u>2,681,200</u>
11	Book Gain/Loss on Sale of Assets	(2,937,855)	-	(2,937,855)	-
12	Book Amortization Reversal	1,171,339	-	1,171,339	1,171,339
13	Book Depreciation - Utility	174,051,031	7,679,766	181,730,797	181,730,797
14	Cost Of Asset Removal	(4,455,225)	-	(4,455,225)	(4,455,225)
15	Pipeline Integrity	(13,989,465)	2,318,100	(11,671,365)	(11,671,365)
16	Salvage Proceeds	1,061,052	-	1,061,052	1,061,052
17	Tax Depreciation - Utility	(275,953,365)	4,035,611	(271,917,754)	(271,917,754)
18	Tax Gain/Loss on Sale of Assets	(1,841,708)	(1,395,195)	(3,236,903)	-
19	Subtotal - FERC Account 282	<u>(122,894,196)</u>	<u>12,638,282</u>	<u>(110,255,914)</u>	<u>(104,081,156)</u>
20	AFUDC Gross-Up	(3,613,484)	-	(3,613,484)	-
21	AFUDC on Equity	(6,740,575)	-	(6,740,575)	-
22	Computer Development Costs	(2,279,930)	-	(2,279,930)	(2,279,930)
23	Deferred Debits/Credits	(47,184)	-	(47,184)	-
24	FERC Annual Charge	(85,270)	-	(85,270)	-
25	Mark to Market - Noncurrent	-	18,923	18,923	-
26	OPEB	(1,905,251)	2,318,849	413,598	-
27	Fuel Tracker	(320,546)	-	(320,546)	-
28	South Georgia	(68,490)	21,750	(46,740)	(46,740)
29	Subtotal - FERC Account 283	<u>(15,060,730)</u>	<u>2,359,522</u>	<u>(12,701,208)</u>	<u>(2,326,670)</u>
30	Total - FERC Accounts 190, 282, and 283	<u>\$ (110,149,914)</u>	<u>\$ 15,254,082</u>	<u>\$ (94,895,832)</u>	<u>\$ (103,726,626)</u>

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

Line No.	Description	Unfunded Deferred		FAS No. 106		Total
		Income Taxes	1/	(b)	1/	
		(a)				(c)
1	Balance at May 31, 2008	\$ 255,139	\$	494,201	\$	749,340
	Balance for the Months of:					
2	June 2008	248,813		485,532		734,345
3	July	242,486		476,862		719,348
4	August	236,160		468,193		704,353
5	September	229,834		459,524		689,358
6	October	223,508		450,854		674,362
7	November	217,182		442,185		659,367
8	December	210,856		433,515		644,371
9	January 2009	204,530		424,846		629,376
10	February	198,204		416,177		614,381
11	March	191,878		407,507		599,385
12	April	185,552		398,838		584,390
13	May	179,226		390,168		569,394
14	Balance at May 31, 2009	179,226		390,168		569,394
15	Adjustment Period Activity	(56,934)		(78,021)		(134,955)
16	Projected Balance at February 28, 2010	\$ 122,292	\$	312,147	\$	434,439

Footnote:

- 1/ The regulatory assets reflected in Columns (a) and (b) were authorized pursuant to the Stipulation and Agreement of Settlement in Docket Nos. RP96-366 et al. approved by Commission Order issued September 24, 1997. See also Article VI, Sections 6 and 7 of the Stipulation and Agreement dated August 13, 2004 in Docket Nos. RP04-12, et al.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Per Books				Adjustments				As Adjusted			
			Labor (a)	S&E (b)	Gas (c)	Total (d)	Labor (e)	S&E (f)	Gas (g)	Total (h)	Labor (i)	S&E (j)	Gas (k)	Total (l)
1	803.00	Gas Supply Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	803.00	Natural Gas Transmission Line Purchases	-	-	-	-	-	-	-	-	-	-	-	-
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	-	-	-	-	-
4	808.10	Exchange Gas	-	-	1,818,903	1,818,903	-	-	-	-	-	-	-	-
5	808.10	Gas withdrawn from Storage - Debit	-	-	(4,043,127)	(4,043,127)	-	-	(1,818,903)	-	-	-	-	-
6	808.20	Gas delivered to Storage - Credit	-	-	2,491,676	2,491,676	-	-	4,043,127	-	-	-	-	-
7	810.00	Gas used for Compressor Station Fuel - Credit	-	-	(102,835,737)	(102,835,737)	-	-	(2,491,676)	-	-	-	-	-
8	812.00	Gas used for Other Utility Operations - Credit	-	-	(14,144,143)	(14,144,143)	-	-	102,835,737	-	-	-	-	-
9	813.00	Other Gas Supply Expenses	-	-	7,155,288	7,155,288	-	-	14,144,143	-	-	-	-	-
			-	-	-	-	-	-	(7,155,288)	-	-	-	-	-
9		Total Gas Supply Expense	-	-	(109,557,140)	(109,557,140)	-	-	109,557,140	-	-	-	-	-
Transmission Expense														
10	850.00	Operation Supervision and Engineering	3,138,812	2,269,883	-	5,408,695	93,257	104,494	-	197,751	3,232,069	2,374,377	-	5,606,446
11	851.00	System Control and Load Dispatching	799,720	72,596	-	872,316	24,328	169	-	24,717	824,248	72,785	-	897,033
12	852.00	Communication System Expenses	142,253	735,598	-	877,851	4,573	1,913	-	6,486	146,826	737,511	-	884,337
13	853.00	Compressor Station Labor and Expenses	2,028,472	4,612,698	3,902,927	10,544,097	66,807	233,119	(3,902,927)	(3,603,201)	2,095,079	4,845,727	-	6,940,806
14	854.00	Gas for Compressor Station Fuel	-	5,769	102,835,737	102,841,506	-	(5,769)	(102,835,737)	(102,841,506)	-	-	-	-
15	855.00	Other Fuel and Power For Compressor Stations	-	594,057	375,784	969,841	-	1,545	(375,784)	(374,239)	-	595,602	-	595,602
16	856.00	Mains Expenses	2,315,925	2,882,051	-	5,197,976	78,375	106,172	-	184,547	2,394,300	2,988,223	-	5,382,523
17	857.00	Measuring and Regulating Station Expenses	746,168	529,839	3,811,866	5,087,873	24,372	758	(2,535,859)	(2,510,729)	770,540	530,587	-	1,301,137
18	858.00	Transmission and Compression of Gas by Others	-	160,623	-	160,623	-	160,900	-	160,900	-	321,523	-	321,523
19	859.00	Other Expenses	9,877	334,507	-	344,384	329	(1,077)	-	(748)	10,206	333,430	-	343,636
20	860.00	Rents	2,240	498,516	-	500,756	(2,240)	1,295	-	(844)	-	499,812	-	499,812
21		Total Operation	9,183,467	12,686,047	109,650,307	131,529,821	288,801	603,540	(109,650,307)	(108,756,966)	9,473,268	13,229,587	-	22,772,855
Maintenance														
22	861.00	Maintenance Supervision and Engineering	-	826	-	826	-	2	-	2	-	828	-	828
23	862.00	Maintenance of Structures and Improvements	-	95,342	-	95,342	-	248	-	248	-	95,590	-	95,590
24	863.00	Maintenance of Mains	2,057,557	2,046,643	-	4,104,200	64,167	8,827,113	-	8,891,280	2,121,724	10,875,756	-	12,997,480
25	864.00	Maintenance of Compressor Station Equipment	1,970,867	2,403,728	-	4,374,595	64,411	6,260	-	70,661	2,035,278	2,469,978	-	4,445,256
26	865.00	Maintenance of Measuring and Regulating Station Equipment	443,688	86,637	-	530,325	14,421	230	-	14,651	458,109	86,867	-	546,976
27	866.00	Maintenance of Communication Equipment	195,099	3,073	-	198,172	6,336	8	-	6,344	20,435	3,081	-	20,416
28	867.00	Maintenance of Other Equipment	372	2	-	374	14	148,011	-	148,025	386	148,369	-	148,369
29		Total Maintenance	4,687,583	4,640,251	-	9,307,834	149,349	8,981,862	-	9,131,211	4,816,932	13,622,113	-	18,439,045
30		Total Transmission Expense	13,851,050	17,336,298	109,650,307	140,837,655	438,150	9,885,402	(109,650,307)	(99,625,750)	14,290,200	26,921,700	-	41,211,900

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Per Books				Adjustments				As Adjusted				
			Labor (a)	S&E (b)	Gas (c)	Total (d)	Labor (e)	S&E (f)	Gas (g)	Total (h)	Labor (i)	S&E (j)	Gas (k)	Total (l)	
1	901.00	Customer Accounts Expense													
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	1,863	-	1,863	-	-	-	-	-	1,863	-	1,863	1,863
		Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	1,863	-	1,863	-	-	-	-	-	1,863	-	1,863	1,863
5	912.00	Sales Expense													
6	913.00	Demonstrating and Selling Expenses	-	167,974	-	167,974	-	-	-	-	-	167,974	-	167,974	167,974
		Advertising Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	167,974	-	167,974	-	-	-	-	-	167,974	-	167,974	167,974
8	920.00	Administrative and General Expense													
9	921.00	Administrative and General Salaries	8,222,368	4,091,791	-	12,314,179	(19)	(24,482)	-	(24,501)	8,222,369	4,067,309	-	12,289,678	12,289,678
10	922.00	Office Supplies and Expenses	(169,830)	3,311,848	-	3,142,018	169,830	(62,848)	-	106,982	-	3,249,000	-	3,249,000	3,249,000
11	923.00	Admin. Expenses Transferred	(800,225)	(1,007,413)	-	(1,807,638)	55,071	69,853	-	124,924	(745,154)	(937,960)	-	(1,892,714)	(1,892,714)
12	924.00	Outside Services Employed	-	1,602,285	-	1,602,285	-	8,366	-	8,366	-	1,610,671	-	1,610,671	1,610,671
13	925.00	Property Insurance	-	751,522	-	751,522	-	282,509	-	282,509	-	1,014,031	-	1,014,031	1,014,031
14	926.00	Injuries and Damages	-	1,315,793	-	1,315,793	-	139,257	-	139,257	-	1,455,050	-	1,455,050	1,455,050
15	928.00	Employee Pensions and Benefits	142,726	6,233,506	-	6,376,232	(142,726)	(334,245)	-	(476,971)	-	5,899,261	-	5,899,261	5,899,261
16	930.10	Regulatory Commission Expenses	-	823,526	-	823,526	-	(737,041)	-	(737,041)	-	86,485	-	86,485	86,485
17	930.20	General Advertising Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
18	931.00	Miscellaneous General Expenses	13,472	56,578	-	70,050	498	(45,670)	-	(45,172)	13,970	10,908	-	24,878	24,878
19		Rents	7,408,531	1,249,260	-	8,657,791	82,654	(724,281)	-	(641,627)	7,491,185	1,249,260	-	8,740,445	8,740,445
		Total Operation	-	18,428,696	-	18,428,696	-	-	-	-	-	17,704,415	-	17,704,415	17,704,415
20	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	-	-	-	-	-	-
21		Total Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
22		Total Administrative and General	7,408,531	18,428,696	-	25,837,227	82,654	(724,281)	-	(641,627)	7,491,185	17,704,415	-	25,195,600	25,195,600
23		Grand Total	\$ 21,259,581	\$ 35,934,831	\$ 93,167	\$ 57,287,579	\$ 521,804	\$ 8,861,121	\$ (92,167)	\$ 9,289,758	\$ 21,781,385	\$ 44,795,952	\$ -	\$ 66,577,337	\$ 66,577,337

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total As Adjusted (o)
1	803.00	Gas Supply Expense								
2	805.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-	-
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-	-
		Other Gas Supply Expenses	-	-	-	-	-	-	-	-
9		Total Gas Supply	-	-	-	-	-	-	-	-
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total As Adjusted (o)
1	803.00	Gas Supply Expense								
2	805.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-	-
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-	-
		Other Gas Supply Expenses	-	-	-	-	-	-	-	-
9		Total Gas Supply	-	-	-	-	-	-	-	-

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total (m)	Adjustments (n)	Total As Adjusted (o)
1	850.00	Transmission Expense	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	851.00	Operation Supervision and Engineering	355,374	460,394	(225,995)	393,866	411,890	270,067	338,850	3,138,812	93,257	3,232,069
3	852.00	System Control and Load Dispatching	67,420	81,706	41,604	81,951	69,653	57,213	75,186	799,720	24,528	824,248
4	853.00	Communication System Expenses	11,791	11,244	14,824	11,544	10,987	10,261	11,463	142,253	4,573	146,826
5	854.00	Compressor Station Labor and Expenses	158,033	162,741	248,884	159,071	157,091	146,780	145,849	2,028,472	66,607	2,095,079
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	167,596	170,544	266,099	185,775	204,789	160,166	153,600	2,315,925	78,375	2,394,300
9	858.00	Measuring and Regulating Station Expenses	56,163	56,511	91,185	59,984	56,199	54,769	56,320	746,168	24,372	770,540
10	859.00	Transmission and Compression of Gas by Others	1,058	981	1,013	914	800	1,031	933	9,877	329	10,206
11	860.00	Other Expenses	1,491	1,037	712	-	-	-	-	2,240	-	-
12		Total Operation	817,926	945,156	438,326	893,115	911,419	700,327	782,201	9,183,467	289,801	9,473,268
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	145,677	119,874	188,733	138,964	112,395	229,148	130,711	1,117,416	-	1,117,416
16	864.00	Maintenance of Compressor Station Equipment	151,835	160,479	240,788	156,033	155,516	142,774	139,484	1,226,482	-	1,226,482
17	865.00	Maintenance of Measuring and Regulating Station Equipment	34,704	34,929	53,051	35,110	32,985	31,747	32,645	315,063	-	315,063
18	866.00	Maintenance of Communication Equipment	15,080	15,635	24,357	15,283	14,167	13,420	14,318	1,238,505	-	1,238,505
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-	-	-
20		Total Maintenance	347,296	330,917	506,909	345,390	315,063	417,069	317,528	1,117,416	-	1,117,416
21		Total Transmission Expense	1,165,222	1,276,075	945,235	1,238,505	1,226,482	1,117,416	1,099,729	10,294,883	289,801	10,584,684
1	850.00	Transmission Expense	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	851.00	Operation Supervision and Engineering	(42,476)	227,512	323,883	320,333	305,094	3,138,812	93,257	3,138,812	93,257	3,232,069
3	852.00	System Control and Load Dispatching	64,498	56,421	66,759	70,396	68,913	799,720	24,528	799,720	24,528	824,248
4	853.00	Communication System Expenses	14,872	11,025	11,589	11,305	11,348	142,253	4,573	142,253	4,573	146,826
5	854.00	Compressor Station Labor and Expenses	227,994	159,968	157,937	148,724	155,400	2,028,472	66,607	2,028,472	66,607	2,095,079
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	250,644	187,063	223,718	167,200	178,721	2,315,925	78,375	2,315,925	78,375	2,394,300
9	858.00	Measuring and Regulating Station Expenses	86,220	55,551	56,873	57,162	59,181	746,168	24,372	746,168	24,372	770,540
10	859.00	Transmission and Compression of Gas by Others	1,049	288	648	501	661	9,877	329	9,877	329	10,206
11	860.00	Other Expenses	-	-	-	-	-	-	-	-	-	-
12		Total Operation	602,801	687,826	841,407	775,641	777,318	9,183,467	289,801	9,183,467	289,801	9,473,268
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	215,885	194,933	160,349	201,598	219,290	2,057,557	64,167	2,057,557	64,167	2,121,724
16	864.00	Maintenance of Compressor Station Equipment	217,388	150,431	151,568	147,787	158,804	1,970,867	64,411	1,970,867	64,411	2,035,278
17	865.00	Maintenance of Measuring and Regulating Station Equipment	49,925	34,493	32,964	34,135	37,000	443,688	14,421	443,688	14,421	458,109
18	866.00	Maintenance of Communication Equipment	21,567	14,944	14,884	15,108	16,336	195,099	6,336	195,099	6,336	201,435
19	867.00	Maintenance of Other Equipment	1	-	1	-	-	372	14	372	14	386
20		Total Maintenance	504,766	394,801	359,786	398,628	429,430	4,687,563	149,349	4,687,563	149,349	4,836,932
21		Total Transmission Expense	1,107,567	1,082,629	1,201,173	1,174,269	1,206,748	13,851,050	439,150	13,851,050	439,150	14,290,200

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	
1	901.00	Customer Accounts Expense								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-	
		Uncollectible Accounts	-	-	-	-	-	-	-	
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	
5		Sales Expense								
6	912.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	
	913.00	Advertising Expenses	-	-	-	-	-	-	-	
7		Total Sales Expense	-	-	-	-	-	-	-	
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	901.00	Customer Accounts Expense								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	-
5		Sales Expense								
6	912.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-
	913.00	Advertising Expenses	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-	-

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	
1	920.00	Administrative and General Expense								
2	921.00	Administrative and General Salaries	\$ 638,288	\$ 697,657	\$ 573,492	\$ 715,568	\$ 710,887	\$ 611,251	\$ 739,944	
3	922.00	Office Supplies and Expenses								
4	923.00	Admin. Expenses Transferred	(128,381)	(62,103)	(61,015)	(53,091)	(63,053)	(53,595)	(92,786)	
5	924.00	Outside Services Employed								
6	925.00	Property Insurance								
7	926.00	Injuries and Damages								
8	928.00	Employee Pensions and Benefits								
9	930.00	Regulatory Commission Expenses								
10	930.10	General Advertising Expenses								
11	930.20	Miscellaneous General Expenses			13,472					
12	931.00	Rents								
		Total Operation	<u>509,907</u>	<u>635,554</u>	<u>525,949</u>	<u>662,477</u>	<u>647,834</u>	<u>557,656</u>	<u>647,158</u>	
13	932.00	Maintenance of General Plant								
14		Total Maintenance								
15		Total Administrative and General	<u>509,907</u>	<u>635,554</u>	<u>525,949</u>	<u>662,477</u>	<u>647,834</u>	<u>557,656</u>	<u>647,158</u>	
16		Grand Total	<u>\$ 1,675,129</u>	<u>\$ 1,911,629</u>	<u>\$ 1,471,184</u>	<u>\$ 1,900,982</u>	<u>\$ 1,874,316</u>	<u>\$ 1,675,072</u>	<u>\$ 1,746,887</u>	
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	920.00	Administrative and General Expense								
2	921.00	Administrative and General Salaries	\$ 644,883	\$ 622,693	\$ 854,874	\$ 725,199	\$ 687,652	\$ 8,222,388	\$ (19)	\$ 8,222,369
3	922.00	Office Supplies and Expenses			(169,830)			(169,830)	169,830	-
4	923.00	Admin. Expenses Transferred	(46,458)	(50,699)	(60,121)	(68,701)	(80,222)	(800,225)	55,071	(746,154)
5	924.00	Outside Services Employed								
6	925.00	Property Insurance								
7	926.00	Injuries and Damages								
8	928.00	Employee Pensions and Benefits			142,726			142,726	(142,726)	
9	930.00	Regulatory Commission Expenses								
10	930.10	General Advertising Expenses								
11	930.20	Miscellaneous General Expenses								
12	931.00	Rents						13,472	498	13,970
		Total Operation	<u>598,425</u>	<u>571,994</u>	<u>767,649</u>	<u>656,498</u>	<u>627,430</u>	<u>7,408,531</u>	<u>82,654</u>	<u>7,491,185</u>
13	932.00	Maintenance of General Plant								
14		Total Maintenance								
15		Total Administrative and General	<u>598,425</u>	<u>571,994</u>	<u>767,649</u>	<u>656,498</u>	<u>627,430</u>	<u>7,408,531</u>	<u>82,654</u>	<u>7,491,185</u>
16		Grand Total	<u>\$ 1,705,992</u>	<u>\$ 1,664,623</u>	<u>\$ 1,968,822</u>	<u>\$ 1,830,767</u>	<u>\$ 1,834,178</u>	<u>\$ 21,259,581</u>	<u>\$ 521,804</u>	<u>\$ 21,781,385</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Western Division
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total, As Adjusted (o)
1	850.00	Transmission Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	851.00	Operation Supervision and Engineering	944	1,016	1,385	920	959	899	924	12,503
3	852.00	System Control and Load Dispatching	3,065	3,647	2,608	3,327	3,511	3,017	3,813	40,267
4	853.00	Communication System Expenses	64,060	64,697	98,624	64,294	60,200	54,108	52,811	805,849
5	854.00	Compressor Station Labor and Expenses	-	-	-	-	-	-	-	-
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	56,635	55,389	83,626	64,641	59,602	46,491	46,164	726,864
9	858.00	Measuring and Regulating Station Expenses	13,777	13,834	20,442	14,060	13,282	13,085	12,836	161,019
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-
11	860.00	Other Expenses	-	-	-	-	-	-	-	-
12		Total Operation	138,481	138,583	206,686	147,242	137,554	117,600	116,590	1,766,502
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	74,202	75,625	107,247	76,138	70,837	67,466	64,585	832,068
16	864.00	Maintenance of Compressor Station Equipment	84,266	87,202	131,700	87,503	80,210	79,450	74,089	1,059,870
17	865.00	Maintenance of Measuring and Regulating Station Equipment	11,972	12,118	17,677	12,409	11,627	11,176	11,044	152,181
18	866.00	Maintenance of Communication Equipment	277	304	509	296	262	301	316	3,827
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
20		Total Maintenance	170,717	175,249	257,133	176,346	162,936	156,393	150,034	2,147,946
21		Total Transmission Expense	309,198	313,832	463,819	323,588	300,490	275,993	266,614	3,984,544
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	850.00	Transmission Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	851.00	Operation Supervision and Engineering	1,352	812	943	982	965	12,101	402	12,503
3	852.00	System Control and Load Dispatching	3,372	3,024	3,403	3,492	3,024	39,051	1,216	40,267
4	853.00	Communication System Expenses	89,018	62,502	60,739	51,932	56,944	779,929	25,920	805,849
5	854.00	Compressor Station Labor and Expenses	-	-	-	-	-	-	-	-
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	79,294	57,466	55,628	47,360	51,119	703,475	23,389	726,864
9	858.00	Measuring and Regulating Station Expenses	19,868	13,046	12,912	13,587	14,582	175,313	5,706	181,019
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-
11	860.00	Other Expenses	-	-	-	-	-	-	-	-
12		Total Operation	192,904	138,850	133,625	117,363	126,382	1,709,869	56,633	1,766,502
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	102,406	70,956	70,499	68,919	83,186	932,068	30,224	962,292
16	864.00	Maintenance of Compressor Station Equipment	117,242	79,296	78,863	76,686	83,363	1,059,870	34,796	1,094,666
17	865.00	Maintenance of Measuring and Regulating Station Equipment	17,000	11,357	11,242	11,838	12,721	152,181	4,950	157,131
18	866.00	Maintenance of Communication Equipment	415	270	294	308	275	3,827	126	3,953
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
20		Total Maintenance	237,063	161,879	160,898	157,751	179,547	2,147,946	70,096	2,218,042
21		Total Transmission Expense	429,967	298,729	294,523	275,134	305,929	3,857,815	126,729	3,984,544

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Market Area
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total As Adjusted (o)
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ 18,371	\$ 18,387	\$ 13,212	\$ 19,017	\$ 18,376	\$ 18,306	\$ 18,350	\$ 183,507
3	852.00	System Control and Load Dispatching	8,117	8,487	31,349	8,956	8,277	8,068	8,212	80,868
4	853.00	Communication System Expenses	8,726	7,597	12,216	8,217	7,476	7,244	7,650	72,444
5	854.00	Compressor Station Labor and Expenses	93,973	98,044	150,245	94,777	96,891	92,672	93,038	930,338
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	107,608	108,124	171,285	115,057	107,400	103,717	101,142	1,011,442
9	858.00	Measuring and Regulating Station Expenses	42,386	42,877	70,743	45,834	42,917	41,704	43,482	417,044
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-
11	860.00	Other Expenses	1,058	886	1,041	914	800	1,031	933	9,333
12		Rents	491	1,037	712	-	-	-	-	-
		Total Operation	280,730	285,239	450,803	292,872	282,137	272,742	272,807	2,727,807
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	61,856	49,378	75,612	51,643	37,293	50,279	50,212	502,122
16	864.00	Maintenance of Compressor Station Equipment	61,443	64,996	99,153	62,035	68,625	57,083	59,887	598,887
17	865.00	Maintenance of Measuring and Regulating Station Equipment	22,732	22,811	33,374	22,701	21,358	20,571	21,801	218,001
18	866.00	Maintenance of Communication Equipment	14,803	15,331	23,848	14,987	13,905	13,119	14,002	140,002
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
20		Total Maintenance	160,834	152,416	233,987	151,366	141,181	141,052	145,502	1,455,502
21		Total Transmission Expense	441,564	437,655	684,790	444,238	423,318	413,794	418,309	4,183,309
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total As Adjusted (o)
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ 28,724	\$ 19,134	\$ 19,134	\$ 19,456	\$ 20,071	\$ 248,538	\$ 8,163	\$ 256,701
3	852.00	System Control and Load Dispatching	12,616	8,690	9,073	8,770	9,362	111,977	3,700	115,677
4	853.00	Communication System Expenses	11,500	8,001	8,186	7,813	8,576	103,202	3,357	106,559
5	854.00	Compressor Station Labor and Expenses	138,976	97,466	97,198	96,792	98,456	1,246,528	40,667	1,286,215
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	161,226	115,223	111,904	113,302	121,120	1,437,108	48,866	1,485,974
9	858.00	Measuring and Regulating Station Expenses	66,352	42,505	43,961	43,595	44,599	570,855	18,666	589,521
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-
11	860.00	Other Expenses	1,049	288	648	501	661	9,810	326	10,136
12		Rents	-	-	-	-	-	-	(2,240)	-
		Total Operation	420,443	291,307	290,104	290,229	302,845	3,732,258	121,525	3,853,783
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	72,995	48,444	48,945	47,917	53,809	648,383	21,079	669,462
16	864.00	Maintenance of Compressor Station Equipment	90,944	64,446	66,096	64,156	65,228	823,792	26,824	850,616
17	865.00	Maintenance of Measuring and Regulating Station Equipment	32,925	23,136	21,722	22,297	24,279	291,507	9,471	300,978
18	866.00	Maintenance of Communication Equipment	21,152	14,674	14,590	14,800	16,061	191,272	6,210	197,482
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
20		Total Maintenance	218,016	150,700	151,353	149,170	159,377	1,954,954	63,584	2,018,538
21		Total Transmission Expense	638,459	442,007	441,457	439,399	462,222	5,687,212	185,109	5,872,321

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Allocate
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total, As Adjusted (o)
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ 337,003	\$ 442,007	\$ (257,207)	\$ 374,849	\$ 393,514	\$ 251,781	\$ 320,500	\$ 2,975,388
3	852.00	System Control and Load Dispatching	58,359	72,203	28,870	72,075	60,417	48,246	66,050	696,068
4	853.00	Communication System Expenses	-	-	-	-	-	-	-	-
5	854.00	Compressor Station Labor and Expenses	-	-	15	-	-	-	-	15
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	3,353	7,031	11,188	6,077	37,797	9,958	6,264	181,462
9	858.00	Measuring and Regulating Station Expenses	-	-	-	-	-	-	-	-
10	859.00	Transmission and Compression of Gas by Others	-	95	(28)	-	-	-	-	-
11	860.00	Other Expenses	-	-	-	-	-	-	-	-
12		Rents	-	-	-	-	-	-	-	-
		Total Operation	398,715	521,336	(219,162)	453,001	491,728	309,985	392,814	3,852,983
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	9,619	(5,129)	5,874	11,183	4,265	111,403	15,914	15,914
16	864.00	Maintenance of Compressor Station Equipment	6,126	8,361	9,915	6,495	6,081	6,241	5,708	5,708
17	865.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-	-	-	-	-
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
20		Total Maintenance	15,745	3,252	15,789	17,678	10,946	117,644	370	21,992
21		Total Transmission Expense	414,460	524,588	(203,373)	470,679	502,674	427,629	414,806	4,143,335
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ (71,200)	\$ 208,378	\$ 304,749	\$ 300,877	\$ 285,023	\$ 2,890,274	\$ 85,094	\$ 2,975,388
3	852.00	System Control and Load Dispatching	50,530	46,919	56,743	60,644	56,586	675,642	20,426	696,068
4	853.00	Communication System Expenses	-	-	-	-	-	-	-	-
5	854.00	Compressor Station Labor and Expenses	-	-	-	-	-	15	-	15
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	10,124	14,374	56,186	6,508	6,482	175,342	6,120	181,462
9	858.00	Measuring and Regulating Station Expenses	-	-	-	-	-	-	-	-
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-
11	860.00	Other Expenses	-	-	-	-	-	67	3	70
12		Rents	-	-	-	-	-	-	-	-
		Total Operation	(10,546)	289,671	417,678	388,029	348,091	3,741,340	111,643	3,852,983
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	40,484	75,533	40,905	84,762	82,293	477,108	12,864	489,970
16	864.00	Maintenance of Compressor Station Equipment	9,202	6,589	6,609	6,945	8,213	87,205	2,791	89,996
17	865.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-	-	-	-	-
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	1	-	-	-	-	372	14	386
20		Total Maintenance	49,687	82,222	47,515	91,707	90,506	584,683	15,669	580,352
21		Total Transmission Expense	39,141	351,893	465,193	459,736	438,597	4,306,023	127,312	4,433,335

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Adjustments (n)	Total (m)	Total, As Adjusted (o)
1	803.00	Gas Supply Expense										
2	805.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-	-	-	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-	-	-	-
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-	-	-	-
		Other Gas Supply Expenses	-	-	-	-	-	-	-	-	-	-
9		Total Gas Supply	-	-	-	-	-	-	-	-	-	-
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)		
1	803.00	Gas Supply Expense										
2	805.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	-		
4	808.10	Exchange Gas	-	-	-	-	-	-	-	-		
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-	-		
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-	-		
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-	-		
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-	-		
		Other Gas Supply Expenses	-	-	-	-	-	-	-	-		
9		Total Gas Supply	-	-	-	-	-	-	-	-		

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Twelve Months Ended May 31, 2009, As Adjusted

FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total, As Adjusted (o)		
Transmission Expense											
850.00	Operation Supervision and Engineering	\$ 328,069	\$ 149,826	\$ 200,329	\$ 139,723	\$ 256,136	\$ 202,638	\$ 190,473	\$ 2,374,377	\$ 104,494	\$ 2,374,377
851.00	System Control and Load Dispatching	7,787	4,413	2,697	7,005	9,425	12,137	3,411	72,785	189	72,785
852.00	Communication System Expenses	46,655	72,228	58,323	65,201	72,684	45,475	83,971	737,511	1,913	737,511
853.00	Compressor Station Labor and Expenses	494,642	295,240	472,180	484,391	345,734	272,091	538,929	4,845,727	(5,769)	4,845,727
854.00	Gas for Compressor Station Fuel	-	-	-	(1)	1	-	-	5,769	(5,769)	-
855.00	Other Fuel and Power For Compressor Stations	101,039	993	45,186	98,082	18,597	33,189	45,269	594,057	1,545	595,602
856.00	Mains Expenses	199,669	155,207	101,186	357,512	353,476	356,631	497,459	2,988,223	106,172	2,988,223
857.00	Measuring and Regulating Station Expenses	26,327	24,694	44,584	98,607	22,489	38,446	45,411	530,597	758	530,597
858.00	Transmission and Compression of Gas by Others	32,954	11,478	25,638	72,483	8,540	16,599	30,897	333,430	(1,077)	333,430
859.00	Other Expenses	32,023	35,664	30,131	32,375	44,840	48,835	34,072	499,812	1,296	499,812
860.00	Rents	1,269,165	749,743	980,254	1,355,378	1,131,932	1,026,031	1,469,892	13,299,587	603,540	13,299,587
Total Operation											
861.00	Maintenance Supervision and Engineering	-	-	826	-	-	-	-	826	2	828
862.00	Maintenance of Structures and Improvements	70,363	12,909	(36,486)	4,721	-	-	-	19,811	248	95,590
863.00	Maintenance of Mains	74,885	7,882	14,864	480,267	7,430	140,599	330,763	72,598	8,827,113	10,875,756
864.00	Maintenance of Compressor Station Equipment	264,411	177,936	180,426	200,840	207,729	40,638	335,035	2,048,643	6,250	2,409,978
865.00	Maintenance of Measuring and Regulating Station Equipment	4,775	17,314	9,520	5,541	4,159	2,904	2,048	88,637	230	88,867
866.00	Maintenance of Communication Equipment	25	146	358	1,121	114	47	290	3,073	8	3,081
867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-	-	148,013
Total Maintenance											
868.00	Total Transmission Expense	1,683,624	985,930	1,149,760	2,047,868	1,351,364	1,230,030	2,142,646	12,896,047	9,585,402	26,921,700
FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)		
Transmission Expense											
850.00	Operation Supervision and Engineering	\$ 97,932	\$ 143,953	\$ 236,930	\$ 210,057	\$ 113,817	\$ 2,269,883	\$ 104,494	\$ 2,374,377	\$ 104,494	\$ 2,374,377
851.00	System Control and Load Dispatching	6,767	8,489	2,637	2,514	5,314	72,596	189	72,785	189	72,785
852.00	Communication System Expenses	56,735	58,233	65,649	54,198	56,236	735,598	1,913	737,511	1,913	737,511
853.00	Compressor Station Labor and Expenses	271,781	373,037	371,327	418,309	274,947	4,612,608	233,119	4,845,727	233,119	4,845,727
854.00	Gas for Compressor Station Fuel	-	2,478	1,264	1,507	520	5,769	(5,769)	-	(5,769)	-
855.00	Other Fuel and Power For Compressor Stations	18,415	78,260	39,840	75,776	39,411	594,057	1,545	595,602	1,545	595,602
856.00	Mains Expenses	30,085	167,007	195,577	211,918	256,324	2,882,051	106,172	2,988,223	106,172	2,988,223
857.00	Measuring and Regulating Station Expenses	7,731	47,584	64,035	63,777	46,154	529,839	758	530,597	758	530,597
858.00	Transmission and Compression of Gas by Others	22,014	140	(140)	157,381	3,242	160,900	1,077	161,700	1,077	161,700
859.00	Other Expenses	12,708	62,292	79,817	33,527	22,909	334,507	(1,077)	333,430	1,296	333,430
860.00	Rents	524,168	971,007	1,084,880	1,277,379	856,218	12,896,047	603,540	13,299,587	603,540	13,299,587
Total Operation											
861.00	Maintenance Supervision and Engineering	-	-	-	-	-	826	2	828	2	828
862.00	Maintenance of Structures and Improvements	784	(1)	10,497	5,490	2,638	95,342	248	95,590	248	95,590
863.00	Maintenance of Mains	10,226	134,445	199,555	363,284	284,433	2,048,643	8,827,113	10,875,756	8,827,113	10,875,756
864.00	Maintenance of Compressor Station Equipment	64,093	186,494	471,434	174,854	99,838	2,403,728	6,250	2,409,978	6,250	2,409,978
865.00	Maintenance of Measuring and Regulating Station Equipment	(3,326)	7,601	6,378	11,978	19,745	88,637	230	88,867	230	88,867
866.00	Maintenance of Communication Equipment	260	310	38	207	157	3,073	8	3,081	8	3,081
867.00	Maintenance of Other Equipment	-	1	1	-	-	2	148,011	148,013	148,013	148,013
Total Maintenance											
868.00	Total Transmission Expense	596,205	1,299,857	1,772,783	1,833,202	1,263,029	17,336,298	9,585,402	26,921,700	9,585,402	26,921,700

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total As Adjusted (o)
1	901.00	Customer Accounts Expense								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	423	211	(182)	983	601	(127)	(75)	1,863
		Uncollectible Accounts	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	423	211	(182)	983	601	(127)	(75)	1,863
5	912.00	Sales Expense								
6	913.00	Demonstrating and Selling Expenses	17,513	28,839	6,248	11,910	24,324	33,247	9,528	167,974
		Advertising Expenses	-	-	-	-	-	-	-	-
7		Total Sales Expense	17,513	28,839	6,248	11,910	24,324	33,247	9,528	167,974
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total As Adjusted (o)
1	901.00	Customer Accounts Expense								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	(41)	(126)	308	(178)	66	1,863	-	1,863
		Uncollectible Accounts	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	(41)	(126)	308	(178)	66	1,863	-	1,863
5	912.00	Sales Expense								
6	913.00	Demonstrating and Selling Expenses	7,952	6,513	11,548	7,770	2,582	167,974	-	167,974
		Advertising Expenses	-	-	-	-	-	-	-	-
7		Total Sales Expense	7,952	6,513	11,548	7,770	2,582	167,974	-	167,974

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total, As Adjusted (o)
1	920.00	Administrative and General Expense								
2	921.00	Office Supplies and General Salaries	\$ 483,711	\$ 323,902	\$ 311,045	\$ 361,339	\$ 341,779	\$ 316,507	\$ 407,203	\$ 4,067,309
3	922.00	Office Supplies and Expenses	308,580	240,936	123,593	318,262	250,155	243,163	1,144,624	3,249,000
4	923.00	Admin. Expenses Transferred	(128,667)	(75,050)	(64,325)	(64,325)	(80,239)	(67,983)	(118,772)	(937,560)
5	924.00	Outside Services Employed	191,108	87,525	85,770	268,747	72,880	83,632	356,238	1,610,671
6	925.00	Property Insurance	51,233	74,379	74,379	32,874	64,639	84,639	74,223	1,014,031
7	926.00	Injuries and Damages	185,236	113,576	113,576	90,856	103,288	104,458	69,966	1,455,050
8	928.00	Employee Pensions and Benefits	539,695	534,806	505,222	739,099	466,451	443,488	618,089	5,899,261
9	930.10	Regulatory Commission Expenses	171,833	74,034	-	1,412	68,636	88,466	43,086	86,485
10	930.20	General Advertising Expenses	-	-	-	-	-	-	-	-
11	931.00	Miscellaneous General Expenses	227	(94)	14,121	31,258	149	11,436	(54)	10,908
12		Rents	114,788	84,419	93,568	108,373	102,879	106,557	108,310	1,249,260
		Total Operation	1,957,744	1,458,433	1,319,776	1,887,895	1,390,517	1,354,363	2,702,923	17,704,415
13	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	-
14		Total Maintenance	-	-	-	-	-	-	-	-
15		Total Administrative and General	1,957,744	1,458,433	1,319,776	1,887,895	1,390,517	1,354,363	2,702,923	17,704,415
16		Grand Total	\$ 3,659,304	\$ 2,453,413	\$ 2,475,602	\$ 3,948,656	\$ 2,766,806	\$ 2,617,513	\$ 4,855,022	\$ 44,795,952
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	920.00	Administrative and General Expense								
2	921.00	Office Supplies and General Salaries	\$ 315,195	\$ 291,088	\$ 270,867	\$ 327,816	\$ 331,339	\$ 4,091,791	\$ (24,482)	\$ 4,067,309
3	922.00	Office Supplies and Expenses	133,672	125,238	113,829	163,763	146,033	3,311,848	(62,848)	3,249,000
4	923.00	Admin. Expenses Transferred	(62,355)	(63,951)	(78,802)	(100,760)	(90,977)	(1,007,413)	69,853	(937,560)
5	924.00	Outside Services Employed	21,833	73,071	314,917	(9,628)	76,192	1,602,285	8,386	1,610,671
6	925.00	Property Insurance	64,167	64,167	55,488	64,167	64,167	751,522	262,509	1,014,031
7	926.00	Injuries and Damages	109,457	103,273	106,169	102,932	103,006	1,315,793	139,257	1,455,050
8	928.00	Employee Pensions and Benefits	537,480	510,347	535,583	352,594	430,642	6,233,506	(334,245)	5,899,261
9	930.10	Regulatory Commission Expenses	68,611	68,804	69,609	55,782	59,319	823,526	(737,041)	86,485
10	930.20	General Advertising Expenses	(85)	(76)	-	(110)	(100)	56,578	(45,670)	10,908
11	931.00	Miscellaneous General Expenses	100,507	104,192	108,459	92,940	124,268	1,249,260	-	1,249,260
12		Rents	1,288,482	1,276,153	1,499,025	1,049,496	1,243,889	18,428,696	(724,281)	17,704,415
		Total Operation	-	-	-	-	-	-	-	-
13	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	-
14		Total Maintenance	-	-	-	-	-	-	-	-
15		Total Administrative and General	1,288,482	1,276,153	1,499,025	1,049,496	1,243,889	18,428,696	(724,281)	17,704,415
16		Grand Total	\$ 1,892,598	\$ 2,582,397	\$ 3,283,664	\$ 2,890,290	\$ 2,509,566	\$ 35,934,831	\$ 8,861,121	\$ 44,795,952

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Western Division
Twelve Months Ended May 31, 2008, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	
1	850.00	Transmission Expense	\$	\$	\$	\$	\$	\$	\$	
2	851.00	Operation Supervision and Engineering	764	1,404	581	1,032	(170)	1,308	1,079	
3	852.00	System Control and Load Dispatching	4	28	-	7	-	-	9	
4	853.00	Communication System Expenses	6,838	6,796	4,487	4,315	5,500	1,761	7,050	
5	854.00	Compressor Station Labor and Expenses	337,458	151,534	231,970	284,721	196,873	135,465	291,703	
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	
7	856.00	Other Fuel and Power For Compressor Stations	1,868	31	948	1,866	(8)	912	1,738	
8	857.00	Mains Expenses	54,769	50,156	5,716	41,893	51,959	91,711	60,137	
9	858.00	Measuring and Regulating Station Expenses	8,311	7,093	11,616	8,297	12,966	13,753	3,138	
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	
11	860.00	Other Expenses	-	-	-	-	-	-	-	
12		Rents	2,078	2,078	2,078	2,078	2,078	2,078	2,078	
		Total Operation	412,090	219,120	257,396	324,239	269,196	245,966	366,932	
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	
14	862.00	Maintenance of Structures and Improvements	10,442	3,875	4,562	4,631	-	13,200	(1)	
15	863.00	Maintenance of Mains	44,738	14,844	931	455,169	(245)	22,720	(4,787)	
16	864.00	Maintenance of Compressor Station Equipment	155,304	39,559	20,317	134,177	98,661	22,486	221,219	
17	865.00	Maintenance of Measuring and Regulating Station Equipment	781	3,234	566	208	925	(173)	132	
18	866.00	Maintenance of Communication Equipment	1	9	-	931	-	-	3	
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	
20		Total Maintenance	211,266	61,521	26,376	595,116	99,341	58,233	216,566	
21		Total Transmission Expense	623,356	280,641	283,772	919,355	368,539	305,221	583,498	
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	850.00	Transmission Expense	\$	\$	\$	\$	\$	\$	\$	\$
2	851.00	Operation Supervision and Engineering	100	773	486	471	781	8,609	22	8,631
3	852.00	System Control and Load Dispatching	-	5	3	3	-	62	-	62
4	853.00	Communication System Expenses	5,835	2,253	4,608	6,835	5,502	61,780	161	61,941
5	854.00	Compressor Station Labor and Expenses	127,062	129,259	169,802	217,981	163,904	2,417,732	98,014	2,515,746
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	(162)	842	1,398	397	876	10,736	28	10,764
8	857.00	Mains Expenses	13,965	24,375	54,889	62,450	73,557	585,577	100,179	685,756
9	858.00	Measuring and Regulating Station Expenses	7,831	5,375	8,559	10,873	8,455	104,267	271	104,538
10	859.00	Transmission and Compression of Gas by Others	-	140	(140)	157,381	3,242	160,623	160,900	321,523
11	860.00	Other Expenses	7,461	-	-	-	-	7,461	19	7,480
12		Rents	2,034	2,034	2,034	2,034	2,034	24,716	64	24,780
		Total Operation	164,126	165,056	241,639	458,425	256,354	3,381,563	359,659	3,741,221
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	25	-	989	2,725	381	40,829	106	40,935
15	863.00	Maintenance of Mains	(9,287)	885	(30,272)	(18,315)	(48,304)	428,077	2,107,393	2,535,470
16	864.00	Maintenance of Compressor Station Equipment	10,817	41,333	187,745	22,192	29,930	983,740	2,558	986,298
17	865.00	Maintenance of Measuring and Regulating Station Equipment	93	162	277	1,375	764	8,344	22	8,366
18	866.00	Maintenance of Communication Equipment	-	2	1	1	1	949	2	951
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
20		Total Maintenance	1,648	42,382	158,740	7,978	(17,228)	1,461,939	148,011	1,480,011
21		Total Transmission Expense	165,774	207,438	400,379	466,403	239,126	4,843,502	2,617,750	7,461,252

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Market Area
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ 22,304	\$ 4,281	\$ 7,398	\$ 5,130	\$ 6,756	\$ 13,046	\$ 21,446	
3	852.00	System Control and Load Dispatching	336	496	681	387	527	450	2,358	
4	853.00	Communication System Expenses	11,349	39,728	28,797	34,816	43,001	21,061	50,839	
5	854.00	Compressor Station Labor and Expenses	157,872	142,402	230,354	194,750	137,381	136,034	201,079	
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	
7	856.00	Other Fuel and Power For Compressor Stations	99,171	962	44,238	96,198	18,605	32,277	43,531	
8	857.00	Mains Expenses	87,235	103,637	87,555	152,450	116,555	83,922	91,489	
9	858.00	Measuring and Regulating Station Expenses	16,721	14,370	29,615	84,931	7,469	23,064	41,739	
10	859.00	Transmission and Compression of Gas by Others								
11	860.00	Other Expenses	31,477	18,700	27,491	72,916	17,438	16,105	28,718	
12		Total Operation	431,956	329,987	441,700	646,957	353,123	331,350	487,600	
13	861.00	Maintenance Supervision and Engineering								
14	862.00	Maintenance of Structures and Improvements		-	-	90	-	-	4,619	
15	863.00	Maintenance of Mains	51,232	9,034	(41,050)	15,302	4,771	6,611	28,407	
16	864.00	Maintenance of Compressor Station Equipment	18,947	3,520	78	63,239	93,250	13,068	72,527	
17	865.00	Maintenance of Measuring and Regulating Station Equipment	104,002	89,264	88,886	5,333	3,234	3,077	1,916	
18	866.00	Maintenance of Communication Equipment	24	137	358	190	114	47	287	
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	
20		Total Maintenance	178,199	116,035	57,226	84,154	101,369	23,021	105,756	
21		Total Transmission Expense	610,155	446,002	498,926	731,111	454,492	354,371	593,356	
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ 3,153	\$ 3,322	\$ 8,842	\$ 21,239	\$ 7,386	\$ 124,303	\$ 323	\$ 124,626
3	852.00	System Control and Load Dispatching	1,033	1,133	381	650	344	8,756	23	8,779
4	853.00	Communication System Expenses	30,202	29,485	34,396	25,368	22,334	371,376	966	372,342
5	854.00	Compressor Station Labor and Expenses	88,317	125,813	165,693	181,484	105,634	1,866,913	134,228	2,001,141
6	855.00	Gas for Compressor Station Fuel	-	2,478	1,284	1,507	498	5,745	(5,745)	-
7	856.00	Other Fuel and Power For Compressor Stations	18,577	77,418	38,442	75,379	38,535	583,321	1,517	584,838
8	857.00	Mains Expenses	29,142	64,900	43,070	82,533	142,789	1,065,297	2,770	1,068,067
9	858.00	Measuring and Regulating Station Expenses	(663)	40,945	54,778	50,821	38,452	402,242	1,046	403,288
10	859.00	Transmission and Compression of Gas by Others								
11	860.00	Other Expenses	14,380	29,221	27,465	33,588	23,145	341,644	(1,059)	340,585
12		Total Operation	189,482	380,256	379,872	478,110	384,666	4,835,039	170	4,835,209
13	861.00	Maintenance Supervision and Engineering								
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	759	(1)	9,508	2,473	1,963	45,238	118	46,356
16	864.00	Maintenance of Compressor Station Equipment	1,575	18,628	21,345	20,904	4,217	135,922	6,715,860	6,851,782
17	865.00	Maintenance of Measuring and Regulating Station Equipment	18,780	78,436	161,584	95,876	64,200	944,112	2,455	946,567
18	866.00	Maintenance of Communication Equipment	(3,419)	7,151	6,101	10,603	18,981	80,005	208	80,213
19	867.00	Maintenance of Other Equipment	280	308	37	206	156	2,124	6	2,130
20		Total Maintenance	18,955	104,522	198,585	130,062	89,517	1,207,401	6,718,947	7,926,048
21		Total Transmission Expense	208,437	484,778	578,457	608,172	474,183	6,042,440	6,852,866	12,895,326

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Allocate
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total As Adjusted (o)
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ 305,001	\$ 144,141	\$ 192,350	\$ 133,561	\$ 249,550	\$ 188,284	\$ 167,948	\$ 2,241,120
3	852.00	System Control and Load Dispatching	7,447	3,889	2,036	6,611	8,898	11,687	1,044	63,944
4	853.00	Communication System Expenses	28,468	25,704	25,039	26,070	25,704	22,653	26,082	303,228
5	854.00	Compressor Station Labor and Expenses	(788)	1,304	9,856	24,920	11,480	24,920	46,147	328,840
6	855.00	Gas for Compressor Station Fuel	-	-	-	(1)	1	-	-	(24)
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	57,665	1,414	27,915	163,169	184,982	180,998	345,823	1,234,400
9	858.00	Measuring and Regulating Station Expenses	1,295	3,231	3,153	5,379	2,054	1,629	534	22,771
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	(37)
11	860.00	Other Expenses	1,477	(7,222)	(1,853)	(433)	(8,898)	484	1,170	(14,635)
12	860.00	Rents	24,554	28,195	22,662	24,906	37,371	41,366	26,603	408,420
12		Total Operation	425,119	200,656	281,158	384,182	509,611	447,693	615,360	4,589,088
13	861.00	Maintenance Supervision and Engineering	-	-	826	-	-	-	-	828
14	862.00	Maintenance of Structures and Improvements	8,689	-	-	-	-	-	-	9,299
15	863.00	Maintenance of Mains	11,200	(10,482)	13,855	9,796	2,904	117,651	309,143	1,488,504
16	864.00	Maintenance of Compressor Station Equipment	5,105	49,113	71,223	3,424	15,616	5,084	41,289	477,113
17	865.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-	-	-	-	288
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
20		Total Maintenance	24,994	38,631	85,904	13,220	18,722	122,745	350,432	1,976,034
21		Total Transmission Expense	450,113	239,287	367,062	397,402	528,333	570,438	965,792	6,565,122
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total As Adjusted (o)
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ 94,679	\$ 139,858	\$ 227,602	\$ 188,347	\$ 105,650	\$ 2,136,971	\$ 104,149	\$ 2,241,120
3	852.00	System Control and Load Dispatching	5,734	7,351	2,253	1,861	4,967	63,778	166	63,944
4	853.00	Communication System Expenses	20,698	26,495	26,645	21,995	28,400	302,442	786	303,228
5	854.00	Compressor Station Labor and Expenses	56,402	117,965	35,832	18,844	5,409	327,963	877	328,840
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	24	24	(24)	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-
8	857.00	Mains Expenses	(13,022)	77,732	97,618	66,935	39,968	1,231,177	3,223	1,234,400
9	858.00	Measuring and Regulating Station Expenses	763	1,264	698	2,083	1,247	23,330	(559)	22,771
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	(36)	(14,598)	(37)	(14,635)
11	860.00	Other Expenses	5,133	54,717	72,242	40,840	28,768	408,358	1,062	409,420
12	860.00	Rents	170,560	425,695	463,369	340,844	215,196	4,479,445	109,043	4,589,088
12		Total Operation	170,560	425,695	463,369	340,844	215,196	4,479,445	109,043	4,589,088
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	2	828
15	863.00	Maintenance of Mains	17,938	114,932	208,482	360,705	328,520	1,484,644	9,299	1,488,504
16	864.00	Maintenance of Compressor Station Equipment	33,496	86,725	122,095	56,786	5,708	475,876	3,860	477,113
17	865.00	Maintenance of Measuring and Regulating Station Equipment	-	288	-	-	-	288	1,237	288
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
20		Total Maintenance	51,434	181,946	330,578	417,783	334,522	1,970,911	2	1,976,034
21		Total Transmission Expense	221,994	607,641	793,947	758,627	549,720	6,450,356	114,766	6,565,122

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Summary of Adjustments to Operation and Maintenance Expenses

Line No.	Adjustment No.	Description	Amount (a)
1	1	Annualize increase in labor expenses	\$ 648,050
2	2	Project increase in S&E costs	45,162
3	3	Eliminate entries to other gas supply expense accounts and the cost of gas and electricity used in utility operations	(93,167)
4	4	Reflect changes in Transmission Expenses:	
5		a) Increase in DOT annual pipeline safety user fee	97,581
6		b) Increase in environmental expenses related to Greenhouse Gas Monitoring	215,342
7		c) Exclusion of O&M expenses associated with offshore facilities to be abandoned	98,656
8		d) Annualization of expenses for transmission of gas by others	160,900
9		e) Increase in class location work expense	1,666,405
10		f) Pipeline integrity assessment costs	7,155,382
		g) Amortization of environmental remediation regulatory asset	148,011
11	5	Reflect changes in Administrative and General Expenses:	
12		a) Increase in software maintenance costs	81,672
13		b) Increase in insurance expenses	386,615
14		c) Reclassification of SFAS No. 106 regulatory asset amortization	76,756
15		d) Increase in OPEB net periodic cost	752,273
16		e) Increase in Savings Plan match	112,962
17		f) Exclusion of amortizations that expired during the Base Period	(1,272,573)
18		g) Amortization of projected regulatory expenses in instant proceeding	82,054
19		h) Removal of ACA expenses	(691,376)
20	6	Correct misclassified expenses	(91,409)
21	7	Remove out-of-period items	
		Total O&M Adjustments	<u>(289,538)</u>
			<u>\$ 9,289,758</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 1			Adjustment No. 2			Total (h)
			Labor (a)	S&E (b)	Gas (c)	Total (d)	Labor (e)	S&E (f)	
1	803.00	Gas Supply Expense							
2	805.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-
9		Other Gas Supply Expenses	-	-	-	-	-	-	-
		Total Gas Supply Expense	-	-	-	-	-	-	-
10		Transmission Expense							
11	850.00	Operation Supervision and Engineering	80,188	-	-	80,188	-	6,157	6,157
12	851.00	System Control and Load Dispatching	24,528	-	-	24,528	-	189	189
13	852.00	Communication System Expenses	4,573	-	-	4,573	-	1,913	1,913
14	853.00	Compressor Station Labor and Expenses	66,607	-	-	66,607	-	12,008	12,008
15	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-
16	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-
17	856.00	Mains Expenses	76,135	-	-	76,135	-	1,545	1,545
18	857.00	Measuring and Regulating Station Expenses	24,372	-	-	24,372	-	7,749	7,749
19	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	1,376	1,376
20	859.00	Other Expenses	329	-	-	329	-	865	865
21	860.00	Rents	-	-	-	-	-	1,296	1,296
		Total Operation	276,732	-	-	276,732	-	33,098	33,098
22	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	2	2
23	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	248	248
24	863.00	Maintenance of Mains	64,167	-	-	64,167	-	5,326	5,326
25	864.00	Maintenance of Compressor Station Equipment	64,411	-	-	64,411	-	6,250	6,250
26	865.00	Maintenance of Measuring and Regulating Station Equipment	14,421	-	-	14,421	-	230	230
27	866.00	Maintenance of Communication Equipment	6,336	-	-	6,336	-	8	8
28	867.00	Maintenance of Other Equipment	14	-	-	14	-	-	-
29		Total Maintenance	149,349	-	-	149,349	-	12,064	12,064
30		Total Transmission Expense	\$ 426,081	\$ -	\$ -	\$ 426,081	\$ -	\$ 45,162	\$ 45,162

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 1			Adjustment No. 2			Total (h)
			Labor (a)	S&E (b)	Gas (c)	Labor (e)	S&E (f)	Gas (g)	
1	901.00	Customer Accounts Expense							
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-
5	912.00	Sales Expense							
6	913.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-
		Advertising Expenses	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-
8	920.00	Administrative and General Expense							
9	921.00	Administrative and General Salaries	244,120	-	-	-	-	-	-
10	922.00	Office Supplies and Expenses	-	-	-	-	-	-	-
11	923.00	Admin. Expenses Transferred	(22,649)	-	-	-	-	-	-
12	924.00	Outside Services Employed	-	-	-	-	-	-	-
13	925.00	Property Insurance	-	-	-	-	-	-	-
14	926.00	Injuries and Damages	-	-	-	-	-	-	-
15	928.00	Employee Pensions and Benefits	-	-	-	-	-	-	-
16	930.10	Regulatory Commission Expenses	-	-	-	-	-	-	-
17	930.20	General Advertising Expenses	-	-	-	-	-	-	-
18	931.00	Miscellaneous General Expenses	498	-	-	-	-	-	-
19		Rents	-	-	-	-	-	-	-
		Total Operation	221,969	-	-	-	-	-	-
20	932.00	Maintenance of General Plant	-	-	-	-	-	-	-
21		Total Maintenance	-	-	-	-	-	-	-
22		Total Administrative and General	221,969	-	-	-	-	-	-
23		Grand Total	\$ 648,050	\$ -	\$ -	\$ -	\$ 45,162	\$ -	\$ 45,162

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 3			Adjustment No. 4			Total
			Labor (a)	S&E (b)	Gas (c)	Labor (e)	S&E (f)	Gas (g)	
1	803.00	Gas Supply Expense	\$	\$	\$	\$	\$	\$	
2	805.00	Natural Gas Transmission Line Purchases	-	-	-	-	-	-	
3	806.00	Other Gas Purchases	-	-	-	-	-	-	
4	808.10	Exchange Gas	-	-	(1,818,903)	-	-	-	
5	808.20	Gas withdrawn from Storage - Debit	-	-	4,043,127	-	-	-	
6	810.00	Gas delivered to Storage - Credit	-	-	(2,491,676)	-	-	-	
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	102,835,737	-	-	-	
8	813.00	Gas used for Other Utility Operations - Credit	-	-	14,144,143	-	-	-	
		Other Gas Supply Expenses	-	-	(7,155,288)	-	-	-	
9		Total Gas Supply Expense	-	-	109,557,140	-	-	-	
10		Transmission Expense							
11	850.00	Operation Supervision and Engineering	-	-	-	-	97,581	-	97,581
12	851.00	System Control and Load Dispatching	-	-	-	-	-	-	-
13	852.00	Communication System Expenses	-	-	-	-	-	-	-
14	853.00	Compressor Station Labor and Expenses	-	-	(3,902,927)	-	215,342	-	215,342
15	854.00	Gas for Compressor Station Fuel	-	-	(102,835,737)	-	-	-	-
16	855.00	Other Fuel and Power For Compressor Stations	-	-	(375,784)	-	-	-	-
17	856.00	Mains Expenses	-	-	(2,535,859)	-	98,656	-	98,656
18	857.00	Measuring and Regulating Station Expenses	-	-	-	-	-	-	-
19	858.00	Transmission and Compression of Gas by Others	-	-	-	-	160,900	-	160,900
20	859.00	Other Expenses	-	-	-	-	-	-	-
21	860.00	Rents	-	-	-	-	-	-	-
		Total Operation	-	-	(109,650,307)	-	572,479	-	572,479
22		Maintenance Supervision and Engineering	-	-	-	-	-	-	-
23	861.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-
24	862.00	Maintenance of Mains	-	-	-	-	8,821,787	-	8,821,787
25	863.00	Maintenance of Compressor Station Equipment	-	-	-	-	-	-	-
26	864.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-	-	-	-
27	865.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-
28	866.00	Maintenance of Other Equipment	-	-	-	-	148,011	-	148,011
29	867.00	Total Maintenance	-	-	-	-	8,969,798	-	8,969,798
30		Total Transmission Expense	\$	\$	(109,650,307)	\$	9,542,277	\$	9,542,277

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 3				Adjustment No. 4				
			Labor (a)	S&E (b)	Gas (c)	Total (d)	Labor (e)	S&E (f)	Gas (g)	Total (h)	
		<u>Customer Accounts Expense</u>									
1	901.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	903.00	Customer Records and Collection	-	-	-	-	-	-	-	-	-
3	904.00	Uncollectible Accounts	-	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	-	-
		<u>Sales Expense</u>									
5	912.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-	-
6	913.00	Advertising Expenses	-	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-	-	-
		<u>Administrative and General Expense</u>									
8	920.00	Administrative and General Salaries	-	-	-	-	-	-	-	-	-
9	921.00	Office Supplies and Expenses	-	-	-	-	-	-	-	-	-
10	922.00	Admin. Expenses Transferred	-	-	-	-	-	-	-	-	-
11	923.00	Outside Services Employed	-	-	-	-	-	-	-	-	-
12	924.00	Property Insurance	-	-	-	-	-	-	-	-	-
13	925.00	Injuries and Damages	-	-	-	-	-	-	-	-	-
14	926.00	Employee Pensions and Benefits	-	-	-	-	-	-	-	-	-
15	928.00	Regulatory Commission Expenses	-	-	-	-	-	-	-	-	-
16	930.10	General Advertising Expenses	-	-	-	-	-	-	-	-	-
17	930.20	Miscellaneous General Expenses	-	-	-	-	-	-	-	-	-
18	931.00	Rents	-	-	-	-	-	-	-	-	-
19		Total Operation	-	-	-	-	-	-	-	-	-
20	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	-	-
21		Total Maintenance	-	-	-	-	-	-	-	-	-
22		Total Administrative and General	-	-	-	-	-	-	-	-	-
23		Grand Total	\$ -	\$ -	\$ (93,167)	\$ (93,167)	\$ -	\$ 9,542,277	\$ -	\$ 9,542,277	\$ -

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 5			Adjustment No. 6			Total (h)
			Labor (a)	S&E (b)	Gas (c)	Labor (e)	S&E (f)	Gas (g)	
1	803.00	Gas Supply Expense	\$	\$	\$	\$	\$	\$	-
2	805.00	Natural Gas Transmission Line Purchases	-	-	-	-	-	-	-
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-
8	813.00	Other Gas Supply Expenses	-	-	-	-	-	-	-
9		Total Gas Supply Expense	-	-	-	-	-	-	-
10		Transmission Expense	-	-	-	-	-	-	-
11	850.00	Operation Supervision and Engineering	-	-	-	-	-	-	-
12	851.00	System Control and Load Dispatching	-	-	-	-	-	-	-
13	852.00	Communication System Expenses	-	-	-	-	-	-	-
14	853.00	Compressor Station Labor and Expenses	-	-	-	-	5,769	-	5,769
15	854.00	Gas for Compressor Station Fuel	-	-	-	-	(5,769)	-	(5,769)
16	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-
17	856.00	Mains Expenses	-	-	-	-	-	-	-
18	857.00	Measuring and Regulating Station Expenses	-	-	-	2,240	-	-	2,240
19	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-
20	859.00	Other Expenses	-	-	-	-	-	-	-
21	860.00	Rents	-	-	-	-	-	-	-
		Total Operation	-	-	-	(2,240)	-	-	(2,240)
22		Maintenance Supervision and Engineering	-	-	-	-	-	-	-
23	861.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-
24	862.00	Maintenance of Mains	-	-	-	-	-	-	-
25	863.00	Maintenance of Compressor Station Equipment	-	-	-	-	-	-	-
26	864.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-	-	-	-
27	865.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-
28	866.00	Maintenance of Other Equipment	-	-	-	-	-	-	-
29		Total Maintenance	-	-	-	-	-	-	-
30		Total Transmission Expense	\$	\$	\$	\$	\$	\$	\$

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 5				Adjustment No. 6			
			Labor (a)	S&E (b)	Gas (c)	Total (d)	Labor (e)	S&E (f)	Gas (g)	Total (h)
1	901.00	Customer Accounts Expense								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	-
5		Sales Expense								
6	912.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-
	913.00	Advertising Expenses	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-	-
8		Administrative and General Expense								
9	920.00	Administrative and General Salaries	-	-	-	-	(105,383)	105,383	-	-
10	921.00	Office Supplies and Expenses	-	-	-	-	58,378	(58,378)	-	-
11	922.00	Admin. Expenses Transferred	-	-	-	-	-	-	-	-
12	923.00	Outside Services Employed	-	81,672	-	81,672	-	(46,028)	-	(46,028)
13	924.00	Property Insurance	-	247,358	-	247,358	-	-	-	-
14	925.00	Injuries and Damages	-	139,257	-	139,257	-	-	-	-
15	926.00	Employee Pensions and Benefits	-	(202,863)	-	(202,863)	(101,677)	101,677	-	-
16	928.00	Regulatory Commission Expenses	-	(737,041)	-	(737,041)	-	-	-	-
17	930.10	General Advertising Expenses	-	-	-	-	-	-	-	-
18	930.20	Miscellaneous General Expenses	-	-	-	-	-	(45,381)	-	(45,381)
19	931.00	Rents	-	-	-	-	-	(45,381)	-	(45,381)
		Total Operation	-	(471,617)	-	(471,617)	(148,682)	57,273	-	(91,409)
20		Maintenance of General Plant								
21		Total Maintenance	-	-	-	-	-	-	-	-
22		Total Administrative and General	-	(471,617)	-	(471,617)	(148,682)	57,273	-	(91,409)
23		Grand Total	\$ -	\$ (471,617)	\$ -	\$ (471,617)	\$ (148,682)	\$ 57,273	\$ -	\$ (91,409)

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 7			
			Labor (a)	S&E (b)	Gas (c)	Total (d)
1	803.00	Gas Supply Expense				
2	805.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -
3	806.00	Other Gas Purchases	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-
		Other Gas Supply Expenses	-	-	-	-
9		Total Gas Supply Expense	-	-	-	-
10		Transmission Expense				
11	850.00	Operation Supervision and Engineering	13,069	766	-	13,825
12	851.00	System Control and Load Dispatching	-	-	-	-
13	852.00	Communication System Expenses	-	-	-	-
14	853.00	Compressor Station Labor and Expenses	-	-	-	-
15	854.00	Gas for Compressor Station Fuel	-	-	-	-
16	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-
17	856.00	Mains Expenses	-	(233)	-	(233)
18	857.00	Measuring and Regulating Station Expenses	-	(618)	-	(618)
19	858.00	Transmission and Compression of Gas by Others	-	-	-	-
20	859.00	Other Expenses	-	(1,942)	-	(1,942)
21	860.00	Rents	-	-	-	-
		Total Operation	13,069	(2,037)	-	11,032
22		Maintenance Supervision and Engineering	-	-	-	-
23	861.00	Maintenance of Structures and Improvements	-	-	-	-
24	862.00	Maintenance of Mains	-	-	-	-
25	863.00	Maintenance of Compressor Station Equipment	-	-	-	-
26	864.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-
27	865.00	Maintenance of Communication Equipment	-	-	-	-
28	866.00	Maintenance of Other Equipment	-	-	-	-
29	867.00	Total Maintenance	-	-	-	-
30		Total Transmission Expense	13,069	(2,037)	-	11,032

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 7			
			Labor (a)	S&E (b)	Gas (c)	Total (d)
1	901.00	Customer Accounts Expense				
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-
		Uncollectible Accounts	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-
5	912.00	Sales Expense				
6	913.00	Demonstrating and Selling Expenses	-	-	-	-
		Advertising Expenses	-	-	-	-
7		Total Sales Expense	-	-	-	-
8	920.00	Administrative and General Expense				
9	921.00	Administrative and General Salaries	(138,756)	(129,865)	-	(268,621)
10	922.00	Office Supplies and Expenses	111,452	(4,470)	-	106,982
11	923.00	Admin. Expenses Transferred	77,720	69,853	-	147,573
12	924.00	Outside Services Employed	-	(27,258)	-	(27,258)
13	925.00	Property Insurance	-	15,151	-	15,151
14	926.00	Injuries and Damages	-	-	-	-
15	928.00	Employee Pensions and Benefits	(41,049)	(233,059)	-	(274,108)
16	930.10	Regulatory Commission Expenses	-	-	-	-
17	930.20	General Advertising Expenses	-	(289)	-	(289)
18	931.00	Miscellaneous General Expenses	-	-	-	-
19		Rents	-	-	-	-
		Total Operation	9,367	(309,937)	-	(300,570)
20	932.00	Maintenance of General Plant				
21		Total Maintenance	-	-	-	-
22		Total Administrative and General	9,367	(309,937)	-	(300,570)
23		Grand Total	22,436	(311,974)	\$ -	(289,538)

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Summarized Adjustments
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Total Adjustments			
			Labor (a)	S&E (b)	Gas (c)	Total (d)
1	803.00	Gas Supply Expense				
2	805.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -
3	806.00	Other Gas Purchases	-	-	-	-
4	808.10	Exchange Gas	-	-	(1,818,903)	(1,818,903)
5	808.20	Gas withdrawn from Storage - Debit	-	-	4,043,127	4,043,127
6	810.00	Gas delivered to Storage - Credit	-	-	(2,491,676)	(2,491,676)
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	102,835,737	102,835,737
8	813.00	Gas used for Other Utility Operations - Credit	-	-	14,144,143	14,144,143
		Other Gas Supply Expenses	-	-	(7,155,288)	(7,155,288)
9		Total Gas Supply Expense	-	-	109,557,140	109,557,140
10	850.00	Transmission Expense				
11	851.00	Operation Supervision and Engineering	93,257	104,484	-	197,751
12	852.00	System Control and Load Dispatching	24,528	169	-	24,717
13	853.00	Communication System Expenses	4,573	1,913	-	6,486
14	854.00	Compressor Station Labor and Expenses	66,607	233,119	(3,902,927)	(3,603,201)
15	855.00	Gas for Compressor Station Fuel	-	(5,769)	(102,835,737)	(102,841,506)
16	856.00	Other Fuel and Power For Compressor Stations	-	1,545	(375,784)	(374,239)
17	857.00	Mains Expenses	78,375	106,172	-	184,547
18	858.00	Measuring and Regulating Station Expenses	24,372	758	(2,535,859)	(2,510,729)
19	859.00	Transmission and Compression of Gas by Others	-	160,900	-	160,900
20	860.00	Other Expenses	329	(1,077)	-	(748)
21		Rents	(2,240)	1,296	-	(944)
		Total Operation	289,801	603,540	(109,650,307)	(108,756,966)
22	861.00	Maintenance Supervision and Engineering	-	2	-	2
23	862.00	Maintenance of Structures and Improvements	-	248	-	248
24	863.00	Maintenance of Mains	64,167	8,827,113	-	8,891,280
25	864.00	Maintenance of Compressor Station Equipment	64,411	6,250	-	70,661
26	865.00	Maintenance of Measuring and Regulating Station Equipment	14,421	230	-	14,651
27	866.00	Maintenance of Communication Equipment	6,336	8	-	6,344
28	867.00	Maintenance of Other Equipment	14	148,011	-	148,025
29		Total Maintenance	149,349	8,981,862	-	9,131,211
30		Total Transmission Expense	\$ 439,150	\$ 9,585,402	\$ (109,650,307)	\$ (99,625,755)

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Summarized Adjustments
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Total Adjustments			
			Labor (a)	S&E (b)	Gas (c)	Total (d)
1	901.00	Customer Accounts Expense				
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-
		Uncollectible Accounts	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-
5	912.00	Sales Expense				
6	913.00	Demonstrating and Selling Expenses	-	-	-	-
		Advertising Expenses	-	-	-	-
7		Total Sales Expense	-	-	-	-
8	920.00	Administrative and General Expense				
9	921.00	Administrative and General Salaries	(19)	(24,482)	-	(24,501)
10	922.00	Office Supplies and Expenses	169,830	(62,848)	-	106,982
11	923.00	Admin. Expenses Transferred	55,071	69,853	-	124,924
12	924.00	Outside Services Employed	-	8,386	-	8,386
13	925.00	Property Insurance	-	262,509	-	262,509
14	926.00	Injuries and Damages	-	139,257	-	139,257
15	928.00	Employee Pensions and Benefits	(142,726)	(334,245)	-	(476,971)
16	930.10	Regulatory Commission Expenses	-	(737,041)	-	(737,041)
17	930.20	General Advertising Expenses	-	-	-	-
18	931.00	Miscellaneous General Expenses	498	(45,670)	-	(45,172)
		Rents	-	-	-	-
19		Total Operation	82,654	(724,281)	-	(641,627)
20	932.00	Maintenance of General Plant	-	-	-	-
21		Total Maintenance	-	-	-	-
22		Total Administrative and General	82,654	(724,281)	-	(641,627)
23		Grand Total	\$ 521,804	\$ 8,861,121	\$ (93,167)	\$ 9,289,758

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 1
Annualize Increase in Labor Expenses 1/

Line No.	FERC Account	Description	Base Period Labor Per H-1(a).1 (a)	Adjustment No. 6 Misclassified Exp (b)	Adjustment No. 7 Out-of-Period (c)	Less: 2 nd Pay Period in April 2009 plus May 2009 (d)	Net: June 2008 thru 1 st Pay Period in April 2009 (e)	Labor Cost Adjustment Column (e) x 3.7% (f)
1	850.00	Transmission Expense						
2	851.00	Operation Supervision and Engineering	\$ 3,138,812	\$ -	13,069	\$ 984,646	\$ 2,167,235	\$ 80,186
3	852.00	System Control and Load Dispatching	799,720	-	-	136,791	662,929	24,528
4	853.00	Communication System Expenses	142,253	-	-	18,669	123,584	4,573
5	854.00	Compressor Station Labor and Expenses	2,028,472	-	-	228,282	1,800,190	66,607
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-
8	857.00	Mains Expense	2,315,925	2,240	-	260,449	2,057,716	76,135
9	858.00	Measuring and Regulating Station Expenses	746,168	-	-	87,454	658,714	24,372
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-
11	860.00	Other Expenses	9,877	-	-	991	8,886	329
12		Rents	2,240	(2,240)	-	-	-	-
		Total Operation	9,183,467	-	13,069	1,717,282	7,479,254	276,732
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-
15	863.00	Maintenance of Mains	2,057,557	-	-	323,317	1,734,240	64,167
16	864.00	Maintenance of Compressor Station Equipment	1,970,867	-	-	230,018	1,740,849	64,411
17	865.00	Maintenance of Measuring and Regulating Station Equipment	443,688	-	-	53,933	389,755	14,421
18	866.00	Maintenance of Communication Equipment	195,099	-	-	23,855	171,244	6,336
19	867.00	Maintenance of Other Equipment	372	-	-	-	372	14
20		Total Maintenance	4,667,583	-	-	631,123	4,036,460	149,349
21		Total Transmission Expense	\$ 13,851,050	\$ -	\$ 13,069	\$ 2,348,405	\$ 11,515,714	\$ 426,081

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 1
Annualize Increase in Labor Expenses 1/

Line No.	FERC Account	Description	Base Period Labor Per H-1(a)1	Adjustment No. 6 Misclassified Exp (b)	Adjustment No. 7 Out-of-Period (c)	Less: 2 nd Pay Period in April 2009 plus May 2009 (d)	Net: June 2008 thru 1 st Pay Period in April 2009 (e)	Labor Cost Adjustment Column (e) x 3.7% (f)
1	920.00	Administrative and General Expenses	\$					
2	921.00	Office Salaries	8,222,388	(105,383)	(138,756)	1,380,408	6,597,841	244,120
3	922.00	Office Supplies and Expenses	(169,830)	58,378	111,452	-	-	-
4	923.00	Admin. Expenses Transferred	(800,225)	-	77,720	(110,376)	(612,129)	(22,649)
5	924.00	Outside Services Employed	-	-	-	-	-	-
6	925.00	Property Insurance	-	-	-	-	-	-
7	926.00	Injuries and Damages	-	-	-	-	-	-
8	928.00	Employee Pensions and Benefits	142,726	(101,677)	(41,049)	-	-	-
9	930.10	Regulatory Commission Expenses	-	-	-	-	-	-
10	930.20	General Advertising Expenses	-	-	-	-	-	-
11	931.00	Miscellaneous General Expenses	13,472	-	-	-	13,472	498
12		Rent	-	-	-	-	-	-
		Total Operation	7,408,531	(148,682)	9,367	1,270,032	5,999,184	221,969
13	932.00	Maintenance of General Plant	-	-	-	-	-	-
14		Total Maintenance	-	-	-	-	-	-
15		Total Administrative and General	7,408,531	(148,682)	9,367	1,270,032	5,999,184	221,969
16		Grand Total	21,259,581				Total Adjustment, Pages 1-2	648,050

Footnote:

1/ An average salary increase of 3.7% was applied to Base Period labor. Salary increases were effective on April 5, 2009, but were not reflected in employees' paychecks until April 24, 2009. Therefore, amounts related to the April 24, 2009 pay date, as well as May 2009 labor, are excluded in the calculation of this adjustment.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 2
Projected Increase in S&E Costs

Line No.	FERC Account	Description	Base Period S&E Per H-1(b).1 (a)	S&E Adjustments (b)	Base Period, As Adjusted Before S&E Increase (c)	S&E Increase Adjustment (d)	5/
		Transmission Expense					
1	850.00	Operation Supervision and Engineering	\$ 2,269,883	\$ 98,337	\$ 2,368,220	\$ 6,157	
2	851.00	System Control and Load Dispatching	72,596	-	72,596	189	
3	852.00	Communication System Expenses	735,598	-	735,598	1,913	
4	853.00	Compressor Station Labor and Expenses	4,612,608	5,769	4,618,377	12,008	
5	854.00	Gas for Compressor Station Fuel	5,769	(5,769)	-	-	
6	855.00	Other Fuel and Power For Compressor Stations	594,057	-	594,057	1,545	
7	856.00	Mains Expenses	2,882,051	98,423	2,980,474	7,749	
8	857.00	Measuring and Regulating Station Expenses	529,839	(618)	529,221	1,376	
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-	6/
10	859.00	Other Expenses	334,507	(1,942)	332,565	865	
11	860.00	Rents	498,516	-	498,516	1,296	
12		Total Operation	12,535,424	194,200	12,729,624	33,098	
		Maintenance Supervision and Engineering					
13	861.00	Maintenance of Structures and Improvements	826	-	826	2	
14	862.00	Maintenance of Mains	95,342	-	95,342	248	
15	863.00	Maintenance of Compressor Station Equipment	2,048,643	-	2,048,643	5,326	
16	864.00	Maintenance of Measuring and Regulating Station Equipment	2,403,728	-	2,403,728	6,250	
17	865.00	Maintenance of Communication Equipment	88,637	-	88,637	230	
18	866.00	Maintenance of Other Equipment	3,073	-	3,073	8	
19	867.00	Total Maintenance	2	-	2	-	
		Total Transmission Expense	\$ 17,175,675	\$ 194,200	\$ 17,369,875	\$ 45,162	

Footnotes:

- 1/ Adjustment reflects an increase in DOT annual pipeline safety user fee (Adj. No. 4a) and remove out-of-period items (Adj. No. 7).
- 2/ Adjustment corrects misclassified expenses (Adj. No. 6).
- 3/ Adjustment removes expenses associated with facilities to be abandoned (Adj. No. 4e) and out-of-period items (Adj. No. 7).
- 4/ Adjustment removes out-of-period items (Adj. No. 7).
- 5/ An increase of 0.26% is applied to adjust supplies and expenses for inflation; see Schedule H-1.2(a), Pages 1 and 2.
- 6/ Expenses recorded in Account 858 are excluded from this adjustment.

FLORIDA GAS TRANSMISSION COMPANY, LLC

Derivation of S & E Cost Increase Factor

Line No.	Year	Machinery & Equipment (a)	Metals & Metal Products (b)	Pulp, Paper & Allied Products (c)	Chemicals & Allied Products (d)	Transportation Equipment (e)	Average (f)
1	2003	121.9	129.2	190.0	161.8	145.7	
2	2004	122.1	149.6	195.7	174.4	148.6	
3	2005	123.7	160.8	202.6	192.0	151.0	
4	2006	126.2	181.6	209.8	205.8	152.6	
5	2007	127.3	193.5	216.9	214.8	155.0	
6	2008	129.7	213.0	226.8	245.5	158.6	
7	2003 to 2008	6.40%	64.86%	19.37%	51.73%	8.85%	
8	6 year average	1.07%	10.81%	3.23%	8.62%	1.48%	5.04%
9	Rate applicable to 9-month Test period						3.78%
10	Increases during 12-month Base Period - Schedule H-1.2(a), Page 2						-3.52%
11	Total S&E Factor						0.26%

Source: U. S. Department of Labor
Bureau of Labor Statistics [website at <http://www.bls.gov>]

(P) Preliminary

FLORIDA GAS TRANSMISSION COMPANY, LLC

Derivation of S & E Cost Increase Factor

Line No.	Year	Machinery & Equipment (a)	Metals & Metal Products (b)	Pulp, Paper & Allied Products (c)	Chemicals & Allied Products (d)	Transportation Equipment (e)	Average (f)
1	June 2008	129.6	226.9	225.7	252.7	156.7	
2	July	130.4	231.8	227.0	262.8	156.7	
3	August	130.5	230.9	229.6	263.3	157.6	
4	September	130.7	223.7	231.1	264.2	157.8	
5	October	130.9	209.1	230.9	252.5	162.8	
6	November	131.1	195.9	228.8	239.3	162.4	
7	December	131.0	189.7	228.0	227.6	162.8	
8	January 2009	131.4	187.0	228.0	226.8	162.8	
9	February (P)	131.7	182.5	227.3	228.4	163.2	
10	March (P)	131.4	181.3	226.5	228.6	162.4	
11	April (P)	131.3	178.9	226.0	225.4	162.1	
12	May (P)	131.3	180.4	225.0	225.0	161.8	
13	Base Period Average	130.9	201.5	227.8	241.4	160.8	
14	Increase May 2009 over 12-month Period	0.27%	-10.48%	-1.24%	-6.79%	0.65%	-3.52%

Source: U. S. Department of Labor
Bureau of Labor Statistics [website at <http://www.bls.gov>]
(P) Preliminary

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 3
Eliminate Entries to Other Gas Supply Expense Accounts
and the Cost of Gas and Electricity Used in Utility Operations

Line No.	FERC Account	Description	Adjustment (a)
1	806.00	Exchange Gas	\$ (1,818,903)
2	808.10	Gas Withdrawn from Storage - Debit	4,043,127
3	808.20	Gas Delivered to Storage - Credit	(2,491,676)
4	810.00	Gas Used for Compressor Station Fuel - Credit	102,835,737
5	812.00	Gas Used for Other Utility Operations - Credit	14,144,143
6	813.00	Other Gas Supply Expenses	(7,155,288)
7	853.00	Compressor Station Expenses	(3,902,927)
8	854.00	Gas for Compressor Station Fuel	(102,835,737)
9	855.00	Other Fuel and Power for Compressor Stations	(375,784)
10	857.00	Measuring and Regulating Station Expenses	<u>(2,535,859)</u>
11		Total Adjustment	\$ <u><u>(93,167)</u></u>

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 4
Changes In Transmission Expenses

Line No.	FERC Account	Description	Reference	Adjustment (a)	Total (b)	Explanation (c)
1	850.00	Operation Supervision and Engineering - S&E	H-1.1.4(a)	\$ 97,581		Increase in DOT annual pipeline safety user fee
2		Total Account No. 850		\$ 97,581	97,581	
3	853.00	Compressor Station Expenses - S&E	H-1.1.4(b)	215,342		Increase in environmental expenses related to Greenhouse Gas Monitoring
4		Total Account No. 853		215,342	215,342	
5	856.00	Mains Expenses - S&E	H-1.1.4(c)	98,656		Exclusion of O&M expenses associated with offshore facilities
6		Total Account No. 856		98,656	98,656	
7	858.00	Transmission and Compression of Gas by Others - S&E	H-1.1.4(d)	160,900		Annualization of expenses for transmission of gas by others
8		Total Account No. 858		160,900	160,900	
9	863.00	Maintenance of Mains - S&E	H-1.1.4(e)	1,666,405		Increase in class location work expense
10			H-1.1.4(f)	7,155,382		Pipeline integrity assessment costs
11		Total Account No. 863			8,821,787	
12	867.00	Maintenance of Other Equipment	H-1.1.4(g)	148,011		Amortization of environmental remediation regulatory asset
13		Total Account No. 867			148,011	
14		Total Adjustment		\$ 9,542,277		

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 4
Increase in Pipeline Safety User Fee

Line No.	FERC Account	Description	Amount (a)
	850.00	Operation Supervision and Engineering	
1		Actual FY 2009 Pipeline Safety User Fee Assessment 4,932 pipeline miles @ \$198.10/mile	\$ 977,029
2		Allocation to CS22/Turkey Point North @ 0.7943%	<u>7,761</u> 1/
3		Net Allocable Expense to Non-Incremental and Incremental Facilities	969,268
4		Allocation to Incremental Facilities @ 41.6301%	<u>403,507</u> 2/
5		Net User Fee - Non-Incremental Facilities	<u><u>\$ 565,761</u></u>
6		Test Period User Fee - Non-Incremental Facilities (Line 5)	\$ 565,761
7		Base Period Expense - Non-Incremental Facilities	<u>468,180</u>
8		Net Adjustment - Non-Incremental Facilities (Line 6 - Line 7)	<u><u>\$ 97,581</u></u>
9		Test Period User Fee - Incremental Facilities (Line 4)	\$ 403,507
10		Base Period Expense - Incremental Facilities	<u>335,208</u>
11		Net Adjustment - Incremental Facilities (Line 9 - Line 10)	<u><u>\$ 68,299</u></u>

Footnotes:

- 1/ Pursuant to FERC Order Issuing Certificate and Granting Abandonment Authority dated June 20, 2005, in Docket No. CP05-64, Florida Power & Light Company reimburses FGT for expenses incurred, directly and indirectly, relating to the operation and maintenance of the Miami Compressor Station 22/ FPL Turkey Point North facilities. The allocation percentage on Line 2 is a three-factor formula comprised of inch-miles of pipe, horsepower and payroll.
- 2/ Pursuant to the August 25, 1992 Stipulation and Agreement in Docket Nos. CP92-182 et al. ("Phase III Settlement"), FGT allocates common costs between its non-incremental and incremental facilities. The allocation percentage reflected on Line 4 is a three-factor formula comprised of inch-miles of pipe, horsepower and payroll as set forth in the Phase III Settlement.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 4
Increase in Environmental Expenses Related to Greenhouse Gas Monitoring

Line No.	FERC Account	Description	Adjustment (a)
	853.00	Compressor Station Expenses	
		Projected Greenhouse Gas Monitoring Costs	
1		Leak Detection and Monitoring	\$ 432,000
2		Monitoring Data Reduction	20,800
3		GHG Inventory Preparation	58,000
4		Equipment Verification & Database Population	87,000
5		Travel	20,400
6		Field Equipment Rental	5,800
7		Total	<u>\$ 624,000</u>
		Allocation to:	1/
8		CS22/Turkey Point North @ 1.62%	\$ 10,109
9		Non-Incremental Facilities @ 34.51%	215,342
10		Incremental Facilities @ 63.87%	<u>398,549</u>
11		Total	<u>\$ 624,000</u>

Footnote:

- 1/ Allocation of greenhouse gas monitoring costs is based on respective total certificated horsepower.
See Page 2.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 4
Increase in Environmental Expenses Related to Greenhouse Gas Monitoring

Line No.	Description	Certificated Horsepower (a)	Pro Rata Percentage (b)
	Basis of Allocation of Greenhouse Gas Monitoring Costs		
1	Non-Incremental Facilities	181,329	34.51%
2	Incremental Facilities	335,635	63.87%
3	Station 22/Turkey Point North	8,500	1.62%
4	Total System	525,464	100.00%

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 4
Eliminate O&M Expenses Associated with Offshore Facilities 1/

Line No.	FERC Account	Description	Adjustment (a)
1	856.00	Mains Expenses - S&E	\$ <u>98,656</u>

Footnote:

- 1/ FGT filed a certificate application on September 3, 2009, in Docket No. CP09-461-000 requesting authorization to abandon its obligation to provide transportation services on the Matagorda Offshore Pipeline System (MOPS). FGT is eliminating the O&M expenses related to these facilities. This adjustment is an increase to O&M due to some out-of-period reversals recorded during the Base Period.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 4
Annualize Expenses for Transmission of Gas by Others

<u>Line No.</u>	<u>FERC Account</u>	<u>Description</u>	<u>Adjustment (a)</u>
1	858.00	Transmission and Compression of Gas by Others	\$ <u><u>160,900</u></u> 1/

Footnote:

1/ See Schedule I-4.1 for further details.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 4
Increase in Class Location Work Expense

Line No.	FERC Account	Description	Adjustment (a)
	863.00	Maintenance of Mains	
		Projected Test Period Hydrostatic Tests Related to Class Changes	
1		26" Clay County	\$ 359,547
2		26" Putnam County	767,283
3		18" Eunice East White Lake VS 7-22D	878,864
4		22" Boling VS 4-3 to 4-7	4,848,554
5		24" Boling ML VS 5-2	960,775
6		24" Franklinton VS 9-1	297,000
7		24" Escambia County	<u>220,000</u>
8		Total	\$ <u><u>8,332,023</u></u>
9		Annual Representative Cost	\$ <u><u>1,666,405</u></u>

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 4
Pipeline Integrity Assessment Costs

Line No.	FERC Account	Description	Adjustment (a)
	863.00	Maintenance of Mains	
		Projected Pipeline Integrity Assessment Costs 1/	
1		2010	\$ 8,057,050
2		2011	10,040,858
3		2012	8,435,000
4		2013	3,800,000
5		2014	5,444,000
6		Total	\$ <u>35,776,908</u>
7		Average Over 5 Years (Line 6 / 5)	\$ <u>7,155,382</u>

Footnote:

- 1/ Pipeline integrity assessment costs include hydrostatic testing, smart pigging, and direct pipeline assessment techniques conducted in high consequence areas to comply with the provisions of the Pipeline Safety Improvement Act of 2002 and regulations issued thereunder. This adjustment also includes costs associated with required preventive and mitigative measures.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 4
Amortize Environmental Remediation Regulatory Asset

Line No.	FERC Account	Description	Adjustment (a)
	867.00	Maintenance of Other Equipment - S&E	
1		Environmental Remediation Regulatory Asset	\$ <u>1,147,086</u>
2		Amortization Period (Years)	7.75 1/
3		Annual Amortization	\$ <u>148,011</u>

Footnote:

- 1/ The amortization period is based on the number of months underlying the Regulatory Asset for environmental remediation costs.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Changes In Administrative and General Expenses

Line No.	FERC Account	Description	Reference	Adjustment (a)	Total (b)	Explanation (c)
1	923.00	Outside Services Employed	H-1.1.5(a)	\$ 81,672		Increase in software maintenance costs
2		Total Account No. 923		\$ 81,672	81,672	
3	924.00	Property Insurance	H-1.1.5(b)	247,358		Increase in insurance expense
4		Total Account No. 924		247,358	247,358	
5	925.00	Injuries and Damages	H-1.1.5(b)	139,257		Increase in insurance expense
6		Total Account No. 925		139,257	139,257	
7	926.00	Employee Pensions and Benefits	H-1.1.5(c)	76,756		Reclassification of SFAS No. 106 regulatory asset amortization
8			H-1.1.5(d)	752,273		Increase in OPEB net periodic cost
9			H-1.1.5(e)	112,962		Increase in Savings Plan match
10			H-1.1.5(f)	(1,144,854)		Exclusion of amortizations that expired during the Base Period 1/
11		Total Account No. 926		(202,863)	(202,863)	
12	928.00	Regulatory Commission Expense - S&E	H-1.1.5(f)	(127,719)		Exclusion of amortizations that expired during the Base Period 1/
13			H-1.1.5(g)	82,054		Amortization of projected regulatory expenses in instant proceeding
14			H-1(2)(g).1	(691,376)		Removal of ACA expenses
15		Total Account No. 928		(737,041)	(737,041)	
16		Total Adjustment		\$ (471,617)	(471,617)	

Footnote:

1/ These amortizations were authorized pursuant to Article VI, Sections 3 and 4 of the August 13, 2004, Stipulation and Agreement in Docket No. RP04-12, et al., approved by FERC Order issued December 21, 2004.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Increase in Software Maintenance Costs

Line No.	FERC Account	Description	Amount (a)
	923.00	Outside Services Employed	
1		Increase in Annual Software Maintenance Support Costs	\$ 114,000 1/
2		Allocation to CS22/Turkey Point North @ 0.7624%	<u>869</u> 2/
3		Net Allocable Expense to Non-Incremental and Incremental Facilities	113,131
4		Allocation to Incremental Facilities @ 27.8073%	<u>31,459</u> 3/
5		Net Cost Increase - Non-Incremental Facilities	\$ <u><u>81,672</u></u>

Footnotes:

- 1/ Increase represents annual fee for software maintenance support associated with the implementation of a new SCADA system.
- 2/ Pursuant to FERC Order Issuing Certificate and Granting Abandonment Authority dated June 20, 2005, in Docket No. CP05-64, Florida Power & Light Company reimburses FGT for expenses incurred, directly and indirectly, relating to the operation and maintenance of the Miami Compressor Station 22/ FPL Turkey Point North facilities. The allocation percentage on Line 2 is based on direct labor and plant utilizing the Kansas-Nebraska allocation methodology.
- 3/ Pursuant to the August 13, 2004 Stipulation and Agreement in Docket Nos. RP04-12, et al., FGT utilizes the Kansas-Nebraska methodology for allocating A&G expenses between its non-incremental and incremental facilities. The percentage reflected on Line 4 is based on direct labor and plant utilizing the Kansas-Nebraska allocation methodology.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Increase in Insurance Premiums

Line No.	Description	FERC Account 924.00 Property Insurance (a)	FERC Account 925.00 Injuries and Damages (b)	Total (c)
1	Insurance Premiums for the 2009-10 Coverage Period	\$ 2,632,899	\$ 1,885,890	\$ 4,518,789 1/
2	Allocation to CS22/Turkey Point North	<u>20,473</u>	<u>14,359</u>	<u>34,832</u> 2/
3	Net Allocable Expense to Non-Incremental and Incremental Facilities	2,612,426	1,871,531	4,483,957
4	Allocation to Incremental Facilities	<u>1,591,075</u>	<u>481,693</u>	<u>2,072,768</u> 3/
5	Net Premium Cost - Non-Incremental Facilities	<u>\$ 1,021,351</u>	<u>\$ 1,389,838</u>	<u>\$ 2,411,189</u>
6	Test Period Premium Cost - Non-Incremental Facilities (Line 5)	\$ 1,021,351	\$ 1,389,838	2,411,189
7	Base Period Expense - Non-Incremental Facilities	<u>773,993</u>	<u>1,250,581</u>	<u>2,024,574</u>
8	Net Adjustment - Non-Incremental Facilities (Line 6 - Line 7)	<u>\$ 247,358</u>	<u>\$ 139,257</u>	<u>\$ 386,615</u>
9	Test Period Premium Cost - Incremental Facilities (Line 4)	\$ 1,591,075	\$ 481,693	2,072,768
10	Base Period Expense - Incremental Facilities	<u>1,244,312</u>	<u>444,304</u>	<u>1,688,616</u>
11	Net Adjustment - Incremental Facilities (Line 9 - Line 10)	<u>\$ 346,763</u>	<u>\$ 37,389</u>	<u>\$ 384,152</u>

Footnotes:

- 1/ See Page 2.
- 2/ Pursuant to FERC Order Issuing Certificate and Granting Abandonment Authority dated June 20, 2005, in Docket No. CP05-64, Florida Power & Light Company reimburses FGT for expenses incurred directly and indirectly relating to the operation and maintenance of the Miami Compressor Station 22/FPL Turkey Point North facilities. Accounts 924 and 925 are allocated using plant and labor factors, respectively, based on the Kansas-Nebraska allocation methodology.
- 3/ Pursuant to the August 13, 2004 Stipulation and Agreement in Docket Nos. RP04-12, et al., FGT utilizes the Kansas-Nebraska methodology for allocating A&G expenses between its non-incremental and incremental facilities. Accounts 924 and 925 are allocated using plant and labor factors, respectively, based on the Kansas-Nebraska allocation methodology.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Increase in Insurance Premiums

Line No.	FERC Account	Description	2009-10 Insurance Premiums (a)
	924.00	Property Insurance	
1		Aviation Liability and Terrorism	\$ 8,242
2		Crime	7,007
3		Excess Property	2,573,757
4		Lawyers Professional	14,193
5		Punitive Damages	14,660
6		Engineering Inspection	15,040
7		Subtotal 924.00	<u>2,632,899</u>
	925.00	Injuries and Damages	
8		Automobile	67,833
9		Brokers Fee	169,918
10		Directors and Officers	250,000
11		Excess Liability	1,170,487
12		Fiduciary	166,222
13		Workmen's Compensation	61,430
14		Subtotal 925.00	<u>1,885,890</u>
15		Total Policy Premiums	\$ <u><u>4,518,789</u></u>

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Reclassify Annual Amortization of Regulatory Asset

Line No.	FERC Account	Description	Adjustment (a)
1	926.00	Employee Pension and Benefits	\$ <u>76,756</u> 1/

Footnote:

- 1/ The monthly amortization of FGT's FAS No. 106 Regulatory Asset is recorded in FERC Account 407.3, Regulatory Debits.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Increase in Net Periodic Postretirement Benefit Cost

Line No.	FERC Account	Description	Amount (a)
	926.00	Employee Pensions and Benefits	
1		2009 Estimated Net Periodic Postretirement Benefit Cost	\$ 2,112,941 1/
2		Allocation to CS22/Turkey Point North @ 0.7614%	<u>16,088 2/</u>
3		Net Allocable Expense to Non-Incremental and Incremental Facilities	2,096,853
4		Allocation to Incremental Facilities @ 25.7379%	<u>539,686 3/</u>
5		Net Periodic Cost - Non-Incremental Facilities	<u>\$ 1,557,167</u>
6		Test Period Net Periodic Cost - Non-Incremental Facilities (Line 5)	\$ 1,557,167
7		Base Period Expense - Non-Incremental Facilities	<u>804,894</u>
8		Net Adjustment - Non-Incremental Facilities (Line 6 - Line 7)	<u>\$ 752,273</u>
9		Test Period Net Periodic Cost - Incremental Facilities (Line 4)	\$ 539,686
10		Base Period Expense - Incremental Facilities	<u>285,870</u>
11		Net Adjustment - Incremental Facilities (Line 9 - Line 10)	<u>\$ 253,816</u>

Footnotes:

- 1/ Projection was obtained from FGT's actuarial report dated February 23, 2009.
- 2/ Pursuant to FERC Order Issuing Certificate and Granting Abandonment Authority dated June 20, 2005, in Docket No. CP05-64, Florida Power & Light Company reimburses FGT for expenses incurred directly and indirectly relating to the operation and maintenance of the Miami Compressor Station 22/FPL Turkey Point North facilities. The allocation percentage on Line 2 is a labor factor based on the Kansas-Nebraska allocation methodology.
- 3/ Pursuant to the August 13, 2004 Stipulation and Agreement in Docket Nos. RP04-12, et al., FGT utilizes the Kansas-Nebraska methodology for allocating A&G expenses between its non-incremental and incremental facilities. The allocation percentage reflected on Line 4 is a labor factor based on the Kansas-Nebraska allocation methodology.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Increase in Savings Plan Match 1/

Line No.	FERC Account	Description	Jan-09 (a)	Feb-09 (b)	Mar-09 (c)	Apr-09 (d)	May-09 (e)	Total (f)	Labor Increase Adjustment @ 3.7% (g)	Savings Plan Match, 4/ As Adjusted (h)	Annualization Factor (i)	Annualized Amount (j)
1	926.00	Employee Pensions and Benefits										
2		Savings Plan Match for Pay Dates:										
3		01/02/2009 2/	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -		
4		01/16/2009	33,586					33,586	1,243	34,829		
5		01/30/2009	35,903					35,903	1,328	37,231		
6		02/13/2009		36,631				36,631	1,355	37,986		
7		02/27/2009 3/		36,202				36,202	1,339	37,541		
8		03/13/2009							-	-		
9		03/27/2009			33,922			33,922	1,255	35,177		
10		04/10/2009				35,810		35,810	1,325	37,135		
11		04/24/2009				37,234		37,234	-	37,234		
12		05/08/2009					37,025	37,025	-	37,025		
13		05/22/2009					37,519	37,519	-	37,519		
14		Average Savings Plan Match per Pay Date, As Adjusted								\$ 36,853	x 26	\$ 958,178
15		Average Savings Plan Match per Pay Date Prior to Labor Increase						\$ 35,342				
16		03/13/2009 Savings Plan Match, Including Match on Annual Incentive Payout						\$ 108,970				
17		Less: Average Savings Plan Match per Pay Date Prior to Labor Increase (Line 13)						(35,342)				
18		Net Portion of Match Attributed to Annual Incentive Payout						\$ 73,628			x 1	\$ 73,628
19		Savings Plan Match Cross-Charged During Jan-May 2009 - Non-Incremental Facilities:										
20		From Panhandle Eastern	39,651	33,707	38,282	39,081	39,469	190,190	-	190,190	x 2.4	456,456
21		From Trunkline Gas	3,957	4,075	4,482	4,533	4,910	21,957	-	21,957	x 2.4	52,697
22		From Trunkline LNG	120	127	136	142	136	661	-	661	x 2.4	1,586
23		From Southern Union	12,528	7,355	6,641	6,848	6,713	40,085	-	40,085	x 2.4	96,204
24		To Panhandle Eastern	(34)	(315)	(298)	(350)	(285)	(1,282)	-	(1,282)	x 2.4	(3,077)
25		To FGT Incremental	(14,695)	(14,999)	(14,139)	(15,949)	(14,128)	(73,910)	-	(73,910)	x 2.4	(177,384)
26		To Trunkline Gas	(1,020)	(1,080)	(1,265)	(1,228)	(1,067)	(5,660)	-	(5,660)	x 2.4	(13,584)
27		To Trunkline LNG	-	(7)	(18)	(21)	(11)	(57)	-	(57)	x 2.4	(137)
28		To Southern Union	-	(30)	(38)	(13)	(1)	(82)	-	(82)	x 2.4	(197)
29		To Southwest Gas	(39)	(31)	(25)	(72)	(7)	(174)	-	(174)	x 2.4	(418)
30		To Sea Robin	(370)	(327)	(378)	(487)	(356)	(1,917)	-	(1,917)	x 2.4	(4,601)
31		Savings Plan Match, Before Capitalization (Lines 12 through 27)										1,439,351
32		Allocation to CS22/Turkey Point North @ 0.7614%										10,859 5/
33		Net Allocable Cost to Non-Incremental and Incremental Facilities (Line 28 minus Line 29)										1,428,392
34		Allocation to Incremental Facilities @ 25.7379%										367,638 6/
35		Net Test Period Savings Plan Match, Before Capitalization - Non-Incremental Facilities (Line 30 minus Line 31)										1,060,754
36		Portion of Savings Plan Match Capitalized During Jan-May 2009		(13,236)	(18,398)	(22,790)	(20,473)	(88,562)	-	(88,562)	x 2.4	(212,549)
37		Net Test Period Savings Plan Expense - Non-Incremental Facilities										848,205
38		Base Period Expense - Non-Incremental Facilities										735,243
39		Net Adjustment - Non-Incremental Facilities (Line 34 minus Line 35)										\$ 112,962

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Increase in Savings Plan Match 1/

Line No.	FERC Account	Description	Jan-09 (a)	Feb-09 (b)	Mar-09 (c)	Apr-09 (d)	May-09 (e)	Total (f)	Labor Increase Adjustment @ 3.7% (g)	Savings Plan Match, 4/ As Adjusted (h)	Annualization Factor (i)	Annualized Amount (j)
37	926.00	Employee Pensions and Benefits										\$ 367,638
		Savings Plan Match Allocated from Non-Incremental to Incremental Facilities (Line 31, Page 1)										
38		Savings Plan Match Cross-Charged During Jan-May 2009 - Incremental Facilities:										
39		From Panhandle Eastern	718	1,051	962	860	1,266	4,857	-	4,857	x 2.4	11,657
40		From FGT Non-Incremental Capitalized	14,695	14,999	14,139	15,949	14,128	73,910	-	73,910	x 2.4	177,384
			(4,693)	(10,236)	(7,256)	(9,649)	(6,379)	(38,215)	-	(38,215)	x 2.4	(91,716)
41		Net Test Period Savings Plan Expense - Incremental Facilities (Lines 37 through 40)										464,963
42		Base Period Expense - Incremental Facilities										410,554
43		Net Adjustment - Incremental Facilities (Line 41 minus Line 42)										\$ 54,409

Footnotes:

- 1/ Effective with the 01/16/2009 pay date, the Company's Savings Plan match increased to 100% of the first 5% deferred. The former Company match was 100% on the first 2% deferred, plus 50% on the next 3%, or a maximum of 3.5%.
- 2/ The former match was still in effect for the 01/02/2009 pay date.
- 3/ Refer to Lines 14 through 16. The Savings Plan Match for the 03/13/2009 pay date also took into account employees' Savings Plan contributions relating to their respective annual incentive bonuses.
- 4/ An average salary increase of 3.7% became effective on 04/05/2009 and was first reflected in employees' paychecks on 04/24/2009.
- 5/ Pursuant to FERC Order Issuing Certificate and Granting Abandonment Authority dated June 20, 2005, in Docket No. CP05-54, Florida Power & Light Company reimburses FGT for expenses incurred directly and indirectly relating to the operation and maintenance of the Miami Compressor Station 22/FPL Turkey Point North facilities. The allocation percentage on Line 29 is a labor factor based on the Kansas-Nebraska allocation methodology.
- 6/ Pursuant to the August 13, 2004 Stipulation and Agreement in Docket Nos. RP04-12, et.al., FGT utilizes the Kansas-Nebraska methodology for allocating A&G expenses between its non-incremental and incremental facilities. The allocation percentage reflected on Line 31 is a labor factor based on the Kansas-Nebraska allocation methodology.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Eliminate Amortizations that Expired During the Base Period 1/

Line No.	FERC Account	Description	Adjustment (a)
1	926.00	Employee Pensions and Benefits	\$ (1,144,854)
2	928.00	Regulatory Commission Expense	<u>(127,719)</u>
3		Total Adjustment	\$ <u><u>(1,272,573)</u></u>

Footnote:

- 1/ These amortizations were authorized pursuant to Article VI, Sections 3 and 4 of the August 13, 2004 Stipulation and Agreement in Docket No. RP04-12, et al., approved by FERC Order issued December 21, 2004.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 5
Amortize Projected Regulatory Expenses in Instant Proceeding

Line No.	FERC Account	Description	Amount (a)
	928.00	Regulatory Commission Expenses	
		Projected Expenses in Instant Rate Proceeding:	
1		Outside Consultants	\$ 184,000
2		Outside Legal Counsel	350,000
3		Conferences - Travel Expenses	90,400
4		Total Projected Expenses	\$ 624,400
5		Annual Amortization Over 5 Years (Line 4 / 5)	\$ 124,880
6		Allocation to CS22/Turkey Point North @ 0.7624%	952 1/
7		Net Allocable Expense to Non-Incremental and Incremental Facilities	123,928
8		Allocation to Incremental Facilities @ 27.8073%	34,461 2/
9		Net Annual Amortization - Non-Incremental Facilities	\$ 89,467
10		Test Period Expense - Non-Incremental Facilities (Line 9)	\$ 89,467
11		Base Period Expense - Non-Incremental Facilities	7,413
12		Net Adjustment - Non-Incremental Facilities (Line 10 - Line 11)	\$ 82,054
13		Test Period Expense - Incremental Facilities (Line 8)	\$ 34,461
14		Base Period Expense - Incremental Facilities	2,997
15		Net Annual Amortization - Incremental Facilities (Line 13 - Line 14)	\$ 31,464

Footnotes:

- 1/ Pursuant to FERC Order Issuing Certificate and Granting Abandonment Authority dated June 20, 2005, in Docket No. CP05-64, Florida Power & Light Company reimburses FGT for expenses incurred, directly and indirectly, relating to the operation and maintenance of the Miami Compressor Station 22/ FPL Turkey Point North facilities. The allocation percentage on Line 6 is based on direct labor and plant utilizing the Kansas-Nebraska allocation methodology.
- 2/ Pursuant to the August 13, 2004 Stipulation and Agreement in Docket Nos. RP04-12, et al., FGT utilizes the Kansas-Nebraska methodology for allocating A&G expenses between its non-incremental and incremental facilities. The percentage reflected on Line 8 is based on direct labor and plant utilizing the Kansas-Nebraska allocation methodology.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Analysis of Regulatory Commission Expenses (Account 928)
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Total (a)	Adjustments (b)	Total, As Adjusted (c)
1	ACA Charge	\$ 691,376	\$ (691,376)	\$ -
2	Other Professional Services	5,000	-	5,000
3	Rate Case Amortization	-	82,054	82,054
4	RP04-12 Amortization	180,160	(180,160)	-
5	Other Expenses	295	-	295
6	Shared Services Panhandle Eastern Pipe Line Company, LP	1,472	-	1,472
7	Shared Services - CS 22/Turkey Point North	(62)	-	(62)
8	Shared Services - Incremental	<u>(54,715)</u>	<u>52,441</u>	<u>(2,274)</u>
9	Total	\$ <u>823,526</u>	\$ <u>(737,041)</u>	\$ <u>86,485</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 6
Correct Misclassified Expenses

Line No.	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)
1	<u>FERC Account 854.00</u> Reclass S&E from 854.00 to 853.00 Non-Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	<u>FERC Account 853.00</u> Reclass S&E from 854.00 to 853.00 Non-Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	<u>Net Adjustment</u> Non-Incremental Facilities (Line 1 + Line 3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Incremental Facilities (Line 2 + Line 4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Line No.	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)
1	<u>FERC Account 854.00</u> Reclass S&E from 854.00 to 853.00 Non-Incremental Facilities	\$ -	\$ (2,478)	\$ (1,264)	\$ (1,507)	\$ (520)	\$ (5,769)
2	Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ (18)	\$ (18)
3	<u>FERC Account 853.00</u> Reclass S&E from 854.00 to 853.00 Non-Incremental Facilities	\$ -	\$ 2,478	\$ 1,264	\$ 1,507	\$ 520	\$ 5,769
4	Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ 18
5	<u>Net Adjustment</u> Non-Incremental Facilities (Line 1 + Line 3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Incremental Facilities (Line 2 + Line 4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 6
Correct Misclassified Expenses

Line No.	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)
<u>FERC Account 856.00</u>								
1	Reclass Labor from 860.00 to 856.00 Non-Incremental Facilities	\$ 491	\$ 1,037	\$ 712	\$ -	\$ -	\$ -	\$ -
2	Incremental Facilities	\$ 246	\$ 519	\$ 356	\$ -	\$ -	\$ -	\$ -
<u>FERC Account 860.00</u>								
3	Reclass Labor from 860.00 to 856.00 Non-Incremental Facilities	\$ (491)	\$ (1,037)	\$ (712)	\$ -	\$ -	\$ -	\$ -
4	Incremental Facilities	\$ (246)	\$ (519)	\$ (356)	\$ -	\$ -	\$ -	\$ -
5	Net Adjustment Non-Incremental Facilities (Line 1 + Line 3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Incremental Facilities (Line 2 + Line 4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Line No.	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)
<u>FERC Account 856.00</u>							
1	Reclass Labor from 860.00 to 856.00 Non-Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	2,240
2	Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	1,121
<u>FERC Account 860.00</u>							
3	Reclass Labor from 860.00 to 856.00 Non-Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	(2,240)
4	Incremental Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	(1,121)
5	Net Adjustment Non-Incremental Facilities (Line 1 + Line 3)	\$ -	\$ -	\$ -	\$ -	\$ -	-
6	Incremental Facilities (Line 2 + Line 4)	\$ -	\$ -	\$ -	\$ -	\$ -	-

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 6
Correct Misclassified Expenses

Line No.	Description	FERC Account			Total (d)
		920.00 (a)	921.00 (b)	926.00 (c)	
1	March 2009 - Reclass S&E Expenses Recorded as Labor	\$ (144,593)	\$ 80,100	\$ (139,508)	\$ (204,001)
2	Base Period CS22/Turkey Point North Allocation Factor	0.8288%	0.8288%	0.8288%	1/
3	Base Period Allocation to CS22/Turkey Point North (Line 1 x Line 2)	\$ (1,198)	\$ 664	\$ (1,156)	\$ (1,690)
4	Net Allocable Expense to Non-Incremental and Incremental Facilities (Line 1 - Line 3)	\$ (143,395)	\$ 79,436	\$ (138,352)	\$ (202,311)
5	Base Period Incremental Facilities Allocation Factor	26.5088%	26.5088%	26.5088%	2/
6	Base Period Allocation to Incremental Facilities (Line 4 x Line 5)	\$ (38,012)	\$ 21,058	\$ (36,675)	\$ (53,629)
7	Non-Incremental Facilities Base Period Expense (Line 4 - Line 6)	\$ (105,383)	\$ 58,378	\$ (101,677)	\$ (148,682)
8	Adjustment to S&E for Incremental Facilities (Line 6 x -1)	\$ 38,012	\$ (21,058)	\$ 36,675	\$ 53,629
9	Adjustment to S&E for Non-Incremental Facilities (Line 7 x -1)	\$ 105,383	\$ (58,378)	\$ 101,677	\$ 148,682
10	Net Adjustment Incremental Facilities (Line 6 + Line 8)	\$ -	\$ -	\$ -	\$ -
11	Non-Incremental Facilities (Line 7 + Line 9)	\$ -	\$ -	\$ -	\$ -

Footnotes:

- 1/ Pursuant to FERC Order Issuing Certificate and Granting Abandonment Authority dated June 20, 2005, in Docket No. CP05-64, Florida Power & Light Company will reimburse FGT for expenses incurred directly and indirectly relating to the operation and maintenance of the Miami Compressor Station 22/ FPL Turkey Point North facilities. The allocation percentage on Line 2 is a labor factor based on the Kansas-Nebraska allocation methodology.
- 2/ Pursuant to the August 13, 2004 Stipulation and Agreement in Docket Nos. RP04-12, et al., FGT utilizes the Kansas-Nebraska methodology for allocating allocating A&G expenses between its non-incremental and incremental facilities. The allocation percentage on Line 5 is a labor factor based on the Kansas-Nebraska allocation methodology.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 6
Correct Misclassified Expenses

Line No.	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)
1	FERC Account 923.00 Reclass Lobbying from O&M Expense	\$ 5,000	\$ 11,472	\$ -	\$ 5,000	\$ 5,820	\$ 5,975	\$ 5,000
2	Base Period CS22/Turkey Point North Allocation Factor	0.9297%	0.9255%	0.9255%	0.9255%	0.9250%	0.9250%	0.9250%
3	Base Period Allocation to CS22/Turkey Point North (Line 1 x Line 2)	\$ 46	\$ 106	\$ -	\$ 46	\$ 54	\$ 55	\$ 46
4	Net Allocable Expense to Non-Incremental and Incremental Facilities (Line 1 - Line 3)	\$ 4,954	\$ 11,366	\$ -	\$ 4,954	\$ 5,766	\$ 5,920	\$ 4,954
5	Base Period Incremental Facilities Allocation Factor	29.4556%	29.2085%	29.2085%	29.2085%	29.2069%	29.2069%	29.2069%
6	Base Period Allocation to Incremental Facilities (Line 4 x Line 5)	\$ 1,459	\$ 3,320	\$ -	\$ 1,447	\$ 1,684	\$ 1,729	\$ 1,447
7	Non-Incremental Facilities Base Period Expense (Line 4 - Line 6)	\$ 3,495	\$ 8,046	\$ -	\$ 3,507	\$ 4,082	\$ 4,191	\$ 3,507
8	923.00 Adjustment for Incremental Facilities (Line 6 x -1)	\$ (1,459)	\$ (3,320)	\$ -	\$ (1,447)	\$ (1,684)	\$ (1,729)	\$ (1,447)
9	923.00 Adjustment for Non-Incremental Facilities (Line 7 x -1)	\$ (3,495)	\$ (8,046)	\$ -	\$ (3,507)	\$ (4,082)	\$ (4,191)	\$ (3,507)

Line No.	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)
1	FERC Account 923.00 Reclass Lobbying from O&M Expense	\$ 5,000	\$ 5,097	\$ 7,091	\$ 5,000	\$ 5,000	\$ 65,455
2	Base Period CS22/Turkey Point North Allocation Factor	0.8264%	0.8264%	0.8264%	0.8264%	0.8264%	1/
3	Base Period Allocation to CS22/Turkey Point North (Line 1 x Line 2)	\$ 41	\$ 42	\$ 59	\$ 41	\$ 41	\$ 577
4	Net Allocable Expense to Non-Incremental and Incremental Facilities (Line 1 - Line 3)	\$ 4,959	\$ 5,055	\$ 7,032	\$ 4,959	\$ 4,959	\$ 64,878
5	Base Period Incremental Facilities Allocation Factor	28.7932%	28.7932%	28.7932%	28.7932%	28.7932%	2/
6	Base Period Allocation to Incremental Facilities (Line 4 x Line 5)	\$ 1,428	\$ 1,455	\$ 2,025	\$ 1,428	\$ 1,428	\$ 18,850
7	Non-Incremental Facilities Base Period Expense (Line 4 - Line 6)	\$ 3,531	\$ 3,600	\$ 5,007	\$ 3,531	\$ 3,531	\$ 46,028
8	923.00 Adjustment for Incremental Facilities (Line 6 x -1)	\$ (1,428)	\$ (1,455)	\$ (2,025)	\$ (1,428)	\$ (1,428)	\$ (18,850)
9	923.00 Adjustment for Non-Incremental Facilities (Line 7 x -1)	\$ (3,531)	\$ (3,600)	\$ (5,007)	\$ (3,531)	\$ (3,531)	\$ (46,028)

Footnotes:

1/ Pursuant to FERC Order Issuing Certificate and Granting Abandonment Authority dated June 20, 2005, in Docket No. CP05-64, Florida Power & Light Company reimburses FGT for expenses incurred, directly and indirectly, relating to the operation and maintenance of the Miami Compressor Station 22/FPL Turkey Point North facilities. The allocation percentage on Line 2 is based on direct labor and plant utilizing the Kansas-Nebraska allocation methodology.

2/ Pursuant to the August 13, 2004 Stipulation and Agreement in Docket Nos. RP04-12, et al., FGT utilizes the Kansas-Nebraska methodology for allocating A&G expenses between its non-incremental and incremental facilities. The percentage reflected on Line 5 is based on direct labor and plant utilizing the Kansas-Nebraska allocation methodology.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 6
Correct Misclassified Expenses

Line No.	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)
1	FERC Account 930.2 Reclass from O&M Expense							
2	Sales and Use Tax - Interest Expense	\$ -	\$ -	\$ 3,643	\$ -	\$ -	\$ 16,373	\$ -
3	Political Contributions	-	-	-	44,500	-	-	-
4	Penalties	-	-	-	184	-	-	-
5	Total Base Period Expense before Alloc. to CS22/Turkey Point North	\$ -	\$ -	\$ 3,643	\$ 44,684	\$ -	\$ 16,373	\$ -
6	Base Period CS22/Turkey Point North Allocation Factor	0.9297%	0.9255%	0.9255%	0.9255%	0.9250%	0.9250%	0.9250% 1/
7	Base Period Allocation to CS22/Turkey Point North (Line 4 x Line 5)	\$ -	\$ -	\$ 34	\$ 414	\$ -	\$ 151	\$ -
8	Net Allocable Expense to Non-Incremental and Incremental Facilities (Line 4 - Line 6)	\$ -	\$ -	\$ 3,609	\$ 44,270	\$ -	\$ 16,222	\$ -
9	Base Period Incremental Facilities Allocation Factor	29.4555%	29.2085%	29.2085%	29.2085%	29.2089%	29.2069%	29.2069% 2/
10	Base Period Allocation to Incremental Facilities (Line 7 x Line 8)	\$ -	\$ -	\$ 1,054	\$ 12,931	\$ -	\$ 4,738	\$ -
11	Non-Incremental Facilities Base Period Expense (Line 7 - Line 9)	\$ -	\$ -	\$ 2,555	\$ 31,339	\$ -	\$ 11,484	\$ -
12	930.2 Adjustment for Incremental Facilities (Line 9 x -1)	\$ -	\$ -	\$ (1,054)	\$ (12,931)	\$ -	\$ (4,738)	\$ -
	930.2 Adjustment for Non-Incremental Facilities (Line 10 x -1)	\$ -	\$ -	\$ (2,555)	\$ (31,339)	\$ -	\$ (11,484)	\$ -

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 6
Correct Misclassified Expenses

Line No.	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)
	FERC Account 930.2						
	Reclass from O&M Expense						
1	Sales and Use Tax - Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,016
2	Political Contributions	-	-	-	-	-	44,500
3	Penalties	4	-	-	-	-	188
4	Total Base Period Expense before Alloc. to CS22/Turkey Point North	4	-	-	-	-	64,704
5	Base Period CS22/Turkey Point North Allocation Factor	0.8264%	0.8264%	0.8264%	0.8264%	0.8264%	1/
6	Base Period Allocation to CS22/Turkey Point North (Line 4 x Line 5)	-	-	-	-	-	599
7	Net Allocable Expense to Non-Incremental and Incremental Facilities (Line 4 - Line 6)	4	-	-	-	-	64,105
8	Base Period Incremental Facilities Allocation Factor	28.7932%	28.7932%	28.7932%	28.7932%	28.7932%	2/
9	Base Period Allocation to Incremental Facilities (Line 7 x Line 8)	1	-	-	-	-	18,724
10	Non-Incremental Facilities Base Period Expense (Line 7 - Line 9)	3	-	-	-	-	45,381
11	930.2 Adjustment for Incremental Facilities (Line 9 x -1)	(1)	-	-	-	-	(18,724)
12	930.2 Adjustment for Non-Incremental Facilities (Line 10 x -1)	(3)	-	-	-	-	(45,381)
13							
14							
	Grand Total Incremental Misclassified Adjustment, Pages 1-6						(37,574)
	Grand Total Non-Incremental Misclassified Adjustment, Pages 1-6						(91,409)

Footnotes:

1/ Pursuant to FERC Order Issuing Certificate and Granting Abandonment Authority dated June 20, 2005, in Docket No. CP05-64, Florida Power & Light Company reimburses FGT for expenses incurred, directly and indirectly, relating to the operation and maintenance of the Miami Compressor Station 22/FPL Turkey Point North facilities. The allocation percentage on Line 5 is based on direct labor and plant based on the Kansas-Nebraska allocation methodology.

2/ Pursuant to the August 13, 2004 Stipulation and Agreement in Docket Nos. RP04-12, et al., FGT utilizes the Kansas-Nebraska methodology for allocating A&G expenses between its non-incremental and incremental facilities. The percentage reflected on Line 8 is labor and plant driven based on the Kansas-Nebraska allocation methodology.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Non-Incremental Facilities
Adjustment No. 7
Eliminate Out-of-Period Entries

Line No.	FERC Account	Description	Adjustment (a)
1	850.00	Operation Supervision and Engineering - Labor	\$ 13,069
2	850.00	Operation Supervision and Engineering - S&E	756
3	856.00	Mains Expense - S&E	(233)
4	857.00	Measuring and Regulating Station Expenses -S&E	(618)
5	859.00	Other Expenses - S&E	(1,942)
6	920.00	Administrative and General Expenses - Labor	(138,756)
7	920.00	Administrative and General Expenses - S&E	(129,865)
8	921.00	Office Supplies and Expenses - Labor	111,452
9	921.00	Office Supplies and Expenses - S&E	(4,470)
10	922.00	Administrative Expenses Transferred - Labor	77,720
11	922.00	Administrative Expenses Transferred - S&E	69,853
12	923.00	Outside Services Employed - S&E	(27,258)
13	924.00	Property Insurance	15,151
14	926.00	Employee Pensions and Benefits - Labor	(41,049)
15	926.00	Employee Pensions and Benefits - S&E	(233,059)
16	930.20	Miscellaneous General Expenses - S&E	(289)
17		Total Adjustment	\$ (289,538)

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

Line No.	Description	Reference	Total (a)
	<u>Federal Income Tax</u>		
1	Return on Rate Base at 11.58%	STATEMENT B.1, Line 8	\$ <u>78,183,539</u>
	<u>Federal Income Tax Adjustments</u>		
2	Interest and Debt Expense	Schedule I-1(b), Page 10	<u>(21,267,543)</u>
3	Net FIT Adjustment		<u>(21,267,543)</u>
4	Return after FIT Adjustments		<u>56,915,996</u>
	Federal Income Taxes @ 35%		
5	Tax on Tax Rate of 53.846154%		<u>30,647,075</u>
6	South Georgia - Federal Tax Deficiency 1/		<u>75,917</u>
7	Total Federal Income Tax		\$ <u><u>30,722,992</u></u>
	State Tax Rate @ 4.9476%		
8	Tax on Tax Rate of 5.205129%		\$ <u><u>4,557,771</u></u>

Footnote:

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

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Accumulated Deferred Income Taxes
Twelve Months Ended May 31, 2009. As Adjusted

Line No.	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	January (h)
1	Account No. 190	\$ 22,517,908	\$ 22,402,285	\$ 22,285,025	\$ 22,669,515	\$ 22,543,526	\$ 22,415,853	\$ 22,695,898	\$ 22,582,449
2	Account No. 282	(414,584,526)	(416,038,335)	(417,492,499)	(418,123,128)	(419,614,882)	(421,103,107)	(422,591,788)	(423,921,929)
3	Account No. 283	(56,984,679)	(56,942,344)	(57,140,288)	(57,073,212)	(57,008,508)	(56,946,833)	(56,889,607)	(56,838,075)
4	Total Deferred Taxes	\$ (449,051,297)	\$ (450,578,394)	\$ (452,347,762)	\$ (452,526,825)	\$ (454,079,864)	\$ (455,634,087)	\$ (456,785,497)	\$ (458,177,555)

Line No.	Description	February (i)	March (j)	April (k)	May (l)	Adjustment Period Activity (m)	Adjustments (n)	Total, As Adjusted (o)
1	Account No. 190	\$ 22,467,248	\$ 22,104,862	21,991,413	\$ 21,877,965	\$ 682,809	\$ (16,806,279)	\$ 5,754,495
2	Account No. 282	(425,251,581)	(427,341,002)	(428,915,277)	(430,485,344)	(16,927,164)	2,395,678	(445,016,830)
3	Account No. 283	(56,798,880)	(56,756,046)	(56,719,716)	(56,673,575)	95,626	52,105,323	(4,472,626)
4	Total Deferred Taxes	\$ (459,583,213)	\$ (461,992,186)	(463,643,580)	\$ (465,280,954)	\$ (16,148,729)	\$ 37,694,722	\$ (443,734,961)

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

Line No.	Description	Deferred Taxes (a)	Adjustments (b)	Deferred Taxes, As Adjusted (c)	Claimed in Rate Base (d)
1	Accrued Interest	\$ 198,338	\$ (1,752)	\$ 196,586	\$ -
2	Capitalized Interest	4,072,733	1,681,762	5,754,495	5,754,495
3	CIAC - Nonutility	17,496,374	(997,201)	16,499,173	-
4	Insurance	110,520	-	110,520	-
5	Subtotal - FERC Account 190	<u>21,877,965</u>	<u>682,809</u>	<u>22,560,774</u>	<u>5,754,495</u>
6	Book Gain/Loss on Sale of Assets	(20,493)	-	(20,493)	-
7	Book Depreciation - Utility	273,528,334	14,331,301	287,859,635	287,859,635
8	Levelization Adjustment	(170,151,796)	3,542,839	(166,608,957)	(166,608,957)
9	Pipeline Integrity	-	(8,644,180)	(8,644,180)	(8,644,180)
10	Tax Depreciation - Utility	(531,574,446)	(26,048,882)	(557,623,328)	(557,623,328)
11	Tax Gain/Loss on Sale of Assets	(2,266,943)	(108,242)	(2,375,185)	-
12	Subtotal - FERC Account 282	<u>(430,485,344)</u>	<u>(16,927,164)</u>	<u>(447,412,508)</u>	<u>(445,016,830)</u>
13	AFUDC Gross-Up	(15,657,188)	-	(15,657,188)	-
14	AFUDC on Equity	(36,021,208)	-	(36,021,208)	-
15	Early In-Service Facilities	(4,568,252)	95,626	(4,472,626)	(4,472,626)
16	FERC Annual Charge	(78,711)	-	(78,711)	-
17	Mark to Market - Noncurrent	(348,216)	-	(348,216)	-
18	Subtotal - FERC Account 283	<u>(56,673,575)</u>	<u>95,626</u>	<u>(56,577,949)</u>	<u>(4,472,626)</u>
19	Total - FERC Accounts 190, 282, and 283	<u>\$ (465,280,954)</u>	<u>\$ (16,148,729)</u>	<u>\$ (481,429,683)</u>	<u>\$ (443,734,961)</u>

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

Line No.	Description	Levelization Adjustment (a)	1/ Early In-Service Facilities (b)	2/ Total (c)
1	Balance at May 31, 2008	\$ 457,663,781	\$ 12,287,406	\$ 469,951,187
	Balance for the Months of:			
2	June 2008	456,628,343	12,259,606	468,887,949
3	July	455,592,905	12,231,806	467,824,711
4	August	454,557,467	12,204,006	466,761,473
5	September	453,522,029	12,176,206	465,698,235
6	October	452,486,591	12,148,406	464,634,997
7	November	451,451,153	12,120,606	463,571,759
8	December	450,415,715	12,092,806	462,508,521
9	January 2009	449,380,277	12,065,006	461,445,283
10	February	448,344,839	12,037,206	460,382,045
11	March	447,309,401	12,009,406	459,318,807
12	April	446,273,963	11,981,606	458,255,569
13	May	445,238,525	11,953,806	457,192,331
14	Balance at May 31, 2009	445,238,525	11,953,806	457,192,331
15	Adjustment Period Activity	(9,318,942)	(250,200)	(9,569,142)
16	Projected Balance at February 28, 2010	\$ <u>435,919,583</u>	\$ <u>11,703,606</u>	\$ <u>447,623,189</u>

Footnotes:

- 1/ Cost of Service Levelization Adjustment was established pursuant to Commission Orders dated January 15, 1993 and April 21, 1993 in Docket Nos. CP92-182, et al.. See also Article VI, Section 1 of the Stipulation and Agreement dated August 13, 2004 in Docket Nos. RP04-12, et al.
- 2/ Early Service Facilities regulatory assets were established pursuant to Preliminary Determinations issued July 30, 1999 and November 22, 2000 in Docket Nos. CP99-94, et al. and CP00-40, et al., respectively. See also Article VI, Section 2 of the Stipulation and Agreement dated August 13, 2004, in Docket Nos. RP04-12, et al.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Per Books			Adjustments			As Adjusted			Total (i)		
			Labor (a)	S&E (b)	Gas (c)	Total (d)	Labor (e)	S&E (f)	Gas (g)	Total (h)	Labor (i)		S&E (j)	Gas (k)
1	803.00	Gas Supply Expense	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2	805.00	Natural Gas Transmission Line Purchases	-	-	-	-	-	-	-	-	-	-	-	
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	-	-	-	-	
4	808.10	Exchange Gas	-	-	-	-	-	-	-	-	-	-	-	
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-	-	-	-	-	
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-	-	-	-	-	
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-	-	-	-	-	
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-	-	-	-	-	
9		Other Gas Supply Expenses	-	-	-	-	-	-	-	-	-	-	-	
10		Total Gas Supply Expense	-	-	-	-	-	-	-	-	-	-	-	
11		Transmission Expense												
12	850.00	Operation Supervision and Engineering	2,396,271	914,154	-	3,310,425	85,464	71,644	-	157,108	2,481,735	985,798	-	3,467,533
13	851.00	System Control and Load Dispatching	580,608	51,969	-	632,577	18,927	155	-	19,062	599,535	52,104	-	651,639
14	852.00	Communication System Expenses	97,064	207,456	-	304,520	3,183	539	-	3,722	100,247	207,995	-	308,242
15	853.00	Compressor Station Labor and Expenses	992,407	1,248,834	-	2,241,241	32,525	85,965	-	118,490	1,024,932	1,334,799	-	2,359,731
16	854.00	Gas for Compressor Station Fuel	-	18	-	18	-	(18)	-	(18)	-	-	-	-
17	855.00	Other Fuel and Power For Compressor Stations	-	282,157	-	282,157	-	734	-	734	-	282,891	-	282,891
18	856.00	Mains Expenses	686,675	1,561,349	-	2,248,024	23,549	3,892	-	27,441	710,224	1,565,241	-	2,275,465
19	857.00	Measuring and Regulating Station Expenses	174,219	470,431	22,031	666,681	5,617	781	(22,031)	(15,633)	179,836	471,212	-	851,048
20	858.00	Transmission and Compression of Gas by Others	-	9,021,838	-	9,021,838	-	2,186,703	-	2,186,703	-	11,208,541	-	11,208,541
21	859.00	Other Expenses	40	60,304	-	60,344	1	157	-	158	41	60,461	-	60,502
22	860.00	Rents	1,121	322,240	-	323,361	(1,121)	838	-	(283)	-	323,078	-	323,078
23		Total Operation	4,928,405	14,140,750	22,031	19,091,186	168,145	2,351,370	(22,031)	2,497,484	5,096,550	16,492,120	-	21,588,670
24	861.00	Maintenance Supervision and Engineering	-	590	-	590	-	2	-	2	-	592	-	592
25	862.00	Maintenance of Structures and Improvements	-	28,486	-	28,486	-	74	-	74	-	28,560	-	28,560
26	863.00	Maintenance of Mains	439,747	199,649	-	639,396	13,681	841,937	-	855,618	453,428	1,041,586	-	1,495,014
27	864.00	Maintenance of Compressor Station Equipment	921,885	2,075,572	-	2,997,457	30,010	5,396	-	35,406	951,955	2,080,968	-	3,032,863
28	865.00	Maintenance of Measuring and Regulating Station Equipment	107,068	28,635	-	135,703	3,484	74	-	3,558	110,552	28,709	-	139,261
29	866.00	Maintenance of Communication Equipment	48,420	653	-	49,073	1,568	2	-	1,570	49,988	655	-	50,643
30	867.00	Maintenance of Other Equipment	(358)	-	-	(358)	(13)	-	-	(13)	-	(371)	-	(371)
31		Total Maintenance	1,516,762	2,333,595	-	3,850,347	48,730	847,485	-	896,215	1,565,492	3,181,070	-	4,746,562
32		Total Transmission Expense	6,445,167	16,474,335	22,031	22,941,533	216,875	3,198,855	(22,031)	3,393,699	6,662,042	19,673,190	-	26,335,232

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Twelve Months Ended May 31, 2008, As Adjusted

Line No.	FERC Account	Description	Per Books			Adjustments			As Adjusted			Total (l)		
			Labor (a)	S&E (b)	Gas (c)	Total (d)	Labor (e)	S&E (f)	Gas (g)	Total (h)	Labor (i)		S&E (j)	Gas (k)
1	901.00	Customer Accounts Expense												
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	-	-	-	-	-
5	912.00	Sales Expense												
6	913.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-	-	-	-	-
		Advertising Expenses	-	-	-	-	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-	-	-	-	-	-
8	920.00	Administrative and General Expense												
9	921.00	Administrative and General Salaries	2,912,904	1,784,883	-	4,697,787	2,499	(7,434)	-	(4,935)	2,915,403	1,777,449	-	4,692,852
10	922.00	Office Supplies and Expenses	(61,258)	1,170,317	-	1,109,059	61,258	(22,629)	-	38,629	-	1,147,688	-	1,147,688
11	923.00	Admin. Expenses Transferred	(290,497)	(358,205)	-	(648,702)	19,332	24,550	-	43,882	(271,165)	(334,655)	-	(605,820)
12	924.00	Outside Services Employed	-	660,506	-	660,506	-	1,057	-	1,057	-	661,563	-	661,563
13	925.00	Property Insurance	-	1,237,030	-	1,237,030	-	370,865	-	370,865	-	1,607,895	-	1,607,895
14	926.00	Injuries and Damages	-	484,941	-	484,941	-	37,389	-	37,389	-	522,330	-	522,330
15	928.00	Employee Pensions and Benefits	51,482	3,243,648	-	3,295,130	(51,482)	(115,275)	-	(166,757)	-	3,128,373	-	3,128,373
16	929.00	Regulatory Commission Expenses	-	692,907	-	692,907	-	(659,169)	-	(659,169)	-	33,738	-	33,738
17	930.20	General Advertising Expenses	-	-	-	-	-	-	-	-	-	-	-	-
18	931.00	Miscellaneous General Expenses	4,892	22,301	-	27,193	181	(18,844)	-	(18,663)	5,073	3,457	-	8,530
19		Rents	-	443,970	-	443,970	-	-	-	-	-	443,970	-	443,970
		Total Operation	2,617,523	9,381,298	-	11,998,821	31,788	(389,490)	-	(357,702)	2,649,311	8,991,808	-	11,641,119
20	932.00	Maintenance of General Plant												
21		Total Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
22		Total Administrative and General	2,617,523	9,381,298	-	11,998,821	31,788	(389,490)	-	(357,702)	2,649,311	8,991,808	-	11,641,119
23		Grand Total	\$ 9,062,690	\$ 25,855,633	\$ 22,031	\$ 34,940,354	\$ 248,663	\$ 2,809,365	\$ (22,031)	\$ 3,035,997	\$ 9,311,353	\$ 28,664,998	\$ -	\$ 37,976,351

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Adjustments (h)	Total, As Adjusted (o)
1	803.00	Gas Supply Expense									
2	805.00	Natural Gas Transmission Line Purchases	\$	\$	\$	\$	\$	\$	\$	\$	\$
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-	-	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-	-	-
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-	-	-
		Other Gas Supply Expenses	-	-	-	-	-	-	-	-	-
9		Total Gas Supply	-	-	-	-	-	-	-	-	-
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)	
1	803.00	Gas Supply Expense									
2	805.00	Natural Gas Transmission Line Purchases	\$	\$	\$	\$	\$	\$	\$	\$	
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	-	
4	808.10	Exchange Gas	-	-	-	-	-	-	-	-	
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-	-	
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-	-	
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-	-	
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-	-	
		Other Gas Supply Expenses	-	-	-	-	-	-	-	-	
9		Total Gas Supply	-	-	-	-	-	-	-	-	

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Twelve Months Ended May 31, 2008, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Adjustments (n)	Total As Adjusted (o)
Transmission Expense											
1	850.00	Operation Supervision and Engineering	\$ 208,130	\$ 242,562	\$ 184,615	\$ 222,475	\$ 226,432	\$ 196,062	\$ 212,232	\$ 85,464	\$ 2,481,735
2	851.00	System Control and Load Dispatching	43,818	45,741	62,861	50,378	43,375	42,028	45,954	18,927	589,535
3	852.00	Communication System Expenses	7,026	7,473	11,774	7,938	7,473	7,271	7,812	3,163	100,247
4	853.00	Compressor Station Labor and Expenses	82,806	78,743	121,540	76,861	75,959	71,855	74,778	32,525	1,024,932
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	-
7	856.00	Mains Expenses	52,686	53,165	80,158	56,033	55,802	49,857	52,911	23,549	710,224
8	857.00	Measuring and Regulating Station Expenses	13,191	13,280	20,619	13,893	12,461	12,875	12,965	5,617	179,836
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-	-
10	859.00	Other Expenses	-	40	-	-	-	-	-	1	41
11	860.00	Rents	246	519	-	-	-	-	-	(1,121)	-
12		Total Operation	407,903	441,523	481,923	427,578	421,267	379,948	406,652	168,145	5,096,550
Maintenance Supervision and Engineering											
13	861.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Mains	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Compressor Station Equipment	29,894	25,877	46,370	32,887	31,674	28,239	24,178	13,681	453,428
16	864.00	Maintenance of Measuring and Regulating Station Equipment	71,251	74,606	112,025	70,048	69,716	66,981	68,778	30,010	951,895
17	865.00	Maintenance of Communication Equipment	8,593	8,843	13,150	8,096	8,165	7,887	8,190	1,568	110,552
18	866.00	Maintenance of Other Equipment	4,194	3,947	6,225	4,055	3,373	3,294	3,368	(371)	49,988
19	867.00	Total Maintenance	113,902	113,273	177,770	115,086	112,928	106,401	104,156	(358)	1,585,492
20		Total Transmission Expense	521,805	554,796	659,693	542,664	534,195	486,349	510,808	216,875	6,662,042
Transmission Expense											
1	850.00	Operation Supervision and Engineering	\$ 235,588	\$ 131,882	\$ 176,445	\$ 159,702	\$ 200,166	\$ 2,396,271	\$ 85,464	\$ 2,481,735	
2	851.00	System Control and Load Dispatching	69,890	43,072	43,036	44,572	45,883	580,608	18,927	599,535	
3	852.00	Communication System Expenses	11,401	7,290	7,404	6,969	7,468	97,064	3,163	100,247	
4	853.00	Compressor Station Labor and Expenses	110,808	75,013	74,235	74,887	74,922	982,407	32,525	1,024,932	
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	
7	856.00	Mains Expenses	79,760	50,969	49,885	51,087	54,352	686,675	23,549	710,224	
8	857.00	Measuring and Regulating Station Expenses	20,232	13,128	12,603	14,142	14,830	174,219	5,617	179,836	
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-	
10	859.00	Other Expenses	-	-	-	-	-	40	1	41	
11	860.00	Rents	-	-	-	-	-	1,121	(1,121)	-	
12		Total Operation	527,659	321,324	363,618	351,389	397,821	4,928,405	168,145	5,096,550	
Maintenance Supervision and Engineering											
13	861.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Mains	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Compressor Station Equipment	56,572	50,027	29,759	33,453	50,817	439,747	13,681	453,428	
16	864.00	Maintenance of Measuring and Regulating Station Equipment	104,597	69,767	69,099	72,317	72,710	921,885	30,010	951,895	
17	865.00	Maintenance of Communication Equipment	12,196	7,871	8,190	8,432	8,432	107,068	110,552	110,552	
18	866.00	Maintenance of Other Equipment	5,061	3,444	3,624	4,166	3,669	48,420	1,568	49,988	
19	867.00	Total Maintenance	178,416	131,109	109,967	118,126	135,628	1,516,762	(371)	1,585,492	
20		Total Transmission Expense	706,075	452,433	473,585	469,515	533,249	6,445,167	216,875	6,662,042	

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total, As Adjusted (o)
1	901.00	Customer Accounts Expense								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	-
5	912.00	Sales Expense								
6	913.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-
		Advertising Expenses	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-	-
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	901.00	Customer Accounts Expense								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	-
5	912.00	Sales Expense								
6	913.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-
		Advertising Expenses	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-	-

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - LABOR
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	
1	920.00	Administrative and General Expense								
2	921.00	Office Supplies and General Exp.	\$ 213,788	\$ 213,588	\$ 296,493	\$ 227,724	\$ 218,347	\$ 215,152	\$ 226,934	
3	922.00	Admin. Expenses Transferred	(48,207)	(21,855)	(16,256)	(19,126)	(19,236)	(21,693)	(21,584)	
4	923.00	Outside Services Employed	-	-	-	-	-	-	-	
5	924.00	Property Insurance	-	-	-	-	-	-	-	
6	925.00	Injuries and Damages	-	-	-	-	-	-	-	
7	926.00	Employee Pensions and Benefits	-	-	-	-	-	-	-	
8	928.00	Regulatory Commission Expenses	-	-	-	-	-	-	-	
9	930.10	General Advertising Expenses	-	-	-	-	-	-	-	
10	930.20	Miscellaneous General Expenses	-	-	4,892	-	-	-	-	
11	931.00	Rents	-	-	-	-	-	-	-	
12		Total Operation	<u>165,581</u>	<u>191,733</u>	<u>285,129</u>	<u>208,598</u>	<u>199,111</u>	<u>193,459</u>	<u>205,350</u>	
13	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	
14		Total Maintenance	-	-	-	-	-	-	-	
15		Total Administrative and General	<u>165,581</u>	<u>191,733</u>	<u>285,129</u>	<u>208,598</u>	<u>199,111</u>	<u>193,459</u>	<u>205,350</u>	
16		Grand Total	<u>\$ 687,386</u>	<u>\$ 746,529</u>	<u>\$ 944,822</u>	<u>\$ 751,262</u>	<u>\$ 733,306</u>	<u>\$ 679,808</u>	<u>\$ 716,158</u>	
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	920.00	Administrative and General Expense	\$ 319,159	\$ 225,879	\$ 285,082	\$ 234,990	\$ 235,768	\$ 2,912,904	\$ 2,499	\$ 2,915,403
2	921.00	Office Supplies and Expenses	-	-	(61,258)	-	-	(61,258)	61,258	-
3	922.00	Admin. Expenses Transferred	(17,421)	(28,670)	(24,479)	(29,501)	(22,469)	(290,497)	19,332	(271,165)
4	923.00	Outside Services Employed	-	-	-	-	-	-	-	-
5	924.00	Property Insurance	-	-	-	-	-	-	-	-
6	925.00	Injuries and Damages	-	-	-	-	-	-	-	-
7	926.00	Employee Pensions and Benefits	-	-	51,482	-	-	51,482	(51,482)	-
8	928.00	Regulatory Commission Expenses	-	-	-	-	-	-	-	-
9	930.10	General Advertising Expenses	-	-	-	-	-	-	-	-
10	930.20	Miscellaneous General Expenses	-	-	-	-	-	4,892	181	5,073
11	931.00	Rents	-	-	-	-	-	-	-	-
12		Total Operation	<u>301,738</u>	<u>197,209</u>	<u>250,827</u>	<u>205,489</u>	<u>213,299</u>	<u>2,617,523</u>	<u>31,788</u>	<u>2,649,311</u>
13	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	-
14		Total Maintenance	-	-	-	-	-	-	-	-
15		Total Administrative and General	<u>301,738</u>	<u>197,209</u>	<u>250,827</u>	<u>205,489</u>	<u>213,299</u>	<u>2,617,523</u>	<u>31,788</u>	<u>2,649,311</u>
16		Grand Total	<u>\$ 1,007,813</u>	<u>\$ 649,642</u>	<u>\$ 724,412</u>	<u>\$ 675,004</u>	<u>\$ 746,548</u>	<u>\$ 9,062,690</u>	<u>\$ 248,663</u>	<u>\$ 9,311,353</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	
1	803.00	Gas Supply Expense								
2	805.00	Natural Gas Transmission Line Purchases	\$	\$	\$	\$	\$	\$	\$	
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	
4	808.10	Exchange Gas	-	-	-	-	-	-	-	
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-	
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-	
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-	
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-	
		Other Gas Supply Expenses	-	-	-	-	-	-	-	
9		Total Gas Supply	-	-	-	-	-	-	-	
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	803.00	Gas Supply Expense								
2	805.00	Natural Gas Transmission Line Purchases	\$	\$	\$	\$	\$	\$	\$	\$
3	806.00	Other Gas Purchases	-	-	-	-	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-	-
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-	-
		Other Gas Supply Expenses	-	-	-	-	-	-	-	-
9		Total Gas Supply	-	-	-	-	-	-	-	-

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Twelve Months Ended May 31, 2006, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total, As Adjusted (o)
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ 167,142	\$ 73,726	\$ 113,352	\$ 40,502	\$ 125,328	\$ 65,935	\$ 30,853	\$ 985,798
3	852.00	System Control and Load Dispatching	5,525	3,150	1,931	5,020	6,734	8,681	2,435	52,104
4	853.00	Communication System Expenses	18,958	16,764	17,163	18,373	15,453	14,738	19,010	207,985
5	854.00	Compressor Station Labor and Expenses	104,472	52,582	112,238	146,098	60,321	59,161	198,462	1,334,789
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	33,732	18,834	26,206	37,400	19,431	22,748	31,000	282,891
8	857.00	Mains Expenses	105,212	16,747	53,539	350,257	189,041	175,516	347,833	1,565,241
9	858.00	Measuring and Regulating Station Expenses	60,305	72,302	99,052	16,419	52,208	46,129	8,753	3,892
10	859.00	Transmission and Compression of Gas by Others	769,570	767,775	769,867	762,578	760,463	749,799	735,547	471,212
11	860.00	Other Expenses	6,478	(341)	2,937	6,216	(335)	16,780	3,798	11,206,541
12		Rents	17,509	20,005	16,052	47,656	25,021	29,417	19,219	60,461
		Total Operation	1,288,903	1,041,544	1,212,337	1,400,519	1,253,665	1,168,904	1,386,710	323,078
13	861.00	Maintenance Supervision and Engineering	-	-	590	-	-	-	-	636
14	862.00	Maintenance of Structures and Improvements	14,169	2,700	(5,250)	5,200	1,350	1,353	2,399	16,492,120
15	863.00	Maintenance of Mains	2,903	(12,253)	81	49,563	16,880	49,339	46,353	-
16	864.00	Maintenance of Compressor Station Equipment	170,984	54,897	129,081	242,150	164,467	77,740	608,276	-
17	865.00	Maintenance of Measuring and Regulating Station Equipment	120	4,920	914	515	803	1,745	1,159	-
18	866.00	Maintenance of Communication Equipment	6	62	128	79	27	29	81	-
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
20		Total Maintenance	188,162	50,426	126,244	297,507	183,527	130,206	658,268	-
21		Total Transmission Expense	1,477,065	1,091,970	1,338,581	1,698,026	1,437,192	1,319,110	2,054,978	-
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	850.00	Transmission Expense								
2	851.00	Operation Supervision and Engineering	\$ 46,483	\$ 38,693	\$ 95,606	\$ 62,483	\$ 54,051	\$ 914,154	\$ 71,644	\$ 985,798
3	852.00	System Control and Load Dispatching	4,865	6,105	1,897	1,805	3,821	51,969	135	52,104
4	853.00	Communication System Expenses	16,035	18,483	17,650	15,097	19,732	207,456	539	207,985
5	854.00	Compressor Station Labor and Expenses	80,427	132,773	166,120	43,311	92,569	1,246,834	85,965	1,334,789
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	18	18	(18)	-
7	856.00	Other Fuel and Power For Compressor Stations	10,041	19,699	27,748	12,664	22,654	282,157	734	282,891
8	857.00	Mains Expenses	(25,961)	42,913	145,478	67,114	93,860	1,561,349	3,892	1,565,241
9	858.00	Measuring and Regulating Station Expenses	45,036	19,073	19,657	8,782	22,715	470,431	781	471,212
10	859.00	Transmission and Compression of Gas by Others	700,659	708,678	752,578	778,663	765,659	9,021,888	2,186,703	11,206,541
11	860.00	Other Expenses	1,446	7,102	55,458	1,535	5,312	60,304	157	60,461
12		Rents	3,008	69,565	55,458	28,604	20,729	322,240	636	323,078
		Total Operation	882,039	1,063,084	1,291,870	1,020,058	1,101,117	14,140,750	2,351,370	16,492,120
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	29	808	4,906	-	712	590	2	592
15	863.00	Maintenance of Mains	(240)	8,054	6,785	9,895	21,649	28,486	74	28,580
16	864.00	Maintenance of Compressor Station Equipment	70,462	(80,752)	47,037	136,509	31,107	199,649	841,937	1,041,588
17	865.00	Maintenance of Measuring and Regulating Station Equipment	95	336	1,340	1,990	14,698	2,075,572	5,396	2,080,968
18	866.00	Maintenance of Communication Equipment	57	96	11	41	36	28,635	74	28,709
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	653	2	655
20		Total Maintenance	70,403	(71,480)	483,513	148,587	68,202	2,333,585	847,485	3,181,070
21		Total Transmission Expense	952,442	991,624	1,775,383	1,168,645	1,169,319	16,474,335	3,198,855	19,673,190

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	Total As Adjusted (o)
1	901.00	<u>Customer Accounts Expense</u>								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	-
5	912.00	<u>Sales Expense</u>								
6	913.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-
		Advertising Expenses	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-	-
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total As Adjusted (o)
1	901.00	<u>Customer Accounts Expense</u>								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	-
5	912.00	<u>Sales Expense</u>								
6	913.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-
		Advertising Expenses	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-	-

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES - SUPPLIES & EXPENSES (EXCLUDING PURCHASED GAS COSTS)
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	June (a)	July (b)	August (c)	September (d)	October (e)	November (f)	December (g)	
1	920.00	Administrative and General Expense								
2	921.00	Administrative and General Salaries	\$ 199,589	\$ 145,664	\$ 135,058	\$ 153,802	\$ 148,635	\$ 138,783	\$ 189,018	
3	922.00	Office Supplies and Expenses	108,458	84,682	43,440	111,857	87,925	85,464	402,298	
4	923.00	Admin. Expenses Transferred	(47,997)	(27,220)	(19,523)	(22,969)	(23,665)	(27,214)	(26,353)	
5	924.00	Outside Services Employed	79,797	36,113	35,389	113,283	30,068	25,253	146,971	
6	925.00	Property Insurance	122,929	117,757	117,757	52,050	102,264	102,264	117,426	
7	926.00	Injuries and Damages	68,619	39,919	39,919	31,931	36,303	36,714	77,781	
8	928.00	Employee Pensions and Benefits	255,348	264,655	256,320	328,418	261,318	232,887	328,048	
9	930.10	Regulatory Commission Expenses	102,727	61,828	61,828	31,865	56,753	56,724	46,253	
10	930.20	Miscellaneous General Expenses	-	-	-	-	-	-	(23)	
11	931.00	Rents	40,345	29,671	32,886	38,069	36,159	37,451	38,066	
12		Total Operation	929,910	753,030	707,871	851,232	735,820	694,043	1,299,485	
13	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	
14		Total Maintenance	-	-	-	-	-	-	-	
15		Total Administrative and General	929,910	753,030	707,871	851,232	735,820	694,043	1,299,485	
16		Grand Total	\$ 2,406,975	\$ 1,845,000	\$ 2,046,452	\$ 2,549,258	\$ 2,173,012	\$ 2,013,153	\$ 3,354,463	
Line No.	FERC Account	Description	January (h)	February (i)	March (j)	April (k)	May (l)	Total (m)	Adjustments (n)	Total, As Adjusted (o)
1	920.00	Administrative and General Expense								
2	921.00	Administrative and General Salaries	\$ 138,754	\$ 131,612	\$ 122,699	\$ 150,991	\$ 150,278	\$ 1,784,883	\$ (7,434)	\$ 1,777,449
3	922.00	Office Supplies and Expenses	48,215	45,172	41,061	59,071	52,674	1,170,317	(22,629)	1,147,688
4	923.00	Admin. Expenses Transferred	(22,566)	(37,359)	(31,077)	(41,792)	(31,490)	(359,205)	24,550	(334,655)
5	924.00	Outside Services Employed	8,828	29,548	127,340	(3,893)	30,809	660,506	1,057	661,563
6	925.00	Property Insurance	102,735	102,735	93,643	102,735	102,735	1,237,030	370,865	1,607,895
7	926.00	Injuries and Damages	39,482	37,251	2,738	37,129	37,155	484,941	37,389	522,330
8	928.00	Employee Pensions and Benefits	296,148	252,866	287,413	223,082	257,145	3,243,648	(115,275)	3,128,373
9	930.10	Regulatory Commission Expenses	56,678	56,757	57,082	51,491	52,921	682,907	(659,169)	33,738
10	930.20	Miscellaneous General Expenses	-	-	-	(46)	(43)	22,301	-	-
11	931.00	Rents	36,253	37,582	39,123	33,523	44,822	443,970	-	443,970
12		Total Operation	704,504	656,134	739,972	612,291	697,006	9,381,298	(389,490)	8,991,808
13	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	-
14		Total Maintenance	-	-	-	-	-	-	-	-
15		Total Administrative and General	704,504	656,134	739,972	612,291	697,006	9,381,298	(389,490)	8,991,808
16		Grand Total	\$ 1,656,946	\$ 1,647,758	\$ 2,515,355	\$ 1,780,936	\$ 1,866,325	\$ 25,855,633	\$ 2,809,365	\$ 28,664,998

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Summary of Adjustments to Operation and Maintenance Expenses

Line No.	Adjustment No.	Description	Amount (a)
1	1	Annualize increase in labor expenses	\$ 290,376
2	2	Project increase in S&E costs	19,554
3	3	Eliminate cost of gas used in utility operations	(22,031)
4	4	Reflect changes in Transmission Expenses:	
5		a) Increase in DOT annual pipeline safety user fee	68,299
6		b) Increase in environmental expenses related to Greenhouse Gas Monitoring	398,549
7		c) Reclassification of operating and maintenance fees	(315,849)
8		d) Annualization of expenses for transmission of gas by others	2,186,703
		e) Pipeline integrity assessment costs	841,418
9	5	Reflect changes in Administrative and General Expenses:	
10		a) Increase in software maintenance costs	31,459
11		b) Increase in insurance expenses	384,152
12		c) Reclassification of SFAS No. 106 regulatory asset amortization	27,272
13		d) Increase in OPEB net periodic cost	253,816
14		e) Increase in Savings Plan match	54,409
15		f) Exclusion of amortizations that expired during the Base Period	(457,977)
16		g) Amortization of projected regulatory expenses in instant proceeding	31,464
		h) Removal of ACA expenses	(638,192)
17	6	Correct misclassified expenses	(37,574)
18	7	Remove out-of-period items	(79,851)
19		Total O&M Adjustments	\$ 3,035,997

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 1			Adjustment No. 2		
			Labor (a)	S&E (b)	Gas (c)	Labor (e)	S&E (f)	Gas (g)
					Total (d)			Total (h)
1	803.00	Gas Supply Expense						
2	805.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	806.00	Other Gas Purchases	-	-	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-
		Other Gas Supply Expenses	-	-	-	-	-	-
9		Total Gas Supply Expense	-	-	-	-	-	-
		Transmission Expense						
10	850.00	Operation Supervision and Engineering	76,195	-	-	-	2,556	-
11	851.00	System Control and Load Dispatching	18,927	-	-	-	135	-
12	852.00	Communication System Expenses	3,183	-	-	-	539	-
13	853.00	Compressor Station Labor and Expenses	32,525	-	-	-	3,247	-
14	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-
15	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	734	-
16	856.00	Mains Expenses	22,428	-	-	-	4,059	-
17	857.00	Measuring and Regulating Station Expenses	5,617	-	-	-	1,222	-
18	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-
19	859.00	Other Expenses	1	-	-	-	157	-
20	860.00	Rents	-	-	-	-	838	-
21		Total Operation	158,876	-	-	-	13,487	-
		Maintenance Supervision and Engineering						
22	861.00	Maintenance of Structures and Improvements	-	-	-	-	2	-
23	862.00	Maintenance of Mains	-	-	-	-	74	-
24	863.00	Maintenance of Compressor Station Equipment	13,681	-	-	-	519	-
25	864.00	Maintenance of Measuring and Regulating Station Equipment	30,010	-	-	-	5,396	-
26	865.00	Maintenance of Communication Equipment	3,484	-	-	-	74	-
27	866.00	Maintenance of Other Equipment	1,568	-	-	-	2	-
28	867.00	Total Maintenance	(13)	-	-	-	-	-
29			48,730	-	-	-	6,067	-
		Total Transmission Expense	207,806	\$ -	\$ -	\$ -	19,554	\$ -
30			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 1			Adjustment No. 2			Total (h)
			Labor (a)	S&E (b)	Gas (c)	Labor (e)	S&E (f)	Gas (g)	
1	901.00	Customer Accounts Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2	903.00	Supervision	-	-	-	-	-	-	-
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-
5	912.00	Sales Expense	-	-	-	-	-	-	-
6	913.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-
		Advertising Expenses	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-
8	920.00	Administrative and General Expense	90,573	-	-	-	-	-	-
9	921.00	Administrative and General Salaries	-	-	-	-	-	-	-
10	922.00	Office Supplies and Expenses	(7,984)	-	-	-	-	-	-
11	923.00	Admin. Expenses Transferred	-	-	-	-	-	-	-
12	924.00	Outside Services Employed	-	-	-	-	-	-	-
13	925.00	Property Insurance	-	-	-	-	-	-	-
14	926.00	Injuries and Damages	-	-	-	-	-	-	-
15	928.00	Employee Pensions and Benefits	-	-	-	-	-	-	-
16	930.00	Regulatory Commission Expenses	-	-	-	-	-	-	-
17	930.10	General Advertising Expenses	-	-	-	-	-	-	-
18	930.20	Miscellaneous General Expenses	181	-	-	-	-	-	-
19	931.00	Rents	-	-	-	-	-	-	-
		Total Operation	82,770	-	-	-	-	-	-
20	932.00	Maintenance of General Plant	-	-	-	-	-	-	-
21		Total Maintenance	-	-	-	-	-	-	-
22		Total Administrative and General	82,770	-	-	-	-	-	-
23		Grand Total	\$ 290,376	\$ -	\$ -	\$ -	\$ 19,554	\$ -	\$ 19,554

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 3			Adjustment No. 4			
			Labor (a)	S&E (b)	Gas (c)	Total (d)	Labor (e)	S&E (f)	Gas (g)
		Gas Supply Expense							
1	803.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	805.00	Other Gas Purchases	-	-	-	-	-	-	-
3	806.00	Exchange Gas	-	-	-	-	-	-	-
4	808.10	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	-
5	808.20	Gas delivered to Storage - Credit	-	-	-	-	-	-	-
6	810.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	-
7	812.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	-
8	813.00	Other Gas Supply Expenses	-	-	-	-	-	-	-
9		Total Gas Supply Expense	-	-	-	-	-	-	-
		Transmission Expense							
10	850.00	Operation Supervision and Engineering	-	-	-	-	68,299	-	68,299
11	851.00	System Control and Load Dispatching	-	-	-	-	-	-	-
12	852.00	Communication System Expenses	-	-	-	-	-	-	-
13	853.00	Compressor Station Labor and Expenses	-	-	-	-	82,700	-	82,700
14	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-
15	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-
16	856.00	Mains Expenses	-	-	-	-	-	-	-
17	857.00	Measuring and Regulating Station Expenses	-	-	(22,031)	(22,031)	-	-	-
18	858.00	Transmission and Compression of Gas by Others	-	-	-	-	2,186,703	-	2,186,703
19	859.00	Other Expenses	-	-	-	-	-	-	-
20	860.00	Rents	-	-	-	-	-	-	-
21		Total Operation	-	-	(22,031)	(22,031)	2,337,702	-	2,337,702
		Maintenance							
22	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-	-
23	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-
24	863.00	Maintenance of Mains	-	-	-	-	841,418	-	841,418
25	864.00	Maintenance of Compressor Station Equipment	-	-	-	-	-	-	-
26	865.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-	-	-	-
27	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-
28	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-
29		Total Maintenance	-	-	-	-	841,418	-	841,418
		Total Transmission Expense	\$ -	\$ -	\$ (22,031)	\$ (22,031)	\$ 3,179,120	\$ -	\$ 3,179,120

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 3			Adjustment No. 4			Total (h)
			Labor (a)	S&E (b)	Gas (c)	Labor (e)	S&E (f)	Gas (g)	
1	901.00	Customer Accounts Expense							
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-
5		Sales Expense							
6	912.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-
	913.00	Advertising Expenses	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-
8		Administrative and General Expense							
9	920.00	Administrative and General Salaries	-	-	-	-	-	-	-
10	921.00	Office Supplies and Expenses	-	-	-	-	-	-	-
11	922.00	Admin. Expenses Transferred	-	-	-	-	-	-	-
12	923.00	Outside Services Employed	-	-	-	-	-	-	-
13	924.00	Property Insurance	-	-	-	-	-	-	-
14	925.00	Injuries and Damages	-	-	-	-	-	-	-
15	926.00	Employee Pensions and Benefits	-	-	-	-	-	-	-
16	928.00	Regulatory Commission Expenses	-	-	-	-	-	-	-
17	930.10	General Advertising Expenses	-	-	-	-	-	-	-
18	930.20	Miscellaneous General Expenses	-	-	-	-	-	-	-
19	931.00	Rents	-	-	-	-	-	-	-
		Total Operation	-	-	-	-	-	-	-
20		Maintenance of General Plant	-	-	-	-	-	-	-
21		Total Maintenance	-	-	-	-	-	-	-
22		Total Administrative and General	-	-	-	-	-	-	-
23		Grand Total	\$ -	\$ -	\$ (22,031)	\$ -	\$ 3,179,120	\$ -	\$ 3,179,120

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 5			Adjustment No. 6			Total (h)
			Labor (a)	S&E (b)	Gas (c)	Labor (e)	S&E (f)	Gas (g)	
1	803.00	Gas Supply Expense	\$	\$	\$	\$	\$	\$	
2	805.00	Natural Gas Transmission Line Purchases	-	-	-	-	-	-	
3	806.00	Other Gas Purchases	-	-	-	-	-	-	
4	808.10	Exchange Gas	-	-	-	-	-	-	
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-	-	-	
6	810.00	Gas delivered to Storage - Credit	-	-	-	-	-	-	
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-	-	-	
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-	-	-	
		Other Gas Supply Expenses	-	-	-	-	-	-	
9		Total Gas Supply Expense	-	-	-	-	-	-	
10		Transmission Expense							
11	850.00	Operation Supervision and Engineering	-	-	-	-	-	-	
12	851.00	System Control and Load Dispatching	-	-	-	-	-	-	
13	852.00	Communication System Expenses	-	-	-	-	-	-	
14	853.00	Compressor Station Labor and Expenses	-	-	-	-	-	-	18
15	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	(18)
16	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	
17	856.00	Mains Expenses	-	-	-	-	-	-	
18	857.00	Measuring and Regulating Station Expenses	-	-	-	-	-	-	1,121
19	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	
20	859.00	Other Expenses	-	-	-	-	-	-	
21	860.00	Rents	-	-	-	-	-	-	(1,121)
		Total Operation	-	-	-	-	-	-	
22		Maintenance Supervision and Engineering	-	-	-	-	-	-	
23	861.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	
24	862.00	Maintenance of Mains	-	-	-	-	-	-	
25	863.00	Maintenance of Compressor Station Equipment	-	-	-	-	-	-	
26	864.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-	-	-	
27	865.00	Maintenance of Communication Equipment	-	-	-	-	-	-	
28	866.00	Maintenance of Other Equipment	-	-	-	-	-	-	
29	867.00	Total Maintenance	-	-	-	-	-	-	
		Total Transmission Expense	\$	\$	\$	\$	\$	\$	
30			-	-	-	-	-	-	

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 5				Adjustment No. 6			
			Labor (a)	S&E (b)	Gas (c)	Total (d)	Labor (e)	S&E (f)	Gas (g)	Total (h)
1	901.00	Customer Accounts Expense								
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-	-	-	-	-
		Uncollectible Accounts	-	-	-	-	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-	-	-	-	-
5		Sales Expense								
6	912.00	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-
	913.00	Advertising Expenses	-	-	-	-	-	-	-	-
7		Total Sales Expense	-	-	-	-	-	-	-	-
8		Administrative and General Expense								
9	920.00	Administrative and General Salaries	-	-	-	-	(38,012)	38,012	-	-
10	921.00	Office Supplies and Expenses	-	-	-	-	21,058	(21,058)	-	-
11	922.00	Admin. Expenses Transferred	-	-	-	-	-	-	-	-
12	923.00	Outside Services Employed	-	31,459	-	31,459	-	(18,850)	-	(18,850)
13	924.00	Property Insurance	-	346,763	-	346,763	-	-	-	-
14	925.00	Injuries and Damages	-	37,389	-	37,389	-	-	-	-
15	926.00	Employee Pensions and Benefits	-	(70,039)	-	(70,039)	(36,675)	36,675	-	-
16	928.00	Regulatory Commission Expenses	-	(659,169)	-	(659,169)	-	-	-	-
17	930.10	General Advertising Expenses	-	-	-	-	-	-	-	-
18	930.20	Miscellaneous General Expenses	-	-	-	-	-	(18,724)	-	(18,724)
19	931.00	Rents	-	-	-	-	-	-	-	-
		Total Operation	-	(313,597)	-	(313,597)	(63,629)	16,055	-	(37,574)
20		Maintenance of General Plant								
21		Total Maintenance	-	-	-	-	-	-	-	-
22		Total Administrative and General	-	(313,597)	-	(313,597)	(63,629)	16,055	-	(37,574)
23		Grand Total	\$ -	\$ (313,597)	\$ -	\$ (313,597)	\$ (63,629)	\$ 16,055	\$ -	\$ (37,574)

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 7			
			Labor (a)	S&E (b)	Gas (c)	Total (d)
1	803.00	Gas Supply Expense				
2	805.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -
3	806.00	Other Gas Purchases	-	-	-	-
4	808.10	Exchange Gas	-	-	-	-
5	808.20	Gas withdrawn from Storage - Debit	-	-	-	-
6	810.00	Gas delivered to Storage - Credit	-	-	-	-
7	812.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-
8	813.00	Gas used for Other Utility Operations - Credit	-	-	-	-
		Other Gas Supply Expenses	-	-	-	-
9		Total Gas Supply Expense	-	-	-	-
10		Transmission Expense				
11	850.00	Operation Supervision and Engineering	9,269	789	-	10,058
12	851.00	System Control and Load Dispatching	-	-	-	-
13	852.00	Communication System Expenses	-	-	-	-
14	853.00	Compressor Station Labor and Expenses	-	-	-	-
15	854.00	Gas for Compressor Station Fuel	-	-	-	-
16	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-
17	856.00	Mains Expenses	-	(167)	-	(167)
18	857.00	Measuring and Regulating Station Expenses	-	(441)	-	(441)
19	858.00	Transmission and Compression of Gas by Others	-	-	-	-
20	859.00	Other Expenses	-	-	-	-
21	860.00	Rents	-	-	-	-
		Total Operation	9,269	181	-	9,450
22		Maintenance Supervision and Engineering	-	-	-	-
23	861.00	Maintenance of Structures and Improvements	-	-	-	-
24	862.00	Maintenance of Mains	-	-	-	-
25	863.00	Maintenance of Compressor Station Equipment	-	-	-	-
26	864.00	Maintenance of Measuring and Regulating Station Equipment	-	-	-	-
27	865.00	Maintenance of Communication Equipment	-	-	-	-
28	866.00	Maintenance of Other Equipment	-	-	-	-
29		Total Maintenance	-	-	-	-
30		Total Transmission Expense	9,269	181	-	9,450

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Adjustment By Number
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Adjustment No. 7			
			Labor (a)	S&E (b)	Gas (c)	Total (d)
1	901.00	Customer Accounts Expense				
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-
		Uncollectible Accounts	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-
5	912.00	Sales Expense				
6	913.00	Demonstrating and Selling Expenses	\$ -	\$ -	\$ -	\$ -
		Advertising Expenses	-	-	-	-
7		Total Sales Expense	-	-	-	-
8	920.00	Administrative and General Expense				
9	921.00	Administrative and General Salaries	\$ (50,062)	\$ (45,446)	\$ -	\$ (95,508)
10	922.00	Office Supplies and Expenses	40,200	(1,571)	-	38,629
11	923.00	Admin. Expenses Transferred	27,316	24,550	-	51,866
12	924.00	Outside Services Employed	-	(11,552)	-	(11,552)
13	925.00	Property Insurance	-	24,102	-	24,102
14	926.00	Injuries and Damages	-	-	-	-
15	928.00	Employee Pensions and Benefits	(14,807)	(81,911)	-	(96,718)
16	930.10	Regulatory Commission Expenses	-	-	-	-
17	930.20	General Advertising Expenses	-	(120)	-	(120)
18	931.00	Miscellaneous General Expenses	-	-	-	-
19		Rents	-	-	-	-
		Total Operation	2,647	(91,948)	-	(89,301)
20	932.00	Maintenance of General Plant				
21		Total Maintenance	-	-	-	-
22		Total Administrative and General	2,647	(91,948)	-	(89,301)
23		Grand Total	11,916	\$ (91,767)	\$ -	\$ (79,851)

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Summarized Adjustments
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Total Adjustments			
			Labor (a)	S&E (b)	Gas (c)	Total (d)
		Gas Supply Expense				
1	803.00	Natural Gas Transmission Line Purchases	\$ -	\$ -	\$ -	\$ -
2	805.00	Other Gas Purchases	-	-	-	-
3	806.00	Exchange Gas	-	-	-	-
4	808.10	Gas withdrawn from Storage - Debit	-	-	-	-
5	808.20	Gas delivered to Storage - Credit	-	-	-	-
6	810.00	Gas used for Compressor Station Fuel - Credit	-	-	-	-
7	812.00	Gas used for Other Utility Operations - Credit	-	-	-	-
8	813.00	Other Gas Supply Expenses	-	-	-	-
9		Total Gas Supply Expense	-	-	-	-
		Transmission Expense				
10	850.00	Operation Supervision and Engineering	85,464	71,644	-	157,108
11	851.00	System Control and Load Dispatching	18,927	135	-	19,062
12	852.00	Communication System Expenses	3,183	539	-	3,722
13	853.00	Compressor Station Labor and Expenses	32,525	85,965	-	118,490
14	854.00	Gas for Compressor Station Fuel	-	(18)	-	(18)
15	855.00	Other Fuel and Power For Compressor Stations	-	734	-	734
16	856.00	Mains Expenses	23,549	3,892	-	27,441
17	857.00	Measuring and Regulating Station Expenses	5,617	781	(22,031)	(15,633)
18	858.00	Transmission and Compression of Gas by Others	-	2,186,703	-	2,186,703
19	859.00	Other Expenses	1	157	-	158
20		Rents	(1,121)	838	-	(283)
21		Total Operation	168,145	2,351,370	(22,031)	2,497,484
		Maintenance Supervision and Engineering				
22	861.00	Maintenance of Structures and Improvements	-	2	-	2
23	862.00	Maintenance of Mains	-	74	-	74
24	863.00	Maintenance of Compressor Station Equipment	13,681	841,937	-	855,618
25	864.00	Maintenance of Measuring and Regulating Station Equipment	30,010	5,396	-	35,406
26	865.00	Maintenance of Communication Equipment	3,484	74	-	3,558
27	866.00	Maintenance of Other Equipment	1,568	2	-	1,570
28		Total Maintenance	(13)	-	-	(13)
29			48,730	847,485	-	896,215
30		Total Transmission Expense	\$ 216,875	\$ 3,198,855	\$ (22,031)	\$ 3,393,699

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
OPERATION AND MAINTENANCE EXPENSES
Summarized Adjustments
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	FERC Account	Description	Total Adjustments			
			Labor (a)	S&E (b)	Gas (c)	Total (d)
1	901.00	Customer Accounts Expense				
2	903.00	Supervision	\$ -	\$ -	\$ -	\$ -
3	904.00	Customer Records and Collection	-	-	-	-
		Uncollectible Accounts	-	-	-	-
4		Total Customer Accounts Expense	-	-	-	-
5	912.00	Sales Expense				
6	913.00	Demonstrating and Selling Expenses	-	-	-	-
		Advertising Expenses	-	-	-	-
7		Total Sales Expense	-	-	-	-
8	920.00	Administrative and General Expense				
9	921.00	Administrative and General Salaries	2,499	(7,434)	-	(4,935)
10	922.00	Office Supplies and Expenses	61,258	(22,629)	-	38,629
11	923.00	Admin. Expenses Transferred	19,332	24,550	-	43,882
12	924.00	Outside Services Employed	-	1,057	-	1,057
13	925.00	Property Insurance	-	370,865	-	370,865
14	926.00	Injuries and Damages	-	37,389	-	37,389
15	928.00	Employee Pensions and Benefits	(51,482)	(115,275)	-	(166,757)
16	930.10	Regulatory Commission Expenses	-	(659,169)	-	(659,169)
17	930.20	General Advertising Expenses	-	-	-	-
18	931.00	Miscellaneous General Expenses	181	(18,844)	-	(18,663)
		Rents	-	-	-	-
19		Total Operation	31,788	(389,490)	-	(357,702)
20	932.00	Maintenance of General Plant	-	-	-	-
21		Total Maintenance	-	-	-	-
22		Total Administrative and General	31,788	(389,490)	-	(357,702)
23		Grand Total	\$ 248,663	\$ 2,809,365	\$ (22,031)	\$ 3,035,997

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 1
Annualize Increase in Labor Expenses 1/

Line No.	FERC Account	Description	Base Period Labor Per H-11(a) 2 (a)	Adjustment No. 6 Misclassified Exp (b)	Adjustment No. 7 Out-of-Period (c)	Less: 2 nd Pay Period in April 2009 plus May 2009 (d)	Net: June 2008 thru 1 st Pay Period in April 2009 (e)	Labor Cost Adjustment Column (e) x 3.7% (f)
1	850.00	Transmission Expense	\$	\$	9,269	\$	2,059,319	\$
2	851.00	Operation Supervision and Engineering	2,396,271	-	-	346,221	511,537	76,195
3	852.00	System Control and Load Dispatching	580,608	-	-	69,071	86,034	18,927
4	853.00	Communication System Expenses	97,064	-	-	11,030	879,057	3,183
5	854.00	Compressor Station Labor and Expenses	992,407	-	-	113,350	-	32,525
6	855.00	Gas for Compressor Station Fuel	-	-	-	-	-	-
7	856.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-
8	857.00	Mains Expense	686,675	1,121	-	81,641	606,155	22,428
9	858.00	Measuring and Regulating Station Expenses	174,219	-	-	22,421	151,798	5,617
10	859.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-
11	860.00	Other Expenses	40	-	-	-	40	1
12		Rents	1,121	(1,121)	-	-	-	-
		Total Operation	4,928,405	-	9,269	643,734	4,293,940	158,876
13	861.00	Maintenance Supervision and Engineering	-	-	-	-	-	-
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-
15	863.00	Maintenance of Mains	439,747	-	-	69,996	369,751	13,681
16	864.00	Maintenance of Compressor Station Equipment	921,885	-	-	110,807	811,078	30,010
17	865.00	Maintenance of Measuring and Regulating Station Equipment	107,068	-	-	12,910	94,158	3,484
18	866.00	Maintenance of Communication Equipment	48,420	-	-	6,053	42,367	1,568
19	867.00	Maintenance of Other Equipment	(358)	-	-	-	(358)	(13)
20		Total Maintenance	1,516,762	-	-	199,766	1,316,996	48,730
21		Total Transmission Expense	6,445,167	-	9,269	843,500	5,610,936	207,606

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 1
Annualize Increase in Labor Expenses 1/

Line No.	FERC Account	Description	Base Period Labor Per H-(1)(a)2 (a)	Adjustment No. 6 Misclassified Exp (b)	Adjustment No. 7 Out-of-Period (c)	Less: 2 nd Pay Period in April 2009 plus May 2009 (d)	Net: June 2008 thru 1 st Pay Period in April 2009 (e)	Labor Cost Adjustment Column (e) x 3.7% (f)
1	920.00	Administrative and General Expenses						
2	921.00	Administrative and General Salaries	\$ 2,912,904	\$ (38,012)	\$ (50,061)	\$ 376,915	\$ 2,447,916	\$ 90,573
3	922.00	Office Supplies and Expenses	(61,258)	21,058	40,200	-	-	-
4	923.00	Admin. Expenses Transferred	(290,497)	-	27,316	(47,386)	(215,795)	(7,984)
5	924.00	Outside Services Employed	-	-	-	-	-	-
6	925.00	Property Insurance	-	-	-	-	-	-
7	926.00	Injuries and Damages	-	-	-	-	-	-
8	928.00	Employee Pensions and Benefits	51,482	(36,675)	(14,807)	-	-	-
9	930.10	Regulatory Commission Expenses	-	-	-	-	-	-
10	930.20	General Advertising Expenses	-	-	-	-	-	-
11	931.00	Miscellaneous General Expenses	4,892	-	-	-	4,892	181
12		Rent	-	-	-	-	-	-
		Total Operation	2,617,523	(53,629)	2,648	329,529	2,237,013	82,770
13	932.00	Maintenance of General Plant	-	-	-	-	-	-
14		Total Maintenance	-	-	-	-	-	-
15		Total Administrative and General	2,617,523	(53,629)	2,648	329,529	2,237,013	82,770
16		Grand Total	9,062,690				Total Adjustment, Pages 1-2	290,376

Footnote:

1/ An average salary increase of 3.7% was applied to Base Period labor. Salary increases were effective on April 5, 2009, but were not reflected in employees' paychecks until April 24, 2009. Therefore, amounts related to the April 24, 2009 pay date, as well as May 2009 labor, are excluded in the calculation of this adjustment.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 2
Projected Increase in S&E Costs

Line No.	FERC Account	Description	Base Period, S&E Per H-1(b).2 (a)	S&E Adjustments (b)	Base Period, As Adjusted Before S&E Increase (c)	S&E Increase Adjustment (d)	3/
		<u>Transmission Expense</u>					
1	850.00	Operation Supervision and Engineering	\$ 914,154	69,088	983,242	\$ 2,556	
2	851.00	System Control and Load Dispatching	51,969	-	51,969	135	
3	852.00	Communication System Expenses	207,456	-	207,456	539	
4	853.00	Compressor Station Labor and Expenses	1,248,834	-	1,248,834	3,247	
5	854.00	Gas for Compressor Station Fuel	18	-	18	-	
6	855.00	Other Fuel and Power For Compressor Stations	282,157	-	282,157	734	
7	856.00	Mains Expenses	1,561,349	(167) 2/	1,561,182	4,059	
8	857.00	Measuring and Regulating Station Expenses	470,431	(441) 2/	469,990	1,222	
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-	4/
10	859.00	Other Expenses	60,304	-	60,304	157	
11	860.00	Rents	322,240	-	322,240	838	
12		Total Operation	5,118,912	68,480	5,187,392	13,487	
		<u>Maintenance Supervision and Engineering</u>					
13	861.00	Maintenance of Structures and Improvements	590	-	590	2	
14	862.00	Maintenance of Mains	28,486	-	28,486	74	
15	863.00	Maintenance of Compressor Station Equipment	199,649	-	199,649	519	
16	864.00	Maintenance of Measuring and Regulating Station Equipment	2,075,572	-	2,075,572	5,396	
17	865.00	Maintenance of Communication Equipment	28,635	-	28,635	74	
18	866.00	Maintenance of Other Equipment	653	-	653	2	
19	867.00	Total Maintenance	2,333,585	-	2,333,585	6,067	
20							
21		Total Transmission Expense	\$ 7,452,497	68,480	\$ 7,520,977	\$ 19,554	

Footnotes:

- 1/ Adjustment reflects increase in DOT annual pipeline safety user fee (Adj. No. 4a) and remove out-of-period items (Adj. No. 7).
2/ Adjustment removes out-of-period items (Adj. No. 7).
3/ An increase of 0.26% is applied to adjust supplies and expenses for inflation; see Schedule H-1.2(a), Pages 1 and 2.
4/ Expenses recorded in Account 858 are excluded from this adjustment.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 3
Eliminate the Cost of Gas Used in Utility Operations

Line No.	FERC Account	Description	Adjustment (a)
1	857.00	Measuring and Regulating Station Expenses	\$ <u>(22,031)</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 4
Changes In Transmission Expenses

Line No.	FERC Account	Description	Reference	Adjustment (a)	Total (b)	Explanation (c)
1	850.00	Operation Supervision and Engineering - S&E	H-1.2.4(a)	\$ 68,299	68,299	Increase in DOT annual pipeline safety user fee
2		Total Account No. 850				
3	853.00	Compressor Station Expenses - S&E	H-1.2.4(b)	398,549		Increase in environmental expenses related to Greenhouse Gas Monitoring
4			H-1.2.4(c)	(315,849)		Reclassification of operating and maintenance fees
5		Total Account No. 853			82,700	
6	858.00	Transmission and Compression of Gas by Others - S&E	H-1.2.4(d)	2,186,703		Annualization of expenses for transmission of gas by others
7		Total Account No. 858			2,186,703	
8	856.00	Mains Expenses - S&E	H-1.2.4(e)	841,418		Pipeline integrity assessment costs
9		Total Account No. 856			841,418	
10		Total Adjustment		\$	3,179,120	

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 4
Reclassify Operating and Maintenance Fees

Line No.	FERC Account	Description	Adjustment (a)
1	853.00	Compressor Station Expenses	\$ <u>(315,849) 1/</u>

Footnote:

- 1/ Adjustment reclassifies Base Period entries related to FGT's Operation and Maintenance Agreement with Paragon ECS Holding, LLC. This Agreement states that Paragon ECS shall pay FGT a fee to operate and maintain the compressor motor facilities at FGT Station 13A. The amount on Line 1 was recorded in FERC Account No. 488, Miscellaneous Service Revenues.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 4
Increase in Expenses Related to Transmission of Gas by Others

<u>Line No.</u>	<u>FERC Account</u>	<u>Description</u>	<u>Adjustment (a)</u>
1	858.00	Transmission and Compression of Gas by Others	\$ <u>2,186,703</u> 1/

Footnote:

1/ See Schedule I-4.2 for further details.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 4
Pipeline Integrity Assessment Costs

Line No.	FERC Account	Description	Adjustment (a)
	863.00	Maintenance of Mains	
		Projected Pipeline Integrity Assessment Costs 1/	
1		2010	\$ 2,822,950
2		2011	1,384,142
3		2012	0
4		2013	0
5		2014	0
6		Total	\$ <u>4,207,092</u>
7		Average Over 5 Years (Line 6 / 5)	\$ <u>841,418</u>

Footnote:

- 1/ Pipeline integrity assessment costs include hydrostatic testing, smart pigging, and direct pipeline assessment techniques conducted in high consequence areas to comply with the provisions of the Pipeline Safety Improvement Act of 2002 and regulations issued thereunder. This adjustment also includes costs associated with required preventive and mitigative measures.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 5
Changes In Administrative and General Expenses

Line No.	FERC Account	Description	Reference	Adjustment (a)	Total (b)	Explanation (c)
1	923.00	Outside Services Employed	H-1.2.5(a)	\$ 31,459		Increase in software maintenance costs
2		Total Account No. 923		\$ 31,459	31,459	
3	924.00	Property Insurance	H-1.2.5(b)	346,763		Increase in insurance expense
4		Total Account No. 924		346,763	346,763	
5	925.00	Injuries and Damages	H-1.2.5(b)	37,389		Increase in insurance expense
6		Total Account No. 925		37,389	37,389	
7	926.00	Employee Pensions and Benefits	H-1.2.5(c)	27,272		Reclassification of SFAS No. 106 regulatory asset amortization
8			H-1.1.5(d)	253,816		Increase in OPEB net periodic cost
9			H-1.2.5(e)	54,409		Increase in Savings Plan match
10			H-1.2.5(f)	(405,536)		Exclusion of amortizations that expired during the Base Period 1/
11		Total Account No. 926			(70,039)	
12	928.00	Regulatory Commission Expense - S&E	H-1.2.5(f)	(52,441)		Exclusion of amortizations that expired during the Base Period 1/
13			H-1.2.5(g)	31,464		Amortization of projected regulatory expenses in instant proceeding
14			H-1(2)(g).2	(638,192)		Removal of ACA expenses
15		Total Account No. 928			(659,169)	
16		Total Adjustment		\$	(313,597)	

Footnote:

1/ These amortizations were authorized pursuant to Article VI, Sections 3 and 4 of the August 13, 2004, Stipulation and Agreement in Docket No. RP04-12, et al., approved by FERC Order issued December 21, 2004.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 5
Reclassify Annual Amortization of Regulatory Asset

Line No.	FERC Account	Description	Adjustment (a)
1	926.00	Employee Pension and Benefits	\$ <u>27,272</u> 1/

Footnote:

- 1/ The monthly amortization of FGT's FAS No. 106 Regulatory Asset is recorded in FERC Account 407.3, Regulatory Debits.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 5
Eliminate Amortizations that Expired During the Base Period 1/

Line No.	FERC Account	Description	Adjustment (a)
1	926.00	Employee Pensions and Benefits	\$ (405,536)
2	928.00	Regulatory Commission Expense	<u>(52,441)</u>
3		Total Adjustment	<u>\$ (457,977)</u>

Footnote:

- 1/ These amortizations were authorized pursuant to Article VI, Sections 3 and 4 of the August 13, 2004 Stipulation and Agreement in Docket No. RP04-12, et al., approved by FERC Order issued December 21, 2004.

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Analysis of Regulatory Commission Expenses (Account 928)
Twelve Months Ended May 31, 2009, As Adjusted

Line No.	Description	Total (a)	Adjustments (b)	Total, As Adjusted (c)
1	ACA Charge	\$ 638,192	\$ (638,192)	\$ -
2	Outside Services - Legal	-	-	-
3	Rate Case Amortization	-	31,464	31,464
4	Other Expenses	-	-	-
	Shared Services			
5	Panhandle Eastern Pipe Line Company, LP	-	-	-
6	Shared Services - Incremental	<u>54,715</u>	<u>(52,441)</u>	<u>2,274</u>
7	Total	<u>\$ 692,907</u>	<u>\$ (659,169)</u>	<u>\$ 33,738</u>

FLORIDA GAS TRANSMISSION COMPANY, LLC
Incremental Facilities
Adjustment No. 7
Eliminate Out-of-Period Entries

Line No.	FERC Account	Description	Adjustment (a)
1	850.00	Operation Supervision and Engineering - Labor	\$ 9,269
2	850.00	Operation Supervision and Engineering - S&E	789
3	856.00	Mains Expense - S&E	(167)
4	857.00	Measuring and Regulating Station Expenses -S&E	(441)
5	859.00	Other Expenses - S&E	-
6	920.00	Administrative and General Expenses - Labor	(50,062)
7	920.00	Administrative and General Expenses - S&E	(45,446)
8	921.00	Office Supplies and Expenses - Labor	40,200
9	921.00	Office Supplies and Expenses - S&E	(1,571)
10	922.00	Administrative Expenses Transferred - Labor	27,316
11	922.00	Administrative Expenses Transferred - S&E	24,550
12	923.00	Outside Services Employed - S&E	(11,552)
13	924.00	Property Insurance	24,102
14	926.00	Employee Pensions and Benefits - Labor	(14,807)
15	926.00	Employee Pensions and Benefits - S&E	(81,911)
16	930.20	Miscellaneous General Expenses - S&E	(120)
17		Total Adjustment	\$ (79,851)

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

Line No.	Description	Reference	Total (a)
	<u>Federal Income Tax</u>		
1	Return on Rate Base at 11.58%	STATEMENT B.2, Line 8	\$ <u>152,655,969</u>
	<u>Federal Income Tax Adjustments</u>		
2	Interest and Debt Expense	Schedule I-1(b), Page 10	<u>(41,525,587)</u>
3	Net FIT Adjustment		<u>(41,525,587)</u>
4	Return after FIT Adjustments		<u>111,130,382</u>
	Federal Income Taxes @ 35%		
5	Tax on Tax Rate of 53.846154%		<u>59,839,436</u>
6	South Georgia - Federal Tax Deficiency		<u>-</u>
7	Total Federal Income Tax		\$ <u><u>59,839,436</u></u>
	State Tax Rate @ 4.9476%		
8	Tax on Tax Rate of 5.205129%		\$ <u><u>8,899,199</u></u>

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

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

That she is the Debra E. Thompson, offering the foregoing prepared direct
testimony and that all statements of fact contained therein are true and correct to the best of
her knowledge, information and belief.

 /s/ Debra E. Thompson
Debra E. Thompson

Subscribed and sworn to before me this 25th day of September, 2009.

 /s/ Suzanne Samano
Notary Public

My Commission Expires:

 April 6, 2010