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January 28, 2011

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: Enogex LLC:
Petition for Section 311 Rate Approval,
Docket No. PR11- -000**

Dear Ms. Bose:

Pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 and Section 284.123(b)(2) of the regulations of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 284.123(b)(2) (2010), Enogex LLC ("Enogex"), an Oklahoma intrastate pipeline, hereby submits for filing a "Petition of Enogex LLC for Section 311 Rate Approval under Section 284.123(b)(2) of the Commission's Regulations" ("Petition"). Enogex requests Commission approval of the proposed maximum rate for its new Section 311 firm service to be performed on the intrastate transmission facilities located in the West Zone of the Enogex Transmission System. In addition, as supported by the cost of service study submitted with the Petition, Enogex requests approval to lower the zonal maximum rates applicable to the Section 311 interruptible transportation for the West Zone from the current rate in effect, subject to refund, pursuant to Enogex's pending rate case filing in Docket No. PR09-22-000.

In contrast to the lower West Zone Section 311 interruptible rate, Enogex's cost of service study supports higher rates for Section 311 firm and interruptible transportation services for the East Zone of the Enogex Transmission System. However, as explained more fully in the Petition, Enogex is not proposing to implement the higher East Zone rates immediately in anticipation that such a delay may expedite the settlement process that Enogex hopes the parties will undertake in this new proceeding.¹ In lieu of the cost-based higher rates for firm and interruptible Section 311 services in the East Zone, Enogex is proposing to retain the lower East Zone Section 311 rates which currently are in effect, subject to refund, pursuant to Enogex's pending rate case in Docket No. PR09-22-000. In summary, as a result of this filing, the rates for all of Enogex's existing Section 311 transportation services will either decrease or stay the same, effective March 1, 2011. Enogex reserves the right to implement the higher cost-supported East Zone rates prospectively, after notice to its East Zone customers, should settlement talks falter.

¹ Enogex is concurrently filing a motion asking the Commission to defer the deadline for any protests in this proceeding to allow the parties to engage in settlement negotiations. Enogex does not propose to defer the deadline for interventions because such interventions will allow parties to advise Enogex that they have an interest in this proceeding and should be included in any pre-protest settlement discussions.

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Enogex's filing consists of the following:

1. this transmittal letter;
2. the Petition with attached Schedules 1-12 and supporting work papers;
3. Exhibit A (Corporate Structure), Exhibit B (Description of the Enogex Transmission System and its Operations), and Exhibit C (Return on Equity Study and Affidavit of Audrey E. Shuffler);
4. a revised Statement of Operating Conditions Applicable to Transportation Services ("SOC") reflecting the only change to the SOC, namely, a revised Rate Summary thereto;
5. the redlined version of the revised Rate Summary to the SOC; and
6. a Notice of Filing, suitable for publication in the *Federal Register*.

Finally, Enogex pre-paid the filing fee² required by the Commission's regulations and previously submitted the receipt for such payment via eTariff on December 21, 2010.

Any communications concerning this filing should be directed to the following:

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² 18 C.F.R. § 381.403 (2010).

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Enogex has sent a letter to each of its Section 311 shippers advising such shippers of the filing and of the motion to defer the deadline for protests. Enogex will also post a time-stamped copy of the public version of the complete filing on its website. Shippers may download a copy of the filing and the motion from the Enogex web site at the following address: <http://enogex.com/customer-information-center/Pages/RegulatoryFilings.aspx> or request a hard copy of the filing from their Customer Representative.

Respectfully submitted,

ENOGEX LLC

By: /s/ *David P. Sharo*

David P. Sharo
Senior Attorney

Attachments

**Petition of Enogex LLC for Section 311 Rate
Approval under Section 284.123(b)(2) of
the Commission's Regulations**

**STATEMENT OF
OPERATING CONDITIONS
APPLICABLE TO TRANSPORTATION SERVICES**

of

ENOGEX LLC

(filed in compliance with 18 CFR Part 284)

January 28, 2011

eTariff Information:

Tariff Subscriber: Enogex LLC

FERC Tariff Program Name: FERC NGPA Gas Tariff

Tariff Title: Enogex Transportation Statement of Operating Conditions

Tariff Record Proposed Effective Date: January 28, 2011

Tariff Record Title: Enogex Transportation Statement of Operating Conditions

Option Code: 760

Other Information: Revised SOC

**STATEMENT OF
OPERATING CONDITIONS OF
ENOGEX LLC
IN COMPLIANCE WITH 18 C.F.R. PART 284**

ENOGEX LLC (hereinafter “Enogex” or “Transporter”), an intrastate pipeline operating within the State of Oklahoma, will engage in the transportation of natural gas pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 and pursuant to applicable regulations of the Federal Energy Regulatory Commission on the following terms and conditions:

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FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE

1. DEFINITIONS

In addition to the definitions of terms contained in the General Terms and Conditions of this Statement of Operating Conditions (“General Terms and Conditions”), which General Terms and Conditions are fully incorporated herein, and except where the context expressly states another meaning, the following terms, when used herein, shall have the following meanings:

- A. “Applicable Regulations” shall mean those regulations promulgated by the FERC pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 (“Section 311”) or other authority, including regulations at 18 C.F.R. Part 284, applicable to transportation under Section 311(a)(2) of the Natural Gas Policy Act of 1978.
- B. “Central Time” shall mean Central Prevailing Time which is Central Standard Time or Central Daylight Savings Time, as applicable in Oklahoma.
- C. “Contract” or “Shipper’s Contract” shall mean a service agreement for the transportation of Natural Gas between Transporter and Shipper, as same may be amended from time to time.
- D. “Daily Imbalance” shall mean the daily volumetric variance between net receipts and allocated deliveries.
- E. “Daily Index Penalty Percentage” shall mean the percentage obtained by referencing the Daily Imbalance percentage in the table included in Section 8.
- F. “East Daily Index Price” shall mean the arithmetic average of the applicable midpoint prices quoted for deliveries to Transporter in the Daily Price Surveys published by Gas Daily for the applicable Day of Gas flow and for (1) NGPL, Texok zone and (2) CenterPoint, East. Should one or both of such surveys be no longer published, Transporter will determine an acceptable substitute source or sources for such Daily Price Survey(s), as closely comparable as possible to that previously used. Transporter will post such new source(s) on Transporter’s Internet Web Site.

- G. “East Zone” shall include all Transporter’s facilities on or directly interconnected with (1) Transporter’s Line 111 located East and/or downstream of Transporter’s Sasakwa compressor station located in Section 1, 5N-6E in Seminole County, Oklahoma, (2) Transporter’s Line 114 located East and/or downstream of Prague Junction in Section 36, T13N-R5E, Lincoln County, Oklahoma (3) Transporter’s Lines 7 and 18, located East and/or downstream of Transporter’s Noble interconnect with Williams Natural Gas located in Section 10, T21N-R2W, Noble County, Oklahoma, 4) Transporter’s Line 1 located East and/or downstream of Transporter’s Pink Compressor Station in Section 8, T9N-R2E, Pottawatomie County, Oklahoma and (5) Transporter’s Line 22 located East and/or downstream of Transporter’s Comanche Tie Compressor Station located in Section 23, T4N-R6W, Grady County, Oklahoma.
- H. “FERC” shall mean the Federal Energy Regulatory Commission or any successor agency or governmental authority having jurisdiction under Section 311(a)(2) of the Natural Gas Policy Act of 1978.
- I. “Point(s) of Delivery” shall mean the point(s) at which Transporter delivers Gas on Shipper’s behalf.
- J. “Point(s) of Receipt” shall mean the point(s) at which Shipper delivers Gas to the Transporter for transport to a Point of Delivery.
- K. “Shipper” shall mean any person or entity who has requested Transporter to transport Natural Gas on behalf of an eligible person or entity and who has entered into a valid Contract with Transporter for the transportation of Natural Gas.
- L. “Sole Discretion” shall mean Enogex’s sole discretion exercised in a reasonable non-discriminatory manner.
- M. “System Fuel” shall mean mainline compression fuel plus lost and unaccounted for Gas on Transporter’s System.

- N. “Transporter” shall mean Enogex, an intrastate pipeline company operating within the State of Oklahoma which provides transportation service pursuant to the Applicable Regulations.
- O. “Transporter’s Internet Web Site” shall mean Transporter’s electronically accessible site at www.enogex.com.
- P. “Transporter’s System” shall mean the pipeline facilities, including appurtenant facilities, owned, leased, or operated by Transporter within the State of Oklahoma.
- Q. “West Daily Index Price” shall mean the arithmetic average of the applicable midpoint prices quoted for deliveries to Transporter in the Daily Price Surveys published by Gas Daily for the applicable Day of Gas flow and for (1) ANR, Okla. and (2) Panhandle, Tx.-Okla. Should one or both of such surveys be no longer published, Transporter will determine an acceptable substitute source or sources for such Daily Price Survey(s), as closely comparable as possible to that previously used. Transporter will post such new source(s) on Transporter’s Internet Web Site.
- R. “West Zone” shall include all portions of the Transporter’s System that have not been designated as the East Zone.

2. AVAILABILITY OF SERVICE

2.1 Transportation service by Transporter is available for any Shipper to the extent that:

- (1) Capacity is available on Transporter’s System;
- (2) Shipper (a) makes a valid request for service, including documentation to demonstrate its creditworthiness to the satisfaction of Transporter in accordance with the provisions of Section 5.G, and (b) executes a Contract with Transporter applicable to service; and
- (3) Said service complies with the terms and conditions of this Statement of Operating Conditions.

2.2 For the purpose of determining the availability of service in processing requests received pursuant to Section 5, Transporter shall not be required to grant any requests for transportation service:

- (1) Which could, in Transporter's sole judgment, impair Transporter's Firm or Interruptible Service arrangements, jeopardize the integrity of Transporter's System, interfere with the efficient operation of its system or be detrimental to Transporter's compression, storage or other operations;
- (2) Which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, Transporter may agree, in its Sole Discretion, to construct, modify, expand, or acquire facilities to enable it to perform such service;
- (3) If Transporter determines in accordance with Section 9 (Creditworthiness) of the General Terms and Conditions that Shipper is not creditworthy; or
- (4) If Shipper's Contract has expired and no replacement or rollover agreement has been executed.

2.3 Nothing within this Section 2 is intended to control the interruption or curtailment of service once a request for service has been granted pursuant to Section 5 and while a Contract is in effect.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 Section 311 transportation service provided under this Statement of Operating Conditions shall be performed under Subpart C of Part 284 of the Applicable Regulations ("Subpart C"). This Statement of Operating Conditions and any Contract covering such transportation of Natural Gas thereunder shall be subject to the provisions of Subpart C.

3.2 **Firm Transportation Service.** Transporter may contract for and provide firm transportation for either intrastate or Section 311 service. (A firm transportation contract between Transporter and Shipper will be referenced herein as a "Firm Contract" and a Shipper that has entered into a Firm Contract will be referenced as a "Firm Shipper".) Firm transportation service ("Firm Service") shall mean transportation service that: is provided on a firm basis; is not subject to a prior claim by another customer or another

class of service; and receives the same priority as any other Firm Shipper in that it has the highest priority of transportation service offered by Transporter as set forth in Section 4. Transporter shall provide the Firm Service subject to the provisions of the Firm Contract between Transporter and Shipper, including the maximum daily quantity (“MDQ”) specified therein, and the provisions of this SOC. Transporter may interrupt service hereunder whenever Shipper fails to comply with any provision of this Statement of Operating Conditions or of Shipper’s currently effective Firm Contract(s). Transporter shall have the right to waive any one or more specific defaults by Shipper; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

3.3 **Interruptible Transportation Service.** Transporter may contract for and provide interruptible transportation for either intrastate or Section 311 service. (An interruptible transportation contract between Transporter and Shipper will be referenced herein as an “Interruptible Contract” and a Shipper that has entered into an Interruptible Contract will be referenced as an “Interruptible Shipper”). Interruptible transportation service (“Interruptible Service”) shall mean service that is subject to interruption at any time by Transporter, without liability as set forth herein, and shall have the priority as specified in Section 4. Transporter shall provide the Interruptible Service on an interruptible basis subject to the provisions of the Interruptible Contract between Transporter and Shipper, including the MDQ specified therein, and the provisions of this SOC. Transporter may interrupt service hereunder whenever Shipper fails to comply with any provision of this Statement of Operating Conditions or with a Contract. Transporter shall have the right to waive any one or more specific defaults by Shipper; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character. In addition, Transporter, in its Sole Discretion, may interrupt service if it deems such interruption necessary due to operating conditions or system requirements or to assure that Transporter can render service to its other customers according to the priorities of Section 4.

3.4 **Maximum Daily Quantity.** Upon delivery by Shipper of Gas to the Point(s) of Receipt specified under Shipper’s Contract, Transporter shall receive such Gas and deliver on a

firm or interruptible basis thermally equivalent quantities of such Gas for the account of Shipper to the Point(s) of Delivery up to the MDQ specified in Shipper's Contract, after deducting System Fuel from the volume received by Transporter. Transporter's obligation to receive and deliver the Gas tendered by Shipper is subject to the physical capacity and operating constraints of Transporter's System.

- 3.5 Shipper shall protect, defend, indemnify, and hold Transporter harmless from and against any and all losses, damages, or expenses of every kind and character that Shipper or Transporter may suffer, sustain, or be liable for as a result of any interruption of service pursuant to the terms and conditions hereof; provided, however, that this provision shall not apply to losses, damages, or expenses attributable to gross negligence on the part of Transporter.
- 3.6 Service hereunder shall consist of the acceptance by Transporter of Natural Gas tendered or delivered by Shipper for transportation at the Point(s) of Receipt specified in the Contract, the transportation of that Natural Gas through Transporter's System, and the delivery of equivalent quantities of Natural Gas (less any reductions permitted under the Contract or this Statement of Operating Conditions) by Transporter to Shipper or for Shipper's account at the Point(s) of Delivery specified in the Contract. Transporter shall not be required to accept any Gas tendered or delivered by Shipper in excess of the maximum daily quantity specified in the Contract.

4. CURTAILMENT AND PRIORITY OF SERVICE

- 4.1 Service hereunder on all or any portion of Transporter's System may be allocated at the first of the Month or curtailed at any time during the Month due to capacity constraints on all or any portion of Transporter's System pursuant to the following provisions:
- A. Firm Shippers shall receive first priority on a pro rata basis based on their nominations up to the MDQ set forth in their respective Firm Contracts.
 - B. Interruptible Shippers paying a higher unit rate per MMBTU shall receive a higher priority than Interruptible Shippers paying a lower unit rate. If, at the first of the Month, Transporter is required to allocate or, at any time during the Month,

Transporter is required to curtail Interruptible Shippers because of changes in available capacity at any time, Transporter shall allocate or curtail as follows:

(1) Transporter shall, upon written or telephonic notice or notice given in person, refuse, curtail or interrupt service being provided under any Interruptible Contract to enable Transporter to provide or continue service to a Firm Shipper or another Shipper that is paying a higher unit rate per MMBTU. Transporter shall provide any Interruptible Shipper whose service is being subordinated by another Interruptible Shipper the right to bid for capacity through payment of a higher unit rate (if Section 311 service is involved, such rate may be bid up to the Maximum Interruptible Rate). If Shipper's bid for capacity results in a unit rate per MMBTU equal to or greater than the unit rate per MMBTU generated by service to the other interested Interruptible Shipper, then the Interruptible Shipper making such bid shall retain its priority, provided that priority between Shippers paying the same unit rate per MMBTU shall be determined as indicated below.

(2) If, after the specified bid process described above, volumes tendered for transportation by Interruptible Shipper under its Interruptible Contract still exceed Transporter's ability to receive, transport and redeliver all nominated volumes, Interruptible Shippers paying the same unit rate per MMBTU shall be curtailed on a pro rata basis.

(3) Once capacity has been awarded, in accordance with this Statement of Operating Conditions, an Interruptible Shipper will not be interrupted during the Month due to a change in available capacity caused by a nomination of other Interruptible Shippers; provided however, that Interruptible Shippers are subject to being interrupted if a Firm Shipper submits a revised nomination pursuant to Section 8.1 of this Statement of Operating Conditions.

5. VALID REQUESTS FOR SERVICE

A request for service hereunder shall be valid as of the date received if it contains adequate information with respect to all items specified below, subject to any necessary verification of such information; provided, however, that a request shall not be valid if the

service requested does not conform to the terms of this Statement of Operating Conditions or if the data provided are incomplete or not adequately substantiated. Transporter may waive any requirement below if it deems the information unnecessary in a specific case and may request additional information in a specific case if the data provided are, in Transporter's sole judgment, inadequate. Transporter shall promptly notify a Shipper whose request is rejected because of failure to submit or substantiate all data specified below or whose request fails to comply with any terms of this Statement of Operating Conditions.

Transporter shall promptly notify Shipper when its request for service is accepted and shall tender a Contract to Shipper for execution. Unless waived by Transporter, in its Sole Discretion, a request for service shall be invalid if Shipper fails to return an executed Contract within thirty (30) Days after such Contract has been tendered by Transporter to Shipper for execution. Requests for transportation service hereunder shall be deemed valid only after Shipper submits to Transporter at Enogex LLC, P.O. Box 24300, Oklahoma City, Oklahoma 73124-0300, a Transportation Service Request Form, which Transporter shall make available to any Shipper, via Transporter's Internet Web Site or Shipper may provide such information in letter or tabular form.

- A. **Gas Quantity.** Shipper shall specify a MDQ, stated in MMBtus, to be received from Shipper and transported by Transporter.
- B. **Point(s) of Receipt.** Shipper shall identify the points at which it desires to nominate Gas to be received by Transporter into its facilities. However, Transporter shall retain operational control over receipts into its system, including, but not limited to, the right to require Shipper to comply with all provisions of Section 8. Should Shipper's failure to comply with any provision of Section 8 unreasonably interfere, in Transporter's sole judgment, with Transporter's control over its system, then Transporter may, at its option, cease transportation and terminate any relevant agreements, without limitation of Transporter's rights and remedies at law and equity. Shipper shall provide the names or other suitable identification of all entities that are providing Gas transportation service upstream of Transporter's Point(s) of Receipt.

- C. **Point(s) of Delivery.** Shipper shall identify the point(s) at which it desires Transporter to deliver the Gas. Shipper shall also provide, if requested by Transporter, the names or other suitable identification of all entities transporting the Gas downstream of Transporter.
- D. **Term of Service.** Shipper shall state the date on which service is requested to commence. Transporter shall not be obligated to accept requests if the requested commencement date is more than three (3) Months after the date that the request for service was received by Transporter.
- E. **Shipper's Arrangements.** Shipper shall provide to Transporter sufficient detail as to Gas supply, intervening transportation or markets to permit Transporter to complete any regulatory or informational reports required under the Applicable Regulations.
- F. **Gas Analysis.** If Shipper is proposing or requesting the construction of new facilities connecting a new Gas supply to Transporter's System, Shipper shall submit a Gas analysis, including, but not limited to, test results and analyses for oxygen, carbon dioxide, nitrogen, water content (H₂O) and hydrogen sulfide, for Gas to be received by Transporter. The analyses shall demonstrate that the Gas complies with the quality specifications for Gas to be received by Transporter as set forth in Section 2 (Quality) of the General Terms and Conditions. If Transporter, in its sole judgment, determines that additional tests or analyses are required on the Gas, Shipper shall acquire those tests or analyses and submit the results thereof to Transporter. Notwithstanding the foregoing, Shipper shall permit Transporter to perform any tests and analyses that Transporter, in its Sole Discretion, deems necessary.
- G. **Credit Information.** In accordance with the provisions of Section 9 (Creditworthiness) of the General Terms and Conditions, Shipper shall supply Transporter with credit information sufficient to demonstrate that Shipper will be able to meet its financial obligations under a Contract. Such information may include, but is not limited to, financial statements, bank references and trade

references. If creditworthiness cannot be established based on this information, Transporter may require adequate assurances from Shipper in the form of cash prepayment or irrevocable letter of credit, in the form and amount reasonably determined by Transporter, as provided in Section 9.1(E) of the General Terms and Conditions. Transporter may also, upon written request, require Shipper at any subsequent time to supply Transporter with credit information. Transporter shall not be required to process or review Shipper's request for service until it receives such credit information.

6. TERM

- 6.1 The term for Firm or Interruptible Service hereunder shall be as set forth in the Shipper's Contract from the effective date of Shipper's Contract. In addition to any termination rights in the Contract, Transporter may also terminate an Interruptible Contract if:
- A. Shipper fails to commence transportation service thereunder within three (3) Months of the effective date of the Contract; or
 - B. Shipper fails to tender Gas to Transporter for receipt, transportation and redelivery for any period greater than one hundred eighty (180) consecutive Days.

7. RATES AND CHARGES

Shipper shall pay Transporter each Month hereunder the applicable charge for transportation services, together with such other charges as are identified herein and applicable to such transportation service.

- 7.1 The maximum rates for firm transportation service under Section 311(a)(2) of the Natural Gas Policy Act shall be the applicable maximum demand rate and the applicable maximum commodity rate approved by FERC ("Maximum Firm Rates"). See Exhibit B to this Statement of Operating Conditions. Notwithstanding the foregoing, Transportation and Shipper may negotiate a discount to the maximum demand and/or the maximum commodity rates for firm transportation service. Such discounted rate(s) may not exceed Transporter's Maximum Firm Rates, individually or in total.

- 7.2 The maximum unit transportation charge for interruptible transportation service under Section 311 shall be the applicable maximum unit rate approved by the FERC for interruptible transportation by Transporter under Section 311 (“Maximum Interruptible Rate”). *See* Exhibit B to this Statement of Operating Conditions. Notwithstanding the foregoing, Transportation and Shipper may negotiate a discount to the unit rate to be charged for interruptible transportation. Such discounted rate may not exceed Transporter’s Maximum Interruptible Rate.
- 7.3 In Transporter’s Sole Discretion and at its sole option, Transporter may provide transportation under the Applicable Regulations at a discount from Transporter’s applicable Maximum Rates. Nothing herein shall obligate or require, or be construed to obligate or require, Transporter to offer such a discount. Enogex will offer any such discounts in a non-discriminatory manner.
- 7.4 Nothing in this Section shall be construed to modify any provision of Section 4.
- 7.5 Transporter shall invoice the Shipper each Month and the Shipper shall pay all charges applicable to each Contract.
- 7.6 Transporter’s Maximum Rates for Section 311 service shall be determined pursuant to Section 284.123(b)(2) of the Applicable Regulations. Prior to approval by the FERC, Shipper shall pay and Transporter shall be entitled to collect a negotiated unit rate up to the applicable Maximum Rates for which approval from the FERC has been sought by Transporter, subject to Transporter’s obligation to make refunds pursuant to FERC regulations, if necessary.
- 7.7 Transporter reserves the right to file for higher Maximum Rates during the term of the Contract.
- 7.8 Unless otherwise provided for by Shipper’s Contract, Shipper shall reimburse Transporter, in kind, an amount equal to the FERC approved System Fuel Rate times the volumes received by Transporter.
- 7.9 Within fifteen (15) days after the date of any invoice for payment, Shipper shall reimburse Transporter for all fees, including, but not limited to, FERC or other regulatory

filing, reporting and application fees, transportation fees, construction costs or other applicable fees that:

- (1) Have been paid by Transporter; or
- (2) Were required to be paid by the FERC or any other regulatory body; and
- (3) Were applicable to transportation service or other applicable service performed or being performed by Transporter for Shipper.

7.10 If Transporter agrees to construct, acquire or modify any facilities at the request of Shipper in order to perform transportation service hereunder, Shipper shall pay Transporter the cost of such facilities.

8. NOMINATIONS, IMBALANCES AND SYSTEM OPERATIONS ORDERS

8.1 **Nominations.** In accordance with the nomination deadlines set out below, Shipper shall provide to Transporter electronically, via Transporter's Internet Web Site unless otherwise specifically agreed to by Transporter, the nominations of volumes to be received by Transporter from Shipper at each Point(s) of Receipt and the aggregate of all Point(s) of Receipt and the nominations of volumes to be delivered by Transporter to Shipper or for Shipper's account at each Point(s) of Delivery or pool(s) and the aggregate of all such nominations. Such nominations shall include all information deemed necessary, in Transporter's sole judgment, to adequately and correctly confirm, allocate and account for volumes so nominated, including, but not limited to, the number of Days for which the volume is nominated. If the number of Days for which the volume is nominated is not specified by Shipper, the nomination shall be presumed to be for one Day only. Transporter shall maintain a record of such nominations. Any Shipper who fails to provide Transporter with an electronic nomination on or before the nomination deadlines set out below shall be deemed to have nominated no volumes at any Point(s) of Receipt or Point(s) of Delivery; provided, however, that Transporter may, but shall not be obligated or required to, accept nominations from Shipper after the nomination deadlines set out below.

The deadline for nominations will be on or before 11:00 a.m. Central Time on the 2nd working Day prior to the end of the Month preceding the Month in which nominations

are to be effective. The nomination will consist of the Transportation Receipt Nomination which shall identify, by Zone, all volumes nominated to be received by Transporter for Shipper or for Shipper's Account and the Transportation Delivery Nomination which shall identify, by Zone, all volumes nominated to be delivered by Transporter for Shipper or for Shipper's Account.

All nominations received after the first of the Month must be received by Transporter by 11:00 a.m. Central Time on the Day prior to requested flow. All such nominations shall include all information required by Transporter as set out hereinabove for first of the Month nominations.

Transporter may, but is not required or obligated to, accept:

- A) Any nomination which exceeds Shipper's maximum daily quantity specified in the Contract, or
- B) Any nomination not submitted via Transporter's Internet Web Site.

Transporter will confirm nominations with the operator(s) of the Point(s) of Receipt and Point(s) of Delivery ("Operator(s)"). Shipper understands and agrees to contact, or cause contact with, the Operator(s) to confirm Shipper's nominations of volumes to be received by Transporter from Shipper at each Point(s) of Receipt and the nominations of volumes to be delivered by Transporter to Shipper or for Shipper's account at each Point(s) of Delivery. Transporter will not be obligated to schedule a nomination if the Operator does not confirm such nomination electronically, via Transporter's Internet Web Site, unless Transporter and Operator agree otherwise. Operator confirmations must be made on or before 3:00 p.m. Central Time on the 2nd working Day prior to the end of the Month. All nominations received after the first of the Month must be confirmed by the Operator by 3:00 p.m. Central Time on the business Day prior to requested flow.

Volumes of Gas received by Transporter at the Point(s) of Receipt shall conform as closely as possible to the volumes nominated by Shipper at each Point(s) of Receipt and shall be delivered by Shipper to Transporter at hourly rates of flow that are as nearly as practicable uniform throughout the Day. Subject to Transporter's operating conditions

and contractual requirements, volumes delivered by Transporter to Shipper or for Shipper's account at the Point(s) of Delivery shall conform as closely as possible to the volumes nominated by Shipper for delivery at Transporter's Point(s) of Delivery, less any deductions for System Fuel, and any provision for imbalance corrections, except that Transporter may conform such volumes to Shipper's volumes delivered at Transporter's Point(s) of Receipt less any deduction for System Fuel and any provision for imbalance corrections. Transporter may temporarily interrupt receipts and/or deliveries at any time and from time to time, in accordance with: 1) the provisions of Section 4, 2) due to Transporter's operating conditions, 3) system requirements or 4) system operations orders.

- 8.2 **Imbalances.** Transporter shall maintain an imbalance account for each Shipper by Contract and by the applicable zone, which reflects, for any given Month, total volumes received, delivered and retained, previous and new imbalance positions, and any other information deemed necessary and appropriate by Transporter. Transporter may provide Shipper with notice of imbalances on Transporter's Internet Web Site, by electronic mail, facsimile transmission, telephone or in writing.

Actual receipts and deliveries must balance daily with nominated receipts and deliveries, respectively, and nominated receipts, less any deductions for System Fuel and any provision for imbalance corrections, shall equal nominated deliveries. Transporter shall inform Shipper when daily receipts and deliveries are not in balance and require Shipper to take such action necessary to balance on a daily basis.

Volumes to be received or delivered to resolve all or any portion of a then-existing imbalance will be specifically designated as balancing volumes. Shippers within the same Zone (East or West) may also correct imbalances by sales or purchases from each other's contracts within the same Zone. For example, a Shipper that is long in the West Zone may nominate and sell all or a portion of its long position to a Shipper that is short in the West Zone.

Transporter may apply volumes first received or delivered (as the case may be) if Transporter so elects, in its Sole Discretion, to offset Shipper's then-existing imbalance, but only upon notice to Shipper.

Penalties. Transporter may advise Shipper of a specific action regarding daily imbalances to be taken if deemed necessary by Transporter in its Sole Discretion. In the event Transporter requires Shipper to take specific action, Transporter shall notify Shipper thereof at a time and in a manner that is reasonable under the existing or expected conditions. Transporter may post notices of the required action on Transporter's Internet Web Site and shall make reasonable efforts to notify the employee(s) of Shipper responsible for the then most recent nomination(s). If Transporter provides the original notice telephonically, Transporter shall follow up in a reasonable time with written confirmation.

If Transporter requires a specific action to be taken and Shipper fails to take action as requested in Transporter's notice, Transporter may assess and Shipper shall pay Transporter, an imbalance penalty calculated by multiplying the Shipper's Daily Imbalance times the East Daily Index Price or West Daily Index Price (as appropriate) times the Daily Index Penalty Percentage. The Daily Index Penalty Percentage is based upon a Shipper's Daily Imbalance percentage as indicated in the table below:

Daily Imbalance %	Daily Index Penalty %
0% to 5%	0%
>5% to 25%	25%
>25% to 50%	50%
>50% to 75%	100%
>75% to 100%	200%

In the event Transporter as a result of Shipper's overdeliveries or underdeliveries incurs costs and/or penalties, Shipper shall also be responsible for and shall reimburse Transporter for such costs and/or penalties in excess of the penalty levels described above.

If Shipper is advised or directed by any upstream or downstream pipeline or operator to reduce or suspend deliveries for transportation, Shipper shall immediately so notify Transporter by telephone (or in person), and shall confirm such reduction or suspension in writing with Transporter. Furthermore, if Transporter is advised by any upstream or downstream pipeline or operator of the reduction or suspension of deliveries for the account of Shipper, Transporter shall immediately so notify Shipper verbally and Shipper shall immediately confirm such reduction or suspension of deliveries in writing by way of a revised nomination to Transporter.

Shipper shall be responsible for and shall bear any penalties imposed or assessed by upstream or downstream pipelines or operators for imbalances in receipts and/or deliveries caused by Shipper action or inaction. Shipper shall indemnify and hold Transporter harmless and free from all such payments of charges for imbalances.

Shipper shall have ninety (90) Days to resolve any imbalance remaining at the termination of its Contract. If Shipper does not reduce the remaining imbalance to zero within ninety (90) Days of the termination of its Contract (unless due to the actions or inactions of Transporter), Transporter will:

- A. Charge Shipper and Shipper shall be obligated to pay for those quantities Shipper owes Transporter at a rate equal to 125% (one hundred and twenty five percent) of the final settlement price for the current prompt month NYMEX Henry Hub Natural Gas contract which expired during the Month the ninetieth (90th) day occurred ; or
- B. Be obligated to pay for those quantities Transporter owes Shipper at a rate equal to 75% (seventy five percent) of the final settlement price for the current prompt month NYMEX Henry Hub Natural Gas contract which expired during the Month the ninetieth (90th) day occurred.

8.3 **System Operations Orders.** Transporter shall have the right to issue System Operations Orders when, in its Sole Discretion, such orders are necessary to maintain or restore the operational integrity of Transporter's System, alleviate conditions that threaten safe

operations, or which are required to maintain efficient and reliable service. The operational integrity of Transporter's System shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered. To accomplish these objectives, Transporter shall be entitled to take actions as described in this Section.

A System Operations Order shall require actions or measures that Transporter determines will neutralize or reduce threats to, or otherwise preserve, the integrity of all or a portion of Transporter's System and that may require immediate response as determined by Transporter in its Sole Discretion. System Operations Orders may require a Shipper or Shippers to take any of the following actions, or similar actions, to the extent such action(s) would tend to alleviate the situation to be addressed:

- (i) Correct imbalances on a deficient segment of Transporter's System. A Shipper may, at its option, achieve the balance by ceasing or reducing deliveries from deficient segments of Transporter's System or, alternatively, commencing or increasing supply inputs into deficient segments of Transporter's System; provided, however, that Transporter itself always retains the right to curtail deliveries, if necessary for system operations;
- (ii) Correct imbalances on an oversupplied segment of Transporter's system. A Shipper may, at its option, achieve the balance by ceasing or reducing supply inputs into oversupplied segments of Transporter's System or, alternatively, commencing or increasing deliveries from oversupplied segments of Transporter's System; provided, however, that Transporter itself always retains the right to decline to receive supply, if necessary for system operations;
- (iii) Limit pool transfers or other aspects of pooling;
- (iv) Implement curtailments;

- (v) Such other actions as are within Shipper's control which would tend to alleviate or forestall the situation to be addressed.

Penalties. A Shipper may be subject to a penalty for failure to comply with a System Operations Order calculated by multiplying the Shipper's Daily Imbalance times the East Daily Index Price or West Daily Index Price (as appropriate) times the Daily Index Penalty Percentage. The Daily Index Penalty Percentage is based upon a Shipper's Daily Imbalance percentage as indicated in the table in Section 8.2 above.

In the event that, in Transporter's Sole Discretion, actions undertaken pursuant to this Section are insufficient to remedy the situation or there is insufficient time to institute such actions, Transporter shall take such actions as are reasonably necessary to maintain System Operations, deliverability, reliable services and pressurization to all or any segments of its system. Transporter is authorized to use all of the resources of its system to such ends, including line pack and all supply received into Transporter's System.

Transporter shall provide Shipper with notice of System Operations Orders at a time and in a manner that is reasonable under the existing or expected conditions. Transporter shall post notices of System Operations Orders on Transporter's Internet Web Site and shall make reasonable efforts to notify the employee(s) of Shipper responsible for the then most recent nomination(s). If Transporter provides the original notice telephonically, Transporter shall follow up in a reasonable time with written confirmation.

9. OPERATING CONDITIONS

- 9.1 Shipper shall make all necessary arrangements with other parties at or upstream of Transporter's Point(s) of Receipt where it tenders Gas to Transporter for transportation, and at or downstream of any Point(s) of Delivery at which Transporter redelivers Gas to or for the account of Shipper. Such arrangements shall otherwise meet the terms and conditions herein.
- 9.2 Shipper shall represent and warrant to Transporter in writing that all volumes delivered to Transporter may be transported under the Applicable Regulations. Furthermore, at Transporter's sole option and upon request, Shipper shall secure written "on-behalf-of"

authorization, in a form satisfactory to Transporter, from an interstate pipeline or a local distribution company served by an interstate pipeline evidencing that the transportation to be performed hereunder is on its behalf. Transporter shall not be obligated to perform service hereunder unless and until Shipper has provided such written representation, warranty, and authorization.

- 9.3 Transporter shall not be required to perform any service hereunder unless all facilities necessary to render the service exist and are in good operating condition.
- 9.4 Shipper shall deliver Gas or cause Gas to be delivered to Transporter at the Point(s) of Receipt at a pressure sufficient to allow the Gas to enter Transporter's System as such pressure will vary from time to time. Transporter shall not be required to compress into its pipeline Gas transported hereunder, lower its system operating pressure, alter the direction of Gas flow, the Gas load, or other operations or utilization of its facilities or otherwise change its pipeline operations in order to receive, transport, or deliver Gas hereunder. Unless waived by Transporter, at each Point(s) of Receipt, Shipper shall provide, or cause to be provided, equipment acceptable to Transporter which will prevent overpressuring Transporter's System.
- 9.5 Transporter shall deliver Gas at each Point(s) of Delivery to or for the account of Shipper at the pressure which will vary from time to time in Transporter's System.

10. DETERMINATION OF RECEIPTS AND DELIVERIES

- 10.1 If one Shipper or more than one Shipper delivers volumes to Transporter at the same point during the same Month under more than one Contract, Transporter shall use such Shipper's or Shippers' working interest, volumetric nominations, and/or any other information available to Transporter to allocate volumes received during that Month at such point. Shipper shall be responsible for and shall bear any liability for claims made, penalties imposed or judgments obtained by or against Transporter, Shipper, upstream transporters, operators and/or interest owners for imbalances among interests in wells or for imbalances between Shippers at or upstream of Transporter's Point(s) of Receipt.

If Transporter delivers volumes to one Shipper or more than one Shipper, or for such Shipper's or Shippers' accounts, at the same point during the same Month under more than one Contract, Transporter shall use such Shipper's or Shippers' volumetric nominations and/or any other information available to Transporter to allocate volumes delivered during that Month at such point. Shipper shall be responsible for and shall bear any liability for claims made, penalties imposed or judgments obtained by or against Transporter, Shipper, downstream transporters, operators and/or interest owners for imbalances between Shippers at or downstream of Transporter's Point(s) of Delivery.

11. MISCELLANEOUS

- 11.1 To the extent Shipper builds facilities which connect with Transporter's System, such interconnecting facilities shall be constructed only with Transporter's approval and under the supervision of Transporter's personnel.
- 11.2 To the extent Transporter builds, acquires, or modifies any facilities in order to transport Shipper's Gas, any such facilities shall be and remain at all times the property of and under the operation of Transporter.
- 11.3 Transporter may waive any rights hereunder or any obligation of Shipper on a non-discriminatory basis, provided, however, that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.
- 11.4 The provisions of the General Terms and Conditions, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part hereof and, as though stated herein, shall apply to service rendered hereunder.
- 11.5 Transporter reserves the right to add to, delete or modify any or all provisions of this Statement of Operating Conditions at any time. Any additions, deletions, modifications or other changes made by Transporter to this Statement of Operating Conditions, including the General Terms and Conditions, shall be filed with the FERC as required by and subject to the Applicable Regulations. Any such additions, deletions, modifications or other changes shall be effective no earlier than thirty (30) Days after filing the changes with the FERC.

- 11.6 Transporter is first and foremost an intrastate pipeline. Therefore, any Section 311 (a) (2) service which Transporter provides will be consistent with and shall not infringe upon its status as a non-jurisdictional intrastate pipeline and shall not subject Transporter to FERC's Natural Gas Act jurisdiction.
- 11.7 This Statement of Operating Conditions and the Transportation Service Request Form may be accessed electronically at Transporter's Internet Web Site or may be requested from Transporter by calling toll free 1-800-736-8492 or locally (Oklahoma City) 405-553-6950.

ENOGEX LLC

EXHIBIT A

TO

Statement of Operating Conditions

Fuel Trackers

For The Enogex System In Oklahoma

East Zone And West Zone

Effective August 1, 2010

Fixed Fuel Percentages

Enogex charges fixed zonal fuel percentages for Gas shipped on the East Zone and West Zone of the Enogex System (hereinafter referred to as “the System”). The fuel percentages for each Zone are adjusted annually and are in effect from April 1 through March 31 (the “Fuel Year”). Enogex files the fuel percentages and supporting workpapers with the Federal Energy Regulatory Commission (“FERC” or “Commission”) on or before February 15 of the year preceding the Fuel Year (or the next business day if February 15 is a weekend day or holiday) and implements the percentages on April 1 of the Fuel Year. The FERC notices the filing and establishes a deadline for comments or objections from shippers. Enogex advises its shippers of the calculated percentages in sufficient time for such shippers to take the new fuel factors into account for their April nominations.

Annual Calculation of the Fuel Percentages

The fuel factors implemented as of April 1 of each Fuel Year reflect for each Zone, (1) the estimated fuel usage for the period April 1 to March 31 of the Fuel Year and (2) true-up adjustments for the prior two Fuel Years. Exhibit A-1, East Zone and Exhibit A-1, West Zone showing the methodology for calculation of the zonal fuel percentages are attached to this Exhibit A.

Enogex calculates the fuel percentages for the Fuel Year based on actual experience in each Zone in the twelve Months, April to March, preceding the February 15 filing date. The annual calculations for each Fuel Year will also reflect expected changes for each Zone, if any,

in fuel use and deliveries, including changes attributable to changes in compressor capacity for such year, i.e., additions, retirements, upgrades or reconfigurations. See Exhibits A-1, line 40. To the extent that the estimates of usage and/or deliveries attributable to changes for each Zone prove to have been inaccurate, the following year's zonal true-ups will correct for the overestimation or underestimation.

Dollar Valuation of the Fuel Volumes

The value of fuel retained, actual fuel used and the resulting overrecovery or underrecovery for each Zone will be determined by multiplying the difference between the monthly retained volumes and the monthly actual fuel for each Zone by the corresponding monthly average of "PRICES OF SPOT GAS DELIVERED TO PIPELINES," as published for the first Day of each Month in Platt's Inside FERC Gas Market Report for (1) NGPL, Texok and (2) CenterPoint, East index for the East Zone and for (1) ANR, Okla. and (2) Panhandle, Tx.-Okla. index for the West Zone.

True-Up of the Fuel Percentages

Enogex has a very large number of receipt points and, accordingly, must plan for and accommodate a very large number of prior period adjustments. While the great majority of such prior period adjustments are made in the first six months after the Gas flows, experience has shown that these receipt points can generate additional prior period adjustments for up to two Fuel Years. For that reason, Enogex reflects two Fuel Years of true-up adjustments in the calculation of the fuel percentages. See Exhibits A-1, lines 42 and 43 and lines 47 and 48. For purposes of the fuel tracker, Enogex will ignore prior period adjustments after two years.

The true-up calculations also incorporate the dollar valuation of the fuel volumes.

ENOGEX LLC
 ENOGEX SYSTEMS
 EAST ZONE
 EXHIBIT A-1

PRXX-____-000

	MMBTU				VALUE	
	Deliveries [a]	System Fuel [b]	Fuel Retained (Calculated) [c]	NGPL-Texok/ CenterPoint East \$/MMBTU [d]	System Fuel [e] [b*d]	Fuel Retained (Calculated) [f] [c*d]
20XX ACTUAL						
1	Apr-XX					
2	May-XX					
3	Jun-XX					
4	Jul-XX					
5	Aug-XX					
6	Sep-XX					
7	Oct-XX					
8	Nov-XX					
9	Dec-XX					
10	Jan-XX					
11	Feb-XX					
12	Mar-XX					
13	TOTAL	-	-	\$	-	\$
20XX ACTUAL						
14	Apr-XX					
15	May-XX					
16	Jun-XX					
17	Jul-XX					
18	Aug-XX					
19	Sep-XX					
20	Oct-XX					
21	Nov-XX					
22	Dec-XX					
23	Jan-XX					
24	Feb-XX					
25	Mar-XX					
26	TOTAL	-	-	\$	-	\$

ENOGEX LLC
 ENOGEX SYSTEMS
 EAST ZONE
 EXHIBIT A-1

PRXX-____-000

	20XX ESTIMATED	MMBTU			NYMEX LESS BASIS \$/MMBTU [d]	VALUE	
		Deliveries [a]	System Fuel [b]	Fuel Retained (Calculated) [c]		System Fuel [b*d]	Fuel Retained (Calculated) [f]
27		Apr-XX					
28		May-XX					
29		Jun-XX					
30		Jul-XX					
31		Aug-XX					
32		Sep-XX					
33		Oct-XX					
34		Nov-XX					
35		Dec-XX					
36		Jan-XX					
37		Feb-XX					
38		Mar-XX					
39		TOTAL	-	-	\$	-	Avg.
20XX FUEL VOLUME (MMBTU)							
40	Estimated inc/(dec) to system fuel for 20XX						Based on expected changes.
41	20XX Estimated Fuel						L. 39, Col. b + L. 40, Col. b
42	20XX Volume True-Up-inc/(dec)						L. 65, Col. a
43	20XX Volume True-Up-inc/(dec)						L. 61, Col. a
44	TOTAL						L. 41 + L. 42 + L. 43
20XX FUEL %							
45	20XX Estimated Deliveries (mmbtu)						L. 39, Col. a
46	20XX % before true-ups		0.00%				L. 41/L. 45
47	True-Up for 20XX		0.00%				L. 42/L. 45
48	True-Up for 20XX		0.00%				L. 43/L. 45
49	20XX Fuel Recovery Rate		0.00%				L. 46 + L. 47 + L. 48

PRXX-____-000

ENOGEX LLC
 ENOGEX SYSTEMS
 EAST ZONE
 EXHIBIT A-1

ANALYSIS OF FUEL RETAINED

	Value	Value
20XX Retainage		
50 Retained for Tracker Year 20XX		PRXX-X-000, Col. a L. 53
51 Retained for Tracker Year 20XX		L. 13, Col. f - L. 50
52 Total		L. 13, Col. f
20XX Retainage		
53 Retained for 20XX		L. 13, Col. e - L. 51
54 Retained for 20XX		L. 26, Col. f + L. 39, Col. f - L. 53
55 Total		L. 26, Col. f + L. 39, Col. f

ANALYSIS OF TRUE-UP

	MMBTU	Value
	[a]	[b]
20XX True-up		
56 20XX Actual Fuel		L. 13, Col.e
57 20XX Retained for 20XX		L. 51
58 20XX Retained for 20XX		L. 53
59 Total Retained for 20XX		L. 57 + L. 58
60 Remaining value to recover for 20XX		L. 56 - L. 59
61 Price adjusted volume to apply in 20XX to recover remaining value		L. 60/ L. 39, Col.d
20XX True-up		
62 20XX Actual Fuel		L. 26, Col.e + L. 39, Col.e
63 20XX Retained for 2008		L. 54
64 Remaining value to recover for 20XX		L. 62 - L. 63
65 Price adjusted volume to apply in 20XX to recover remaining value		L. 64/ L. 39, Col.d

NOTES:

- 1-P. 1, Column d prices for Nov 20XX through Oct 20XX are the average of actual Inside FERC NGPL-Telex and CenterPoint prices.
- 2-P. 2, Column d prices for 20XX are NYMEX Henry Hub futures prices less a current basis quote as of XX/XX/20XX.

ENOGEX LLC
 ENOGEX SYSTEMS
 WEST ZONE
 EXHIBIT A-1

PRXX-____-000

	MMBTU				VALUE	
	Deliveries [a]	System Fuel [b]	Fuel Retained (Calculated) [c]	ANR-Okla./ Panhandle, Tx- Okla.\$/MMBTU [d]	System Fuel [e] [b*d]	Fuel Retained (Calculated) [f] [c*d]
20XX ACTUAL						
1	Apr-XX					
2	May-XX					
3	Jun-XX					
4	Jul-XX					
5	Aug-XX					
6	Sep-XX					
7	Oct-XX					
8	Nov-XX					
9	Dec-XX					
10	Jan-XX					
11	Feb-XX					
12	Mar-XX					
13	TOTAL	-	-	\$	-	\$
20XX ACTUAL						
14	Apr-XX					
15	May-XX					
16	Jun-XX					
17	Jul-XX					
18	Aug-XX					
19	Sep-XX					
20	Oct-XX					
21	Nov-XX					
22	Dec-XX					
23	Jan-XX					
24	Feb-XX					
25	Mar-XX					
26	TOTAL	-	-	\$	-	\$

ENOGEX LLC
 ENOGEX SYSTEMS
 WEST ZONE
 EXHIBIT A-1

PRXX-____-000

	20XX ESTIMATED	MMBTU			NYMEX LESS BASIS \$/MMBTU [d]	VALUE System Fuel [b*d]	Fuel Retained (Calculated) [c]	Fuel Retained (Calculated) [f]
		Deliveries [a]	System Fuel [b]	Fuel Retained (Calculated) [c]				
27		Apr-XX						
28		May-XX						
29		Jun-XX						
30		Jul-XX						
31		Aug-XX						
32		Sep-XX						
33		Oct-XX						
34		Nov-XX						
35		Dec-XX						
36		Jan-XX						
37		Feb-XX						
38		Mar-XX						
39		TOTAL	-	-	\$ -	-	Avg.	
20XX FUEL VOLUME (MMBTU)								
40	Estimated inc/(dec) to system fuel for 20XX							Based on expected changes.
41	20XX Estimated Fuel							L. 39, Col. b + L. 40, Col. b
42	20XX Volume True-Up-inc/(dec)							L. 65, Col. a
43	20XX Volume True-Up-inc/(dec)							L. 61, Col. a
44	TOTAL							L. 41 + L. 42 + L. 43
20XX FUEL %								
45	20XX Estimated Deliveries (mmbtu)							L. 39, Col. a
46	20XX % before true-ups					0.00%		L. 41/L. 45
47	True-Up for 20XX					0.00%		L. 42/L. 45
48	True-Up for 20XX					0.00%		L. 43/L. 45
49	20XX Fuel Recovery Rate					0.00%		L. 46 + L. 47 + L. 48

PRXX-____-000

ENOGEX LLC
 ENOGEX SYSTEMS
 WEST ZONE
 EXHIBIT A-1

ANALYSIS OF FUEL RETAINED

	Value
20XX Retainage	
50 Retained for Tracker Year 20XX	PRXX-X-000, Col. a L. 53
51 Retained for Tracker Year 20XX	L. 13, Col. f - L. 50
52 Total	L. 13, Col. f
20XX Retainage	
53 Retained for 20XX	L. 13, Col. e - L. 51
54 Retained for 20XX	L. 26, Col. f + L. 39, Col. f - L. 53
55 Total	L. 26, Col. f + L. 39, Col. f

ANALYSIS OF TRUE-UP

	MMBTU [a]	Value [b]
20XX True-up		
56 20XX Actual Fuel		L. 13, Col.e
57 20XX Retained for 20XX		L. 51
58 20XX Retained for 20XX		L. 53
59 Total Retained for 20XX		L. 57 + L. 58
60 Remaining value to recover for 20XX		L. 56 - L. 59
61 Price adjusted volume to apply in 20XX to recover remaining value		L. 60/ L. 39, Col.d
20XX True-up		
62 20XX Actual Fuel		L. 26, Col.e + L. 39, Col.e
63 20XX Retained for 2008		L. 54
64 Remaining value to recover for 20XX		L. 62 - L. 63
65 Price adjusted volume to apply in 20XX to recover remaining value		L. 64/ L. 39, Col.d

NOTES:
 1-P. 1, Column d prices for Nov 20XX through Oct 20XX are the average of actual Inside FERC ANR-Okla.and Panhandle, Tx.-Okla. prices.
 2-P. 2, Column d prices for 20XX are NYMEX Henry Hub futures prices less a current basis quote as of XXXX/20XX.

Exhibit B**RATE SUMMARY FOR SECTION 311
FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE**

In accordance with Section 284.123(b)(2) of the FERC's regulations, as revised by Order No. 714, Transporter hereby provides the following rate summary:¹

Maximum Rates Per MMBtu

Firm Section 311 East Zone	Firm Section 311 West Zone	Interruptible Section 311 East Zone	Interruptible Section 311 West Zone
\$0.1655	\$0.0954	\$0.1523	\$0.1005

Minimum Rates Per MMBtu

Firm Section 311 East Zone	Firm Section 311 West Zone	Interruptible Section 311 East Zone	Interruptible Section 311 West Zone
\$0.00	\$0.00	\$0.00	\$0.00

¹ The rates set forth in this rate summary are pending before the Commission with a proposed effective date of March 1, 2011. The rates for firm and interruptible East Zone Section 311 transportation services will continue those currently in effect, subject to refund, pursuant to Enogex's rate case filing in Docket No. PR09-22-000.

**GENERAL TERMS AND CONDITIONS
FOR STATEMENT OF
OPERATING CONDITIONS**

of

ENOGEX LLC

**TERMS AND CONDITIONS FOR
STATEMENT OF
OPERATING CONDITIONS OF
ENOGEX LLC**

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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

In addition to the definitions of terms contained in Transporter's Statement of Operating Conditions, which are incorporated by reference, and except in those certain instances where the context expressly states another meaning, the following terms, when used in these General Terms and Conditions or in the Statement of Operating Conditions, Contract or other agreement into which these General Terms and Conditions are incorporated, shall have the following meanings:

- A. "Btu" shall mean British Thermal Unit and, where appropriate, shall mean the plural thereof. One (1) Btu shall mean one British Thermal Unit, and is defined as the quantity of heat required to raise the temperature of one (1) pound of pure water from fifty-eight & five-tenths (58.5) degrees Fahrenheit to fifty-nine and five-tenths (59.5) degrees Fahrenheit at a constant pressure of fourteen & seventy-three hundredths pounds per square inch absolute (14.73 psia). The term "MMBtu" shall mean one million (1,000,000) Btu.
- B. "Cubic Foot or Standard Cubic Foot" shall have the meaning ascribed in Section 4.1. The term "Mcf" shall mean one thousand (1,000) standard Cubic Feet of Gas.
- C. "Day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Time.
- D. "Delivery", "deliver", or "delivered" shall refer to the physical transfer of possession of Gas from Transporter to Shipper or Shipper's carrier.
- E. "Equivalent Quantities" shall mean the sum of the volumes of Gas measured in MMBtu received by Transporter for the account of Shipper during any given period of time, reduced by Shipper's share of fuel and adjusted for any variations in Btu content. It is the intent of the parties that the volumes of Gas delivered for the account of Shipper be the thermal equivalent of the volumes of Gas received by Transporter for transportation, as so adjusted.

- F. “Gas” and “Natural Gas” shall mean natural gas as produced in its natural state, whether or not stored or processed prior to receipt or delivery, and that meets the respective quality standards for receipt and delivery contained in Section 2 (Quality).
- G. “Heating Value” shall mean, the number of Btu’s produced by the complete combustion, at a constant pressure, of the amount of Gas which would occupy a volume of one (1) Cubic Foot at a temperature of sixty (60) degrees Fahrenheit if saturated with water vapor and at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia) and under standard gravitational force (acceleration 980.655 centimeters per second, per second), with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air and when the water formed by combustion is condensed to the liquid state; provided, however, if the Gas as received or delivered contains seven (7) pounds of water vapor or less per one million (1,000,000) standard Cubic Feet, such Gas shall be assumed to be dry.
- H. “Month” shall mean a period of time beginning at 9:00 a.m. Central Time on the first (1st) Day of a calendar Month and extending to 9:00 a.m. Central Time on the first (1st) Day of the following calendar Month.
- I. “Normal Operating Range of an Orifice Meter Station” shall mean the flow range from the minimum flowrate of a single meter tube to the maximum combined flowrate of all meter tubes installed in the meter station which does not require an orifice plate change.
- J. “p.s.i.g.” shall mean pounds per square inch gauge. “p.s.i.a.” shall mean pounds per square inch absolute.
- K. “Receipt”, “Receive”, or “Received” shall refer to the physical transfer of possession of Gas from Shipper or Shipper’s carrier to Transporter.

- L. “Secondary Measurement Equipment” shall mean pressure and temperature sensing and recording equipment.
- M. “Shipper,” as used in these General Terms and Conditions, shall mean the shipper or the producer as defined in the applicable Statement of Operating Conditions.
- N. “Thermal Content” shall mean the aggregate number of Btu contained in that volume, when applied to any volume of Gas.
- O. “Transporter,” as used in these General Terms and Conditions, shall mean the transporter or gatherer as defined in the applicable Statement of Operating Conditions.
- P. “Transporter’s Internet Web Site” shall mean Transporter’s electronically accessible site at www.enogex.com.

2. QUALITY

- 2.1 Gas received by Transporter and delivered to Shipper under a Contract, including the Statement of Operating Conditions, shall meet the minimum quality specifications below:
 - A. The Gas shall in no event have in excess of seven (7) pounds of water vapor per million (1,000,000) standard Cubic Feet of Gas.
 - B. The Gas shall be free of objectionable liquids and solids and other impurities, including, but not limited to, methanol, and shall be commercially free from dust, gum, gum-forming constituents, free water and other liquids and solids.
 - C. The Gas shall not at any time have an oxygen content in excess of ten (10) parts per million by volume and the parties hereto shall make every reasonable effort to keep the Gas free of oxygen.
 - D. The Gas shall not contain more than one quarter (0.25) grain of hydrogen sulfide per one hundred (100) standard Cubic Feet (four (4) parts per million by volume).

- E. The Gas shall not contain more than 5 grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) standard Cubic Feet.
 - F. The Gas shall not contain mercaptans in excess of one-quarter (.25) grain per one hundred standard Cubic Feet.
 - G. The Gas shall not have a carbon dioxide content in excess of two (2) percent by volume.
 - H. The Gas shall not contain more than three (3) percent nitrogen by volume.
 - I. The Gas shall have a total heating value per Cubic Foot of not less than nine hundred seventy-five (975) Btu or more than one thousand eighty (1,080) Btu.
 - J. The Gas shall not have a hydrocarbon dew point of more than forty (40) degrees Fahrenheit (the hydrocarbon dew point shall be calculated at 600 psig).
 - K. The Gas shall be received at a temperature not in excess of one hundred twenty (120) degrees Fahrenheit and not less than forty (40) degrees Fahrenheit.
 - L. The Gas must be interchangeable with the Gas in Transporter's system at the Point(s) of Receipt.
- 2.2 Gas tendered to Transporter for transportation must meet or exceed the quality specifications in Section 2.1 or such higher standards as may be required at any Point(s) of Delivery.
- 2.3 If, at any time, Gas tendered for receipt shall fail to conform to any of the quality specifications set forth above, Transporter may, at its sole option, refuse to accept receipt of such Gas. Transporter shall notify Shipper of the deficiency as soon as possible after its occurrence. Such notice may be by any reasonable means, including, but not limited to, electronic mail, facsimile transmission and/or telephone, including voice messages. Transporter may elect to bill Shipper for all further costs for related Gas testing to confirm that any such deficiency has been corrected.

- 2.4 Transporter has the right to charge Shipper for all costs and expenses, including but not limited to, costs related to clean up and/or remediation, associated with the receipt of Gas that does not conform with the quality specifications for Gas to be received by Transporter as set forth in this Section.
- 2.5 Transporter's acceptance of non-conforming Gas without invoking its rights set forth in Sections 2.3 or 2.4 shall not constitute any continuing waiver of Transporter's rights to require compliance or application of Transporter's rights as set forth herein.

3. PRESSURE

- 3.1 Gas received for transportation hereunder shall be received at pressures sufficient to enter Transporter's pipeline against the varying pressures maintained in such pipeline from time to time, but in no event in excess of Transporter's maximum allowable operating pressure at the Point(s) of Receipt. Delivery of Gas by Transporter to Shipper shall be at pressures as may be available from time to time in Transporter's system.

4. MEASUREMENT AND TESTS

The measurement of Gas at the Point(s) of Receipt and Point(s) of Delivery shall be in accordance with the following provisions:

- 4.1 For all of the purposes of the Statement of Operating Conditions, a standard Cubic Foot of Gas shall be that quantity which occupies one Cubic Foot of space at a temperature of sixty (60) degrees Fahrenheit and at a pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. The volumes of Gas received and delivered hereunder shall be measured and computed in accordance with methods prescribed by the American Gas Association. Installation of new measurement facilities, whether by Transporter or Shipper, shall be in accordance with the latest and approved version of the applicable American Gas Association's standards.
- 4.2 The total heating value of the Gas in Btu per Cubic Foot and the specific gravity received and delivered hereunder shall be determined from a sample of Gas taken by means of a composite sampler, a spot sample, a Gas chromatograph, or any other method in general use in the Gas industry. The recorded average specific gravity to the nearest one

thousandth (0.001), obtained while Gas is being received and/or delivered, shall be the applicable specific gravity of Gas for the period under consideration.

- 4.3 Transporter shall make reasonable efforts to collect spot samples from a flowing Gas stream during normal business hours. In the event that Transporter's attempts to coordinate spot sampling are unsuccessful, Transporter shall use the most recently available Gas sample information.
- 4.4 Transporter, in its Sole Discretion, may elect to discontinue Gas sampling at Point(s) of Receipt or Point(s) of Delivery that have been continuously inactive for sixty (60) consecutive Days.
- 4.5 If, at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or determination of factors used in such Gas measurement, such new method or technique may, in Transporter's sole judgment, be substituted for the Gas measurement method or technique set forth herein.
- 4.6 Transporter may, at its sole option, install computers, transducers and other associated sensing devices to accomplish the accurate measurement of Gas received and/or delivered.
- 4.7 It is recognized that all facilities necessary to measure Gas at Point(s) of Receipt and Point(s) of Delivery have been or will be installed and in operation as of the date of first delivery of Gas to Transporter hereunder. Unless otherwise agreed, Transporter shall install, maintain and operate all facilities and equipment for the accurate measurement of the Gas received, transported and delivered hereunder. Shipper shall have access to the measuring equipment at all reasonable times, but readings, calibrations and adjustments thereof, and changing of charts, shall be done by Transporter unless otherwise agreed.
- 4.8 Upon written permission from Transporter, Shipper may, at its option, install, maintain and operate such new, additional or revised equipment, including check measuring and signal sharing equipment, as it may desire, at its own expense, and provided that such equipment is installed so as not to interfere with the custody measurement equipment of Transporter. Equipment installed by Shipper and not authorized in writing by

Transporter may be removed by Transporter, at Shipper's expense. Each party shall have the right of access, at all reasonable times when Gas is being received or delivered, to the measuring equipment installed by the other party. The calibrating and adjusting of Transporter's measuring equipment and changing of meter charts on Transporter's meters shall be done only by Transporter and the calibrating and adjusting of Shipper's measuring equipment and changing of meter charts on its check meters shall be performed only by Shipper. Transporter, upon written request by Shipper, or Shipper, upon request by Transporter, shall mail or deliver to the other all meter charts and/or records used in measurement of Gas received and delivered hereunder during any specified period for which charts and/or records are required to be retained as hereinafter provided, but such charts and/or records shall be mailed or returned to Transporter or Shipper, as the case may be, within thirty (30) Days after their receipt. Transporter's Check Measurement Agreement form shall be available upon request.

- 4.9 Each party shall have the right to be present at the time of any scheduled installation, testing, cleaning, changing, repairing, inspection, calibration or adjusting of measuring equipment of the other party used in measurement of Gas received and delivered hereunder.
- 4.10 All measuring equipment shall be installed in such a manner as to permit an accurate determination of the quantity of Gas received or delivered and ready verification of the accuracy of measurement. The parties shall exercise reasonable care in the installation, maintenance and operation of check measuring, pressure regulating equipment, Gas compressors or other related equipment so as to prevent inaccuracy in the determination of the quantity of Gas being measured. Shipper shall control flow rates such that measurement of the Gas quantity is within the Normal Operating Range of the Orifice Meter Station. Transporter shall size the orifice plate such that the flow-dependent average monthly flow rate falls within the Normal Operating Range of the Orifice Meter Station. In its Sole Discretion, Transporter may elect to not provide volumetric adjustments pursuant to Section 4.13 for flow exceeding the differential pressure instrument's range or for flows resulting in damage to orifice plates. When Transporter determines that pulsation problems or other measurement inaccuracies exist, in addition

to any remedies otherwise available to it, Transporter shall have the right to require Shipper or other third parties to install and continuously operate and maintain pulsation dampening equipment and/or to regulate Gas flows in a manner which would prevent or eliminate such problems or inaccuracies within thirty (30) business Days of notification by Transporter. Following notice to the affected parties and pending the correction of the problem, measurement based on charts or meters at any such affected points for system operating purposes shall be made in a manner which reasonably adjusts or compensates for the inaccuracy identified.

- 4.11 The accuracy of the measuring equipment at each Point(s) of Receipt and each Point(s) of Delivery shall be verified at intervals not exceeding one (1) year and at such other times as may be requested by Shipper or Transporter, and if any such verification shall be requested by Shipper or Transporter and the measuring equipment is found to measure Gas quantities within two percent (2%) accuracy, the expense of such verification shall be borne by the party requesting verification.
- 4.12 Transporter may elect to discontinue regular verification of measurement equipment accuracy at Point(s) of Receipt or Point(s) of Delivery that have been continuously inactive for sixty (60) Days. Following the discontinuation of measurement equipment accuracy verification at a Point of Receipt or Point of Delivery, Shipper must provide three (3) business Days notice prior to Transporter's subsequent receipt or delivery of Gas at such Point of Receipt or Point of Delivery.
- 4.13 If, upon test, the measuring equipment measures Gas quantities within two percent (2%) accuracy at any Point(s) of Receipt or Point(s) of Delivery, previous readings of such equipment after the last preceding test shall be considered correct, but the equipment shall be adjusted to record accurately. However, even if the inaccuracy is less than two percent (2%), if the volume discrepancy is quantifiable and exceeds 250 MMBtu, the volumes shall be adjusted appropriately. If, at the Point(s) of Receipt or Point(s) of Delivery, upon any test, the measuring equipment measures Gas quantities with an inaccuracy requiring adjustment, or if at any time the measuring equipment should be out of service or not registering, Gas received or delivered through the period during which

the measuring equipment was registering inaccurately or was out of service or not registering shall be estimated and agreed upon by use of the first of the following methods which may be applicable:

- A. By using the registration of any check measuring equipment installed by either party if registering accurately; or
 - B. By computing error if percentage of error is ascertainable by calibration, test or mathematical calculation; or
 - C. By estimating the quantity received or delivered and/or its thermal content by reference to actual receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately. If the period during which the measuring equipment at the Point(s) of Receipt or Point(s) of Delivery had been registering inaccurately or had been out of service or not registering is not definitely known or agreed upon, correction shall be made for the last half of the time elapsed since the measuring equipment was previously tested and found to accurately measure Gas within two percent (2%). All corrections made as above provided shall be made to zero error.
- 4.14 The charts and/or records from the measuring equipment shall remain the property of the party owning the measuring equipment and shall be kept on file for a period of not less than two (2) years.

5. WARRANTY AND INDEMNIFICATION

- 5.1 Each party hereby warrants to the other that at the time of receipt or delivery of Gas hereunder, it will have the right to receive or deliver, as the case may be, such Gas, and that such Gas shall be free and clear of all liens and adverse claims; and each party agrees, with respect to the Gas received or delivered by it, to indemnify the other party against all suits, actions, debts, accounts, damages, costs (including reasonable attorney fees), losses and expenses arising from or out of any adverse claim of any and all persons to or against said Gas while that party has responsibility for the Gas.

6. FORCE MAJEURE

- 6.1 In the event of either party being rendered unable, wholly or in part, by reason of force majeure to carry out its obligations under the Contract (other than the obligation to make payment of amounts due hereunder), it is agreed that such party shall give notice and reasonably full particulars of such force majeure by electronic mail, facsimile transmission or in writing to the other party within a reasonable time after the occurrence of the cause relied on, and the obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.
- 6.2 The parties' obligations hereunder shall also be suspended during the continuance of any force majeure situation to the extent such force majeure conditions prevent delivery of Gas for Shipper's account.
- 6.3 The term, "force majeure", as employed herein shall mean acts of God; strikes, lockouts, or other industrial disturbances; conditions arising from a change in governmental laws, orders, rules, or regulations; acts of public enemy; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of governments and people; civil disturbances; explosions; breakage or accident to machinery or lines of pipe; the necessity for making repairs, tests, alterations, or performing maintenance to machinery or lines of pipe; freezing of wells or lines of pipe; partial or entire failure of wells or treating facilities; and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension, and which by the exercise of due diligence, such party is unable to prevent or overcome. Such term shall likewise include: (a) those instances where either Transporter or Shipper is required to obtain servitudes, rights-of-way, grants, permits or licenses to enable such party to fulfill its obligations under the Contract; the inability of such party to acquire or the delays on the part of such party in acquiring, at reasonable costs, and after the exercise of reasonable diligence, such servitudes, rights-of-way, grants, permits, or licenses, and (b) those instances where either Transporter or Shipper is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is

required to secure permits or permissions from any governmental agency to enable such party to fulfill its obligations under the Contract, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable costs, and after the exercise of reasonable diligence, such material and supplies, permits and permissions.

- 6.4 It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.
- 6.5 Notwithstanding the foregoing, it is specifically understood and agreed by the parties hereto that force majeure shall in no way terminate the parties' obligations to balance those volumes of Gas received and delivered hereunder.

7. GOVERNMENTAL RULES, REGULATIONS AND AUTHORIZATIONS

- 7.1 This Statement of Operating Conditions is subject to all valid orders, laws, rules and regulations of duly constituted governmental authorities having jurisdiction or control over the parties, their facilities or Gas supplies, this Statement of Operating Conditions or any provisions hereof. If at any time during the period of transportation of Gas hereunder, any such governmental authority shall take or threaten to take any action, directly or indirectly, whereby the receipt, transportation and delivery of Gas as contemplated hereunder shall be proscribed or possibly subjected to terms, conditions, restraints or regulations, including without limitation by enumeration, rate or price controls or ceilings that, in the sole judgment of the party affected, would be adverse or unduly burdensome to that party, such party may, upon written notice, cancel and terminate the Contract, including the Statement of Operating Conditions, without further liability hereunder except for payment for services provided hereunder prior to such cancellation and termination.
- 7.2 The parties agree to timely file and prosecute all applications, statements and notices with any governmental regulatory authority having appropriate and applicable jurisdiction.

8. BILLINGS AND PAYMENT

- 8.1 On or about the tenth (10th) Day of each Month after delivery of Gas has commenced hereunder, Transporter shall render to Shipper a statement for the preceding Month setting forth the total quantity of Gas, and the Btu content thereof, at the Point(s) of Receipt and Point(s) of Delivery which was received and delivered, respectively, the amount due Transporter by Shipper for the transportation or other applicable services performed hereunder and such other information sufficient to explain and support any adjustments made by Transporter in determining the amount billed.
- 8.2 Shipper shall pay Transporter the amount due on the later of the twenty-fifth (25th) Day of the Month following the Month of production or (i) fifteen (15) Days after the date of the invoice described in Section 8.1; or (ii) fifteen (15) Days after the date of any other invoice Transporter renders. In the event Shipper fails to timely pay Transporter according to this Section, Transporter will assess and Shipper shall pay an interest charge equal to one and one-half percent (1.5%) per Month on the unpaid balance. Further, in the event Shipper fails to timely pay Transporter according to this Section, Transporter may, in its Sole Discretion, suspend all transportation of Gas pursuant to Section 8.6.
- 8.3 Under Firm Contracts for which demand charges are applicable, Transporter will submit an invoice to Shipper for demand charges during the Month preceding the Month to which such demand charges apply. Payment of such invoices shall be due on the latter of (i) the 25th day of the Month in which such invoice is received or (ii) fifteen (15) Days after the receipt of the invoice (the "Demand Payment Date"). Shipper shall pay the full amount of the demand charges set forth on the invoice on or before the Demand Payment Date. In the event that Shipper does not make timely payment of demand charges on or before the Demand payment Date as required by this Section 8.3, Transporter may exercise all of its rights available at law and pursuant to the Firm Contract. In the event Shipper fails to timely pay Transporter according to this Section, Transporter will assess and Shipper shall pay an interest charge equal to one and one-half percent (1.5%) per Month on the unpaid balance.

- 8.4 All parties hereto shall have the right at any and all reasonable times to examine the books and records of the other party to the extent necessary to verify the accuracy of any statement, charge, computation or demand made under or pursuant to a Contract, including the Statement of Operating Conditions. The parties agree to schedule such audits in advance and at mutually agreeable times. Within thirty (30) Days following any such audit, the auditing party shall notify the audited party of the results of such audit and specifically, whether the accuracy of any statement, charge, computation or demand will be challenged. Such books and records shall be kept for not less than two (2) years following the year in which such statement, charge, computation or demand was made.
- 8.5 Shipper agrees to reimburse Transporter for all taxes that may be levied upon and/or paid by Transporter, with respect to the transportation services rendered hereunder.
- 8.6 In accordance with Sections 8.2 and 8.3, Shipper shall not be required to pay interest on any amount billed which is in good faith disputed in writing by Shipper and is ultimately determined to be in error; provided, however, interest shall be due if such amount billed is found not to be in error. If a portion of any invoice is disputed, Shipper shall pay when due the portion of the invoice not in dispute. In the event of such failure to pay, Transporter may suspend deliveries of Gas, subject to Transporter providing forty-eight (48) hours written notice of such intention to suspend deliveries; provided, however that if Shipper, in good faith, disputes the amount of any such bill or part thereof and pays to Transporter such amounts as Shipper concedes to be correct, and furnishes and maintains a good and sufficient surety bond in an amount and with sureties satisfactory to Transporter conditioned upon the payment of any amounts ultimately found due upon such bills after a final determination, then Transporter shall not be entitled to suspend further delivery due to failure to pay such bills. In the event Shipper's financial position significantly deteriorates from that on the execution date of Shipper's Contract, advance cash payments or acceptable security (including but not limited to an irrevocable letter of credit from an acceptable financial institution in an amount and form acceptable to Transporter) shall be given by Shipper upon demand of Transporter. Transporter may, without waiving any other rights or remedies it may have, withhold further delivery until such payment or security is received or take whatever steps it deems necessary, in its sole

judgment, to insure that non-payment of invoices by Shipper does not occur, including but not limited to, termination of Shipper's Contract. Notwithstanding the foregoing, if Shipper fails to make timely payment in accordance with Section 8.2 or 8.3 for any invoice not in dispute, in addition to any other right or remedy it may have under the Statement of Operating Conditions or under commercial law, Transporter may withhold and set off such deficient payment against any payments, refunds or credits due or owing by Transporter to Shipper. In the event Transporter pursues collection on late payment, Shipper shall be liable for any and all expenses and costs, including court costs and reasonable attorney fees, incurred as a result of such failure to timely pay.

9. CREDITWORTHINESS

9.1 Transporter shall not be required to commence service or to continue to provide service under a Contract with any Shipper that:

- A. Is or has become insolvent;
- B. Has voluntarily commenced a case or proceeding or the filing of any petition under any bankruptcy, insolvency or similar law seeking dissolution, liquidation or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; or to effect a plan or other arrangement with its creditors; or has filed an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition filed against it in any bankruptcy, insolvency or similar case or proceeding, has been adjudicated as bankrupt, has made a general assignment for the benefit of creditors or has consented to, or acquiesced in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or has taken corporate action for the purpose of effectuating any of the foregoing; or
- C. Has been the subject of the commencement of involuntary proceedings or the filing of an involuntary petition against Shipper under any bankruptcy, insolvency or similar law seeking the dissolution, liquidation, or reorganization of Shipper, or the appointment of a receiver, trustee, custodian or liquidator for Shipper, or of a

substantial part of the property, assets or business of Shipper, or the issuance or levy of any writ, judgment, warrant or attachment, execution or similar process against a substantial part of the property, assets, or business of Shipper; or

- D. Fails to maintain, or Shipper's guarantor fails to maintain, an investment grade credit rating on its senior unsecured debt of a least "BBB-" from Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor ("S&P"), or "Baa3" from Moody's Investor Services, Inc. or its successor ("Moody's"), if Shipper or its guarantor is rated by S&P or Moody's; or
- E. Fails, in Transporter's reasonable judgment, when requested in writing by Transporter to demonstrate creditworthiness or provide adequate assurances. Adequate assurances shall mean a cash prepayment or irrevocable letter of credit from an acceptable financial institution in an acceptable amount and form, as may be requested by Transporter, in an amount equal to three (3) Months of service at the full Maximum Daily Quantity (or, for interruptible Shippers, an amount equal to three (3) Months of estimated service based on historical or projected usage, as determined by Transporter), plus any other required monthly fees, plus an amount equal to the highest imbalance payment accrued in one (1) Month during the previous twelve (12) consecutive Months. Shipper must also make immediate payment for all services previously rendered to Shipper by Transporter under any Contract(s), or any other agreements between Transporter and Shipper, including netting arrangements. Shipper must deliver to Transporter the adequate assurances within three (3) business Days of receipt of Transporter's written request, and maintain such adequate assurances for so long as Transporter has reasonable grounds to question Shipper's creditworthiness.

10. CHOICE OF LAW

- 10.1 To the extent that FERC either does not have jurisdiction or declines to exercise jurisdiction, the interpretation and performance under Shipper's Contract and the Statement of Operating Conditions shall be in accordance with the laws of the State of Oklahoma, excluding any conflict of law principle that might refer such interpretation

and performance to the laws of another jurisdiction. With respect to any cause of action associated directly or indirectly with the terms and conditions of a Contract and the Statement of Operating Conditions, the parties agree and consent to the exclusive jurisdiction of the State of Oklahoma, and acknowledge proper venue to be in either state or federal court located in Oklahoma County, Oklahoma, and hereby waive any defenses or objections thereto; provided, however, that Transporter may agree to permit a court with jurisdiction to decide venue as to a specific matter or matters.

11. EEOC COMPLIANCE

- 11.1 To the extent applicable, each party hereby respectively warrants that it is in compliance with, and during the term hereof will remain in compliance with, all applicable laws, executive orders and acts concerning equal opportunity employment and wage and hours regulations.

12. MISCELLANEOUS

- 12.1 As between the parties hereto, Shipper shall be deemed to be in exclusive control and in possession of the Gas prior to such Gas being received hereunder by Transporter at the Point(s) of Receipt and responsible for any damages, losses or injuries caused thereby, except for injuries and damages which shall be occasioned solely and proximately by the negligent acts or omissions of Transporter. After Shipper delivers or causes Gas to be delivered to Transporter at the Point(s) of Receipt, Transporter shall be deemed to be in exclusive control and possession of such Gas, and responsible for any injuries or damages caused thereby, until it is redelivered to Shipper or for the account of Shipper at the Point(s) of Delivery, except injuries and damages which shall be occasioned solely and proximately by the negligent acts or omissions of Shipper following such redelivery. At the Point(s) of Delivery, Shipper shall thereafter be deemed to be in exclusive control and possession of such Gas and responsible for any injuries or damages caused thereby, except injuries and damages which shall be occasioned solely and proximately by the negligent acts or omissions of Transporter.

13. DESCRIPTIVE HEADINGS

- 13.1 The descriptive headings of the provisions of Shipper's Contract and of the Statement of Operating Conditions are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provision.

**STATEMENT OF
OPERATING CONDITIONS
APPLICABLE TO TRANSPORTATION SERVICES**

of

ENOGEX LLC

(filed in compliance with 18 CFR Part 284)

~~August 31, 2010~~ January 28, 2011

eTariff Information:

Tariff Subscriber: Enogex LLC

FERC Tariff Program Name: FERC NGPA Gas Tariff

Tariff Title: Enogex Transportation Statement of Operating Conditions

Tariff Record Proposed Effective Date: January 28, 2011

Tariff Record Title: Enogex Transportation Statement of Operating Conditions

Option Code: 760

Other Information: Revised SOC

Exhibit B**RATE SUMMARY FOR SECTION 311
FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE**

In accordance with Section 284.123(b)(2) of the FERC's regulations, as revised by Order No. 714, Transporter hereby provides the following rate summary:¹

Maximum Rates Per MMBtu

Firm Section 311 ² <u>East Zone</u>	<u>Firm Section 311</u> <u>West Zone</u>	Interruptible Section 311 ³ East Zone	Interruptible Section 311 ⁴ West Zone
\$0.1655	\$0.0954	\$0.1523	\$0.1273 <u>1005</u>

Minimum Rates Per MMBtu

Firm Section 311 <u>East Zone</u>	<u>Firm Section 311</u> <u>West Zone</u>	Interruptible Section 311 East Zone	Interruptible Section 311 West Zone
\$0.00	\$0.00	\$0.00	\$0.00

¹ _____ The rates set forth in this rate summary are pending before the Commission with a proposed effective date of March 1, 2011. The rates for firm and interruptible East Zone Section 311 transportation services will continue those currently in effect, subject to refund, pursuant to Enogex's rate case filing in Docket No. PR09-22-000.

² ~~Effective April 1, 2009.~~

³ ~~Effective June 1, 2009.~~

⁴ ~~Effective June 1, 2009.~~

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

Enogex LLC

)

Docket No. PR11-__ -000

**PETITION OF ENOGEX LLC
FOR SECTION 311 RATE APPROVAL UNDER
SECTION 284.123(b)(2) OF THE COMMISSION'S REGULATIONS**

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January 28, 2011

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

Enogex LLC

)

Docket No. PR11- __ -000

**PETITION OF ENOGEX LLC
FOR SECTION 311 RATE APPROVAL UNDER
SECTION 284.123(b)(2) OF THE COMMISSION'S REGULATIONS**

Pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 (“NGPA”)¹ and Section 284.123(b)(2) of the regulations² of the Federal Energy Regulatory Commission (“FERC” or “Commission”), Enogex LLC (“Enogex”), an Oklahoma intrastate pipeline, hereby files a Petition (“Petition”) for approval, effective March 1, 2011, subject to refund, of a maximum rate applicable to a new firm Section 311 transportation service in the West Zone of Enogex’s transmission system. In addition, as supported by the cost of service submitted with this Petition, Enogex requests approval to lower the zonal maximum rates applicable to Section 311 interruptible transportation for the West Zone, also to be effective March 1, 2011, subject to refund, from the rate of \$0.1273 per MMBtu, currently in effect subject to refund,³ to a rate of \$0.1005 per MMBtu.

Unlike the West Zone Section 311 interruptible rate, the cost of service study submitted with this Petition supports higher rates for Section 311 firm and interruptible services for Enogex’s East Zone. However, as explained more fully herein, Enogex does not intend to implement such higher rates immediately in anticipation that Enogex and its customers may be

¹ 15 U.S.C. § 3371(a)(2) (2000).

² 18 C.F.R. § 284.123(b)(2) (2010).

³ Pursuant to Enogex’s currently pending filing in Docket No. PR09-22-000.

able to reach an expeditious settlement in this docket. In lieu of the cost-based higher rates, Enogex will keep in effect the lower East Zone rates that currently are in effect, subject to refund, for East Zone Section 311 firm and interruptible transportation service pursuant to Enogex's filing in Docket No. PR09-22-000.

In summary, Enogex proposes the following rates to be effective March 1, 2011:

Maximum Rates Per MMBtu

Firm Section 311 East Zone	Firm Section 311 West Zone	Interruptible Section 311 East Zone	Interruptible Section 311 West Zone
\$0.1655 ⁴	\$0.0954 ⁵	\$0.1523 ⁶	\$0.1005 ⁷

Minimum Rates Per MMBtu

Firm Section 311 East Zone	Firm Section 311 West Zone	Interruptible Section 311 East Zone	Interruptible Section 311 West Zone
\$0.00	\$0.00	\$0.00	\$0.00

Communications and correspondence with respect to this Petition should be addressed to the following individuals:

David P. Sharo
Senior Attorney
Enogex LLC
MC 556 P.O. Box 24300
Oklahoma City, OK 73124-0300

⁴ Currently effective rate, subject to refund, pursuant to Enogex's rate case filing in Docket No. PR09-22-000.

⁵ Initial rate for service being offered for the first time in this docket.

⁶ Currently effective rate, subject to refund, pursuant to Enogex's rate case filing in Docket No. PR09-22-000.

⁷ Lower rate proposed in this docket.

or

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I. DESCRIPTION OF ENOGEX.

The exact legal name of petitioner is Enogex LLC. Enogex is a limited liability company organized under the law of the State of Delaware with its office and principal place of business located at 515 Central Park Drive, Suite 110, Oklahoma City, 73105. Enogex is a wholly owned subsidiary of Enogex Holdings LLC (“Enogex Holdings”), a joint venture owned 90.1 percent by OGE Enogex Holdings LLC, a subsidiary of OGE Energy Corporation, and 9.9 percent by Bronco Midstream Holdings LLC, a subsidiary of ArcLight Capital Partners LLC (“Bronco”).

OGE Energy Corporation is a public utility holding company whose principal utility subsidiary is Oklahoma Gas and Electric Company, an electric utility company headquartered in Oklahoma City, Oklahoma, which serves a major portion of Oklahoma and a portion of western Arkansas. ArcLight Capital Partners LLC is an energy investment firm with more than \$6.8 billion under management in electric generation, transmission and distribution and natural gas midstream and upstream sectors.

Enogex currently owns and operates natural gas transportation facilities and natural gas storage facilities located entirely within the state of Oklahoma. Enogex subsidiaries own and

operate natural gas processing facilities in the state of Oklahoma and natural gas gathering facilities in the states of Oklahoma and Texas.

Exhibit A attached to this Petition contains a more detailed description of Enogex and its subsidiaries and a listing of Enogex's officers.

II. TRANSPORTATION SERVICES.

Enogex receives natural gas into the Enogex Transmission System⁸ from gathering facilities and from other intrastate and interstate pipelines for transportation and delivers such gas to end users within the state of Oklahoma and to interconnects with other intrastate and interstate pipelines. Historically, Enogex provided firm and interruptible transportation services to its intrastate customers and only interruptible transportation services to its Section 311 interstate customers in the East and West Zones of the Enogex Transmission System. Effective April 1, 2009, in Docket No. PR09-22-000, Enogex expanded its service options available to Section 311 shippers to include a new East Zone Section 311 firm transportation service. In response to customer demand, Enogex is now proposing to further expand its service options to include a new West Zone Section 311 firm transportation service.

This Petition addresses only the firm and interruptible Section 311 transportation services to be offered by Enogex on and after March 1, 2011 and the rates governing such services. Enogex's intrastate transportation services and rates and the gathering and processing services performed by its subsidiaries are not subject to FERC's jurisdiction.⁹

⁸ The Enogex Transmission System and its operations are described more fully in Exhibit B attached hereto.

⁹ Prior to January 1, 2005, Enogex included certain gathering assets and services in its Section 311 triennial filings and established a "postage stamp" maximum rate applicable to the movement of gas on the transmission and gathering assets reflected in underlying cost of service studies. In the settlement of Enogex's 2004 Section 311 rate case, Docket No. PR04-16-000, the Commission approved the unbundling of gathering and transportation services. As a result of the FERC-authorized unbundling, gathering assets are no longer included in or at issue in Enogex's Section 311 rate cases. Enogex Gas Gathering LLC ("EGG"), an Enogex subsidiary, owns and operates all gathering assets. At the present time, shippers entering into new interruptible Section 311 transportation service agreements with Enogex have various options. Such shippers may contract for Section 311 service in a single zone

III. SECTION 311 FIRM TRANSPORTATION SERVICE.

A. Enogex's 2009 Rate Case and the Commencement of East Zone Firm Section 311 Transportation Service.

On February 27, 2009, Enogex submitted revisions to its Statement of Operating Conditions for Transportation Services (“SOC”), in Docket No. PR09-16-000, to establish terms and conditions to implement firm Section 311 transportation service in the East Zone of its system. Subsequently, on March 27, 2009, Enogex filed a Section 311 rate case, in Docket No. PR09-22-000, to establish the initial rates for East Zone firm Section 311 transportation service and to revise its rates for interruptible Section 311 service in the East and West Zones. The two dockets are related but were never consolidated.

The cost of service data submitted by Enogex in Docket No. PR09-22-000 reflected costs for the twelve (12) months ending December 31, 2008, as adjusted for increases in plant and anticipated lease revenues during the twelve-month period ending December 31, 2009, related solely to the newly authorized Enogex leases of capacity to the Midcontinent Express Pipeline LLC (“MEP”) and Gulf Crossing Pipeline Company LLC (“Gulf Crossing”).¹⁰ Enogex also included full MDQs for the new East Zone Section 311 firm transportation service as though

or in both zones. In addition, shippers have the option of contracting for gathering and transportation services by entering into a three-party contract with Enogex and EGG with separately stated rates for each service. *Enogex, Inc.*, 112 FERC ¶ 61,312 (2005).

¹⁰ Enogex entered into a capacity lease agreement with MEP, a new interstate pipeline company, in late 2006 and into a capacity lease agreement with the new Gulf Crossing interstate pipeline in early 2007 and sought Commission authorization for such lease arrangements. Specifically, on June 20, 2007, Enogex filed in Docket No. CP07-403-000 an application for issuance of a limited jurisdiction certificate authorizing the lease of capacity to Gulf Crossing. By order of April 30, 2008, the Commission approved the Gulf Crossing Project, including the lease with Enogex (the “Gulf Crossing Lease”). *Gulf Crossing Pipeline Co. LLC*, 123 FERC ¶ 61,100 (2008). Gulf Crossing placed the initial phase of its pipeline project in service in January 2009. On October 9, 2007, Enogex filed in Docket No. CP08-9-000 an application for issuance of a limited jurisdiction certificate authorizing the lease of capacity to MEP. By order of July 25, 2008, the Commission approved the MEP Project, including the lease with Enogex (the “MEP Lease”). *Midcontinent Express Pipeline LLC, et al.*, 124 FERC ¶ 61,089 (2008), *reh’g denied*, 127 FERC ¶ 61,164 (2009), *petition denied in part and remanded in part sub nom. Apache Corp. v. FERC*, No. 09-1204 (D.C. Cir. Dec. 28, 2010).

such volumes had been transported for all twelve months of 2009. Enogex sought permission for these limited adjustments beyond the twelve-month base period.

In the February 2009 PR09-22-000 filing, Enogex explained that unlike its prior rate case in Docket No. PR08-1-000,¹¹ which predated Commission approval of the Gulf Crossing and MEP leases, the situation regarding MEP and Gulf Crossing capacity leases had changed in that the Commission had approved the leases and that the MEP and Gulf Crossing projects were either flowing gas over the capacity leased from Enogex or would do so in the near future. Enogex stated that it expected to receive Gulf Crossing revenues beginning April 1, 2009 and to receive MEP revenues beginning June 1, 2009. Because the necessary determinants with respect to the Gulf Crossing Lease and the MEP Lease were available and because Enogex anticipated the very same issues being raised in that docket with respect to the Leases as had been raised in the prior case,¹² Enogex sought Commission authorization to adjust certain base year (January 1, 2008 - December 31, 2008) components in the 2009 filing: first, to reflect the new plant in service in 2009 that assured Enogex could honor the Gulf Crossing and MEP Leases and offer the new East Zone firm service and, second, to credit to the cost of service, as an offset, the Lease revenues that Enogex would receive, beginning in 2009.

¹¹ A settlement, filed August 5, 2010, in PR08-1-000 is pending Commission approval.

¹² In Enogex's 2007 rate case, certain parties sought exactly the type of adjustment Enogex proposed in the 2009 Section 311 rate case with respect to the Leases. On October 1, 2007, Enogex filed a Section 311 rate case, in *Enogex, Inc.*, Docket No. PR08-1-000, to comply with the Commission's triennial rate filing requirement for intrastate pipelines offering Section 311 services. Enogex based the proposed zonal transportation rates on a cost of service study for the twelve-month base year of June 1, 2006 through May 31, 2007. At the time of the Docket No. PR08-1-000 filing, Enogex had executed the Gulf Crossing and MEP Leases but had not yet secured the required limited jurisdiction certificates from the Commission authorizing the Leases. Nonetheless, it was the position of some intervening shippers that Enogex must reflect the Leases in the underlying cost of service and rate design even though, at the time of filing, the Commission had not yet approved either the Gulf Crossing Lease or the MEP Lease.

B. Request for Delay of Deadline for Protests in This Docket

As of the date of this Petition's filing, Enogex anticipates that parties will soon reach a unanimous settlement agreement in Docket Nos. PR09-22-000 and PR09-16-000 with settled rates lower than the rates currently in effect subject to refund.¹³ Enogex believes that a settlement in Docket No. PR09-22-000 may provide a solid basis for an expedited settlement in this new rate case. Accordingly, Enogex does not currently propose to place the higher East Zone rates supported by the cost of service submitted herewith into effect and is concurrently filing a motion asking the Commission to defer the deadlines for any protests of the filing in this new docket until the parties can engage in settlement negotiations. If settlement efforts fail, Enogex will not object that subsequent protests filed in this docket are out of time.

This proposal to permit a time for settlement discussions at the outset of this docket will not disadvantage any customer. Indeed, all customers are immediately advantaged. Enogex is delaying implementation of the cost-supported higher East Zone rates, is implementing immediately the lower West Zone Section 311 interruptible rates and is offering firm Section 311 service in the West Zone for the first time.

C. New West Zone Firm Section 311 Transportation Service.

Enogex held an open season in order to gauge customer interest in a new West Zone Section 311 firm transportation service. The open season closed on July 28, 2010. Enogex has executed a firm Section 311 service agreement with one shipper and is actively pursuing additional firm service agreements with other shippers. The purpose of filing a new rate case at this juncture, rather than awaiting the likely execution of additional firm service agreements in the near future, is to meet the wishes of the one present shipper with a firm West Zone Section

¹³ Prior to the date of this filing, nearly all parties have either stated they will support the settlement or will not raise any opposition.

311 service contract to commence West Zone Section 311 firm transportation service on March 1, 2011. Assuming the completion of commercial negotiations with other potential shippers and the execution of one or more additional service agreements, Enogex will provide West Zone Section 311 firm transportation service to these other customers.

IV. COST OF SERVICE.

A. Cost of Service Study.

Enogex has provided a cost of service study (Schedules 1-12) and work papers to support the requested rate for West Zone firm Section 311 transportation service and to justify increased rates for East Zone firm and interruptible Section 311 service and lower interruptible Section 311 service in the West Zone. The cost of service study demonstrates that Enogex's proposed maximum rate for the new West Zone firm Section 311 transportation service, the lower minimum rate for Section 311 West Zone interruptible service and the increased higher rates for East Zone firm and interruptible Section 311 service are fully cost-justified and, therefore, fair and equitable. As explained, *supra*, however, Enogex is not proposing at this time to implement the increased rates for East Zone firm and interruptible Section 311 services.

Enogex developed a zonal transmission cost of service study for its East and West Zones, respectively, and within the East Zone allocated the zonal cost of service between firm Section 311 service and other transportation services (Section 311 interruptible, intrastate and the Leases). The attached schedules show the costs allocated or directly assigned to each zone and, within the East Zone, to the specific services. The cost of service data shown in the attached schedules reflect costs for the twelve (12) months ending July 31, 2010. Enogex is proposing no post-base year adjustments to the cost of service submitted in this docket utilizing a twelve-month base year ending July 31, 2010.

B. Cost of Equity.

Enogex seeks a return on common equity of 11.25%. The affidavit of Enogex's Senior Regulatory Affairs Manager Audrey Shuffler, her discounted cash flow ("DCF") analysis and the schedules supporting the requested return are attached to this Petition as Exhibit C.

V. Rates and Rate Design.**A. Firm Service.**

Enogex is proposing to adopt a rate design applicable to West Zone firm Section 311 that does not adhere strictly to a straight fixed variable ("SFV") rate design, the Commission's preferred rate design for both interstate pipelines and intrastate pipelines offering firm service under Section 311.¹⁴ However, Enogex utilized this same rate design for three of its East Zone firm Section 311 transportation customers when implementing that service in 2009 and the fourth East Zone firm customer subsequently has also agreed to the use of such rate design.

As was the circumstance in the East Zone, Enogex believes that this rate design is required in order to meet competition for firm interstate transportation services in western Oklahoma and to secure shippers as Enogex customers. The Commission has elsewhere approved one-part demand based firm rates notwithstanding its preference for a two-part rate reflecting the SFV methodology.¹⁵

Enogex believes both its customers and natural gas consumers in downstream markets will benefit as the result of Enogex's extending firm Section 311 transportation service to the

¹⁴ The Commission has generally held that intrastate pipelines should design their firm Section 311 rates on the SFV methodology. *See, e.g., GulfTerra Texas Pipeline, L.P.*, 100 FERC ¶ 61,330 (2005). This is not, however, an absolute requirement, and departures from SFV rate design are permissible on an appropriate showing. *See* 18 C.F.R. § 284.7(c)(2008). *See also, ANR Pipeline Company v. FERC*, 71 F.3d 897, 902 (D.C. Cir. 1995).

¹⁵ *See, e.g., EPGT Texas Pipeline, L.P.*, 99 FERC ¶ 61,295 at 61,251-52 (2002) ("the Commission concludes that granting EPGT the additional flexibility that it seeks will not harm any party, nor impede the Commission's goal of fostering a natural pipeline grid. Therefore, we will approve EPGT's proposed deviation from the SFV methodology.") ("EPGT"), *Order on reh'g, GulfTerra Texas Pipeline, L.P.* (formerly EPGT Texas Pipeline, L.P.), 106 FERC ¶ 61,184 (2004); *USG Pipeline Co.*, 89 FERC ¶ 61,121 (1999).

West Zone of its system. No party will be adversely affected by Enogex's deviations from SFV rate design and the natural gas market as a whole will benefit because these deviations have made it possible for Enogex to extend firm service to the West Zone for the first time.¹⁶

Moreover, implementation of this new West Zone Section 311 service will help alleviate the existing over supply of natural gas in Oklahoma that has resulted from the combination of falling prices and new production coming online from various formations.

Enogex's cost of service study tracks closely, in methodology, the cost of service study filed in PR09-22-000 and, as stated earlier, supports a maximum rate of \$0.0954 per MMBtu for West Zone firm Section 311 service.¹⁷ Enogex proposes to place the rate for this new service into effect on March 1, 2011. As noted earlier, while the cost of service supports a higher firm Section 311 East Zone Rate than the firm rate currently in effect, subject to refund, pursuant to Docket No. PR09-22-000, Enogex proposes to delay implementation of this higher rate pending settlement discussions.

B. Section 311 Interruptible Service.

Enogex's cost of service study supports revised maximum rates for Section 311 interruptible transportation service offered in the East Zone and West Zone. Specifically, the cost of service study supports a maximum rate for Section 311 interruptible transportation service of \$0.1815 per MMBtu for service in the East Zone and \$0.1005 per MMBtu for service in the West Zone. Such rates set the cap on transactions not covered by discounted

¹⁶ This case is, therefore, quite similar to cases in which the Commission has permitted other intrastate pipelines to deviate from SFV and from two-part rate forms in their development of firm Section 311 rates. *See, e.g., EPGT*, 99 FERC ¶ 61,295 at p. 61,252 (authorizing deviation from SFV), *order on reh'g, GulfTerra Texas Pipeline, L.P.*, 106 FERC ¶ 61,184 (2004); *PanEnergy Louisiana Intrastate, LLC*, 107 FERC ¶ 61,080 (2004) (accepting settlement including one-part (volumetric) rate for firm transportation service); *see also MarkWest Pioneer, L.L.C.*, 125 FERC ¶ 61,165 at P39 (2008) (authorizing the Arkoma Connector Pipeline to establish initial rates under Section 7(c) of the Natural Gas Act in a one-part volumetric form).

¹⁷ For this rate case, Enogex has not adjusted the volumes associated with East or West Zone firm Section 311 transportation service to reflect any discounting.

transportation service agreements. These caps have only limited relevance in the market served by Enogex, however, since a substantial number of the existing contracts for interruptible transportation service have historically been discounted significantly below the FERC-approved maximum zonal rates due to competitive and market conditions in the State of Oklahoma. To repeat, Enogex is not proposing at this time to put into effect the East Zone interruptible rate supported by the cost of service. The cost-supported rate is higher than the Section 311 interruptible rate currently in effect, subject to refund, in pending Docket No. PR09-22-000. Enogex, however, is proposing to put the West Zone Section 311 rate into effect because it is lower than the rate currently in effect, subject to refund, pursuant to pending Docket No. PR09-22-000.

VI. Fuel.

Enogex collects System fuel on a zonal basis. Enogex annually files proposed fuel factors for its East and West Zones, respectively, and calculates the fuel factors pursuant to the fuel tracker formula set forth in Exhibit A to Enogex's Statement of Operating Conditions Applicable Transportation Services ("SOC"). The tracker updates and trues up the zonal fuel usage on an annual basis.

On July 1, 2010, Enogex submitted revised fuel factors for the East and West Zones and proposed to modify Exhibit A to the SOC to change the months that comprise the Fuel Year from a calendar year (January to December) to the twelve months running from April 1 of one year through March 31 of the following year and, accordingly, to change the timing of the annual fuel percentages filing from November 15 to February 15. In response to the July, 2010 fuel filing, the Commission approved Enogex's proposed fuel percentages for August 1, 2010 through March 31, 2011 and the change in the months comprising the Fuel Year and the change

in the date for making the annual fuel filing.¹⁸ The approved fuel percentages will apply to both the firm and interruptible Section 311 service until updated and trued-up in a February 2011 filing for the new Fuel Year, April 1, 2011 – March 31, 2012.

Accordingly, Enogex is proposing no changes to the fuel tracker provisions of its current SOC as the result of the addition of West Zone firm Section 311 service. Both firm and interruptible Section 311 East Zone shippers will pay the FERC-approved East zonal fuel percentage. Both firm and interruptible Section 311 West Zone shippers will pay the FERC-approved West zonal fuel percentages.

VII. Effective Dates for Rates.

Pursuant to Section 284.123(b)(2)(i) of the Commission's regulations,¹⁹ an intrastate pipeline may begin charging proposed rates, subject to refund, upon submission of the filing. Enogex proposes to make the proposed maximum rates for West Zone firm Section 311 transportation service and the revised lower West Zone Section 311 transportation service effective March 1, 2011. As discussed earlier, Enogex proposes for the short term to delay implementing the higher East Zone firm and interruptible rates justified by the cost of service and to maintain rates at the lower PR09-22-000 rates currently in effect, subject to refund.

VIII. Statement of Operating Conditions.

On February 27, 2009, as required by Section 284.123(e) of the Commission's regulations, Enogex separately filed, in Docket No. PR09-16-000, a revised SOC to be effective April 1, 2009. The SOC describes, *inter alia*, the arrangements and operating conditions applicable to the firm Section 311 transportation service as well as to Enogex's other ongoing transportation services. There are no changes to terms and conditions required to extend firm

¹⁸ Unpublished Commission letter of November 23, 2010. *Enogex LLC*, Docket No. PR10-52-000.

¹⁹ 18 CFR 284.123(b)(2)(i) (2010).

service to the West Zone. Therefore, the only change that Enogex is making to the SOC as a result of this Petition is to revise the required rate summary set forth in Exhibit B to the SOC.

IX. Future Filing Obligations

As required by the Commission's newly revised policy with respect to Section 311 rate cases,²⁰ Enogex will file on or before February 28, 2016, to restate or change its rates for firm and interruptible services on the Enogex Transmission System for the period on and after February 28, 2016; provided, however, that Enogex retains the right to file earlier to revise its rates if it deems such action necessary.

X. Schedules and Exhibits

The following schedules and exhibits are attached hereto and incorporated by reference:

SCHEDULES

Schedule 1 - Cost and Rate Summary

Schedule 1-A - Rate Summary

Schedule 2 - Return Requirement, Debt Cost and Income Tax

Schedule 3 - Capitalization and Weighted Cost of Capital

Schedule 4 - Rate Base

Schedule 5 - Plant Investment

Schedule 6 - Depreciation Expense

Schedule 7 - Accumulated Depreciation

Schedule 8 - Operating Expense

Schedule 9 - Other Rate Base

Schedule 10 - Interruptible Throughput - Non-Discounted

²⁰ The Commission changed the periodic rate review cycle from every three years to every five years in Order No. 735. *Contract Reporting Requirements of Intrastate Natural Gas Companies*, Order No. 735, 131 FERC ¶ 61,150 at P 96, *reh'g denied*, Order No. 735-A, 133 FERC ¶ 61,216 (2010).

Schedule 11 - Taxes Other Than Income

Schedule 12 - Accumulated Deferred Income Tax

EXHIBITS

Exhibit A - Corporate Structure

Exhibit B - Description of the Enogex Transmission System and its Operations

Exhibit C - Return on Equity Study and Affidavit of Audrey Shuffler

WHEREFORE, in view of the foregoing, Enogex requests that the Commission accept for filing, effective March 1, 2011, the proposed maximum rate of \$0.0954 per MMBtu for firm Section 311 transportation service in the West Zone of the Enogex Transmission System. In addition, Enogex requests that the Commission accept for filing, effective March 1, 2011, the proposed maximum rate of \$0.1005 per MMBtu for interruptible Section 311 service in the West Zone as well as a maximum zonal rate of \$0.1523 per MMBtu for interruptible transportation service and \$0.1655 for firm transportation service in the East Zone of the Enogex Transmission System which East Zone rates are the currently effective rates for such services pursuant to Enogex's pending Section 311 rate case in Docket No. PR09-22-000.

Respectfully submitted,

Enogex LLC

By: /s/ *Carolyn Thompson*

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Dated: January 28, 2011

Schedules 1-12

ENOGEX LLC SECTION 311
INDEX

<u>Schedule No.</u>	<u>Description</u>
1	Cost and Rate Summary
2	Return Requirement, Debt Cost, and Income Tax
3	Capitalization and Weighted Cost of Capital
4	Rate Base
5	Plant Investment
6	Depreciation Expense
7	Accumulated Depreciation
8	Operating Expense
9	Other Rate Base
10	Total System Volumes Adjusted for Discounting
11	Taxes Other Than Income
12	Accumulated Deferred Income Tax

ENOGEX LLC SECTION 311
EAST AND WEST ZONES
COST AND RATE SUMMARY
TWELVE MONTHS ENDED JULY 31, 2010 AS ADJUSTED

Line No.	Description	Reference	East Zone			West Zone			Total
			311 Firm	311 IT, Intrastate, and Leases	Total East Zone	311 Firm	311 IT, Intrastate, and Leases	Total West Zone	
COST									
1	Return Requirement	Schedule 2, Line 7	\$ 4,918,148	\$ 17,768,230	\$ 22,686,378	\$ 653,340	\$ 13,210,072	\$ 13,863,412	\$ 36,549,790
2	Operating Expense	Schedule 8, Line 29	\$ 3,971,529	\$ 14,348,296	\$ 18,319,825	\$ 1,002,219	\$ 20,264,165	\$ 21,266,384	\$ 39,586,209
3	Depreciation Expense	Schedule 6, Line 14	\$ 2,536,039	\$ 9,162,173	\$ 11,698,212	\$ 266,441	\$ 5,387,241	\$ 5,653,681	\$ 17,351,893
4	Taxes Other Than Income	Schedule 11, Line 7	\$ 1,596,785	\$ 5,768,846	\$ 7,365,630	\$ 237,616	\$ 4,804,417	\$ 5,042,032	\$ 12,407,663
5	Income Tax	Schedule 2, Line 24	\$ 2,063,325	\$ 7,454,359	\$ 9,517,684	\$ 274,098	\$ 5,542,061	\$ 5,816,159	\$ 15,333,843
6	System Balancing Allocation to Transmission		\$ 118,325	\$ 427,483	\$ 545,808	\$ 34,632	\$ 700,228	\$ 734,859	\$ 1,280,667
7	Revenue Credits	Schedule 1 Work Paper 1-001	\$ (2,339,721)	\$ (8,452,918)	\$ (10,792,639)	\$ (378,388)	\$ (7,650,744)	\$ (8,029,132)	\$ (18,821,772)
8	Total Cost of Service		\$ 12,864,429	\$ 46,276,468	\$ 59,340,897	\$ 2,089,957	\$ 42,257,440	\$ 44,347,396	\$ 103,688,294
9									
10	Total Volumes Adjusted for Discounts	Schedule 10, Line 19	74,825,000	256,039,135	330,864,135	21,900,000	420,590,836	442,490,836	773,354,971
11									
12	Maximum 311 Rate, Adjusted for Discounts	Line 8 / Line 10	\$ 0.1719	\$ 0.1815		\$ 0.0954	\$ 0.1005		

ENOGEX LLC SECTION 311
EAST AND WEST ZONES
RETURN REQUIREMENT, DEBT COST & INCOME TAX
TWELVE MONTHS ENDED JULY 31, 2010 AS ADJUSTED

Line No.	Description	Reference	East Zone		West Zone		Total
			311 Firm	311 IT, Intrastate, and Leases	311 Firm	311 IT, Intrastate, and Leases	
1	RETURN REQUIREMENT						
2	Rate Base	Schedule 4, Line 9	\$ 58,434,741	\$ 211,112,395	\$ 7,762,629	\$ 156,954,855	\$ 434,264,620
4	Weighted Cost of Capital	Schedule 3, Line 7	8.42%	8.42%	8.42%	8.42%	8.42%
6	Return Requirement	(Line 3 * Line 5)	\$ 4,918,148	\$ 17,768,230	\$ 653,340	\$ 13,210,072	\$ 36,549,790
8							
9							
10	INCOME TAX						
11	Return Requirement	Line 7	\$ 4,918,148	\$ 17,768,230	\$ 653,340	\$ 13,210,072	\$ 36,549,790
12	Less: Debt Cost	Line 36	\$ 1,646,988	\$ 5,950,222	\$ 218,790	\$ 4,423,786	\$ 12,239,787
13							
14	Required After Tax Equity Return	(Line 12 - Line 13)	\$ 3,271,159	\$ 11,818,008	\$ 434,550	\$ 8,786,286	\$ 24,310,003
15							
16							
17							
18	Federal Income Tax @ 35%	(Line 15/(1-.35))* .35	\$ 1,761,393	\$ 6,363,543	\$ 233,988	\$ 4,731,077	\$ 13,090,002
19							
20	State Taxable Income	(Line 15 + Line 18)	\$ 5,032,553	\$ 18,181,551	\$ 668,538	\$ 13,517,363	\$ 37,400,005
21							
22	State Income Tax @ 5.66%	(Line 20/(1-.0566))* .0566	\$ 301,932	\$ 1,090,816	\$ 40,109	\$ 810,984	\$ 2,243,842
23							
24	Total Income Tax	(Line 18 + Line 22)	\$ 2,063,325	\$ 7,454,359	\$ 274,098	\$ 5,542,061	\$ 15,333,843
25							
26							
27	Required Before Tax Equity Return	(Line 15 + Line 24)	\$ 5,334,485	\$ 19,272,367	\$ 708,647	\$ 14,328,347	\$ 39,643,846
28							
29							
30	DEBT COST						
31	Rate Base	Schedule 4, Line 9	\$ 58,434,741.10	\$ 211,112,395	\$ 7,762,629.25	\$ 156,954,855	\$ 434,264,620
32							
33	Weighted Average Debt Cost	Schedule 3, Line 1	2.82%	2.82%	2.82%	2.82%	2.82%
34							
35	Debt Cost	(Line 32 * Line 34)	\$ 1,646,988	\$ 5,950,222	\$ 218,790	\$ 4,423,786	\$ 12,239,787
36							

ENOGEX LLC
CAPITALIZATION AND WEIGHTED COST OF CAPITAL
AT SEPTEMBER 30, 2010

Line No.	Description	Amount ¹	Ratio ¹	Cost of Capital	Weighted Cost of Capital
1	Long-Term Debt	\$ 534,322,394	50.24%	5.61% ²	2.82%
2					
3	Equity	<u>\$ 529,211,752</u>	<u>49.76%</u>	11.25% ³	<u>5.60%</u>
4					
5	Total	<u><u>\$ 1,063,534,146</u></u>	<u><u>100.00%</u></u>		
6					
7	Weighted Cost of Capital				<u><u>8.42%</u></u>

Source: Capital Structure of Enogex LLC at September 30, 2010

¹See attached work paper entitled "Capital Structure" (Schedule 3 Work Papers 3-001)

²See attached work paper entitled "Embedded Cost of Debt" (Schedule 3 Work Papers 3-002)

³See attached work paper entitled "DCF Analysis" (Schedule 3 Work Papers 3-003)

ENOGEX LLC TRANSMISSION SYSTEM
RATE BASE
EAST AND WEST ZONES
TWELVE MONTHS ENDED JULY 31, 2010 AS ADJUSTED

Line No.	Description	Reference	East Zone		West Zone		Total	
			311 Firm	311 IT, Intrastate, and Leases	311 Firm	311 IT, Intrastate, and Leases		
1	Gross Plant	Schedule 5, Line 21	\$ 104,533,778	\$ 377,658,492	\$ 482,192,270	\$ 11,975,101	\$ 254,103,153	\$ 736,295,423
2	Less: Accumulated Depreciation	Schedule 7, Line 14	\$ 29,206,753	\$ 105,517,839	\$ 134,724,592	\$ 2,747,755	\$ 58,305,417	\$ 193,030,009
3	Net Plant		\$ 75,327,025	\$ 272,140,653	\$ 347,467,677	\$ 9,227,346	\$ 186,570,390	\$ 543,265,414
4								
5	Plus: Other Rate Base Items	Schedule 9, Line 11	\$ 1,637,304	\$ 5,915,235	\$ 7,552,539	\$ 408,833	\$ 8,266,321	\$ 16,227,694
6								
7	Less: Accumulated Deferred Income Taxes	Schedule 12, Line 5	\$ 18,529,588	\$ 66,943,493	\$ 85,473,081	\$ 1,873,550	\$ 37,881,856	\$ 125,228,487
8								
9	Total Rate Base		\$ 58,434,741	\$ 211,112,395	\$ 269,547,136	\$ 7,762,629	\$ 156,954,855	\$ 434,264,620

ENOGEX LLC TRANSMISSION SYSTEM
PLANT INVESTMENT
EAST AND WEST ZONES
TWELVE MONTHS ENDED JULY 31, 2010 AS ADJUSTED

Line No.	Description	East Zone		West Zone		Total
		311 Firm	311 IT, Infrastate, and Leases	311 Firm	311 IT, Infrastate, and Leases	
1	Transmission Land and Land Rights	\$ 202,628	\$ 732,052	\$ 1,480	\$ 29,935	\$ 966,095
2	Transmission Rights-of-Way	\$ 2,614,237	\$ 9,444,687	\$ 367,622	\$ 7,433,050	\$ 19,859,596
3	Transmission Structures and Improvements	\$ 949,582	\$ 3,430,639	\$ 51,304	\$ 1,037,330	\$ 5,468,855
4	Transmission Pipelines	\$ 61,615,789	\$ 222,604,849	\$ 8,262,292	\$ 167,057,673	\$ 459,540,602
5	Transmission Compressor Station Equipment	\$ 25,074,195	\$ 90,587,777	\$ 1,476,216	\$ 29,848,032	\$ 146,986,219
6	Transmission Meas and Reg Station Equip	\$ 4,277,061	\$ 15,452,119	\$ 748,732	\$ 15,138,829	\$ 35,616,741
7	Transmission Communication Equipment	\$ 45,054	\$ 162,772	\$ 131,982	\$ 2,668,573	\$ 3,008,381
8	Transmission Other Equipment	\$ 176,100	\$ 636,214	\$ 17,335	\$ 350,504	\$ 1,180,153
9	Total Transmission Plant ¹	\$ 94,954,647	\$ 343,051,110	\$ 11,056,962	\$ 223,563,924	\$ 672,626,643
10						
11	Bennington Phase II CWIP ⁵	\$ 4,832,503	\$ 17,458,814	\$ -	\$ -	\$ 22,291,317
12						
13	Adjusted Transmission Plant	\$ 99,787,150	\$ 360,509,924	\$ 11,056,962	\$ 223,563,924	\$ 694,917,960
14						
15	Intangible Plant ²	\$ 2,294,319	\$ 8,288,890	\$ 482,288	\$ 9,751,512	\$ 20,817,008
16						
17	General Plant ³	\$ 1,613,136	\$ 5,827,921	\$ 339,097	\$ 6,856,291	\$ 14,636,444
18						
19	Construction Work in Progress ⁴	\$ 839,173	\$ 3,031,757	\$ 96,755	\$ 1,956,325	\$ 5,924,011
20						
21	Total Plant	\$ 104,533,778	\$ 377,658,492	\$ 11,975,101	\$ 242,128,052	\$ 736,295,423

¹ See attached work paper entitled "Transmission Plant" (Schedule 5 Work Papers 5-001)

² See attached work paper entitled "Intangible Plant" (Schedule 5 Work Papers 5-002)

³ See attached work paper entitled "General Plant" (Schedule 5 Work Papers 5-003)

⁴ See attached work paper entitled "Total Construction-Work-In-Progress" (Schedule 5 Work Papers 5-005)

⁵ See attached work paper entitled "Bennington Phase II CWIP" (Schedule 5 Work Papers 5-004)

ENOGEX LLC TRANSMISSION SYSTEM
DEPRECIATION EXPENSE
EAST AND WEST ZONES
TWELVE MONTHS ENDED JULY 31, 2010

Line No.	Description	East Zone		West Zone		Total
		311 Firm	311 IT, Intrastate, and Leases	311 Firm	311 IT, Intrastate, and Leases	
1	Right of Way	\$ 51,684	\$ 186,724	\$ 4,133	\$ 83,564	\$ 326,105
2	Transmission Structures	\$ 24,582	\$ 88,808	\$ 1,966	\$ 39,744	\$ 155,100
3	Pipelines	\$ 1,107,297	\$ 4,000,430	\$ 88,545	\$ 1,790,308	\$ 6,986,580
4	Compressor Station Equipment	\$ 706,336	\$ 2,551,844	\$ 56,482	\$ 1,142,024	\$ 4,456,686
5	Measuring and Regulating Station Equipment	\$ 142,834	\$ 516,027	\$ 11,422	\$ 230,937	\$ 901,220
6	Communication Equipment	\$ 10,292	\$ 37,181	\$ 823	\$ 16,640	\$ 64,936
7	Other Equipment	\$ 4,340	\$ 15,680	\$ 347	\$ 7,017	\$ 27,385
8	Total Transmission Plant ¹	\$ 2,047,364	\$ 7,396,696	\$ 163,717	\$ 3,310,235	\$ 12,918,012
9						
10	Intangible Plant ²	\$ 341,211	\$ 1,232,725	\$ 71,726	\$ 1,450,247	\$ 3,095,909
11						
12	General Plant ³	\$ 147,463	\$ 532,752	\$ 30,998	\$ 626,760	\$ 1,337,973
13						
14	Total	\$ 2,536,039	\$ 9,162,173	\$ 266,441	\$ 5,387,241	\$ 17,351,893

¹ See attached work paper entitled "Transmission Depreciation Expense" (Schedule 6 Work Papers 6-001)

² See attached work paper entitled "Intangible Depreciation Expense" (Schedule 6 Work Papers 6-002)

³ See attached work paper entitled "General Plant Depreciation Expense" (Schedule 6 Work Papers 6-003)

ENOGEX ILLTRANSMISSION SYSTEM
ACCUMULATED DEPRECIATION
EAST AND WEST ZONES
TWELVE MONTHS ENDED JULY 31, 2010

Line No.	Description	East Zone		West Zone		Total
		311 Firm	311 IT, Intrastate, and Leases	311 Firm	311 IT, Intrastate, and Leases	
1	Rights of Way	\$ 1,050,483	\$ 3,795,172	\$ 55,844	\$ 1,129,128	\$ 6,030,627
2	Transmission Structures	\$ 274,300	\$ 990,990	\$ 32,428	\$ 655,679	\$ 1,953,398
3	Pipelines	\$ 18,968,811	\$ 68,530,315	\$ 1,063,041	\$ 21,493,932	\$ 110,056,100
4	Compressor Station Equipment	\$ 4,392,522	\$ 15,869,257	\$ 746,638	\$ 15,096,488	\$ 36,104,905
5	Measuring and Regulating Station Equipment	\$ 1,303,611	\$ 4,709,670	\$ 164,820	\$ 3,332,538	\$ 9,510,638
6	Communication Equipment	\$ 15,628	\$ 56,462	\$ 17,228	\$ 348,329	\$ 437,648
7	Other Equipment	\$ 36,213	\$ 130,829	\$ 2,405	\$ 48,626	\$ 218,072
8	Total Transmission Plant ¹	\$ 26,041,569	\$ 94,082,695	\$ 2,082,403	\$ 42,104,720	\$ 164,311,387
9						
10	Intangible Plant ²	\$ 2,089,068	\$ 7,547,363	\$ 439,142	\$ 8,879,138	\$ 18,954,711
11						
12	General Plant ³	\$ 1,076,116	\$ 3,887,782	\$ 226,210	\$ 4,573,803	\$ 9,763,911
13						
14	Total	\$ 29,206,753	\$ 105,517,839	\$ 2,747,755	\$ 55,557,662	\$ 193,030,009

¹ See attached work paper entitled "Transmission Accumulated Depreciation" (Schedule 7 Work Papers 7-001)

² See attached work paper entitled "Intangible Accumulated Depreciation" (Schedule 7 Work Papers 7-002)

³ See attached work paper entitled "General Plant Accumulated Depreciation" (Schedule 7 Work Papers 7-003)

ENOEX LLC TRANSMISSION SYSTEM
OPERATING EXPENSE
EAST AND WEST ZONES
TWELVE MONTHS ENDED JULY 31, 2010

Line No.	Description	For the Twelve Months Ended July 31, 2010				Adjustments		Adjusted East Zone		Adjusted West Zone		Adjusted Total		
		East Zone ¹	West Zone ¹	Total ¹	East Zone	West Zone	Total	311 Firm	311 IT, Intrastate, and Leases	Total East Zone	311 Firm		311 IT, Intrastate, and Leases	Total West Zone
1	Salaries and Wages	\$ 8,072,996	\$ 9,955,133	\$ 18,028,129	\$ -	\$ -	\$ -	\$ 1,750,133	\$ 6,322,863	\$ 8,072,996	\$ 469,155	\$ 9,485,978	\$ 9,955,133	\$ 18,028,129
2	Employee Benefits ²	\$ 6,744,932	\$ 8,317,443	\$ 15,062,375	\$ -	\$ -	\$ -	\$ 1,462,224	\$ 5,282,707	\$ 6,744,932	\$ 391,976	\$ 7,925,468	\$ 8,317,443	\$ 15,062,375
3	Employee Expense	\$ 554,044	\$ 683,213	\$ 1,237,257	\$ -	\$ -	\$ -	\$ 120,110	\$ 433,933	\$ 554,044	\$ 32,198	\$ 651,016	\$ 683,213	\$ 1,237,257
4	Temporary Labor Expense	\$ 163,864	\$ 202,068	\$ 365,932	\$ -	\$ -	\$ -	\$ 35,524	\$ 128,340	\$ 163,864	\$ 9,523	\$ 192,545	\$ 202,068	\$ 365,932
5	Contract Technical & Cons	\$ 3,098,746	\$ 2,996,640	\$ 6,095,186	\$ -	\$ -	\$ -	\$ 671,773	\$ 2,426,973	\$ 3,098,746	\$ 141,213	\$ 2,855,227	\$ 2,996,640	\$ 6,095,186
6	Contract Professional Services	\$ 1,069,320	\$ 1,034,016	\$ 2,103,336	\$ -	\$ -	\$ -	\$ 231,816	\$ 837,504	\$ 1,069,320	\$ 48,730	\$ 985,286	\$ 1,034,016	\$ 2,103,336
7	Materials & Supplies	\$ 1,383,632	\$ 1,337,951	\$ 2,721,583	\$ -	\$ -	\$ -	\$ (23,119)	\$ 1,083,676	\$ 1,383,632	\$ 63,054	\$ 1,274,897	\$ 1,337,951	\$ 2,721,583
8	Injuries & Damages	\$ (106,641)	\$ (103,121)	\$ (209,762)	\$ -	\$ -	\$ -	\$ (83,523)	\$ (83,523)	\$ (106,641)	\$ (4,860)	\$ (98,261)	\$ (103,121)	\$ (209,762)
9	Office Expense	\$ 77,774	\$ 95,906	\$ 173,680	\$ -	\$ -	\$ -	\$ 16,860	\$ 60,913	\$ 77,774	\$ 4,520	\$ 91,386	\$ 95,906	\$ 173,680
10	Software Expense	\$ 313,768	\$ 303,409	\$ 617,177	\$ -	\$ -	\$ -	\$ 68,021	\$ 245,747	\$ 313,768	\$ 14,299	\$ 289,110	\$ 303,409	\$ 617,177
11	Communication Expense	\$ 173,506	\$ 167,778	\$ 341,284	\$ -	\$ -	\$ -	\$ 37,614	\$ 135,892	\$ 173,506	\$ 7,907	\$ 159,871	\$ 167,778	\$ 341,284
12	Fleet Transportation	\$ 464,211	\$ 572,438	\$ 1,036,649	\$ -	\$ -	\$ -	\$ 100,636	\$ 363,576	\$ 464,211	\$ 26,977	\$ 545,460	\$ 572,438	\$ 1,036,649
13	Vegetation Management	\$ 242,107	\$ 129,686	\$ 371,793	\$ -	\$ -	\$ -	\$ 52,486	\$ 189,621	\$ 242,107	\$ 6,112	\$ 123,575	\$ 129,686	\$ 371,793
14	Land and Building Expense	\$ 234,548	\$ 125,637	\$ 360,185	\$ -	\$ -	\$ -	\$ 50,847	\$ 183,701	\$ 234,548	\$ 9,921	\$ 119,716	\$ 125,637	\$ 360,185
15	Fees, Permits and Land Right	\$ 365,077	\$ 312,637	\$ 677,714	\$ -	\$ -	\$ -	\$ 79,144	\$ 285,932	\$ 365,077	\$ 14,734	\$ 297,904	\$ 312,637	\$ 677,714
16	Environmental Expense	\$ 71,614	\$ 61,328	\$ 132,942	\$ -	\$ -	\$ -	\$ 15,525	\$ 56,089	\$ 71,614	\$ 2,890	\$ 58,437	\$ 61,328	\$ 132,942
17	Uncollectibles	\$ (160,611)	\$ (216,243)	\$ (376,854)	\$ -	\$ -	\$ -	\$ (34,819)	\$ (125,793)	\$ (160,611)	\$ (10,191)	\$ (206,052)	\$ (216,243)	\$ (376,854)
18	Utilities	\$ 178,306	\$ 172,420	\$ 350,726	\$ -	\$ -	\$ -	\$ 38,655	\$ 139,652	\$ 178,306	\$ 8,126	\$ 164,294	\$ 172,420	\$ 350,726
19	Other Marketing, Sales	\$ 103,747	\$ 100,322	\$ 204,069	\$ -	\$ -	\$ (204,069)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Other Operation Expense	\$ 957,424	\$ 512,851	\$ 1,470,275	\$ -	\$ -	\$ -	\$ 207,559	\$ 749,865	\$ 957,424	\$ 24,169	\$ 488,682	\$ 512,851	\$ 1,470,275
21	General Expense	\$ 134,430	\$ 129,992	\$ 264,422	\$ -	\$ -	\$ -	\$ 29,143	\$ 105,287	\$ 134,430	\$ 6,126	\$ 123,866	\$ 129,992	\$ 264,422
22	Total Direct Costs	\$ 24,136,794	\$ 26,891,304	\$ 51,028,098	\$ (103,747)	\$ (100,322)	\$ (204,069)	\$ 5,210,090	\$ 18,822,957	\$ 24,033,047	\$ 1,262,577	\$ 25,528,405	\$ 26,790,982	\$ 50,824,029
24	Purchasing and Warehousing	\$ 50,726	\$ 49,051	\$ 99,777	\$ -	\$ -	\$ -	\$ 10,997	\$ 39,729	\$ 50,726	\$ 2,312	\$ 46,740	\$ 49,051	\$ 99,777
25	Assessments to Affiliated Cos	\$ (12,422,425)	\$ (12,012,294)	\$ (24,434,719)	\$ -	\$ -	\$ -	\$ (2,693,040)	\$ (9,729,385)	\$ (12,422,425)	\$ (566,103)	\$ (11,446,191)	\$ (12,012,294)	\$ (24,434,719)
26	Allocations from OGE	\$ 6,658,477	\$ 6,438,645	\$ 13,097,122	\$ -	\$ -	\$ -	\$ 1,443,529	\$ 5,214,995	\$ 6,658,477	\$ 303,434	\$ 6,135,211	\$ 6,438,645	\$ 13,097,122
27	Total Costs	\$ 18,423,572	\$ 21,366,706	\$ 39,790,278	\$ (103,747)	\$ (100,322)	\$ (204,069)	\$ 3,971,529	\$ 14,348,296	\$ 18,319,825	\$ 1,002,219	\$ 20,264,165	\$ 21,266,384	\$ 39,586,209

¹See attached work paper entitled "Transmission Operating Expense" (Schedule 8 Work Paper 8.001)

²Employee Benefits includes the following items: Health and Safety, Public Injuries & Damages, Worker's Compensation, Pension Plan, Group Life Insurance, Group Medical Insurance, Long Term Disability Insurance, Retirement Savings Compensation, Postretirement Medical Insurance, Postretirement Life Insurance, and Employee Physicals and Safety Eyeglasses

³Marketing and Advertising amounts are excluded.

ENOGEX LLC TRANSMISSION SYSTEM
OTHER RATE BASE
EAST AND WEST ZONES
FOR THE THIRTEEN MONTH PERIOD ENDED JULY 31, 2010

Line No.	Description	East Zone		West Zone		Total ¹
		311 Firm	311 IT, Intrastate, and Leases	311 Firm	311 IT, Intrastate, and Leases	
1	Materials and Supplies	\$ 323,583	\$ 1,169,037	\$ 60,239	\$ 1,217,981	\$ 2,770,840
2						
3	Prepaid Assets	\$ 108,091	\$ 390,512	\$ 22,722	\$ 459,420	\$ 980,745
4						
5	Line Pack Gas	\$ 253,416	\$ 915,538	\$ 47,176	\$ 953,870	\$ 2,170,000
6						
7	Operational Gas	\$ 952,214	\$ 3,440,148	\$ 278,697	\$ 5,635,050	\$ 10,306,109
8						
9	Total	\$ 1,637,304	\$ 5,915,235	\$ 408,833	\$ 8,266,321	\$ 16,227,694

¹See attached work paper entitled "Other Rate Base Summary" (Schedule 9 Work Papers 9-001)

ENOGEX LLC SECTION 311
EAST AND WEST ZONES
TOTAL SYSTEM VOLUMES ADJUSTED FOR DISCOUNTING
TWELVE MONTHS ENDED JULY 31, 2010 AS ADJUSTED

Line No.	Description	Reference	East Zone			West Zone			Total
			311 Firm	311 IT, Intrastate, and Leases	Total East Zone	311 Firm	311 IT, Intrastate, and Leases	Total West Zone	
COST									
1	Total Cost of Service	Schedule 1, Line 8	\$ 12,864,429	\$ 46,476,468	\$ 59,340,897	\$ 2,089,957	\$ 42,257,440	\$ 44,347,396	\$ 103,688,294
2									
3	Total System Throughput, Unadjusted for Discounts	Schedule 10 Work Paper (10-001)	74,825,000	270,326,943	345,151,943	21,900,000	442,802,460	464,702,460	809,854,403
4									
5	Maximum 311 Rate, Unadjusted for Discounts	Line 1 / Line 3	\$ 0.1719	\$ 0.1719		\$ 0.0954	\$ 0.0954		
6									
7	Total Discounted Volumes	Schedule 10 Work Paper (10-002)		20,988,098	20,988,098		47,018,772	47,018,772	68,006,870
8									
9	Total Discounted Revenues	Schedule 10 Work Paper (10-002)		\$ 1,151,960	\$ 1,151,960		\$ 2,367,391	\$ 2,367,391	\$ 3,519,351
10									
11	Average Discounted 311 Rate	Line 9 / Line 7		\$ 0.0549			\$ 0.0503		
12									
13	Average 311 Discounted Rate to Maximum 311 Rate	Line 11 / Line 5		31.92%			52.76%		
14									
15	Adjusted Discounted Volumes	Line 13 * Line 7		6,700,290	6,700,290		24,807,148	24,807,148	31,507,438
16									
17	Total Volumes at Maximum 311 Rate	Line 3 - Line 7	74,825,000	249,338,845	324,163,845	21,900,000	395,783,688	417,683,688	741,847,533
18									
19	Total Volumes Adjusted for Discounting	Line 15 + Line 17	74,825,000	256,039,135	330,864,135	21,900,000	420,590,836	442,490,836	773,354,971

ENOGEX LLC TRANSMISSION SYSTEM
TAXES OTHER THAN INCOME
EAST AND WEST ZONES
TWELVE MONTHS ENDED JULY 31, 2010

Line No.	Description	East Zone			West Zone			Total
		311 Firm	311 IT, Intrastate, and Leases	Total East Zone	311 Firm	311 IT, Intrastate, and Leases	Total West Zone	
1	Ad Valorem ¹	\$ 1,255,880	\$ 4,537,228	\$ 5,793,108	\$ 146,240	\$ 2,956,879	\$ 3,103,119	\$ 8,896,227
2								
3	Payroll ²	\$ 340,774	\$ 1,231,146	\$ 1,571,920	\$ 91,351	\$ 1,847,047	\$ 1,938,398	\$ 3,510,318
4								
5	Franchise ³	\$ 131	\$ 472	\$ 602	\$ 24	\$ 491	\$ 516	\$ 1,118
6								
7	Total	<u>\$ 1,596,785</u>	<u>\$ 5,768,846</u>	<u>\$ 7,365,630</u>	<u>\$ 237,616</u>	<u>\$ 4,804,417</u>	<u>\$ 5,042,032</u>	<u>\$ 12,407,663</u>

¹See attached work paper entitled "Ad Valorem Taxes" (Schedule 11 Work Papers 11-001)

²See attached work paper entitled "Payroll Taxes" (Schedule 11 Work Papers 11-002)

³See attached work paper entitled "Franchise Taxes" (Schedule 11 Work Papers 11-003)

ENOGEX LLC TRANSMISSION SYSTEM
ACCUMULATED DEFERRED INCOME TAX
EAST AND WEST ZONES
TWELVE MONTHS ENDED JULY 31, 2010

Line No.	Description	East Zone			West Zone			Total ¹
		311 Firm	311 IT, Intrastate, and Leases	Total East Zone	311 Firm	311 IT, Intrastate, and Leases	Total West Zone	
1	Plant	\$ 20,403,451	\$ 73,713,363	\$ 94,116,814	\$ 2,375,873	\$ 48,038,465	\$ 50,414,338	\$ 144,531,152
2								
3	Non-plant	\$ (1,873,863)	\$ (6,769,871)	\$ (8,643,733)	\$ (502,323)	\$ (10,156,609)	\$ (10,658,931)	\$ (19,302,665)
4								
5	Total	\$ 18,529,588	\$ 66,943,493	\$ 85,473,081	\$ 1,873,550	\$ 37,881,856	\$ 39,755,407	\$ 125,228,487

¹ See attached work paper entitled "Accumulated Deferred Income Tax Summary" (Schedule 12 Work Paper 12-001)

EXHIBIT A
CORPORATE STRUCTURE

CORPORATE STRUCTURE

Enogex LLC is a Delaware limited liability company primarily engaged in the transportation of natural gas and operation of the Stuart and Wetumka storage facilities.

I. OFFICERS

Peter B. Delaney - Chief Executive Officer
Danny P. Harris - President
E. Keith Mitchell - Senior Vice President and Chief Operating Officer
Paul M. Brewer - Vice President, Operations
Patricia D. Horn - Secretary
Thomas L. Levescy - Controller and Chief Accounting Officer
Ramiro F. Rangel - Vice President, Commercial Operations
Sean Trauschke - Chief Financial Officer

II. ENOGEX SUBSIDIARIES

- Enogex Gathering & Processing LLC is an Oklahoma limited liability company primarily engaged in the gathering and processing of natural gas.
- OGE Energy Resources LLC is an Oklahoma limited liability company primarily engaged in the marketing of natural gas.
- Enogex Gas Gathering LLC is an Oklahoma limited liability company primarily engaged in the gathering of natural gas.
- Enogex Products LLC is an Oklahoma limited liability company primarily engaged in the processing and marketing of natural gas.
- Enogex Atoka LLC is an Oklahoma limited liability company whose sole asset is a 50% interest in Atoka Midstream LLC.
- Atoka Midstream LLC is a Delaware limited liability company, 50% of which is owned by Enogex Atoka LLC and 50% of which is owned by Pablo Gathering LLC. Enogex Atoka LLC is the managing member of Atoka Midstream LLC. Atoka Midstream LLC was formed to own and operate a gas processing plant and gas gathering assets in Atoka and Coal counties in Oklahoma. Pablo Gathering LLC is Atoka Midstream LLC's primary customer.

EXHIBIT B

**DESCRIPTION OF THE ENOGEX LLC
TRANSMISSION SYSTEM AND OPERATIONS**

**DESCRIPTION OF THE ENOGEX LLC
TRANSMISSION SYSTEM AND OPERATIONS**

The Enogex LLC transmission System (“System”) is located entirely within the State of Oklahoma. Enogex is an intrastate pipeline company within the meaning of Section 2(16) of the Natural Gas Policy Act of 1978 (“NGPL”) and Enogex is the sole owner and operator of the System.

The System consists of approximately 2,181 miles of intrastate transmission pipeline in the state of Oklahoma. Enogex maintains System delivery capability and flexibility by making additional investments in new interconnects, transmission lines and compression. The System’s reticulated configuration, with its multidirectional flows, permits gas to flow to a wide variety of interstate and intrastate markets.

Gas within Oklahoma is supplied to the System from gathering systems and from other intrastate and interstate pipelines. The System faces strong direct competition from other intrastate and interstate pipelines that provide access to the same supply areas and markets served by Enogex. The high density of existing intrastate and interstate pipelines in this geographic area provides customers with easy access to an array of possible alternatives. These entities compete among themselves as well as with the System to provide access to the end use markets.

Enogex also owns and operates the Stuart and Wetumka storage facilities.

EXHIBIT C

AFFIDAVIT OF AUDREY E. SHUFFLER

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Enogex LLC

Docket No. PR11- -000

AFFIDAVIT OF AUDREY E. SHUFFLER

1. My name is Audrey E. Shuffler and I am employed as Senior Regulatory Affairs Manager for Enogex LLC. I have been employed by Enogex since June 2007 and have held several positions. My primary duties as Senior Regulatory Affairs Manager include managing the coordination, analysis, preparation and filing of petitions, reports and schedules for various filings with both state and federal agencies including, before the FERC, Section 311 rate and fuel cases and revised Statements of Operating Conditions, responses to interventions and protests and preparation of data responses and required reports. These duties allow me to collaborate with our legal and regulatory agency staff to achieve regulatory objectives and meet compliance requirements.
2. Prior to joining Enogex LLC, I was a Financial Analyst with C.H. Guernsey & Company for six years. My primary duties included financial analysis of electric and gas utilities in cost of capital and cost of service cases. The cost of capital analysis involved the generation of discounted cash flow models, capital asset pricing models, financial integrity tests, and rate of return calculations. The cost of service analysis entailed the design of gas utility rates by applying the appropriate rules specified in the Uniform System of Accounts, Generally Accepted Accounting Principles, and Texas Railroad Commission Guidelines. I have testified before the Texas Railroad Commission in a cost of service regulatory proceeding. My education qualifications are a Bachelor of Science degree from Oklahoma State University in Accounting in 2000 and, in 2002, a Master of Business Administration from the University of Oklahoma.
3. I am recommending an allowed return on equity ("ROE") for Enogex LLC of 11.25% and a return on total capital of 8.42%. My ROE study was prepared using the Commission-preferred discounted cash flow ("DCF") methodology.¹ The companies I selected include: Copano Energy LLC, DCP Midstream Partners LP, Duncan Energy Partners LP, Energy Transfer Partners LP, MarkWest Energy Partners LP, ONEOK Partners LP, Regency Energy Partners LP, and Williams Partners LP. The results of my DCF analysis are shown on Workpaper 3-003, Schedule 1, and supporting workpapers are provided as Exhibit C, Schedules 1 through 4.
4. When determining the appropriate proxy group for Enogex LLC, I considered all ninety publically traded US midstream companies as identified by SNL Financial. See the table in Schedule 1 for the ownership structure of all such US midstream companies.

¹ See *Composition of Proxy Groups for Determining Gas and Oil Pipeline Return on Equity*, Policy Statement, 123 FERC ¶ 61,048, Docket No. PL07-2-000, Issued April 17, 2008.

5. From this initial group, I eliminated all companies that do not pay regular dividends. Companies that do not consistently pay dividends are likely to be under some financial pressures. These companies would not be a good benchmark for determining the return of a financially strong midstream company in our current market. This screen removed thirty eight companies from the group. See Schedule 1.
6. As mentioned above, the goal is to establish a proxy group which is financially healthy; therefore, I removed those companies for which SNL Financial is forecasting zero earnings growth. This will ensure the cost of capital includes only companies which are strong in our current market. This screen removed an additional eight companies from the group. See Schedule 1.
7. Next, I removed those companies that are not involved in the transportation of natural gas. Twenty five of the midstream companies are not in the business of transporting natural gas. See Schedule 1.
8. Enogex LLC is involved in both intrastate and interstate natural gas transportation services. In order to develop a proxy group with characteristics similar to the characteristics of Enogex, I eliminated those companies that participate only in interstate gas pipeline services and do not have intrastate pipelines as part of their system layout. This eliminated seven additional companies from the proxy group and left me with the following twelve companies:

Copano Energy LLC	CPNO
DCP Midstream Partners LP	DPM
Duncan Energy Partners LP	DEP
Energy Transfer Equity LP	ETE
Energy Transfer Partners LP	ETP
Enterprise Products Partners	EPD
Kinder Morgan Energy Partners	KMP
MarkWest Energy Partners LP	MWE
ONEOK Partners LP	OKS
Regency Energy Partners LP	RGNC
Spectra Energy Corp	SE
Williams Partners LP	WPZ

Spectra Energy Corp is a stock corporation. The other eleven are Master Limited Partnerships.

9. Of the twelve remaining companies, I eliminated those companies with operating income, assets or gross margin that are not primarily from natural gas gathering, processing, and transportation services. Enterprise Products Partners was eliminated because 57% of its business profits are from NGL pipeline services, 5% from crude oil, and 13% from petrochemical and refined products. Only 17% of its business is related to onshore natural gas pipelines. In addition to Enterprise Products Partners, I also eliminated Kinder Morgan Energy Partners. Only 26% of its

segment earnings are from natural gas pipelines, with the remainder attributable to products, CO₂, terminals, and non-US business.

10. Lastly, I eliminated those companies that are parent companies of subsidiaries already included in the proxy group. I eliminated Spectra Energy Corp because it owns 50% of DCP Midstream, LLC. Energy Transfer Equity LP was also eliminated as it formed Energy Transfer Partners LP to run the business. Using these criteria, I have selected a group of midstream pipeline companies that provided a proxy group with similar characteristics to Enogex LLC. As listed earlier, the eight are Copano Energy LLC, DCP Midstream Partners LP, Duncan Energy Partners LP, Energy Transfer Partners LP, MarkWest Energy Partners LP, ONEOK Partners LP, Regency Energy Partners LP, and Williams Partners LP.
11. The current dividend yield, that is, dividends divided by share price, was calculated based on the most recent six month period available when calculating the DCF. The average dividend yield calculations for the most recent six months of 2010 are shown in Schedule 2.
12. The Commission currently allows security analysts' five-year forecasts for each company in the proxy group, as published by IBES for the Short Term Growth Component. The Commission has accepted the use of the 5 year growth estimate published in *Yahoo! Finance* to be used in the DCF formula, since Thomson Financial owns IBES.² As shown on Schedule 1, these rates range from 3.5% to 8.5%.
13. The estimated gross domestic product ("GDP") long-term growth component is calculated from three sources acceptable to the FERC: the Energy Information Agency ("EIA"), Global Insight, and the Social Security Administration ("SSA"). Schedule 3 details this calculation. As mentioned above, all proxy group members included in the DCF analysis are MLPs; therefore, I made the appropriate adjustment to the growth rates used to calculate the equity cost of capital for all MLPs.
14. The Commission methodology includes a two-thirds and one-third weighting of short and long-term growth factors.³ As shown on Schedule 1, the Composite rate is calculated using 2/3 the short term growth rate (*Yahoo! Finance* 5 Year Growth Estimate) and 1/3 long term growth rate (GDP growth for MLPs).
15. The Estimated Cost of Equity for all proxy companies are shown in Schedule 1, as the sum of Adjusted Dividend Yield plus a growth rate.

² See *Composition of Proxy Groups for Determining Gas and Oil Pipeline Return on Equity*, 123 FERC ¶ 61,048 at P 84.

³ See *Composition of Proxy Groups for Determining Gas and Oil Pipeline Return on Equity*, 123 FERC ¶ 61,048 at P 2.

16. As shown in Schedule 1, the median cost of equity for the proxy companies is 11.23%, the mean is 11.41%, the low is 10.20% and the high is 14.10%.
17. I recommend a Return on Equity of 11.25%, which is very close to the median of the proxy group as supported by the DCF analysis. The median is currently favored by the FERC as the measure of central tendency.⁴
18. This concludes my Affidavit.

⁴ *Northwest Pipeline Corporation*, 99 FERC ¶ 61,305 (2002); *Transcontinental Gas Pipeline Corp.*, 84 FERC ¶ 61,084 (1998); Opinion No. 414-A, *aff'd*, Opinion No. 414-B, 86 FERC ¶ 61,323 (1998), *petition for review denied*, *N.C. Utilities Commission v. FERC*, 203 F.3d 63 (D.C. Cir 2000).

US Midstream Companies

Ownership Structure	Number of Companies
Stock Corporation	20
Master Limited Partnership	61
Limited Liability	4
Tax-Free Partnership	5
Total	90

Source: SNL Financial

US Midstream Companies That Pay Regular Dividends

Ownership Structure	Number of Companies
Stock Corporation	3
Master Limited Partnership	49
Limited Liability	0
Tax-Free Partnership	0
Total	52

US Midstream Companies That Pay Regular Dividends and
With Projected Earnings Growth

Ownership Structure	Number of Companies
Stock Corporation	3
Master Limited Partnership	41
Limited Liability	0
Tax-Free Partnership	0
Total	44

US Midstream Companies That Pay Regular Dividends
With Projected Earnings Growth
and Involved in the Transport of Natural Gas

Ownership Structure	Number of Companies
Stock Corporation	3
Master Limited Partnership	16
Limited Liability	0
Tax-Free Partnership	0
Total	19

**ENOGEX LLC SECTION 311
DCF ANALYSIS
SIX MONTH PERIOD ENDED 10/31/2010**

Company Name	Ticker	Growth Rate			Adjusted Dividend Yield	Estimated Cost of Equity
		[1] 6-Mo Avg Dividend Yield	[2] Yahoo	[3] GDP		
Copano Energy LLC	CPNO	8.69%	2.88%	2.31%	2.69%	11.50%
DCP Midstream Partners LP	DPM	7.42%	8.50%	2.31%	6.44%	14.10%
Duncan Energy Partners LP	DEP	6.48%	4.25%	2.31%	3.60%	10.20%
Energy Transfer Partners LP	ETP	7.57%	5.00%	2.31%	4.10%	11.83%
MarkWest Energy Partners LP	MWE	7.90%	3.50%	2.31%	3.10%	11.12%
ONEOK Partners LP	OKS	7.10%	5.00%	2.31%	4.10%	11.35%
Regency Energy Partners LP	RGNC	7.47%	3.50%	2.31%	3.10%	10.69%
Williams Partners LP	WPZ	6.27%	5.00%	2.31%	4.10%	10.50%
Long-Term Growth Rate	4.62%					Mean 11.41%
MLP Rate	2.31%					Median 11.23%
						High 14.10%
						Low 10.20%
						Midpoint 12.15%
						<u>Recommended Return on Equity</u> <u>11.25%</u>

Column [1] is derived from individual company analysis - See Schedule 2 for details
 Column [2] is derived from Yahoo! Finance, 5 Year Growth Estimate
 Column [3] is calculated from three sources: EIA, Global Insight, and SSA - See Schedule 3 for details
 Column [4] = Column [2]*2/3 + Column [3]*1/3
 Column [5] = Column [1]*(1+(.05*Column [4]))
 Column [6] = Column [4] + Column [5]

Copano Energy LLC							
<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Dividend</u>	<u>Annual Dividend</u>	<u>Dividend Yield</u>	
May-10	\$ 26.95	\$ 21.53	\$ 24.24	\$ 0.575	\$ 2.30	9.49%	
Jun-10	\$ 27.89	\$ 23.32	\$ 25.61	\$ 0.575	\$ 2.30	8.98%	
Jul-10	\$ 29.43	\$ 26.10	\$ 27.77	\$ 0.575	\$ 2.30	8.28%	
Aug-10	\$ 28.99	\$ 25.05	\$ 27.02	\$ 0.575	\$ 2.30	8.51%	
Sep-10	\$ 27.50	\$ 24.49	\$ 26.00	\$ 0.575	\$ 2.30	8.85%	
Oct-10	\$ 29.85	\$ 27.30	\$ 28.58	\$ 0.575	\$ 2.30	8.05%	
Average 6 mo. Div Yield						8.69%	

DCP Midstream Partners LP							
<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Dividend</u>	<u>Annual Dividend</u>	<u>Dividend Yield</u>	
May-10	\$ 34.38	\$ 27.07	\$ 30.73	\$ 0.600	\$ 2.40	7.81%	
Jun-10	\$ 32.52	\$ 28.51	\$ 30.52	\$ 0.600	\$ 2.40	7.86%	
Jul-10	\$ 36.45	\$ 30.82	\$ 33.64	\$ 0.600	\$ 2.40	7.14%	
Aug-10	\$ 36.66	\$ 31.04	\$ 33.85	\$ 0.610	\$ 2.44	7.21%	
Sep-10	\$ 33.50	\$ 31.76	\$ 32.63	\$ 0.610	\$ 2.44	7.48%	
Oct-10	\$ 35.99	\$ 33.35	\$ 34.67	\$ 0.610	\$ 2.44	7.04%	
Average 6 mo. Div Yield						7.42%	

Duncan Energy Partners LP							
<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Dividend</u>	<u>Annual Dividend</u>	<u>Dividend Yield</u>	
May-10	\$ 26.99	\$ 22.27	\$ 24.63	\$ 0.448	\$ 1.79	7.28%	
Jun-10	\$ 26.96	\$ 24.38	\$ 25.67	\$ 0.448	\$ 1.79	6.98%	
Jul-10	\$ 30.42	\$ 26.04	\$ 28.23	\$ 0.450	\$ 1.80	6.38%	
Aug-10	\$ 28.82	\$ 27.00	\$ 27.91	\$ 0.450	\$ 1.80	6.45%	
Sep-10	\$ 31.20	\$ 27.78	\$ 29.49	\$ 0.450	\$ 1.80	6.10%	
Oct-10	\$ 33.39	\$ 30.50	\$ 31.95	\$ 0.453	\$ 1.81	5.67%	
Average 6 mo. Div Yield						6.48%	

Energy Transfer Partners LP							
<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Dividend</u>	<u>Annual Dividend</u>	<u>Dividend Yield</u>	
May-10	\$ 49.99	\$ 40.06	\$ 45.03	\$ 0.894	\$ 3.58	7.94%	
Jun-10	\$ 47.46	\$ 42.77	\$ 45.12	\$ 0.894	\$ 3.58	7.93%	
Jul-10	\$ 51.47	\$ 45.41	\$ 48.44	\$ 0.894	\$ 3.58	7.38%	
Aug-10	\$ 51.95	\$ 44.97	\$ 48.46	\$ 0.894	\$ 3.58	7.38%	
Sep-10	\$ 48.57	\$ 46.10	\$ 47.34	\$ 0.894	\$ 3.58	7.55%	
Oct-10	\$ 51.00	\$ 48.01	\$ 49.51	\$ 0.894	\$ 3.58	7.22%	
Average 6 mo. Div Yield						7.57%	

MarkWest Energy Partners LP							
<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Dividend</u>	<u>Annual Dividend</u>	<u>Dividend Yield</u>	
May-10	\$ 31.15	\$ 20.96	\$ 26.06	\$ 0.640	\$ 2.56	9.83%	
Jun-10	\$ 33.45	\$ 28.07	\$ 30.76	\$ 0.640	\$ 2.56	8.32%	
Jul-10	\$ 37.00	\$ 31.50	\$ 34.25	\$ 0.640	\$ 2.56	7.47%	
Aug-10	\$ 35.70	\$ 32.50	\$ 34.10	\$ 0.640	\$ 2.56	7.51%	
Sep-10	\$ 35.99	\$ 33.46	\$ 34.73	\$ 0.640	\$ 2.56	7.37%	
Oct-10	\$ 38.82	\$ 35.70	\$ 37.26	\$ 0.640	\$ 2.56	6.87%	
Average 6 mo. Div Yield						7.90%	

ONEOK Partners LP							
<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Dividend</u>	<u>Annual Dividend</u>	<u>Dividend Yield</u>	
May-10	\$ 62.47	\$ 25.57	\$ 44.02	\$ 1.110	\$ 4.44	10.09%	
Jun-10	\$ 64.98	\$ 58.12	\$ 61.55	\$ 1.110	\$ 4.44	7.21%	
Jul-10	\$ 71.69	\$ 62.68	\$ 67.19	\$ 1.120	\$ 4.48	6.67%	
Aug-10	\$ 70.99	\$ 66.70	\$ 68.85	\$ 1.120	\$ 4.48	6.51%	
Sep-10	\$ 75.07	\$ 68.92	\$ 72.00	\$ 1.120	\$ 4.48	6.22%	
Oct-10	\$ 79.76	\$ 74.08	\$ 76.92	\$ 1.130	\$ 4.52	5.88%	
Average 6 mo. Div Yield						7.10%	

Regency Energy Partners LP							
<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Dividend</u>	<u>Annual Dividend</u>	<u>Dividend Yield</u>	
May-10	\$ 23.83	\$ 19.60	\$ 21.72	\$ 0.445	\$ 1.78	8.20%	
Jun-10	\$ 24.65	\$ 22.04	\$ 23.35	\$ 0.445	\$ 1.78	7.62%	
Jul-10	\$ 26.20	\$ 23.10	\$ 24.65	\$ 0.445	\$ 1.78	7.22%	
Aug-10	\$ 26.58	\$ 23.02	\$ 24.80	\$ 0.445	\$ 1.78	7.18%	
Sep-10	\$ 24.50	\$ 23.55	\$ 24.03	\$ 0.445	\$ 1.78	7.41%	
Oct-10	\$ 25.39	\$ 23.96	\$ 24.68	\$ 0.445	\$ 1.78	7.21%	
Average 6 mo. Div Yield						7.47%	

Williams Partners LP							
<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Dividend</u>	<u>Annual Dividend</u>	<u>Dividend Yield</u>	
May-10	\$ 42.72	\$ 34.62	\$ 38.67	\$ 0.658	\$ 2.63	6.81%	
Jun-10	\$ 44.15	\$ 36.97	\$ 40.56	\$ 0.658	\$ 2.63	6.49%	
Jul-10	\$ 48.95	\$ 41.59	\$ 45.27	\$ 0.658	\$ 2.63	5.81%	
Aug-10	\$ 47.46	\$ 41.32	\$ 44.39	\$ 0.673	\$ 2.69	6.06%	
Sep-10	\$ 43.99	\$ 41.99	\$ 42.99	\$ 0.673	\$ 2.69	6.26%	
Oct-10	\$ 44.70	\$ 42.30	\$ 43.50	\$ 0.673	\$ 2.69	6.19%	
Average 6 mo. Div Yield						6.27%	

**ENOGEX LLC SECTION 311
LONG TERM GROWTH RATE CALCULATION**

(1) Energy Information Administration ("EIA") Table A20

Real Gross Domestic Product

<u>Year</u>		<u>EIA</u>
2015	\$	13,289
2035	\$	22,362

GDP Chain-type Price Index (2000=1.000)

<u>Year</u>		<u>EIA</u>
2015		1.365
2035		2.059

Nominal Gross Domestic Product

<u>Year</u>		<u>EIA</u>
2015	\$	18,139
2035	\$	46,043

GDP Growth Rate 4.77%

(2) HIS Global Insight

<u>Year</u>		<u>Global Insight</u>
2015	\$	18,272
2040	\$	54,514

GDP Growth Rate 4.47%

(3) Social Security Administration ("SSA") Table VI.F.4 from 2010 OASDI Trustees Report

<u>Year</u>		<u>SSA</u>
2015	\$	19,472
2065	\$	187,168

GDP Growth Rate 4.63%

Average Long-Term Growth Rate 4.62%

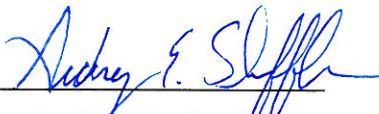
50% Growth Rate for MLPs 2.31%

COUNTY OF OKLAHOMA)

STATE OF OKLAHOMA)

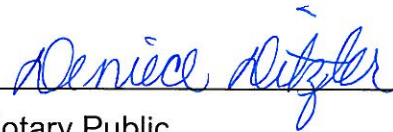
AFFIDAVIT OF AUDREY E. SHUFFLER

Audrey E. Shuffler, being first sworn, on oath deposes and says that she caused the Affidavit on behalf of Enogex LLC to be prepared and that the statements contained therein are true and correct to the best of her knowledge and belief, and that she is authorized to make the same to the Federal Energy Regulatory Commission.



Audrey E. Shuffler

SUBSCRIBED AND SWORN TO
BEFORE ME THIS 27th DAY OF
DECEMBER, 2010



Notary Public

My Commission Expires:



Work Papers

ENOGEX LLC TRANSMISSION SYSTEM
WORK PAPER INDEX

Work Paper No.	Description
1-001	Revenue Credits
3-001	Capital Structure
3-002	Embedded Cost of Debt
3-003	DCF Analysis
5-001	Transmission Plant
5-002	Intangible Plant
5-003	General Plant
5-004	Bennington Phase II CWIP
5-005	Total Construction-Work-in-Progress
5-006	East Zone Construction-Work-in-Progress
5-007	West Zone Construction-Work-in-Progress
6-001	Transmission Depreciation Expense
6-002	Intangible Depreciation Expense
6-003	General Plant Deprecation Expense
7-001	Transmission Accumulated Depreciation
7-002	Intangible Accumulated Depreciation
7-003	General Plant Accumulated Depreciation
8-001	Transmission Operating Expenses
9-001	Other Rate Base Summary
9-002	Materials and Supplies
9-003	Prepaid Assets
9-004	Line Pack Gas
9-005	Operational Gas
10-001	Total System Throughput
10-002	Discounted Throughput and Revenues
11-001	Ad Valorem Taxes
11-002	Payroll Taxes
11-003	Franchise Taxes
12-001	Accumulated Deferred Income Tax Summary
13-001	Allocation Factors

ENOGEX LLC TRANSMISSION SYSTEM
REVENUE CREDITS
TWELVE MONTHS ENDED JULY 31, 2010 AS ADJUSTED

	<u>East</u>	<u>West</u>	<u>Total</u>
MEP (East & West) Zone	\$ 6,900,583.76	\$ 6,900,583.76	\$ 13,801,168
MEP East Zone	\$ 207,976.69	\$ -	\$ 207,977
Gulf Crossing East Zone	\$ 2,555,530.12	\$ -	\$ 2,555,530
Quest (East & West) Zone ¹	\$ 1,128,548.70	\$ 1,128,548.70	\$ 2,257,097
Total Lease Revenues	\$ 10,792,639	\$ 8,029,132	\$ 18,821,772

Allocation of Lease Revenue Credits to 311 Firm and Intrastate/ 311 IT (East Zone)

<u>Description</u>	<u>Allocation</u>	<u>East Zone</u>	<u>Allocation Method²</u>
311 Firm	21.68%	\$ 2,339,721	311 East Firm Allocation
Intrastate / 311 IT	<u>78.32%</u>	<u>\$ 8,452,918</u>	311 East Firm Allocation
	100.00%	\$ 10,792,639	

Allocation of Lease Revenue Credits to 311 Firm and Intrastate/ 311 IT (West Zone)

<u>Description</u>	<u>Allocation</u>	<u>West Zone</u>	<u>Allocation Method²</u>
311 Firm	4.71%	\$ 378,388	311 East Firm Allocation
Intrastate / 311 IT	<u>95.29%</u>	<u>\$ 7,650,744</u>	311 East Firm Allocation
	100.00%	\$ 8,029,132	

¹ Formerly the Transok-Kansok Lease.

² See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC
CAPITAL STRUCTURE
AT SEPTEMBER 30, 2010

	<u>Amount</u>	<u>%</u>
Total Long Term Debt	\$ 534,322,394	50.24%
Total Equity	\$ 529,211,752	49.76%
Total Debt and Equity	<u>\$ 1,063,534,146</u>	<u>100.00%</u>

Source: Capital Structure of Enogex LLC at September 30, 2010

ENOGEX LLC
EMBEDDED COST OF DEBT
ENDING SEPTEMBER 30, 2010

Series Due	Principal Amount of Issue	Yield to Maturity	Annual Cost
Senior Notes Due July 15, 2014	\$ 200,000,000	6.875%	\$ 13,750,000
Senior Notes Due March 15, 2020	\$ 250,000,000	6.250%	\$ 15,625,000
Line of Credit	\$84,322,394	0.428%	\$ 360,804
Facility Fee (\$250M)			\$ 225,000
Annual Admin. Fee			\$ 15,000
Total	<u>\$ 534,322,394</u>		<u>\$ 29,975,804</u>
Weighted Average Cost of LT Debt			<u>5.6101%</u>

Source: Embedded Cost of Debt of Enogex LLC Ending September 30, 2010

ENOGEX LLC SECTION 311
DCF ANALYSIS

Company Name	Ticker	[1]	[2]	[3]		[4]	[5]	[6]
		6-Mo Avg Dividend Yield ¹	Yahoo ²	GDP ³	Composite ⁴	Adjusted Dividend Yield	Estimated Cost of Equity	
Copano Energy LLC	CPNO	8.69%	2.88%	2.31%	2.69%	8.81%	11.50%	
DCP Midstream Partners LP	DPM	7.42%	8.50%	2.31%	6.44%	7.66%	14.10%	
Duncan Energy Partners LP	DEP	6.48%	4.25%	2.31%	3.60%	6.59%	10.20%	
Energy Transfer Partners LP	ETP	7.57%	5.00%	2.31%	4.10%	7.72%	11.83%	
MarkWest Energy Partners LP	MWE	7.90%	3.50%	2.31%	3.10%	8.02%	11.12%	
ONEOK Partners LP	OKS	7.10%	5.00%	2.31%	4.10%	7.24%	11.35%	
Regency Energy Partners LP	RGNC	7.47%	3.50%	2.31%	3.10%	7.59%	10.69%	
Williams Partners LP	WPZ	6.27%	5.00%	2.31%	4.10%	6.40%	10.50%	
Long-Term Growth Rate						Mean	11.41%	
MLP Rate						Median	11.23%	
						High	14.10%	
						Low	10.20%	
						Midpoint	12.15%	
						Recommended Return on Equity	<u>11.25%</u>	

¹Dividend yield based on 6 months ending 10/31/10. Data obtained from Yahoo Finance.²Five Year Analyst Growth Estimate is from Yahoo Finance, based on projected annualized earnings growth over next 5 years. Data is supplied to Yahoo Finance by Thomson Financial.³Estimated GDP Growth Rate calculated on the average of Global Insight; Energy Information Agency, and Social Security Long-Term GDP Forecasts.⁴Composite Growth Rate is based on 2/3 (5 Year Analyst Growth Estimate) and 1/3 (Estimated GDP Growth Rate)

ENOGEX LLC TRANSMISSION SYSTEM
TRANSMISSION PLANT (EAST AND WEST ZONES)
JULY 31, 2010

FERC Account	Description	East Zone	West Zone	Total ¹	Allocation Method
365.1	Transmission Land and Land Rights	\$ 934,680	\$ 31,415	\$ 966,095	Direct Assignment
365.2	Transmission Rights-of-Way	\$ 12,058,924	\$ 7,800,672	\$ 19,859,596	Direct Assignment
366.0	Transmission Structures and Improvements	\$ 4,380,221	\$ 1,088,633	\$ 5,468,855	Direct Assignment
367.0	Transmission Pipelines	\$ 284,220,638	\$ 175,319,964	\$ 459,540,602	Direct Assignment
368.0	Transmission Compressor Station Equipment	\$ 115,661,972	\$ 31,324,248	\$ 146,986,219	Direct Assignment
369.0	Transmission Meas and Reg Station Equip	\$ 19,729,180	\$ 15,887,561	\$ 35,616,741	Direct Assignment
370.0	Transmission Communication Equipment	\$ 207,827	\$ 2,800,554	\$ 3,008,381	Direct Assignment
371.0	Transmission Other Equipment	\$ 812,314	\$ 367,839	\$ 1,180,153	Direct Assignment
	Total Transmission Plant	\$ 438,005,757	\$ 234,620,886	\$ 672,626,643	

¹Source: Transmission Plant of Enogex LLC at July 31, 2010

ENOGEX LLC TRANSMISSION SYSTEM
INTANGIBLE PLANT (EAST AND WEST ZONES)
JULY 31, 2010

<u>FERC Account</u>	<u>Description</u>	<u>East Zone</u>	<u>West Zone</u>	<u>Total¹</u>	<u>Allocation Method²</u>
303.0	Miscellaneous Intangible Plant	\$ 10,583,208	\$ 10,233,800	\$ 20,817,008	Three Factor Allocation

¹Intangible Plant of Enogex LLC at July 31, 2010

²See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
GENERAL PLANT (EAST AND WEST ZONES)
JULY 31, 2010

Allocation of Enogex LLC General Plant to Transmission

Allocation of Enogex LLC Transmission and Storage to Transmission Only			
Description	Allocation	Allocation Method ²	
Total Enogex LLC General Plant ¹	\$ 16,366,953		
Transmission Plant Allocation	89.43%	Transmission/Storage Plant Allocation	
	\$ 14,636,444		

Allocation of Enogex LLC Transmission General Plant to East and West Zones

FERC Account	Description	East Zone	West Zone	Total	Allocation Method ²
389	Land and Land Rights	\$ 53,471	\$ 51,706	\$ 105,177	Three Factor Allocation
390	Structures and Improvements	\$ 1,584,265	\$ 1,531,960	\$ 3,116,225	Three Factor Allocation
391	Office Furniture and Equipment	\$ 2,624,838	\$ 2,538,178	\$ 5,163,017	Three Factor Allocation
392	Transportation Equipment	\$ 1,244,311	\$ 1,203,230	\$ 2,447,541	Three Factor Allocation
393	Stores Equipment	\$ 3,701	\$ 3,579	\$ 7,280	Three Factor Allocation
394	Tools, Shop and Garage Equipment	\$ 1,104,784	\$ 1,068,309	\$ 2,173,094	Three Factor Allocation
395	Laboratory Equipment	\$ 229,598	\$ 222,018	\$ 451,616	Three Factor Allocation
396	Power Operated Equipment	\$ 184,951	\$ 178,845	\$ 363,796	Three Factor Allocation
397	Communication Equipment	\$ 254,606	\$ 246,200	\$ 500,807	Three Factor Allocation
398	Miscellaneous Equipment	\$ 156,530	\$ 151,362	\$ 307,892	Three Factor Allocation
		\$ 7,441,057	\$ 7,195,387	\$ 14,636,444	

¹ General Plant of Enogex LLC at July 31, 2010

² See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
BENNINGTON PHASE II CWIP
JULY 31, 2010

<u>Asset Under Construction No.</u>	<u>Description</u>	<u>East Zone</u>	<u>West Zone</u>
8037646	Firm 311 Bennington Comp Purchase	\$ 13,104,239	\$ -
8037610	Firm 311 Bennington Comp Installation	\$ 9,187,078	\$ -
		<u>\$ 22,291,317</u>	<u>\$ -</u>

Firm 311 Bennington Compression (3 gas fired turbines and ancillary equipment) to be placed in service December 2010

ENOGEX LLC TRANSMISSION SYSTEM
TOTAL CONSTRUCTION-WORK-IN-PROGRESS
JULY 31, 2010 AS ADJUSTED

	<u>Total</u>
East Zone ¹	\$ 3,870,930
West Zone ²	<u>\$ 2,053,080</u>
	\$ 5,924,011

¹See attached work paper entitled "East Zone Construction-Work-in-Progress" (Schedule 5 Work Papers 5-006)

²See attached work paper entitled "West Zone Construction-Work-in-Progress" (Schedule 5 Work Papers 5-007)

ENOGEX LLC TRANSMISSION SYSTEM
EAST ZONE CONSTRUCTION-WORK-IN-PROGRESS
JULY 31, 2010 AS ADJUSTED

Asset Under Construction No.	Amount
8034023	\$ 13,553.90
8038810	\$ 491.87
8036805	\$ 56,462.43
8035577	\$ 151,321.31
8038762	\$ 3,467.96
8037787	\$ 170,911.30
8038798	\$ 1,144,203.16
8038074	\$ 16,689.16
8038820	\$ 49,232.54
8038278	\$ 11,965.01
8038830	\$ 61,592.58
8039011	\$ 4,441.88
8038859	\$ 117,443.77
8038649	\$ 12,327.76
8039339	\$ 396,341.30
8039479	\$ 33,456.03
8039487	\$ 702.88
8039642	\$ 287,025.87
8039675	\$ 21,582.06
8039679	\$ 40,012.84
8039752	\$ 173,980.62
8039857	\$ 22,611.41
8040013	\$ 729,057.68
8040053	\$ 25,903.70
8040055	\$ 300.86
8040059	\$ 110,377.81
8040095	\$ 3,004.38
8040325	\$ 717.68
8040334	\$ 1,030.85
8040349	\$ 16.88
8043344	\$ 26,571.16
8043356	\$ 101,428.30
8043360	\$ 10,398.94
8043456	\$ 62,185.92
8044030	\$ 10,118.55
Total	<u><u>3,870,930.35</u></u>

ENOGEX LLC TRANSMISSION SYSTEM
WEST ZONE CONSTRUCTION-WORK-IN-PROGRESS
JULY 31, 2010 AS ADJUSTED

Asset Under Construction No.	Amount
8031167	\$ 38,858.74
8038795	\$ 888.52
8038799	\$ 75.01
8038946	\$ 27.08
8038024	\$ 2,023.27
8038983	\$ 67,446.72
8038551	\$ 2,353.48
8038861	\$ 5,710.63
8039337	\$ 61,415.09
8039458	\$ 47,510.47
8039472	\$ 39,454.77
8039473	\$ 21,685.90
8039474	\$ 132,632.70
8039476	\$ 10,075.00
8039477	\$ 10,075.00
8039478	\$ 81,155.38
8039506	\$ 5,335.55
8039611	\$ 20,023.82
8039661	\$ 169,548.51
8039701	\$ 1,744.33
8039856	\$ 64,778.11
8040026	\$ 396,583.14
8040176	\$ 572,299.58
8040289	\$ 4,603.50
8040348	\$ 3,635.10
8040365	\$ 985.85
8040368	\$ 67,062.97
8043198	\$ 5,002.75
8043354	\$ 208,304.43
8043427	\$ 3,093.02
8043596	\$ 5,432.77
8043705	\$ 3,224.32
8044019	\$ 17.30
8044032	\$ 17.34
Total	\$ 2,053,080

ENOGEX LLC TRANSMISSION SYSTEM
TRANSMISSION DEPRECIATION EXPENSE (EAST AND WEST ZONES)
TWELVE MONTHS ENDED JULY 31, 2010

FERC Account	Description	East Zone	West Zone	Total ¹	Allocation Method ²
365	Transmission Land, ROW & Damages	\$ 238,408	\$ 87,697	\$ 326,105	Transmission Plant Accum. Depr. Allocation
366	Transmission Structures	\$ 113,390	\$ 41,710	\$ 155,100	Transmission Plant Accum. Depr. Allocation
367	Transmission Pipelines	\$ 5,107,727	\$ 1,878,853	\$ 6,986,580	Transmission Plant Accum. Depr. Allocation
368	Transmission Compressor Equipment	\$ 3,258,180	\$ 1,198,506	\$ 4,456,686	Transmission Plant Accum. Depr. Allocation
369	Transmission Meas. & Reg. Equipment	\$ 658,861	\$ 242,359	\$ 901,220	Transmission Plant Accum. Depr. Allocation
370	Transmission Communication Equipment	\$ 47,473	\$ 17,463	\$ 64,936	Transmission Plant Accum. Depr. Allocation
371	Transmission Other Equipment	\$ 20,021	\$ 7,364	\$ 27,385	Transmission Plant Accum. Depr. Allocation
	Total Transmission Plant	\$ 9,444,060	\$ 3,473,951	\$ 12,918,012	

¹ Transmission Depreciation Expense of Enogex LLC for the Twelve Months Ended July 31, 2010

² See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
INTANGIBLE DEPRECIATION EXPENSE (EAST AND WEST ZONES)
TWELVE MONTHS ENDED JULY 31, 2010

<u>FERC Account</u>	<u>Description</u>	<u>East Zone</u>	<u>West Zone</u>	<u>Total¹</u>	<u>Allocation Method²</u>
303	Miscellaneous Intangible Plant	\$ 1,573,937	\$ 1,521,972	\$ 3,095,909	Three Factor Allocation

¹Intangible Depreciation Expense of Enogex LLC for the Twelve Months Ended July 31, 2010

²See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
GENERAL PLANT DEPRECIATION EXPENSE (EAST AND WEST ZONES)
TWELVE MONTHS ENDED JULY 31, 2010

Allocation of Enogex LLC General Plant Depreciation Expense to Transmission

Allocation of Enogex LLC Transmission and Storage to Transmission Only		
Description	Allocation	Allocation Method ²
Total Enogex LLC General Plant Depr. Exp ¹	\$ 1,496,165	
Transmission Plant Allocation	89.43%	Transmission/Storage Plant Allocation
	\$ 1,337,973	

Allocation of Enogex LLC Transmission General Plant Depreciation Expense to East and West Zones

FERC Account	Description	East Zone	West Zone	Total	Allocation Method ²
390	Structures and Improvements	\$ 182,594	\$ 176,565	\$ 359,159	Three Factor Allocation
391	Office Furniture and Equipment	\$ 60,348	\$ 58,356	\$ 118,704	Three Factor Allocation
392	Transportation Equipment	\$ 200,876	\$ 194,244	\$ 395,119	Three Factor Allocation
393	Stores Equipment	\$ 275	\$ 266	\$ 542	Three Factor Allocation
394	Tools, Shop and Garage Equipment	\$ 165,669	\$ 160,200	\$ 325,869	Three Factor Allocation
395	Laboratory Equipment	\$ 21,087	\$ 20,391	\$ 41,478	Three Factor Allocation
396	Power Operated Equipment	\$ 25,199	\$ 24,367	\$ 49,566	Three Factor Allocation
397	Communication Equipment	\$ 6,783	\$ 6,559	\$ 13,342	Three Factor Allocation
398	Miscellaneous Equipment	\$ 17,384	\$ 16,810	\$ 34,193	Three Factor Allocation
		\$ 680,215	\$ 657,758	\$ 1,337,973	

¹ General Plant Depreciation Expense of Enogex LLC for the Twelve Months Ended July 31, 2010

² See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
TRANSMISSION ACCUMULATED DEPRECIATION (EAST AND WEST ZONES)
JULY 31, 2010

FERC Account	Description	East Zone	West Zone	Total ¹	Allocation Method
365.2	Transmission Rights-of-Way	\$ 4,845,655	\$ 1,184,972	\$ 6,030,627	Direct Assignment
366.0	Transmission Structures and Improvements	\$ 1,265,290	\$ 688,108	\$ 1,953,398	Direct Assignment
367.0	Transmission Pipelines	\$ 87,499,126	\$ 22,556,973	\$ 110,056,100	Direct Assignment
368.0	Transmission Compressor Station Equipment	\$ 20,261,780	\$ 15,843,126	\$ 36,104,905	Direct Assignment
369.0	Transmission Meas and Reg Station Equip	\$ 6,013,280	\$ 3,497,358	\$ 9,510,638	Direct Assignment
370.0	Transmission Communication Equipment	\$ 72,091	\$ 365,557	\$ 437,648	Direct Assignment
371.0	Transmission Other Equipment	\$ 167,041	\$ 51,031	\$ 218,072	Direct Assignment
	Total Transmission Plant	\$ 120,124,263	\$ 44,187,124	\$ 164,311,387	

¹ Transmission Accumulated Depreciation of Enogex LLC at July 31, 2010

ENOGEX LLC TRANSMISSION SYSTEM
INTANGIBLE ACCUMULATED DEPRECIATION (EAST AND WEST ZONES)
JULY 31, 2010

<u>FERC Account</u>	<u>Description</u>	<u>East Zone</u>	<u>West Zone</u>	<u>Total¹</u>	<u>Allocation Method²</u>
303.0	Miscellaneous Intangible Plant	\$ 9,636,431	\$ 9,318,280	\$ 18,954,711	Three Factor Allocation

¹ Intangible Accumulated Depreciation of Enogex LLC at July 31, 2010

² See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
GENERAL PLANT ACCUMULATED DEPRECIATION (EAST AND WEST ZONES)
JULY 31, 2010

Allocation of Enogex LLC General Plant Accumulated Depreciation to Transmission

Allocation of Enogex LLC Transmission and Storage to Transmission Only			
Description	Allocation	Allocation Method ²	
Total Enogex LLC General Plant Accum Depr. ¹	\$ 10,918,326		
Transmission Plant Allocation	89.43%	Transmission/Storage Plant Allocation	
	\$ 9,763,911		

Allocation of Enogex LLC Transmission General Plant Accumulated Depreciation to East and West Zones

FERC Account	Description	East Zone	West Zone	Total	Allocation Method ²
390	Structures and Improvements	\$ 1,058,978	\$ 1,024,016	\$ 2,082,994	Three Factor Allocation
391	Office Furniture and Equipment	\$ 2,131,736	\$ 2,061,355	\$ 4,193,091	Three Factor Allocation
392	Transportation Equipment	\$ 641,010	\$ 619,847	\$ 1,260,858	Three Factor Allocation
393	Stores Equipment	\$ 424	\$ 410	\$ 834	Three Factor Allocation
394	Tools, Shop and Garage Equipment	\$ 592,965	\$ 573,388	\$ 1,166,353	Three Factor Allocation
395	Laboratory Equipment	\$ 163,385	\$ 157,991	\$ 321,377	Three Factor Allocation
396	Power Operated Equipment	\$ 66,491	\$ 64,296	\$ 130,787	Three Factor Allocation
397	Communication Equipment	\$ 219,893	\$ 212,633	\$ 432,526	Three Factor Allocation
398	Miscellaneous Equipment	\$ 89,015	\$ 86,076	\$ 175,091	Three Factor Allocation
		\$ 4,963,898	\$ 4,800,013	\$ 9,763,911	

¹ General Plant Accumulated Depreciation of Enogex LLC at July 31, 2010

² See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
TRANSMISSION OPERATING EXPENSE
EAST AND WEST ZONES
TWELVE MONTHS ENDED JULY 31, 2010

Description	East Zone	West Zone	Total ¹	Allocation Method ²
Salaries and Wages	\$ 8,072,996.2	\$ 9,955,133	\$ 18,028,129	Labor Allocation
Employee Benefits	\$ 6,744,931.5	\$ 8,317,443	\$ 15,062,375	Labor Allocation
Employee Expense	\$ 554,043.7	\$ 683,213	\$ 1,237,257	Labor Allocation
Temporary Labor Expense	\$ 163,864.3	\$ 202,068	\$ 365,932	Labor Allocation
Contract Technical & Cons	\$ 3,098,746.2	\$ 2,996,440	\$ 6,095,186	Three Factor Allocation
Contract Professional Services	\$ 1,069,320.0	\$ 1,034,016	\$ 2,103,336	Three Factor Allocation
Materials & Supplies	\$ 1,383,632.1	\$ 1,337,951	\$ 2,721,583	Three Factor Allocation
Injuries & Damages	\$ (106,641.4)	\$ (103,121)	\$ (209,762)	Three Factor Allocation
Office Expense	\$ 77,773.9	\$ 95,906	\$ 173,680	Labor Allocation
Software Expense	\$ 313,768.1	\$ 303,409	\$ 617,177	Three Factor Allocation
Communication Expense	\$ 173,506.2	\$ 167,778	\$ 341,284	Three Factor Allocation
Fleet Transportation	\$ 464,211.4	\$ 572,438	\$ 1,036,649	Labor Allocation
Vegetation Management	\$ 242,106.8	\$ 129,686.2	\$ 371,793	Transmission Plant
Land and Building Expense	\$ 234,547.8	\$ 125,637.2	\$ 360,185	Transmission Plant
Fees, Permits and Land Right	\$ 365,076.8	\$ 312,637.2	\$ 677,714	Two Factor Allocation
Environmental Expense	\$ 71,614.3	\$ 61,327.7	\$ 132,942	Two Factor Allocation
Uncollectibles	\$ (160,611.5)	\$ (216,243)	\$ (376,854)	Throughput Allocation
Utilities	\$ 178,306.4	\$ 172,420	\$ 350,726	Three Factor Allocation
Other Marketing, Sales	\$ 103,747.1	\$ 100,322	\$ 204,069	Three Factor Allocation
Other Operation Expense	\$ 957,424.0	\$ 512,851	\$ 1,470,275	Transmission Plant
General Expense	\$ 134,430.1	\$ 129,992	\$ 264,422	Three Factor Allocation
Purchasing and Warehousing	\$ 50,725.9	\$ 49,051	\$ 99,777	Three Factor Allocation
Assessments to Affiliated Cos	\$ (12,422,425.1)	\$ (12,012,294)	\$ (24,434,719)	Three Factor Allocation
Allocations from OGE	\$ 6,658,477.1	\$ 6,438,645	\$ 13,097,122	Three Factor Allocation
Total Operating Expenses	\$ 18,423,572	\$ 21,366,706	\$ 39,790,278	

¹ Transmission O&M of Enogex LLC for the Twelve Months Ended July 31, 2010

² See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
OTHER RATE BASE SUMMARY
EAST AND WEST ZONES
FOR THE THIRTEEN MONTH PERIOD ENDED JULY 31, 2010

Line No.	Description	East Zone	West Zone	13 Month Average	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
1	Materials and Supplies ¹	\$ 1,492,620	\$ 1,278,220	\$ 2,770,840	\$ 2,591,494	\$ 2,716,932	\$ 2,668,891	\$ 2,757,382	\$ 2,589,466	\$ 2,643,256	\$ 2,756,959	\$ 2,754,587	\$ 2,908,877	\$ 2,924,005	\$ 2,875,173	\$ 2,780,242	\$ 3,053,651
2	Prepaid Assets ²	\$ 498,603	\$ 482,142	\$ 980,745	\$ 823,850	\$ 659,980	\$ 532,091	\$ 502,197	\$ 1,385,132	\$ 1,455,882	\$ 1,447,914	\$ 1,212,142	\$ 1,190,680	\$ 1,086,810	\$ 942,517	\$ 803,252	\$ 707,236
3	Line Pack Gas ³	\$ 1,188,954	\$ 1,001,046	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000
4	Operational Gas ⁴	\$ 4,392,362	\$ 5,943,747	\$ 10,306,109	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 10,818,266	\$ 10,818,266	\$ 10,818,266	\$ 10,818,266	\$ 10,818,266
5	Total	\$ 7,552,539	\$ 8,675,155	\$ 16,227,694	\$ 15,571,354	\$ 15,532,923	\$ 15,356,994	\$ 15,415,590	\$ 16,130,609	\$ 16,255,149	\$ 16,360,884	\$ 16,122,740	\$ 17,087,823	\$ 16,999,082	\$ 16,805,957	\$ 16,571,760	\$ 16,749,153

¹ Materials and supplies includes valves, flanges and pipe purchased for construction, operation and maintenance purposes. This account also includes materials recovered in connection with construction, maintenance or the retirement of property. See attached work paper entitled "Materials and Supplies" (Schedule 9 Work Papers 9-002).

² Prepaid assets consist of prepayments for insurance (liability and property) and revolving facilities fees. See attached work paper entitled "Prepaid Assets" (Schedule 9 Work Papers 9-003).

³ Line pack gas is the minimum amount of natural gas needed to provide enough pressure to move the gas through a pipeline. See attached work paper entitled "Line Pack Gas" (Schedule 9 Work Papers 9-004).

⁴ Operational gas is storage gas utilized to fulfill its transmission load balancing requirements and system swings. See attached work paper entitled "Operational Gas" (Schedule 9 Work Papers 9-005).

ENOEX LLC TRANSMISSION SYSTEM
MATERIALS AND SUPPLIES
FOR THE THIRTEEN MONTH PERIOD ENDED JULY 31, 2010

Line No.	Description	JUL-09	AUG-09	SEP-09	OCT-09	NOV-09	DEC-09	JAN-10	FEB-10	MAR-10	APR-10	MAY-10	JUN-10	JUL-10	Thirteen Month Average
1	Enoex LLC Transmission and Storage	\$ 2,897,893	\$ 3,038,163	\$ 2,984,442	\$ 3,083,395	\$ 2,895,626	\$ 2,955,775	\$ 3,082,923	\$ 3,080,270	\$ 3,252,802	\$ 3,269,719	\$ 3,215,113	\$ 3,108,958	\$ 3,414,692	\$ 3,098,444
2	Enoex LLC Transmission Only (Line 1 * 8943)	\$ 2,591,494	\$ 2,716,932	\$ 2,668,891	\$ 2,757,382	\$ 2,589,466	\$ 2,643,256	\$ 2,756,959	\$ 2,754,387	\$ 2,908,877	\$ 2,924,005	\$ 2,875,173	\$ 2,780,242	\$ 3,053,651	\$ 2,770,840

Allocation of Enoex LLC Transmission and Storage to Transmission Only	
Description	Allocation Method ¹
Transmission Plant	Transmission/Storage Plant Allocation
Storage Plant	Transmission/Storage Plant Allocation
	Allocation
	89.43%
	10.57%
	100.00%

Allocation of Enoex LLC Transmission Materials and Supplies to East and West Zones	
Description	Total
East Zone	1,492,620
West Zone	1,278,220
	\$2,770,840
	Allocation
	53.87%
	46.13%
	100.00%

Source: Materials and Supplies of Enoex LLC for the Thirteen Month Period Ended July 31, 2010

¹ See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001).

ENOGEX LLC TRANSMISSION SYSTEM
PREPAID ASSETS
FOR THE THIRTEEN MONTH PERIOD ENDED JULY 31, 2010

Line No.	Description	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Thirteen Month Average
1	Prepaid Insurance	\$ 524,243	\$ 375,024	\$ 237,814	\$ 214,115	\$ 1,228,741	\$ 1,471,494	\$ 1,342,942	\$ 1,199,992	\$ 1,056,859	\$ 934,854	\$ 791,904	\$ 652,108	\$ 514,233	\$ 811,133
2	Prepaid Incentive Comp Bonuses	\$ 260,742	\$ 226,084	\$ 220,685	\$ 211,564	\$ 184,042	\$ 156,521	\$ 138,118	\$ 155,465	\$ 133,812	\$ 130,664	\$ 121,040	\$ 105,249	\$ 135,292	\$ 168,329
3	Prepaid Rent	\$ 136,271	\$ 136,503	\$ 136,503	\$ 135,894	\$ 136,117	\$ -	\$ 138,045	\$ -	\$ 140,787	\$ 140,789	\$ 141,010	\$ 140,866	\$ 141,310	\$ 117,240
4	Enogex LLC Transmission and Storage	\$ 921,256	\$ 738,011	\$ 595,002	\$ 561,573	\$ 1,548,900	\$ 1,628,015	\$ 1,619,105	\$ 1,355,457	\$ 1,331,458	\$ 1,215,307	\$ 1,053,954	\$ 896,223	\$ 790,855	\$ 1,096,701
5	Enogex LLC Transmission Only (Line 4 * .8943)	\$ 823,850	\$ 659,580	\$ 532,091	\$ 502,197	\$ 1,385,132	\$ 1,455,582	\$ 1,447,914	\$ 1,212,142	\$ 1,190,680	\$ 1,086,810	\$ 942,517	\$ 803,252	\$ 707,256	\$ 980,745

Allocation of Enogex LLC Transmission and Storage to Transmission Only	
Description	Allocation Method ¹
Transmission Plant	Allocation
Storage Plant	Transmission/Storage Plant Allocation
	Transmission/Storage Plant Allocation
	100.00%
	100.00%

Allocation of Enogex LLC Prepaid Assets to East and West Zones	
Description	Allocation Method ¹
East Zone	Total
West Zone	Three Factor Allocation
	Three Factor Allocation
	50.84%
	49.16%
	100.00%
	980,745

Source: Prepaid Assets of Enogex LLC for the Thirteen Month Period Ended July 31, 2010
¹See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
LINE PACK GAS
FOR THE THIRTEEN MONTH PERIOD ENDED JULY 31, 2010

Line No.	Description	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Thirteen Month Average
1	Enogex LLC Transmission	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000	\$ 2,170,000

Allocation of Enogex LLC Line Pack Gas to East and West Zones		
Description	Allocation	Total
East Zone	53.87%	\$ 1,168,954
West Zone	46.13%	\$ 1,001,046
	100.00%	\$ 2,170,000
		Allocation Method ¹
		Two Factor Allocation
		Two Factor Allocation

Source: Line Pack Gas of Enogex LLC for the Thirteen Month Period Ended July 31, 2010

¹See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOEX LLC TRANSMISSION SYSTEM
OPERATIONAL GAS
FOR THE THIRTEEN MONTH PERIOD ENDED JULY 31, 2010

Line No.	Description	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Thirteen Month Average
1	Enogex LLC Transmission	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 9,986,011	\$ 10,818,266	\$ 10,818,266	\$ 10,818,266	\$ 10,818,266	\$ 10,818,266	\$ 10,306,109

Allocation of Enogex LLC Operational Gas to East and West Zones		
Description	Allocation	Total
East Zone	42.62%	\$ 4,392,362
West Zone	57.38%	\$ 5,913,747
	100.00%	\$ 10,306,109

Source: Operational Gas of Enogex LLC for the Thirteen Month Period Ended July, 31, 2010

¹ See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
 TOTAL SYSTEM THROUGHPUT
 TWELVE MONTHS ENDED JULY 31, 2010

Description	East Zone		West Zone		Total
	311 Firm ²	311 IT and Intrastate ¹	Total East Zone	311 IT and Intrastate ¹	
Total System Throughput	74,825,000	270,326,943	345,151,943	442,802,460	809,854,403

¹ Includes Discounted and Non-Discounted Volumes of Enogex LLC for the Twelve Months Ended July 31, 2010

² Volumes are calculated based on contracted volumes

ENOGEX LLC TRANSMISSION SYSTEM
DISCOUNTED THROUGHPUT AND REVENUES (AFFILIATE AND NON-AFFILIATE)
TWELVE MONTHS ENDED JULY 31, 2010 AS ADJUSTED

<u>Delivery Location</u>	<u>Actual Discounts</u>		<u>Adjustments¹</u>		<u>Adjusted Discounts</u>	
	<u>Delivered Quantity</u>	<u>Amount</u>	<u>Delivered Quantity</u>	<u>Amount</u>	<u>Delivered Quantity</u>	<u>Amount</u>
	Affiliate		Affiliate		Affiliate	
East Zone	8,965,133	\$ 391,747	(8,965,133)	\$ (391,747)	-	\$ -
West Zone	25,222,363	\$ 1,421,919	(25,222,363)	\$ (1,421,919)	-	\$ -
	34,187,496	\$ 1,813,665	(34,187,496)	\$ (1,813,665)	-	\$ -
	Non-Affiliate		Non-Affiliate		Non-Affiliate	
East Zone	20,988,098	\$ 1,151,960	-	\$ -	20,988,098	\$ 1,151,960
West Zone	47,018,772	\$ 2,367,391	-	\$ -	47,018,772	\$ 2,367,391
	68,006,870	\$ 3,519,351	-	\$ -	68,006,870	\$ 3,519,351

Total Discounted Throughput and Revenues		
	<u>Delivered Qty</u>	<u>Revenue</u>
East Zone	20,988,098	\$ 1,151,960
West Zone	47,018,772	\$ 2,367,391
	68,006,870	\$ 3,519,351

¹ For ratemaking purposes, Enogex LLC excluded discounts to its affiliates, East Firm 311 customers and West Firm 311 customers from any discounting adjustment.

ENOGEX LLC TRANSMISSION SYSTEM
AD VALOREM TAXES
TWELVE MONTHS ENDED JULY 31, 2010

Line No.	Description	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Total
1	Enogex LLC Transmission and Storage	\$ 779,857	\$ 808,839	\$ 779,857	\$ 785,653	\$ 924,523	\$ 838,857	\$ 832,692	\$ 830,034	\$ 832,692	\$ 832,692	\$ 864,624	\$ 837,733	\$ 9,948,054
2	Enogex LLC Transmission Only (Line 1 * .8943)	\$ 697,401	\$ 723,319	\$ 697,401	\$ 702,585	\$ 826,771	\$ 750,163	\$ 744,650	\$ 742,273	\$ 744,650	\$ 744,650	\$ 773,206	\$ 749,158	\$ 8,896,227

Allocation of Enogex LLC Transmission & Storage Ad Valorem Taxes to Transmission		
Description	Allocation	Allocation Method ¹
Transmission Plant	89.43%	Transmission/Storage Plant Allocation
Storage Plant	10.57%	Transmission/Storage Plant Allocation
	100.00%	

Allocation of Enogex LLC Transmission Ad Valorem Taxes to East and West Zones		
Description	Allocation	Allocation Method ¹
East Zone	65.12%	Transmission Plant Allocation
West Zone	34.88%	Transmission Plant Allocation
	100.00%	
		Total
		5,793,108
		3,103,119
		\$8,896,227

Source: Ad Valorem Taxes of Enogex LLC for the Twelve Month Period Ended July 31, 2010

¹ See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
PAYROLL TAXES
TWELVE MONTHS ENDED JULY 31, 2010

Line No.	Description	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Total
	Taxes-Other-FICA	\$ 250,722	\$ 259,147	\$ 254,213	\$ 232,965	\$ 262,288	\$ 290,340	\$ 783,156	\$ 301,457	\$ 280,679	\$ 273,406	\$ 277,043	\$ 276,108	\$ 3,741,536
	Taxes-Other-Fed Unemployment	\$ 57	\$ 91	\$ 116	\$ 122	\$ 284	\$ 26,795	\$ 7,199	\$ 91	\$ 70	\$ 69	\$ 97	\$ 506	\$ 35,507
	Taxes-Other-State Unemployment	\$ 25	\$ 22	\$ 25	\$ 31	\$ 69	\$ 15,138	\$ 18,742	\$ 1,887	\$ 435	\$ 141	\$ 90	\$ 371	\$ 36,075
1	Enogex LLC Transmission and Storage	\$ 250,804	\$ 259,259	\$ 254,354	\$ 233,119	\$ 262,661	\$ 332,273	\$ 809,097	\$ 303,435	\$ 281,184	\$ 273,616	\$ 277,230	\$ 276,985	\$ 3,814,018
2	Enogex LLC Transmission Only (Line 1 * -.9204)	\$ 230,833	\$ 238,615	\$ 234,101	\$ 214,556	\$ 241,746	\$ 305,815	\$ 744,670	\$ 279,273	\$ 258,794	\$ 251,829	\$ 255,155	\$ 254,930	\$ 3,510,318

Allocation of Enogex LLC Transmission & Storage Payroll Taxes to Transmission	
Description	Allocation Method ¹
Transmission Labor	92.04%
Storage Labor	7.96%
	100.00%

Allocation of Enogex LLC Payroll Taxes to East and West Zones	
Description	Allocation Method ¹
East Zone	44.78%
West Zone	55.22%
	100.00%
	Total
	4,571,920
	1,938,398
	3,510,318

Source: Payroll Taxes of Enogex LLC for the Twelve Months Ended July 31, 2010

¹ See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
FRANCHISE TAXES
AT JULY 31, 2010

		<u>Amount</u>	
Enogex LLC Transmission and Storage	\$	1,250	
Enogex LLC Transmission Only (Line 1 * .8943)	\$	1,118	

Allocation of Enogex LLC Transmission and Storage to Transmission Only		
<u>Description</u>	<u>Allocation</u>	<u>Allocation Method</u> ¹
Transmission Plant	89.43%	Transmission/Storage Plant Allocation
Storage Plant	10.57%	Transmission/Storage Plant Allocation
	100.00%	

Allocation of Enogex LLC Franchise Taxes to East and West Zones			
<u>Description</u>	<u>Allocation</u>	<u>Total</u>	<u>Allocation Method</u> ¹
East Zone	53.87%	\$ 602	Two Factor Allocation
West Zone	46.13%	\$ 516	Two Factor Allocation
	100.00%	\$ 1,118	

Source: Franchise Taxes of Enogex LLC July 31, 2010

¹See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
ACCUMULATED DEFERRED INCOME TAX SUMMARY
EAST AND WEST ZONES
TWELVE MONTHS ENDED JULY 31, 2010

Line No.	Description	East Zone	West Zone	Total
1	Plant	\$ 94,116,814	\$ 50,414,338	\$ 144,531,152
2				
3	Non-plant	\$ (8,643,733)	\$ (10,658,931)	\$ (19,302,665)
4				
5	Total	<u>\$ 85,473,081</u>	<u>\$ 39,755,407</u>	<u>\$ 125,228,487</u>

Allocation of Enogex LLC Plant ADIT to East and West Zones

Description	Allocation	Total	Allocation Method ¹
East Zone	65.12%	\$ 94,116,814	Transmission Plant Allocation
West Zone	34.88%	\$ 50,414,338	Transmission Plant Allocation
	100.00%	\$ 144,531,152	

Allocation of Enogex LLC Non-Plant ADIT to East and West Zones

Description	Allocation	Total	Allocation Method ¹
East Zone	44.78%	\$ (8,643,733)	Labor Allocation
West Zone	55.22%	\$ (10,658,931)	Labor Allocation
	100.00%	\$ (19,302,665)	

Source: Accumulated Deferred Income Taxes of Enogex LLC for the Twelve Months Ended July 31, 2010

¹ See attached work paper entitled "Allocation Factors" (Schedule 13 Work Paper 13-001)

ENOGEX LLC TRANSMISSION SYSTEM
ALLOCATION FACTORS

Line No.	Total System Throughput Allocation Factor			
1				
2	Total System Throughput	<u>Reference</u>	<u>Throughput</u>	<u>Allocation Factor</u>
3	East Zone	Schedule 10 Work Paper 10-001	345,151,943	42.62%
4	West Zone	Schedule 10 Work Paper 10-001	464,702,460	57.38%
5	Total		809,854,403	100.00%
6				
7	Transmission Plant Allocation Factor			
8				
9	Transmission Plant Allocation	<u>Reference</u>	<u>Amount</u>	<u>Allocation Factor</u>
10	East Zone	Schedule 5 Work Paper 5-001	\$438,005,757	65.12%
11	West Zone	Schedule 5 Work Paper 5-001	\$234,620,886	34.88%
12	Total		\$672,626,643	100.00%
13				
14	Labor Allocation Factor			
15				
16	Labor Allocation	<u>Reference</u>		<u>Allocation Factor</u>
17	East Zone	Enogex LLC Labor Assessment Cycle		44.78%
18	West Zone			55.22%
19	Total			100.00%
20				
21	Two Factor Allocation (Average of Throughput and Plant)			
22				
23	Two Factor Average	<u>Reference</u>		<u>Allocation Factor</u>
24	East Zone	Average of Lines 3 and 10		53.87%
25	West Zone	Average of Lines 4 and 11		46.13%
26	Total			100.00%
27				
28	Three Factor Allocation (Average of Throughput, Plant, and Labor)			
29				
30	Three Factor Average	<u>Reference</u>		<u>Allocation Factor</u>
31	East Zone	Average of Lines 3, 10, and 17		50.84%
32	West Zone	Average of Lines 4, 11, and 18		49.16%
33	Total			100.00%
34				
35	Transmission/Storage Plant Allocation			
36				
37				<u>Allocation Factor</u>
38	Transmission Plant			89.43%
39	Storage Plant			10.57%
40				100.00%
41				
42	Transmission/Storage Labor Allocation			
43				
44				<u>Allocation Factor</u>
45	Transmission Labor			92.04%
46	Storage Labor			7.96%
47				100.00%
48				
49	Transmission Accumulated Depreciation Allocation			
50				
51	Transmission Plant Allocation	<u>Reference</u>	<u>Amount</u>	<u>Allocation Factor</u>
52	East Zone	Schedule 7 Work Paper 7-001	\$120,124,263	73.11%
53	West Zone	Schedule 7 Work Paper 7-001	\$44,187,124	26.89%
54	Total		\$164,311,387	100.00%
55				
56				
57	311 East Firm Allocation			
58				
59	311 East Firm Allocation	<u>Reference</u>	<u>Volume</u>	<u>Allocation Factor</u>
60	311 East Firm Throughput	Schedule 10 Work Paper 10-001	74,825,000	
61	Total East Zone Throughput	Schedule 10 Work Paper 10-001	345,151,943	
62				
63	Percentage Allocated to East Firm 311 Service (Line 60 / Line 61)			21.68%
64				
65	311 West Firm Allocation			
66				
67	311 West Firm Allocation	<u>Reference</u>	<u>Volume</u>	<u>Allocation Factor</u>
68	311 West Firm Throughput	Schedule 10 Work Paper 10-001	21,900,000	
69	Total West Zone Throughput	Schedule 10 Work Paper 10-001	464,702,460	
70				
71	Percentage Allocated to West Firm 311 Service (Line 68 / Line 69)			4.71%
72				

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

Enogex LLC

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Docket No. PR11-____-000

**NOTICE OF PETITION FOR RATE APPROVAL
(_____, 2011)**

Take notice that on January 28, 2011, Enogex LLC (“Enogex”) filed a petition for approval of a maximum rate applicable to a new firm Section 311 service in the West Zone of the Enogex Transmission System and for revised or restated rates applicable to continuing firm Section 311 service in the East Zone and zonal rates applicable to continuing interruptible Section 311 transportation services in the East and West Zones, respectively, of the Enogex Transmission System. Specifically, Enogex proposes a rate of \$0.0954 per MMBtu for the new West Zone Section 311 firm transportation service. In addition, Enogex proposes a revised lower rate of \$0.1005 per MMBtu for interruptible transportation service in the West Zone. Although its cost of service supports higher rates, Enogex proposes retention of the currently effective rate, subject to refund, of \$0.1655 per MMBtu for East Zone Section 311 firm transportation service and retention of the currently effective rate, subject to refund, of \$0.1523 per MMBtu for interruptible transportation service in the East Zone. Enogex proposes an effective date of March 1, 2011 for all of these rates. Enogex reserves the right to implement the higher East Zone rates supported by the cost of service prospectively, after notice to its East Zone customers.

Pursuant to Section 284.123(b)(2)(ii) of the Commission’s regulations, if the Commission does not act within 150 days of the filing date, the rates will be deemed to be fair and equitable and not in excess of an amount which interstate pipelines would be permitted to charge for similar transportation services. The Commission may, prior to the expiration of the 150 day period, extend the time for action or institute a proceeding to afford parties an opportunity for written comments and for the oral presentation of views, data and arguments.

Also take notice that Enogex has filed a motion asking the Commission to defer the deadline for protests in this docket to permit the parties to engage in pre-protest settlement discussions. Enogex has not asked the Commission to defer the deadline for interventions.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 CFR 385.211 and 385.214) or with respect to protests, such alternative date as may be allowed by Commission order. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions or protests must be filed in accordance with the provisions of Section 154.210 of the Commission’s regulations (18 CFR 154.210). Anyone filing an intervention or protest must serve a copy of that document on the Applicant. Anyone filing an intervention or protest on or before the intervention or protest date need not serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, D.C. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Kimberly D. Bose
Secretary