



October 30, 2020

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Attention: Ms. Kimberly D. Bose, Secretary

Re: Cost and Revenue Study;
Mojave Pipeline Company, L.L.C.;
Docket No. RP14-1275-

Commissioners:

Pursuant to Article VI of the Stipulation and Agreement filed by Mojave Pipeline Company, L.L.C. ("Mojave") in Docket Nos. RP14-1275-000 and RP10-1082-000 ("2014 Settlement") on September 24, 2014 and accepted by the Commission on October 30, 2014,¹ Mojave hereby submits for filing the required Cost and Revenue Study ("Study"). Mojave requests its acceptance as compliant with the Stipulation and Agreement.

Background

Article VI of the 2014 Settlement provides that if, prior to November 1, 2020, Mojave has not filed a general system-wide rate case pursuant to Section 4 of the NGA and the Commission has not initiated an investigation into Mojave's base rates pursuant to Section 5 of the NGA, Mojave shall file with the Commission a cost and revenue study on or before November 1, 2020. Because no such filing or action has occurred, a cost and revenue study is due under Paragraph 6.1 of the 2014 Settlement.

Cost and Revenue Study

Appendix A of the Study includes all applicable schedules specified in Section 154.313 of the Commission's regulations with the exception of Statement P. The cost and revenue data included as Appendix A reflect Mojave's actual per book costs and revenues for the twelve-month period ending June 30, 2020. The Study reflects annual transportation service revenue of approximately \$15.6 million and an annual cost of service of approximately \$15.9 million. The Study uses an imputed capital structure of 48.14% debt and 51.86% equity, an imputed return on equity of 10.55% and an imputed cost of debt of 8.14% as prescribed by Paragraph 6.1 of the 2014 Settlement. As also required by Paragraph 6.1, Mojave has included the actual billing determinants for the

¹ *Mojave Pipeline Co.*, 149 FERC ¶ 61,089 (2014).

same twelve-month period as was utilized for actual costs, revenues and volumes, and has provided an illustrative 100% load factor transportation rate equivalent for the same period on Schedule J-2 of Appendix A.

Along with cost and revenue data, Mojave is including comparative balance sheets for June 30, 2019 and June 30, 2020, along with an income statement for the twelve months ending June 30, 2020. The amounts on all schedules reflect the books and records of Mojave, except as required by the 2014 Settlement, in conformance with the Commission's Uniform System of Accounts. Also included in Appendix A is Statement O describing Mojave's system and designed operating conditions.

Components of the Filing

Mojave is including the following items:

- a) a transmittal letter; and
- b) Cost and Revenue Study as Appendix A;

Correspondence and communications concerning this filing should be directed to:

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These persons have been designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.203 (2020)).

The undersigned hereby certifies that she has read this filing and knows (i) the contents of such filing and the attachments; (ii) that the contents as stated in the filing and in the attachments are true to the best of her knowledge and belief; and (iii) that she possesses full power and authority to sign this filing.

Respectfully submitted,

MOJAVE PIPELINE COMPANY, L.L.C.
By: Mojave Pipeline Operating Company

By: /s/
M. Catherine Rezendes
Director, Regulatory

Enclosures

Certificate of Service

I hereby certify that I have this day caused a copy of the foregoing document to be served upon all shippers on Mojave's pipeline system and interested state regulatory commissions, in accordance with the requirements of Sections 154.208 and 385.2010 of the Federal Energy Regulatory Commission's Rules of Practice and Procedures.

Dated at Colorado Springs, Colorado as of this 30th day of October 2020.

/s/

M. Catherine Rezendes

Post Office Box 1087
Colorado Springs, CO 80944
(719) 520-4743

Mojave Pipeline Company, L.L.C.

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Appendix A

Appendix A

Listed below are the statements and schedules included in Appendix A of the Mojave Pipeline Company, L.L.C. cost and revenue study.

Schedule A	Cost of Service Summary
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Schedule B-1	Accumulated Deferred Income Taxes
Schedule B-2	Regulatory Assets and Liabilities
Schedule C	Cost of Plant
Schedule C-1	Detail of Gas Plant
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Appendix A

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Schedule J-2	Derivation of Rates
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Statement M	Income Statement
Statement O	Description of Company Operations

Mojave Pipeline Company, L.L.C.
Cost of Service Summary
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Particulars	Statement Schedule Reference	Total Cost of Service
	(a)	(b)	(c)
1	Operation and Maintenance Expenses	H	\$ 2,399,137
2	Administrative and General Expenses	H	1,622,619
3	Depreciation and Amortization Expenses	H-2	4,168,050
4	Return Allowance	B	5,271,821
5	Federal Income Taxes	H-3	932,138
6	State Income Taxes	H-3	455,131
7	Taxes Other Than Income Taxes	H-4	1,090,814
8	Revenue Credits	G-5	<u>-</u>
9	Total Cost of Service		<u>\$ 15,939,710</u>

Mojave Pipeline Company, L.L.C.
Rate Base and Return Allowance
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Description	Statement Schedule Reference	Total Rate Base
	(a)	(b)	(c)
1	Gas Plant In Service	C-1	\$ 249,925,443
2	General Plant	C-1	136,402
3	Intangible Plant	C-1	1,014,187
4	Total Plant In Service		<u>\$ 251,076,032</u>
5	System Balancing Gas	C-1	<u>\$ 1,039,749</u>
6	Total Gas Plant		<u>\$ 252,115,781</u>
7	Depreciation	D	\$ (193,037,223)
8	General Plant Depreciation	D	(80,004)
9	Intangible Plant Amortization	D	(657,269)
10	Total Accumulated DD&A		<u>\$ (193,774,497)</u>
11	Net Gas Plant		\$ 58,341,284
12	Working Capital	E	-
13	Regulatory Assets/(Liabilities)	B-2	(336,846)
14	Accumulated Deferred Income Taxes	B-1	<u>(1,860,467)</u>
15	Rate Base		\$ 56,143,971
16	Rate of Return	F	<u>9.39%</u>
17	Return Allowance		<u><u>\$ 5,271,821</u></u>

Mojave Pipeline Company, L.L.C.
Accumulated Deferred Income Taxes
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Description	FERC Account No. 190	FERC Account No. 282	FERC Account No. 283	Total
	(a)	(b)	(c)	(d)	(e)
1	July 2019	\$ 101,920	\$ (1,926,205)	\$ (726,873)	\$ (2,551,158)
2	August 2019	101,335	(1,951,586)	(722,859)	(2,573,110)
3	September 2019	100,752	(1,977,084)	(718,905)	(2,595,237)
4	October 2019	100,166	(2,002,749)	(715,016)	(2,617,599)
5	November 2019	99,584	(2,097,012)	(711,151)	(2,708,579)
6	December 2019	98,999	(2,166,451)	(707,196)	(2,774,648)
7	January 2020	98,415	(2,197,392)	(703,013)	(2,801,990)
8	February 2020	97,831	(2,228,330)	(698,867)	(2,829,366)
9	March 2020	97,248	(2,305,937)	(698,867)	(2,907,556)
10	April 2020	96,664	(2,336,958)	(690,686)	(2,930,980)
11	May 2020	96,080	(2,368,143)	(686,658)	(2,958,721)
12	June 2020	95,496	(2,399,434)	(682,687)	(2,986,625)
13	Less: Non-Rate Base ADIT	-	443,471	682,687	1,126,158
14	Rate Base Related ADIT	\$ 95,496	\$ (1,955,964)	\$ 0	\$ (1,860,467)

Mojave Pipeline Company, L.L.C.
Accumulated Deferred Income Taxes
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Particulars	FERC Account No.	Balance Per Books 6/30/2020	Excluded From Rate Base 1/	Adjusted Rate Base Balance
	(a)	(b)	(c)	(d)	(e)
	<u>FERC Account No. 190</u>				
1	Excess Def. Income Tax - Fed. Tax Rate Change	190	\$ 95,496	\$ -	\$ 95,496
2	Total FERC Account No. 190		\$ 95,496	\$ -	\$ 95,496
	<u>FERC Account No. 282</u>				
3	Tax Depreciation-NC	282	\$ (2,572,715)	\$ -	\$ (2,572,715)
4	Book Depreciation - NC	282	(8,897,466)	-	(8,897,466)
5	Tax Amortization - NC	282	(442,420)	-	(442,420)
6	Book Amortization - NC	282	149,820	-	149,820
7	Assets Capitalized for Tax Not Book - NC	282	281,749	-	281,749
8	AFUDC Debt - Book Capitalized Interest - NC	282	782,985	-	782,985
9	AFUDC Equity - Book Capitalized Interest - NC	282	(1,725,305)	1,725,305	-
10	263 Interest Capitalized - NC	282	222	-	222
11	Dismantling Costs - NC	282	(27,268)	-	(27,268)
12	Tax G/L on Disposition of Assets - NC	282	(110,040)	-	(110,040)
13	Capitalized Overhead - Book - NC	282	(72,213)	-	(72,213)
14	Repairs & Maintenance Deduction - NC	282	(952,501)	-	(952,501)
15	Proceeds from Sale - NC	282	5,598	-	5,598
16	CIAC - Grossed Up - NC Asset 282	282	1,281,834	(1,281,834)	-
17	Step Up Depreciation - NC Asset 282	282	9,898,285	-	9,898,285
18	Total FERC Account No. 282		\$ (2,399,434)	\$ 443,471	\$ (1,955,964)
	<u>FERC Account No. 283</u>				
19	AFUDC Equity - Regulatory Asset - NC	283	\$ (682,687)	\$ 682,687	\$ -
20	Total FERC Account No. 283		\$ (682,687)	\$ 682,687	\$ -
21	Total Deferred Income Tax		\$ (2,986,625)	\$ 1,126,158	\$ (1,860,467)

Notes:

1/ Adjustments made to remove depreciation associated with AFUDC equity and CIAC gross up amounts.

Line No.	FERC Acct. / Particulars	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Adjustments	Total As Adjusted
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
<u>Account 182.3</u>															
1	FERC Annual Charge Adjustment	\$ 29,532	\$ 209,542	\$ 194,776	\$ 178,541	\$ 162,310	\$ 146,079	\$ 129,848	\$ 113,617	\$ 97,386	\$ 81,155	\$ 64,924	\$ 48,693	\$ (48,693)	\$ -
2	Fuel Tracker	23,083	22,737	12,872	22,811	19,663	42,240	38,060	21,273	11,446	11,446	8,675	11,950	(11,950)	-
3	Income Tax Gross-up on AFUDC Equity	2,563,851	2,549,693	2,535,745	2,522,031	2,508,390	2,494,443	2,479,691	2,465,067	2,465,067	2,436,210	2,421,998	2,407,992	(2,407,992)	-
4	Total FERC Account No. 182.3	<u>\$ 2,616,466</u>	<u>\$ 2,781,971</u>	<u>\$ 2,743,393</u>	<u>\$ 2,723,383</u>	<u>\$ 2,690,363</u>	<u>\$ 2,682,761</u>	<u>\$ 2,647,599</u>	<u>\$ 2,599,957</u>	<u>\$ 2,573,900</u>	<u>\$ 2,528,812</u>	<u>\$ 2,495,597</u>	<u>\$ 2,468,635</u>	<u>\$ (2,468,635)</u>	<u>\$ -</u>
<u>Account 254</u>															
5	Fuel Tracker	\$ (556,685)	\$ (736,695)	\$ (636,646)	\$ (651,191)	\$ (708,346)	\$ (1,109,723)	\$ (1,219,400)	\$ (964,016)	\$ (530,297)	\$ (542,619)	\$ (404,144)	\$ (539,756)	\$ 539,756	\$ -
6	Def. Income Tax Rate Adjustment	(359,495)	(357,436)	(355,377)	(353,318)	(351,259)	(349,200)	(347,141)	(345,082)	(343,023)	(340,964)	(338,905)	(336,846)	-	(336,846)
7	Total FERC Account No. 254	<u>\$ (916,180)</u>	<u>\$ (1,094,131)</u>	<u>\$ (992,023)</u>	<u>\$ (1,004,509)</u>	<u>\$ (1,059,605)</u>	<u>\$ (1,458,923)</u>	<u>\$ (1,566,541)</u>	<u>\$ (1,309,098)</u>	<u>\$ (873,320)</u>	<u>\$ (883,583)</u>	<u>\$ (743,049)</u>	<u>\$ (876,602)</u>	<u>\$ 539,756</u>	<u>\$ (336,846)</u>
8	Total Regulatory Assets and Liabilities	<u>\$ 1,700,287</u>	<u>\$ 1,687,840</u>	<u>\$ 1,751,370</u>	<u>\$ 1,718,875</u>	<u>\$ 1,630,757</u>	<u>\$ 1,223,839</u>	<u>\$ 1,081,058</u>	<u>\$ 1,290,860</u>	<u>\$ 1,700,580</u>	<u>\$ 1,645,228</u>	<u>\$ 1,752,548</u>	<u>\$ 1,592,033</u>	<u>\$ (1,928,879)</u>	<u>\$ (336,846)</u>

Mojave Pipeline Company, L.L.C.
Cost of Plant
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	FERC Account No.	Particulars	Balance Per Books at 6/30/2019	Additions	Reductions	Other Changes	Balance Per Books at 6/30/2020	Adjustments	Total As Adjusted
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	101	Gas Plant in Service	\$ 250,378,967	\$ 1,382,553	\$ (685,488)	\$ -	\$ 251,076,032	\$ -	\$ 251,076,032
2	107	Construction Work in Progress	-	-	-	-	-	-	-
3	117.2	System Balancing Gas	1,039,749	-	-	-	1,039,749	-	1,039,749
4		Total Cost of Plant	<u>\$ 251,418,716</u>	<u>\$ 1,382,553</u>	<u>\$ (685,488)</u>	<u>\$ -</u>	<u>\$ 252,115,781</u>	<u>\$ -</u>	<u>\$ 252,115,781</u>

Mojave Pipeline Company, L.L.C.
Detail of Gas Plant
For the Twelve Months Ending June 30, 2020 as adjusted

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Schedule C-1
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Line No.	FERC Account No.	Description	Balance Per Books 6/30/2020	Adjustments	Total As Adjusted
	(a)	(b)	(c)	(d)	(e)
101		<u>Gas Plant in Service</u>			
		<u>Intangible Plant</u>			
1	303.0	Intangible Plant - Software	\$ 234,867	\$ -	\$ 234,867
2	303.0	Intangible Plant - Miscellaneous	779,319	-	779,319
3		Total Intangible Plant	\$ 1,014,187	\$ -	\$ 1,014,187
		<u>Transmission Plant</u>			
4	365.1	Land and land rights	\$ 83,070	\$ -	\$ 83,070
5	365.2	Rights-of-way	14,747,527	-	14,747,527
6	366.1	Compressor station structures	57,644	-	57,644
7	366.2	Measuring and regulating station structures	9,205	-	9,205
8	366.3	Other structures	273,381	-	273,381
9	367.0	Mains	196,261,821	-	196,261,821
10	368.0	Compressor station equipment	31,627,378	-	31,627,378
11	369.0	Measuring and regulating station equipment	3,863,228	-	3,863,228
12	370.0	Communication equipment	2,973,716	-	2,973,716
13	371.0	Other equipment	28,472	-	28,472
14		Total Transmission Plant	\$ 249,925,443	\$ -	\$ 249,925,443
		<u>General Plant</u>			
15	390.0	Structures and improvements	\$ 31,108	\$ -	\$ 31,108
16	391.0	Office furniture and equipment (computers)	1,704	-	1,704
17	391.0	Office furniture and equipment	7,385	-	7,385
18	392.0	Transportation equipment	67,019	-	67,019
19	394.0	Tools, shop and garage equipment	29,186	-	29,186
20	396.0	Power operated equipment	-	-	-
21		Total General Plant	\$ 136,402	\$ -	\$ 136,402
22		Total Gas Plant In Service	\$ 251,076,032	\$ -	\$ 251,076,032
23	107	Construction Work in Progress	\$ -	\$ -	\$ -
24	117.2	System Balancing Gas	\$ 1,039,749	\$ -	\$ 1,039,749
25		<u>Total Cost of Gas Plant</u>	\$ 252,115,781	\$ -	\$ 252,115,781

Mojave Pipeline Company, L.L.C.
Accumulated Provision for Depreciation and Amortization
For the Twelve Months Ending June 30, 2020 as adjusted

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Schedule D
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Line No.	Description (a)	Balance Per Books 6/30/2020 (b)	Adjustments (c)	Total As Adjusted (d)
<u>FERC Account No. 108 - Accum Prov for Depr</u>				
1	Transmission Plant	\$ 193,037,223	\$ -	\$ 193,037,223
2	General Plant	80,004	-	80,004
3	Total Accumulated Provision for Depreciation	\$ 193,117,227	\$ -	\$ 193,117,227
<u>FERC Account No. 111 - Accum Prov for Amort</u>				
4	Intangible Plant	\$ 657,269	\$ -	\$ 657,269
5	Total FERC Account No. 111	\$ 657,269	\$ -	\$ 657,269
6	Total Accum Prov for Depr, Amortization	\$ 193,774,497	\$ -	\$ 193,774,497

Mojave Pipeline Company, L.L.C.
Working Capital
For the Twelve Months Ending June 30, 2020 as adjusted

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Schedule E
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Line No.	Description	Schedule Reference	Total
	(a)	(b)	(c)
1	Materials and Supplies	E-2	\$ -
2	Prepayments	E-2	-
3	Total		<u>\$ -</u>

Mojave Pipeline Company, L.L.C.
Cash Working Capital
For the Twelve Months Ending June 30, 2020 as adjusted

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Schedule E-1
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This schedule is not applicable to Mojave Pipeline Company, L.L.C. at this time.

Mojave Pipeline Company, L.L.C.
Monthly Balances For Materials, Supplies, and Pre-payments
For the Twelve Months Ending June 30, 2020 as adjusted

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Schedule E-2
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Line No.	Month	FERC	FERC	Total
		Account No. 154 Materials and Supplies	Account No. 165 Pre-payments	
	(a)	(b)	(c)	(d)
1	June-19	\$ -	\$ -	\$ -
2	July-19	-	-	-
3	August-19	-	-	-
4	September-19	-	-	-
5	October-19	-	-	-
6	November-19	-	-	-
7	December-19	-	-	-
8	January-20	-	-	-
9	February-20	-	-	-
10	March-20	-	-	-
11	April-20	-	-	-
12	May-20	-	-	-
13	June-20	-	-	-
14	13 Month Average Balance	\$ -	\$ -	\$ -
15	Adjustments	-	-	-
16	As Adjusted 13 Month Average Balance	\$ -	\$ -	\$ -

Mojave Pipeline Company, L.L.C.
Accounts 117.3/164.1/164.2/164.3 Details
For the Twelve Months Ending June 30, 2020 as adjusted

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Schedule E-3
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This schedule is not applicable to Mojave Pipeline Company L.L.C. at this time.

Mojave Pipeline Company, L.L.C.
Rate of Return Claimed
For the Twelve Months Ending June 30, 2020 as adjusted

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Schedule F
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Appendix A of this cost and revenue study reflects a pre-tax rate of return of 11.55%.

Pursuant to Article 6.1 of Mojave's Settlement & Agreement in Docket No. RP14-1275-000, Mojave will use an imputed capital structure of 48.14% debt and 51.86% equity, an imputed return on equity of 10.55%, and an imputed cost of debt of 8.14% for purposes of its cost and revenue study, resulting in an overall pre-tax rate of return of 11.55% as shown on Schedule F-2.

Mojave Pipeline Company, L.L.C.
Rate of Return and Cost of Capital
For the Twelve Months Ending June 30, 2020 as adjusted

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Schedule F-2
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Line No.	Capital Categories	Percent of Total Capital (%)	Cost of Capital (%)	Weighted Cost of Capital
	(a)	(b)	(c)	(d)
1	Long Term Debt	48.14%	8.14%	3.92%
2	Equity	51.86%	10.55%	5.47%
3	Total Capital	100.0%		
4	Total After Tax Rate of Return			9.39%
			Stated Rate	
5	FIT		21.00%	1.45%
6	SIT		9.30%	0.71%
7	Pre-tax Rate of Return			11.55%

Mojave Pipeline Company, L.L.C.
Summary of Revenues, Credits, and Billing Determinants
For the Twelve Months Ending June 30, 2020

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Schedule G
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Line No.	Particulars	FERC Acct No.	Reservation		Usage		Other		Total
			Quantities (Dth)	Revenues (\$Dollars)	Quantities (Dth)	Revenues (\$Dollars)	Quantities (Dth)	Revenues (\$Dollars)	Revenues (\$Dollars)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Mainline Transportation									
1	Rate Schedule FT - Long-Term	489	179,353,176	\$ 15,057,251	151,297,169	\$ 574,930	79,157,033	\$ 16,239	\$ 15,648,420
2	Rate Schedule FT - Short-Term	489	0	\$ -	0	\$ -	0	\$ -	\$ -
3	Rate Schedule IT	489	33,640	\$ 2,832	33,640	\$ 128	0	\$ -	\$ 2,960
4	Total Revenues for the twelve months ended 6-30-2020		179,386,816	\$ 15,060,083	151,330,809	\$ 575,058	79,157,033	\$ 16,239	\$ 15,651,380

Line No.	Term	Rate Sched	Month-Year	Shipper	Agreement Code	Discount-Max-Negotiated	MDQ	Reservation		Usage		Authorized Overrun		Reservation at Alternate		Total Amount	
								Billed Dth	Amount	Billed Dth	Amount	Billed Dth	Amount	Billed Dth	Amount		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	
1	Long Term	FT1	Jul-19	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	155,000	\$9,300	154,416	\$587			55,000	\$1,331	\$11,218	
2		FT1	Jul-19	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	15,033,016	\$1,265,780	11,267,885	\$42,818			5,468,896	\$0	\$1,308,598	
3		FT1	Jul-19	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,100	\$261							\$261	
4		FT1	Aug-19	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	155,000	\$9,300	154,794	\$588			154,794	\$3,746	\$13,634	
5		FT1	Aug-19	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	15,033,016	\$1,265,780	13,350,901	\$50,733			4,033,913	\$0	\$1,316,513	
6		FT1	Aug-19	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,100	\$261							\$261	
7		FT1	Sep-19	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	150,000	\$9,000	148,830	\$566			148,830	\$3,602	\$13,167	
8		FT1	Sep-19	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	14,548,080	\$1,224,948	12,774,760	\$48,544			6,189,129	\$0	\$1,273,492	
9		FT1	Sep-19	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,000	\$253							\$253	
10		FT1	Oct-19	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	155,000	\$9,300	153,885	\$585					\$9,885	
11		FT1	Oct-19	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	15,033,016	\$1,265,780	13,099,836	\$49,779			7,367,187	\$0	\$1,315,559	
12		FT1	Oct-19	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,100	\$261							\$261	
13		FT1	Nov-19	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	150,000	\$9,000	147,181	\$559					\$9,559	
14		FT1	Nov-19	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	14,548,080	\$1,224,948	12,234,721	\$46,492			9,307,427	\$0	\$1,271,440	
15		FT1	Nov-19	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,000	\$253							\$253	
16		FT1	Dec-19	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	155,000	\$9,300	155,000	\$589					\$9,889	
17		FT1	Dec-19	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	15,033,016	\$1,265,780	13,993,349	\$53,175	71,658	\$6,034	10,029,305	\$0	\$1,324,988	
18		FT1	Dec-19	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,100	\$261							\$261	
19		FT1	Jan-20	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	155,000	\$9,300	155,000	\$589					\$9,889	
20		FT1	Jan-20	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	15,033,016	\$1,265,780	12,807,681	\$48,669			8,527,363	\$0	\$1,314,449	
21		FT1	Jan-20	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,100	\$261							\$261	
22		FT1	Feb-20	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	145,000	\$8,700	144,999	\$551					\$9,251	
23		FT1	Feb-20	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	14,063,144	\$1,184,117	13,013,194	\$49,450					\$1,233,567	
24		FT1	Feb-20	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	2,900	\$244							\$244	
25		FT1	Mar-20	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	155,000	\$9,300	155,000	\$589			15,000	\$363	\$10,252	
26		FT1	Mar-20	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	15,033,016	\$1,265,780	12,320,492	\$46,818			9,652,140	\$0	\$1,312,598	
27		FT1	Mar-20	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,100	\$261							\$261	
28		FT1	Apr-20	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	150,000	\$9,000	149,722	\$569			23,000	\$557	\$10,126	
29		FT1	Apr-20	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	14,548,080	\$1,224,948	11,542,077	\$43,860			8,852,979	\$0	\$1,268,808	
30		FT1	Apr-20	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,000	\$253							\$253	
31		FT1	May-20	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	155,000	\$9,300	155,000	\$589			5,100	\$123	\$10,012	
32		FT1	May-20	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	15,033,016	\$1,265,780	10,201,607	\$38,766			3,363,476	\$0	\$1,304,546	
33		FT1	May-20	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,100	\$261							\$261	
34		FT1	Jun-20	CRC MARKETING, INC.	42KV-FT1MPC	Discount	5,000	150,000	\$9,000	149,990	\$570			20,000	\$484	\$10,054	
35		FT1	Jun-20	EL PASO NATURAL GAS COMPANY, L.L.C. *	42DM-FT1MPC	Max	484,936	14,548,080	\$1,224,948	12,866,849	\$48,894			5,871,836	\$0	\$1,273,842	
36		FT1	Jun-20	TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT	TCF1-FT1MPC	Negotiated	100	3,000	\$253							\$253	
37	Total Long Term Firm								179,353,176	\$15,057,251	151,297,169	\$574,930	71,658	\$6,034	79,085,375	\$10,206	\$15,648,420
38	Interruptible	IT1	Dec-19	SPOTLIGHT ENERGY, LLC	612932-IT1MPC	Max				16,329	\$1,437					\$1,437	
39		IT1	Jan-20	SPOTLIGHT ENERGY, LLC	612932-IT1MPC	Max				2,411	\$212					\$212	
40		IT1	Feb-20	CRC MARKETING, INC.	610335-IT1MPC	Max				4,900	\$431					\$431	
41		IT1	Apr-20	CRC MARKETING, INC.	610335-IT1MPC	Max				10,000	\$880					\$880	
42	Total Interruptible									33,640	\$2,960					\$2,960	
43	Total Transportation Revenue for the 12 months ending June 30, 2020															\$15,651,380	

* Denotes affiliate.

Mojave Pipeline Company, L.L.C.
Other Revenues
For the Twelve Months Ending June 30, 2020

Docket No. RP14-1275-____
Schedule G-5
Appendix A
Page 1 of 1

This schedule is not applicable to Mojave Pipeline Company, L.L.C. at this time.

Docket No. RP14-1275-__
Schedule G-6
Appendix A
Page 1 of 1

[illegible]

Line No.	FERC A/C No.	Particulars	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total Per Books	Adjustments / 1	Total as Adjusted
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
Other gas supply expenses - Purchased gas																	
1	803.0	Natural gas trans. line purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	805.0	Other gas purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3		Total purchased gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	806.0	Exchange gas	\$ 89,746	\$ (445,940)	\$ (494,834)	\$ (87,197)	\$ 342,611	\$ (58,302)	\$ 427,314	\$ (415,739)	\$ (277,489)	\$ (176,531)	\$ 106,867	\$ 43,426	\$ (946,069)	\$ 946,069	\$ -
Storage gas																	
5	808.1	Gas withdrawn from storage - Debit	\$ -	\$ 478,367	\$ 514,373	\$ 101,306	\$ 301	\$ 30,686	\$ -	\$ 412,663	\$ 326,141	\$ 164,207	\$ -	\$ 20,407	\$ 2,048,451	\$ (2,048,451)	\$ -
6	808.2	Gas delivered to storage - Credit	(117,590)	(34,916)	-	(18,719)	(363,111)	(21,309)	(541,171)	-	(64,868)	-	(99,825)	(48,177)	(1,309,685)	1,309,685	-
7		Total storage gas	\$ (117,590)	\$ 443,451	\$ 514,373	\$ 82,587	\$ (362,810)	\$ 9,378	\$ (541,171)	\$ 412,663	\$ 261,273	\$ 164,207	\$ (99,825)	\$ (27,770)	\$ 738,766	\$ (738,766)	\$ -
Gas used in operations - Credit																	
8	810.0	Gas used for compressor station fuel - Credit	\$ (99,318)	\$ (133,013)	\$ (161,176)	\$ (151,076)	\$ (160,021)	\$ (141,622)	\$ (212,089)	\$ (149,798)	\$ (126,075)	\$ (85,178)	\$ (66,808)	\$ (73,722)	\$ (1,559,896)	\$ 1,559,896	\$ -
9	812.0	Gas used for other utility operations - Credit	(1,383)	(2,219)	(1,256)	(1,600)	(1,833)	(1,486)	(3,351)	(3,017)	(1,359)	(1,204)	(963)	(1,111)	(20,782)	20,782	-
10		Total gas used in operations - Credit	\$ (100,701)	\$ (135,232)	\$ (162,432)	\$ (152,675)	\$ (161,854)	\$ (143,108)	\$ (215,440)	\$ (152,815)	\$ (127,435)	\$ (86,382)	\$ (67,770)	\$ (74,832)	\$ (1,580,677)	\$ 1,580,677	\$ -
11	813.0	Other gas supply expenses	\$ (0)	\$ -	\$ (228)	\$ -	\$ -	\$ 318	\$ -	\$ -	\$ (508)	\$ -	\$ -	\$ (0)	\$ (418)	\$ 418	\$ -
12		Total other gas supply expenses	\$ (128,545)	\$ (137,722)	\$ (143,122)	\$ (157,285)	\$ (182,052)	\$ (191,715)	\$ (329,298)	\$ (155,891)	\$ (144,158)	\$ (98,706)	\$ (60,728)	\$ (59,176)	\$ (1,788,398)	\$ 1,788,398	\$ -
13		Total production expenses	\$ (128,545)	\$ (137,722)	\$ (143,122)	\$ (157,285)	\$ (182,052)	\$ (191,715)	\$ (329,298)	\$ (155,891)	\$ (144,158)	\$ (98,706)	\$ (60,728)	\$ (59,176)	\$ (1,788,398)	\$ 1,788,398	\$ -
Transmission expenses - Operation																	
14	850.0	Operation supervision and engineering	\$ 81,050	\$ 72,860	\$ 62,209	\$ 74,787	\$ 68,614	\$ 81,276	\$ 76,264	\$ 71,896	\$ 62,336	\$ 62,306	\$ 56,716	\$ 59,788	\$ 830,101	\$ -	\$ 830,101
15	851.0	System control and load dispatching	25,721	24,026	22,979	24,539	23,006	26,242	28,030	23,832	24,433	25,737	23,881	25,799	298,224	-	298,224
16	852.0	Communication system expenses	-	124	-	-	-	-	-	-	-	-	-	-	124	-	124
17	853.0	Compressor station labor and expenses	59,603	78,162	56,657	75,415	58,532	112,941	105,679	29,890	99,808	71,178	155,555	140,033	1,043,452	-	1,043,452
18	854.0	Gas for compressor station fuel	99,318	133,013	161,176	151,076	160,021	141,622	212,089	149,798	126,075	85,178	66,808	73,722	1,559,896	(1,559,896)	-
19	855.0	Other fuel and power for compressor stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	856.0	Mains expenses	(45,864)	(104,797)	(218,030)	(72,504)	(117,537)	(119,599)	(111,773)	(107,962)	(110,784)	7,154	(247,558)	(169,180)	(1,418,433)	-	(1,418,433)
21	856.5	Mains expenses - Gas Used for Other Util Op - Company Used Gas	1,383	2,219	1,256	1,600	1,833	1,486	3,351	3,017	1,359	1,204	963	1,111	20,782	(20,782)	-
22	857.0	Measuring and regulating station expenses	39,782	49,531	22,078	66,941	50,209	28,113	32,265	29,383	36,544	34,682	32,215	40,625	462,366	-	462,366
23	858.0	Transmission and compre. of gas by others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	859.0	Other expenses	17,644	19,364	17,628	19,908	17,622	17,705	20,910	18,144	19,017	18,692	17,462	17,855	221,950	-	221,950
25	860.0	Rents	11,076	6,391	3,000	-	-	454,280	-	2,593	-	6,139	-	-	483,479	-	483,479
26		Total operation	\$ 289,714	\$ 280,894	\$ 128,953	\$ 341,761	\$ 262,300	\$ 744,065	\$ 366,816	\$ 220,591	\$ 258,789	\$ 312,269	\$ 106,041	\$ 189,751	\$ 3,501,942	\$ (1,580,677)	\$ 1,921,264
Maintenance																	
27	861.0	Maintenance Supervision and Engineering	\$ 3,392	\$ 3,231	\$ 2,997	\$ 3,372	\$ 3,087	\$ 3,161	\$ 3,381	\$ 3,124	\$ 3,431	\$ 3,424	\$ 3,282	\$ 3,421	\$ 39,303	\$ -	\$ 39,303
28	863.0	Maintenance of mains	(54,480)	(9,739)	89,233	(9,787)	(13,054)	(12,185)	(3,731)	115,424	187,182	(160,893)	(166,222)	69,771	31,520	-	31,520
29	864.0	Maintenance of compressor station equip.	10,468	23,931	9,982	21,552	22,268	63,500	5,200	5,904	8,197	38,791	13,554	89,491	312,838	-	312,838
30	865.0	Maintenance of Measuring and Regulating Station Equipment	10,904	5,719	6,641	7,914	5,162	10,352	11,727	4,672	5,209	8,079	3,610	3,940	83,927	-	83,927
31	867.0	Maintenance of Other Equipment	871	972	1,388	1,239	832	699	733	917	822	739	590	481	10,285	-	10,285
32		Total maintenance	\$ (28,845)	\$ 24,114	\$ 110,241	\$ 24,290	\$ 18,295	\$ 65,528	\$ 17,309	\$ 130,042	\$ 204,842	\$ (109,861)	\$ (69,248)	\$ 91,166	\$ 477,873	\$ -	\$ 477,873
33		Total transmission expense	\$ 260,869	\$ 305,008	\$ 239,194	\$ 366,051	\$ 280,594	\$ 809,593	\$ 384,125	\$ 350,633	\$ 463,631	\$ 202,408	\$ 36,793	\$ 280,916	\$ 3,979,814	\$ (1,580,677)	\$ 2,399,137
Customer accounts expenses																	
34	904.0	Uncollectible accounts	\$ -	\$ -	\$ 10,000	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35		Total customer accounts expenses	\$ -	\$ -	\$ 10,000	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative and general expenses - Operation																	
36	920.0	Administrative and general salaries	\$ 70,425	\$ 65,365	\$ 43,744	\$ 67,348	\$ 61,524	\$ 48,297	\$ 67,858	\$ 60,347	\$ 58,172	\$ 65,163	\$ 62,785	\$ 66,908	\$ 737,935	\$ -	\$ 737,935
37	921.0	Office supplies and expenses	855	815	1,128	1,114	1,027	1,192	1,247	486	380	165	212	211	8,832	-	8,832
38	923.0	Outside services employed	8,151	11,659	9,448	10,740	10,167	9,461	9,503	7,774	8,257	7,945	10,471	7,889	111,465	-	111,465
39	924.0	Property insurance	1,416	1,416	1,416	1,416	1,416	1,558	1,513	1,513	1,513	1,513	1,504	1,504	17,701	-	17,701
40	925.0	Injuries and damages	5,491	4,813	4,813	4,635	4,663	3,668	4,743	4,743	4,743	4,743	4,695	4,763	56,514	-	56,514
41	926.0	Employee pensions and benefits	54,925	48,313	45,621	48,753	38,715	19,393	50,062	45,148	46,624	50,967	49,218	51,390	549,131	-	549,131
42	928.0	Regulatory commission expenses	14,766	14,766	14,766	16,235	16,231	16,231	16,231	16,231	16,231	16,231	16,231	16,231	190,381	(190,381)	-
43	930.2	Miscellaneous general expenses	8,001	8,748	(1,231)	6,757	6,283	202	6,966	6,220	6,677	2,816	7,603	7,240	66,281	-	66,281
44	931.0	Rents	7,359	6,793	6,343	6,177	6,084	6,141	3,126	6,583	6,452	6,092	6,546	7,064	74,760	-	74,760
45		Total operation	\$ 171,390	\$ 162,687	\$ 126,048	\$ 163,175	\$ 146,110	\$ 106,144	\$ 161,250	\$ 149,045	\$ 149,050	\$ 155,636	\$ 159,264	\$ 163,201	\$ 1,813,000	\$ (190,381)	\$ 1,622,619
46		Total administrative and general expenses	\$ 171,390	\$ 162,687	\$ 126,048	\$ 163,175	\$ 146,110	\$ 106,144	\$ 161,250	\$ 149,045	\$ 149,050	\$ 155,636	\$ 159,264	\$ 163,201	\$ 1,813,000	\$ (190,381)	\$ 1,622,619
47		Total operation and maintenance expenses	\$ 303,713	\$ 329,973	\$ 232,120	\$ 371,940	\$ 234,652	\$ 724,022	\$ 216,077	\$ 343,787	\$ 468,522	\$ 259,338	\$ 135,329	\$ 384,941	\$ 4,004,416	\$ 17,340	\$ 4,021,756

Notes:

/ 1 The O&M adjustments eliminate costs associated with fuel, gas used, other gas costs, and the Annual Charge Adjustment ("ACA").

Mojave Pipeline Company, L.L.C.
Operation and Maintenance Expenses
Adjustment Summary / 1
For the Twelve Months Ending June 30, 2020 as adjusted

Docket No. RP14-1275-____
Schedule H
Appendix A
Page 2 of 2

Line No.	FERC Account	Description	Total
	(a)	(b)	(c)
		<u>Purchased Gas Cost Elimination:</u>	
1	803	Natural Gas Transmission Line Purchases	\$ -
2	805	Other Gas Purchases	-
		Total	\$ -
		<u>Gas Used, Exchange, Other Elimination:</u>	
3	806.5	Exchange Gas	\$ 946,069
4	808.1	Gas Withdrawn From Storage	(2,048,451)
5	808.2	Gas Delivered to Storage	1,309,685
6	810	Gas Used For Compressor Station Fuel	1,559,896
7	812	Gas Used For Other Utility Operations	20,782
8	813	Other Gas Supply Expenses	418
9	853	Transmission Compressor Station Expense	-
10	854	Gas For Compressor Station Fuel	(1,559,896)
11	855	Other Fuel and Power for Compressor Stations	-
12	856.5	Mains expenses - Gas Used for Other Util. Op. - Company Used Gas	(20,782)
		Total	\$ 207,721
13	928	ACA Expense Elimination	\$ (190,381)
14		Total	<u>\$ 17,340</u>

Notes:

/ 1 The O&M adjustments eliminate costs recovered through Mojave's fuel filings and ACA Surcharge.

Line No.	FERC A/C No.	Particulars	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total Per Books	Adjustments	Total as Adjusted
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
Transmission expenses - Operation																	
1	850.0	Operation supervision and engineering	\$ 61,082	\$ 56,168	\$ 51,978	\$ 58,512	\$ 53,822	\$ 58,938	\$ 59,253	\$ 52,185	\$ 50,946	\$ 52,140	\$ 48,399	\$ 50,087	\$ 653,510	\$ -	\$ 653,510
2	851.0	System control and load dispatching	25,721	24,026	22,979	24,539	23,006	26,242	28,030	23,832	24,433	25,737	23,881	25,799	298,224	-	298,224
3	852.0	Communication system expenses	-	124	-	-	-	-	-	-	-	-	-	-	124	-	124
4	853.0	Compressor station labor and expenses	51,359	44,579	42,181	46,111	36,280	33,050	35,302	24,281	32,811	40,935	37,569	52,845	477,302	-	477,302
5	856.0	Mains expenses	48,785	50,194	39,643	82,860	36,598	36,955	45,146	43,498	44,361	51,249	49,077	49,845	578,209	-	578,209
6	856.5	Mains expenses - Gas Used for Other Util Op - Company Used Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	857.0	Measuring and regulating station expenses	21,696	21,372	19,527	20,357	20,421	17,439	18,715	18,722	21,784	18,671	22,708	21,906	243,318	-	243,318
8	859.0	Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9		Total operation	\$ 208,643	\$ 196,463	\$ 176,309	\$ 232,379	\$ 170,127	\$ 172,623	\$ 186,444	\$ 162,518	\$ 174,335	\$ 188,733	\$ 181,633	\$ 200,481	\$ 2,250,689	\$ -	\$ 2,250,689
Maintenance																	
10	861.0	Maintenance Supervision and Engineering	\$ 3,392	\$ 3,231	\$ 2,997	\$ 3,372	\$ 3,087	\$ 3,161	\$ 3,381	\$ 3,124	\$ 3,431	\$ 3,424	\$ 3,282	\$ 3,421	\$ 39,303	\$ -	\$ 39,303
11	863.0	Maintenance of mains	4,618	3,359	3,288	3,381	2,371	3,388	3,553	2,475	3,095	3,911	5,566	4,252	43,256	-	43,256
12	864.0	Maintenance of compressor station equip.	6,948	5,575	7,733	6,792	7,263	5,678	6,499	4,744	4,177	4,934	5,753	4,043	70,140	-	70,140
13	865.0	Maintenance of Measuring and Regulating Station Equipment	8,727	5,493	5,109	7,616	4,848	6,373	11,727	4,672	5,209	7,759	3,365	3,940	74,837	-	74,837
14	867.0	Maintenance of Other Equipment	-	-	-	-	-	6	-	-	-	-	-	-	6	-	6
15		Total maintenance	\$ 23,684	\$ 17,658	\$ 19,127	\$ 21,162	\$ 17,569	\$ 18,607	\$ 25,160	\$ 15,015	\$ 15,912	\$ 20,028	\$ 17,967	\$ 15,655	\$ 227,542	\$ -	\$ 227,542
16		Total transmission expense	\$ 232,327	\$ 214,121	\$ 195,436	\$ 253,541	\$ 187,696	\$ 191,230	\$ 211,604	\$ 177,533	\$ 190,247	\$ 208,760	\$ 199,600	\$ 216,136	\$ 2,478,231	\$ -	\$ 2,478,231
Administrative and general expenses - Operation																	
17	920.0	Administrative and general salaries	\$ 70,425	\$ 65,365	\$ 43,744	\$ 67,348	\$ 61,524	\$ 48,297	\$ 67,858	\$ 60,347	\$ 58,172	\$ 65,163	\$ 62,785	\$ 66,908	\$ 737,935	\$ -	\$ 737,935
18		Total operation	\$ 70,425	\$ 65,365	\$ 43,744	\$ 67,348	\$ 61,524	\$ 48,297	\$ 67,858	\$ 60,347	\$ 58,172	\$ 65,163	\$ 62,785	\$ 66,908	\$ 737,935	\$ -	\$ 737,935
19		Total administrative and general expenses	\$ 70,425	\$ 65,365	\$ 43,744	\$ 67,348	\$ 61,524	\$ 48,297	\$ 67,858	\$ 60,347	\$ 58,172	\$ 65,163	\$ 62,785	\$ 66,908	\$ 737,935	\$ -	\$ 737,935
20		Total operation and maintenance expenses	\$ 302,752	\$ 279,485	\$ 239,179	\$ 320,889	\$ 249,219	\$ 239,527	\$ 279,462	\$ 237,881	\$ 248,419	\$ 273,923	\$ 262,385	\$ 283,045	\$ 3,216,166	\$ -	\$ 3,216,166

Line No.	FERC A/C No.	Particulars	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total Per Books	Adjustments / 1	Total as Adjusted
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
		Other gas supply expenses - Purchased gas															
1	803.0	Natural gas trans. line purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	805.0	Other gas purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3		Total purchased gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other gas supply expenses - Exchange gas															
4	806.0	Exchange gas	\$ 89,746	\$ (445,940)	\$ (494,834)	\$ (87,197)	\$ 342,611	\$ (58,302)	\$ 427,314	\$ (415,739)	\$ (277,489)	\$ (176,531)	\$ 106,867	\$ 43,426	\$ (946,069)	\$ 946,069	\$ -
		Storage gas															
5	808.1	Gas withdrawn from storage - Debit	\$ -	\$ 478,367	\$ 514,373	\$ 101,306	\$ 301	\$ 30,686	\$ -	\$ 412,663	\$ 326,141	\$ 164,207	\$ -	\$ 20,407	\$ 2,048,451	\$ (2,048,451)	\$ -
6	808.2	Gas delivered to storage - Credit	(117,590)	(34,916)	-	(18,719)	(363,111)	(21,309)	(541,171)	-	(64,868)	-	(99,825)	(48,177)	(1,309,685)	1,309,685	-
7		Total storage gas	\$ (117,590)	\$ 443,451	\$ 514,373	\$ 82,587	\$ (362,810)	\$ 9,378	\$ (541,171)	\$ 412,663	\$ 261,273	\$ 164,207	\$ (99,825)	\$ (27,770)	\$ 738,766	\$ (738,766)	\$ -
		Gas used in operations - Credit															
8	810.0	Gas used for compressor station fuel - Credit	\$ (99,318)	\$ (133,013)	\$ (161,176)	\$ (151,076)	\$ (160,021)	\$ (141,622)	\$ (212,089)	\$ (149,798)	\$ (126,075)	\$ (85,178)	\$ (66,808)	\$ (73,722)	\$ (1,559,896)	\$ 1,559,896	\$ -
9	812.0	Gas used for other utility operations - Credit	(1,383)	(2,219)	(1,256)	(1,600)	(1,833)	(1,486)	(3,351)	(3,017)	(1,359)	(1,204)	(963)	(1,111)	(20,782)	20,782	-
10		Total gas used in operations - Credit	\$ (100,701)	\$ (135,232)	\$ (162,432)	\$ (152,675)	\$ (161,854)	\$ (143,108)	\$ (215,440)	\$ (152,815)	\$ (127,435)	\$ (86,382)	\$ (67,770)	\$ (74,832)	\$ (1,580,677)	\$ 1,580,677	\$ -
11	813.0	Other gas supply expenses	\$ (0)	\$ -	\$ (228)	\$ -	\$ -	\$ 318	\$ -	\$ -	\$ (508)	\$ -	\$ -	\$ (0)	\$ (418)	\$ 418	\$ -
12		Total other gas supply expenses	\$ (128,545)	\$ (137,722)	\$ (143,122)	\$ (157,285)	\$ (182,052)	\$ (191,715)	\$ (329,298)	\$ (155,891)	\$ (144,158)	\$ (98,706)	\$ (60,728)	\$ (59,176)	\$ (1,788,398)	\$ 1,788,398	\$ -
13		Total production expenses	\$ (128,545)	\$ (137,722)	\$ (143,122)	\$ (157,285)	\$ (182,052)	\$ (191,715)	\$ (329,298)	\$ (155,891)	\$ (144,158)	\$ (98,706)	\$ (60,728)	\$ (59,176)	\$ (1,788,398)	\$ 1,788,398	\$ -
		Transmission expenses - Operation															
14	850.0	Operation supervision and engineering	\$ 19,968	\$ 16,692	\$ 10,231	\$ 16,275	\$ 14,792	\$ 22,338	\$ 17,012	\$ 19,711	\$ 11,389	\$ 10,166	\$ 8,317	\$ 9,701	\$ 176,591	\$ -	\$ 176,591
15	851.0	System control and load dispatching	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	852.0	Communication system expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	853.0	Compressor station labor and expenses	8,244	33,584	14,476	29,304	22,252	79,890	70,377	5,609	66,997	30,243	117,986	87,188	566,150	-	566,150
18	854.0	Gas for compressor station fuel	99,318	133,013	161,176	151,076	160,021	141,622	212,089	149,798	126,075	85,178	66,808	73,722	1,559,896	(1,559,896)	-
19	855.0	Other fuel and power for compressor stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	856.0	Mains expenses	(94,649)	(154,990)	(257,674)	(155,364)	(154,135)	(156,554)	(156,918)	(151,460)	(155,145)	(44,095)	(296,635)	(219,025)	(1,996,642)	-	(1,996,642)
21	856.5	Mains expenses - Gas Used for Other Util Op - Company Used Gas	1,383	2,219	1,256	1,600	1,833	1,486	3,351	3,017	1,359	1,204	963	1,111	20,782	(20,782)	-
22	857.0	Measuring and regulating station expenses	18,086	28,159	2,551	46,584	29,787	10,674	13,550	10,661	14,760	16,010	9,507	18,718	219,047	-	219,047
23	858.0	Transmission and compre. of gas by others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	859.0	Other expenses	17,644	19,364	17,628	19,908	17,622	17,705	20,910	18,144	19,017	18,692	17,462	17,855	221,950	-	221,950
25	860.0	Rents	11,076	6,391	3,000	-	-	454,280	-	2,593	-	6,139	-	-	483,479	-	483,479
26		Total operation	\$ 81,071	\$ 84,431	\$ (47,356)	\$ 109,382	\$ 92,172	\$ 571,442	\$ 180,372	\$ 58,074	\$ 84,453	\$ 123,536	\$ (75,593)	\$ (10,731)	\$ 1,251,253	\$ (1,580,677)	\$ (329,424)
		Maintenance															
27	861.0	Maintenance Supervision and Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	863.0	Maintenance of mains	(59,098)	(13,098)	85,945	(13,168)	(15,425)	(15,572)	(7,284)	112,949	184,088	(164,804)	(171,788)	65,519	(11,736)	-	(11,736)
29	864.0	Maintenance of compressor station equip.	3,520	18,356	2,249	14,759	15,005	57,822	(1,299)	1,160	4,020	33,857	83,738	9,511	242,698	-	242,698
30	865.0	Maintenance of Measuring and Regulating Station Equipment	2,177	226	1,532	298	314	3,979	-	-	-	320	245	-	9,091	-	9,091
31	867.0	Maintenance of Other Equipment	871	972	1,388	1,239	832	693	733	917	822	739	590	481	10,278	-	10,278
32		Total maintenance	\$ (52,529)	\$ 6,456	\$ 91,114	\$ 3,128	\$ 726	\$ 46,922	\$ (7,850)	\$ 115,026	\$ 188,930	\$ (129,888)	\$ (87,214)	\$ 75,511	\$ 250,331	\$ -	\$ 250,331
33		Total transmission expense	\$ 28,541	\$ 90,887	\$ 43,758	\$ 112,510	\$ 92,899	\$ 618,363	\$ 172,521	\$ 173,100	\$ 273,384	\$ (6,352)	\$ (162,807)	\$ 64,780	\$ 1,501,584	\$ (1,580,677)	\$ (79,094)
		Customer accounts expenses															
34	904.0	Uncollectible accounts	\$ -	\$ -	\$ 10,000	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35		Total customer accounts expenses	\$ -	\$ -	\$ 10,000	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Administrative and general expenses - Operation															
36	921.0	Office supplies and expenses	\$ 855	\$ 815	\$ 1,128	\$ 1,114	\$ 1,027	\$ 1,192	\$ 1,247	\$ 486	\$ 380	\$ 165	\$ 212	\$ 211	\$ 8,832	\$ -	\$ 8,832
37	923.0	Outside services employed	8,151	11,659	9,448	10,740	10,167	9,461	9,503	7,774	8,257	7,945	10,471	7,889	111,465	-	111,465
38	924.0	Property insurance	1,416	1,416	1,416	1,416	1,416	1,558	1,513	1,513	1,513	1,513	1,504	1,504	17,701	-	17,701
39	925.0	Injuries and damages	5,491	4,813	4,813	4,635	4,663	3,668	4,743	4,743	4,743	4,743	4,695	4,763	56,514	-	56,514
40	926.0	Employee pensions and benefits	54,925	48,313	45,621	48,753	38,715	19,393	50,062	45,148	46,624	50,967	49,218	51,390	549,131	-	549,131
41	928.0	Regulatory commission expenses	14,766	14,766	14,766	16,231	16,231	16,231	16,231	16,231	16,231	16,231	16,231	16,231	190,381	(190,381)	-
42	930.2	Miscellaneous general expenses	8,001	8,748	(1,231)	6,757	6,283	202	6,966	6,220	6,677	2,816	7,603	7,240	66,281	-	66,281
43	931.0	Rents	7,359	6,793	6,343	6,177	6,084	6,141	3,126	6,583	6,452	6,092	6,546	7,064	74,760	-	74,760
44		Total operation	\$ 100,965	\$ 97,323	\$ 82,305	\$ 95,827	\$ 84,586	\$ 57,847	\$ 93,392	\$ 88,697	\$ 90,878	\$ 90,473	\$ 96,479	\$ 96,293	\$ 1,075,065	\$ (190,381)	\$ 884,684
45		Total administrative and general expenses	\$ 100,965	\$ 97,323	\$ 82,305	\$ 95,827	\$ 84,586	\$ 57,847	\$ 93,392	\$ 88,697	\$ 90,878	\$ 90,473	\$ 96,479	\$ 96,293	\$ 1,075,065	\$ (190,381)	\$ 884,684
46		Total operation and maintenance expenses	\$ 961	\$ 50,488	\$ (7,059)	\$ 51,051	\$ (14,567)	\$ 484,495	\$ (63,385)	\$ 105,906	\$ 220,104	\$ (14,585)	\$ (127,056)	\$ 101,897	\$ 788,250	\$ 17,340	\$ 805,590

Notes:
/ 1 The O&M adjustments eliminate costs associated with fuel, gas used, other gas costs, and the Annual Charge Adjustment ("ACA").

Mojave Pipeline Company, L.L.C.
Depreciation, Depletion, and Amortization Expense
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Plant A/C No.	Particulars	Depreciation Method	Depreciable Plant at 6/30/2020	Plant Adjustments	As Adjusted	Annual Rate Per Book	Annual Rate Proposed	Annual Depreciation	Adjustments / 1	Total (k) (f) x (h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
<u>Transmission Plant</u>											
1	365.1	Land and land rights	SLM	\$ 83,070	\$ -	\$ 83,070					
2	365.2	Rights-of-way	SLM	14,747,527	-	14,747,527					
3	366.1	Compressor station structures	SLM	57,644	-	57,644					
4	366.2	Measuring and regulating station structures	SLM	9,205	-	9,205					
5	366.3	Other structures	SLM	273,381	-	273,381					
6	367.0	Mains	SLM	196,261,821	-	196,261,821					
7	368.0	Compressor station equipment	SLM	31,627,378	-	31,627,378					
8	369.0	Measuring and regulating station equipment	SLM	3,863,228	-	3,863,228					
9	370.0	Communication equipment	SLM	2,973,716	-	2,973,716					
10	371.0	Other equipment	SLM	28,472	-	28,472					
11		Total Transmission Plant - Compressor Facilities		\$ 249,925,443	\$ -	\$ 249,925,443	1.60%	1.60%	\$ 3,991,832	\$ 6,975	\$ 3,998,807
<u>General Plant</u>											
12	390.0	Structures and improvements	SLM	\$ 31,108	\$ -	\$ 31,108	10.00%	10.00%			
13	391.0	Office furniture and equipment (computers)	SLM	1,704	-	1,704	10.00%	10.00%			
14	391.0	Office furniture and equipment	SLM	7,385	-	7,385	10.00%	10.00%	\$ 738	\$ -	\$ 739
15	392.0	Transportation equipment	SLM	67,019	-	67,019	33.00%	33.00%	15,876	6,241	22,116
16	394.0	Tools, shop and garage equipment	SLM	29,186	-	29,186	20.00%	20.00%	12,962	(7,125)	5,837
17	396.0	Power Operated Equipment	SLM	-	-	-	0.00%	0.00%	-	-	-
18		Total General Plant		\$ 136,402	\$ -	\$ 136,402			\$ 29,576	\$ (884)	\$ 28,692
19		Total Depreciable Plant		\$ 250,061,845	\$ -	\$ 250,061,845			\$ 4,021,408	\$ 6,091	\$ 4,027,499
<u>Plant Subject To Amortization:</u>											
<u>Intangible Plant</u>											
20	303.0	Intangible Plant - Software	SLM	\$ 234,867	\$ -	\$ 234,867	4.00%	4.00%	\$ 9,395	\$ -	\$ 9,395
21	303.0	Intangible Plant - Miscellaneous	SLM	779,319	-	779,319	20.00%	20.00%	154,211	1,652	155,864
22		Total Intangible Plant		\$ 1,014,187	\$ -	\$ 1,014,187			\$ 163,606	\$ 1,652	\$ 165,259
23		Total Plant Subject To Depreciation, Depletion and Amortization		\$ 251,076,032	\$ -	\$ 251,076,032			\$ 4,185,015	\$ 7,743	\$ 4,192,758
25		Amortization of Excess Def. Income Tax Rate Adjustment								(24,708)	(24,708)
26		Total Depreciation, Depletion and Amortization		\$ 251,076,032	\$ -	\$ 251,076,032			\$ 4,185,015	\$ (16,965)	\$ 4,168,050

Notes:

/ 1 Adjustments made to annualize depreciation expense and to include a reduction for the Amortization of Excess Def. Income Tax Rate Adjustment.

Mojave Pipeline Company, L.L.C.
Reconciliation of Depreciable Plant to Total Gas Plant
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Particulars (a)	Balance at 6/30/2020 (b)	Adjustments / 1 (c)	As Adjusted (d)
1	Total Gas Plant Per Statement C	\$ 252,115,781	\$ -	\$ 252,115,781
	<u>Less:</u>			
2	Construction Work In Progress (Acct. No. 107)	-	-	-
3	System Balancing Gas (Acct. No. 117.2)	1,039,749	-	1,039,749
4	Gas Plant In Service (Acct. Nos. 101, 106 and 114)	\$ 251,076,032	\$ -	\$ 251,076,032
	<u>Less:</u>			
5	Gas Plant Not Subject to Deprec., Deplet., Amort., or Excluded	\$ -	\$ -	\$ -
6	Total Gas Plant Subject To Depreciation, Depletion and Amortization, Per Schedule H-2	\$ 251,076,032	\$ -	\$ 251,076,032
7	Total Provisions Charged To Depreciation, Depletion and Amortization Expense Accounts	\$ 4,185,015	\$ (16,965)	\$ 4,168,050

Note:

/ 1 Adjustments made to annualize depreciation expense and to include a reduction for the Amortization of Excess Def. Income Tax Rate Adjustment.

Mojave Pipeline Company, L.L.C.
Federal and State Income Taxes
For the Twelve Months Ending June 30, 2020 as adjusted

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Line	Particulars	Balance Per
No.	(a)	Books
		6/30/2020
		(b)
	<u>Taxable Portion of Return</u>	
1	Rate Base	\$ 56,143,971
2	After Tax Return on Rate Base	5,271,821
3	Less: Interest Expense	2,200,055
4	Taxable Portion of Return	<u>\$ 3,071,766</u>
5	Book Depreciation Related to AFUDC Equity	<u>\$ 434,849</u>
	<u>Income Taxes</u>	
6	Taxable Base	stated rates \$ 3,506,614
7	Federal Income Tax	rates w/gross-up 21.00% 26.6% \$ 932,138
8	State Income Tax	9.30% 13.0% <u>455,131</u>
9	Total Federal and State Income Taxes	<u><u>\$ 1,387,269</u></u>

Mojave Pipeline Company, L.L.C.
Reconciliation of Net Book Plant and Net Tax Plant As of 6-2020
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Particulars (a)	Calculations (b)
1	<u>Plant Per Books</u>	
2	Gross Plant	\$ 251,076,032
3	Accumulated Depreciation	(193,774,497)
4	Net Book Plant	<u>\$ 57,301,535</u>
5	<u>Plant Per Tax</u>	
6	Gross Plant	\$ 304,603,061
7	Accumulated Depreciation	(255,764,864)
8	Net Tax Plant	<u>\$ 48,838,197</u>
9	Book in Excess Of Tax	<u>\$ 8,463,338</u>
10	Required Deferred Taxes effective tax rate of:	28.35% <u>\$ 2,399,102</u>
11	Booked Deferred Taxes	<u>\$ 2,399,434</u>
12	Unfunded (Excess)	<u>\$ (332)</u>

Line No.	Description	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total Per Books	Adjustments	Total as Adjusted
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
<u>SUMMARY</u>																
1	Ad Valorem	\$ 83,416	\$ 73,916	\$ 73,916	\$ 73,916	\$ 73,916	\$ 63,332	\$ 68,917	\$ 68,917	\$ 68,917	\$ 68,917	\$ 68,917	\$ 68,917	\$ 855,914	\$ -	\$ 855,914
	Arizona	7,808	12,016	12,016	12,016	12,016	9,012	11,719	11,719	11,719	11,719	11,719	11,719	135,198	-	135,198
	California	75,608	61,900	61,900	61,900	61,900	54,320	57,198	57,198	57,198	57,198	57,198	57,198	720,716	-	720,716
2	Payroll Taxes	22,344	23,232	14,687	17,645	14,845	13,014	29,311	17,634	16,045	17,785	17,634	17,344	221,520	-	221,520
3	Texas Gross Margin Tax	-	-	9,280	-	-	-	-	-	-	-	-	-	9,280	-	9,280
4	Franchise Tax - California	-	-	-	2,500	-	-	-	-	1,600	-	-	-	4,100	-	4,100
5	Total	\$ 105,760	\$ 97,148	\$ 97,883	\$ 94,061	\$ 88,761	\$ 76,346	\$ 98,228	\$ 86,551	\$ 86,562	\$ 86,702	\$ 86,551	\$ 86,261	\$ 1,090,814	\$ -	\$ 1,090,814

Mojave Pipeline Company, L.L.C.
Functionalized Cost of Service
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Particulars	Statement Schedule Reference	Total Cost of Service	Transmission Function / 1
	(a)	(b)	(c)	(d)
1	Operation and Maintenance Expenses	H	\$ 2,399,137	\$ 2,399,137
2	Administrative and General Expenses	H	1,622,619	1,622,619
3	Depreciation and Amortization Expenses	H-2	4,168,050	4,168,050
4	Pretax Return Allowance	B/H-3	6,659,090	6,659,090
5	Taxes Other Than Income Taxes	H-4	1,090,814	1,090,814
6	Revenue Credits	G-5	-	-
7	Total Cost of Service		\$ 15,939,710	\$ 15,939,710

Notes:

/ 1 All of Mojave Pipeline Company, L.L.C. facilities are used to provide transmission service.

Mojave Pipeline Company, L.L.C.
Overall Cost of Service by Function
For the Twelve Months Ending June 30, 2020 as adjusted

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Please refer to Schedule I-1. All costs are functionalized to transmission at this time.

Mojave Pipeline Company, L.L.C.
Incremental vs. Non-Incremental Cost of Service Summary
For the Twelve Months Ending June 30, 2020 as adjusted

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Please refer to Schedule I-1. Mojave Pipeline Company, L.L.C. has no incremental facilities.

Mojave Pipeline Company, L.L.C.
Cost of Service by Zone
For the Twelve Months Ending June 30, 2020 as adjusted

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This schedule is not applicable to Mojave Pipeline Company, L.L.C. at this time.

Mojave Pipeline Company, L.L.C.
Basis of Allocation of Common and Joint Costs to Functions
For the Twelve Months Ending June 30, 2020 as adjusted

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This schedule is not applicable. Mojave Pipeline Company, L.L.C. has only one function (transmission).

Mojave Pipeline Company, L.L.C.
Classification of Overall Cost of Service
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	FERC Account	Particulars	Ref.	Total	Transmission	
					Reservation/ Fixed	Commodity/ Variable
		(a)	(b)	(c)	(d)	(e)
<u>Other gas supply expense</u>						
1	806.0	Exchange gas	H	\$ -	\$ -	\$ -
2	808.1	Gas withdrawn from storage - Debit	H	-	-	-
3	808.2	Gas delivered to storage - Credit	H	-	-	-
4	810.0	Gas used for compressor station fuel - Credit	H	-	-	-
5	812.0	Gas used for other utility operations - Credit	H	-	-	-
6	813.0	Other Gas Supply	H	-	-	-
7		Total Other Gas Supply		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Operation</u>						
8	850.0	Operation supervision and engineering	H	\$ 830,101	\$ 830,101	\$ -
9	851.0	System control and load dispatching	H	298,224	298,224	-
10	852.0	Communication system expenses	H	124	124	-
11	853.0	Compressor station labor and expenses	H	1,043,452	477,302	566,150
12	856.0	Mains expenses	H	(1,418,433)	(1,418,433)	-
13	856.5	Mains expenses - Gas Used for Other Util Op - Company Used Gas	H	-	-	-
14	857.0	Measuring and regulating station expenses	H	462,366	462,366	-
15	858.0	Transmission and compre. of gas by others	H	-	-	-
16	859.0	Other expenses	H	221,950	221,950	-
17	860.0	Rents		483,479	483,479	-
18		Total Operation		<u>\$ 1,921,264</u>	<u>\$ 1,355,114</u>	<u>\$ 566,150</u>
<u>Maintenance</u>						
19	861.0	Maintenance Supervision and Engineering	H	\$ 39,303	\$ 39,303	\$ -
20	863.0	Maintenance of mains	H	31,520	31,520	-
21	864.0	Maintenance of compressor station equip.	H	312,838	70,140	242,698
22	865.0	Maintenance of Measuring and Regulating Station Equipment	H	83,927	83,927	-
23	867.0	Maintenance of Other Equipment	H	10,285	10,285	-
24		Total Maintenance		<u>\$ 477,873</u>	<u>\$ 235,175</u>	<u>\$ 242,698</u>
<u>Customer accounts expenses</u>						
25		Administrative, General and Sales Expenses	H	<u>\$ 1,622,619</u>	<u>\$ 1,622,619</u>	<u>\$ -</u>
26		Total Operation and Maintenance	H	\$ 4,021,756	\$ 3,212,908	\$ 808,848
27		Depreciation, Depletion and Amortization	H-2	4,168,050	4,168,050	-
28		Federal Income Taxes	H-3	932,138	932,138	-
29		State Income Taxes	H-3	455,131	455,131	-
30		Taxes Other Than Income	H-4	1,090,814	1,090,814	-
31		Return on Rate Base	B	5,271,821	5,271,821	-
32		Revenue Credits	A	-	-	-
33		Total Cost of Service		<u>\$ 15,939,710</u>	<u>\$ 15,130,863</u>	<u>\$ 808,848</u>

Mojave Pipeline Company, L.L.C.
Allocation of Cost of Service
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Particulars	Schedule Reference	Fixed	Variable	Total
	(a)	(b)	(c)	(d)	(e)
1	Total Costs /1	I-2, Line 33	\$ 15,130,863	\$ 808,848	\$ 15,939,710

Note:

/1 All costs are allocated to transmission.

For The Twelve Months Ending June 30, 2020 as adjusted

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[illegible]

Mojave Pipeline Company, L.L.C.
Reconciliation of Costs and Revenue
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Particulars	Schedule Reference	Balance at 6/30/2020
	(a)	(b)	(c)
1	Revenues	Schedule G	\$ 15,651,380
2	Cost of Service	Schedule A	15,939,710
3	Difference		<u>\$ (288,330)</u>

Mojave Pipeline Company, L.L.C.
Summary of Billing Determinants
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Description	Reservation Units	Adjustment /1	Schedule J-2	Usage Units	Adjustment /1	Schedule J-2
		Schedule G Billing Determinants		Billing Determinants	Schedule G Billing Determinants		Billing Determinants
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Rate Schedule FT-1	179,353,176	0	179,353,176	151,297,169	0	151,297,169
2	Rate Schedule IT-1	33,640	(33,640)	0	33,640	(33,640)	0

Notes:

/1 Adjustment is associated with Interruptible revenue that is billed volumetrically at a 100% IT rate that includes both reservation and usage components.
Rate Schedule IT-1 is treated as a revenue credit on Schedule J-2 for the derivation of rates.

Mojave Pipeline Company, L.L.C.
Derivation of Rates
For the Twelve Months Ending June 30, 2020 as adjusted

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Line No.	Description	Allocated Cost of Service Reference (Schedule I-2)			Billing Determinants Reference (Schedule J-1)		Recourse Rates	
		Reservation	Usage	Total	Reservation	Usage	Daily Reservation	Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Rate Schedule FT-1	\$15,130,863	\$808,848	\$15,939,710				
2	Revenue Credit IT /1	(\$2,832)	(\$128)	(\$2,960)				
3	Total Rate Schedule FT-1	\$15,128,030	\$808,720	\$15,936,750	179,353,176	151,297,169	\$0.0843	\$0.0053
4	Total Rate Schedule FT-1 (100% Load Factor Equivalent)							\$0.0897

Notes:

/1 Revenue Credit is associated with Interruptible revenue that is billed volumetrically at a 100% IT rate that includes both reservation and usage components.

Line No.	Title of Account (a)	FERC Account (b)	June 30, 2020 (c)	June 30, 2019 (d)
	UTILITY PLANT			
1	Utility Plant	101-106, 114	\$ 251,076,032	\$ 250,378,967
2	Construction Work in Progress	107	-	-
3	Total Utility Plant			
4	(Less) Accumulated Prov for Depr, Amort, Depl	108, 111, 115	(193,774,497)	(190,328,625)
5	Net Utility Plant		\$ 57,301,535	\$ 60,050,342
6	System Balancing Gas	117.2	\$ 1,039,749	\$ 1,039,749
7	Gas Owed to System Gas	117.4	\$ 48,729	\$ 677,711
	OTHER PROPERTY AND INVESTMENTS			
8	Investments in Associated Companies	123	\$ 2,448,896	\$ 2,580,401
9	Investments in Subsidiary Companies	123.1	405,592	405,592
10	Total Other Property and Investments		\$ 2,854,488	\$ 2,985,993
	CURRENT AND ACCRUED ASSETS			
11	Cash	131	\$ -	\$ -
12	Customer Accounts Receivable	142	10,503	11,324
13	Accounts Receivable from Associated Companies	146	1,293,033	1,277,885
14	Prepayments	165	-	-
15	Miscellaneous Current and Accrued Assets	174	934,500	325,300
16	Total Current and Accrued Assets		\$ 2,238,036	\$ 1,614,509
	DEFERRED DEBITS			
17	Other Regulatory Assets	182.3	\$ 2,468,635	\$ 2,647,857
18	Miscellaneous Deferred Debits	186	2,958,721	2,506,980
19	Accumulated Deferred Income Taxes	190	95,496	102,503
20	Total Deferred Debits		\$ 5,522,852	\$ 5,257,340
21	Total Assets and Other Debits		\$ 69,005,389	\$ 71,625,644
	PROPRIETARY CAPITAL			
22	Other Paid In Capital	208-211	\$ 63,426,260	\$ 66,052,482
23	Retained Earnings	215, 215.1, 216	343,169	440,239
24	Total Proprietary Capital		\$ 63,769,429	\$ 66,492,721
	CURRENT AND ACCRUED LIABILITIES			
25	Accounts Payable	232	\$ -	\$ -
26	Accounts Payable to Associated Companies	234	77,797	303,505
27	Customer Deposits	235	222,332	211,211
28	Taxes Accrued	236	521,350	597,031
29	Miscellaneous Current and Accrued Liabilities	242	455,758	496,856
30	Total Current and Accrued Liabilities		\$ 1,277,237	\$ 1,608,603
	DEFERRED CREDITS			
31	Other Deferred Credits	253	\$ -	\$ -
32	Other Regulatory Liabilities	254	876,602	892,756
33	Accumulated Deferred Income Taxes	282-283	3,082,121	2,631,564
34	Total Deferred Credits		\$ 3,958,723	\$ 3,524,320
35	Total Liabilities and Other Credits		\$ 69,005,389	\$ 71,625,644

1. General

We are a Delaware limited liability company originally organized as a Texas general partnership in 1985. When we refer to "us," "we," "our," "ours," "the Company," or "Mojave" we are describing Mojave Pipeline Company, L.L.C. We are a direct wholly owned subsidiary of El Paso Natural Gas Company, L.L.C. (EPNG or Member). EPNG is an indirect subsidiary of Kinder Morgan, Inc. (KMI).

Mojave was formed to construct, own and operate an interstate natural gas pipeline to serve the enhanced oil recovery operations and associated cogeneration projects in the heavy oil fields in central California. Our system consists of approximately 445 miles of pipeline and connects with the EPNG system near Cadiz, California, the EPNG and Transwestern Pipeline Company transmission systems at Topock, Arizona, and the Kern River Gas Transmission Company (Kern) transmission system in California. The system also extends to customers in the vicinity of Bakersfield, California.

Mojave Pipeline Operating Company, L.L.C. (MPOC), our wholly-owned subsidiary, is a Texas limited liability company. MPOC was formed to operate our pipeline facilities, including facilities commonly owned by us and Kern.

Coronavirus Diseases 2019 (COVID-19). The COVID-19 pandemic-related reduction in energy demand and the dramatic decline in commodity prices that began in the first quarter of 2020 continued to cause disruptions and volatility in the second quarter of 2020. Sharp declines in the supply of and demand for energy related commodities due to the economic shutdown in the wake of the pandemic affected the energy industry in the second quarter, and we expect will continue to do so in the near term. Further, significant uncertainty remains regarding the duration and extent of the impact of the pandemic on the energy industry, including demand and prices for hydrocarbons.

2. Summary of Significant Accounting Policies

Basis of Presentation

We have prepared our accompanying financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Use of Estimates

Certain amounts included in or affecting our financial statements and related disclosures must be estimated, requiring us to make certain assumptions with respect to values or conditions which cannot be known with certainty at the time our financial statements are prepared. These estimates and assumptions affect the amounts we report for assets and liabilities, our revenues and expenses during the reporting period, and our disclosures, including as it relates to contingent assets and liabilities at the date of our financial statements. We evaluate these estimates on an ongoing basis, utilizing historical experience, consultation with experts and other methods we consider reasonable in the particular circumstances. Nevertheless, actual results may differ significantly from our estimates. Any effects on our business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known.

In addition, we believe that certain accounting policies are of more significance in our financial statement preparation process than others, and set out below are the principal accounting policies we apply in the preparation of our financial statements.

Cash Equivalents

We define cash equivalents as all highly liquid short-term investments with original maturities of three months or less.

Accounts Receivable

We establish provisions for losses on accounts receivable due from shippers and operators if we determine that we will not collect all or part of the outstanding balance. We regularly review collectability and establish or adjust our allowance as necessary using the specific identification method. We had no allowance for doubtful accounts as of June 30, 2020 and 2019.

Natural Gas Imbalances

Natural gas imbalances occur when the amount of natural gas delivered from or received by a pipeline system differs from the scheduled amount of gas to be delivered or received. We value these imbalances due to or from shippers and operators at current index prices. Imbalances are settled in cash or made up in-kind, subject to the terms of our FERC tariff. Imbalances due from others are reported on our balance sheets as part of Account 174 "Miscellaneous Current and Accrued Assets". Imbalances owed to others are reported on our balance sheets as part of Account 242 "Miscellaneous Current and Accrued Liabilities". We classify all imbalances due from or owed to others as current as we expect to settle them within a year.

Property, Plant and Equipment

Our property, plant and equipment is recorded at its original cost of construction or, upon acquisition, at either the fair value of the assets acquired or the cost to the entity that first placed the asset in utility service. For constructed assets, we capitalize all construction-related direct labor and material costs, as well as indirect construction costs. Our indirect construction costs primarily include an interest and equity return component (as more fully described below) and labor and related costs associated with supporting construction activities. The indirect capitalized labor and related costs are based upon estimates of time spent supporting construction projects. We expense costs for routine maintenance and repairs in the period incurred.

We use the composite method to depreciate property, plant and equipment. Under this method, assets with similar economic characteristics are grouped and depreciated as one asset. The FERC-accepted depreciation rate is applied to the total cost of the group until the net book value equals the salvage value. For certain general plant, the asset is depreciated to zero. As part of periodic filings with the FERC, we also re-evaluate and receive approval for our depreciation rates. When property, plant and equipment is retired, accumulated depreciation and amortization is charged for the original cost of the assets in addition to the cost to remove, sell or dispose of the assets, less salvage value. We do not recognize gains or losses unless we sell land or an entire operating unit (as approved by the FERC).

We capitalize a carrying cost (an allowance for funds used during construction or AFUDC) on debt and equity funds related to the construction of long-lived assets. This carrying cost consists of a return on the investment financed by debt and a return on the investment financed by equity. Our AFUDC is calculated based on the AFUDC rates of EPNG. The debt portion is calculated based on EPNG's average cost of debt. Interest costs capitalized are included as a reduction to interest charges in Account 432 "Allowance for Borrowed Funds Used During Construction – Credit" on our income statements. The equity portion is calculated based on EPNG's most recent FERC approved rate of return. Equity amounts capitalized are included in Account 419.1 "Allowance for Other Funds Used During Construction" on our income statements.

Asset Retirement Obligations (ARO)

We record liabilities for obligations related to the retirement and removal of long-lived assets used in our business. We record, as liabilities, the fair value of ARO on a discounted basis when they are incurred and can be reasonably estimated, which is typically at the time the assets are installed or acquired. Amounts recorded for the related assets are increased by the amount of these obligations. Over time, the liabilities increase due to the change in their present value, and the initial capitalized costs are depreciated over the useful lives of the related assets. The liabilities are eventually extinguished when the asset is taken out of service.

We are required to operate and maintain our natural gas pipeline system and intend to do so as long as supply and demand for natural gas exists, which we expect for the foreseeable future. Therefore, we believe that we cannot reasonably estimate the ARO for the substantial majority of our assets because these assets have indeterminate lives. We continue to evaluate our ARO and future developments could impact the amounts we record. We had no ARO as of June 30, 2020 and 2019.

Asset Impairments

We evaluate our assets for impairment when events or changes in circumstances indicate that the carrying values may not be recovered. These events include changes in the manner in which we intend to use a long-lived asset, decisions to sell an asset and adverse changes in market conditions or in the legal or business environment such as adverse actions by regulators. If an event occurs and if an impairment is indicated, or if we decide to sell a long-lived asset or group of assets, we adjust the carrying value of the asset downward, if necessary and upon regulatory approval, to its estimated fair value.

Our fair value estimates are generally based on assumptions market participants would use, including market data obtained through the sales process or an analysis of expected discounted future cash flows. There were no impairments for the year ended June 30, 2020.

Equity Method of Accounting

We use the equity method of accounting for investments in subsidiaries. Under this method, our equity investments are carried originally at our acquisition cost, increased by our proportionate share of the investee's net income and by contributions made, and decreased by our proportionate share of the investee's net losses and by distributions received.

Revenue Recognition

We segregate each class of revenue by account pursuant to the FERC's guidance under Code of Federal Regulations Title 18, Part 201.

Revenues from Contracts with Customers. The unit of account in ASU No. 2014-09, "Revenue from Contracts with Customers" and a series of related accounting standard updates (collectively, "Topic 606") is a performance obligation, which is a promise in a contract to transfer to a customer either a distinct good or service (or bundle of goods or services) or a series of distinct goods or services provided over a period of time. Topic 606 requires that a contract's transaction price, which is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, is to be allocated to each performance obligation in the contract based on relative standalone selling prices and recognized as revenue when (point in time) or as (over time) the performance obligation is satisfied.

Our revenues are primarily generated from the transportation of natural gas under firm service customer

contracts with take-or-pay elements (principally for capacity reservation) where both the price and quantity are fixed. Generally, for these contracts: (i) our promise is to transfer (or stand ready to transfer) a series of distinct integrated services over a period of time, which is a single performance obligation; (ii) the transaction price includes fixed and/or variable consideration which is determinable at contract inception and/or at each month end based on our right to invoice at month end for the value of services provided to the customer that month; and (iii) the transaction price is recognized as revenue over the service period specified in the contract as the services are rendered. In these arrangements, the customer is obligated to pay for services associated with its take-or-pay obligation regardless of whether or not the customer chooses to utilize the service in that period. Because we make the service continuously available over the service period, we recognize the take-or-pay amount as revenue ratably over such period based on the passage of time.

The natural gas we receive under our transportation contracts remains under the control of our customers. In many cases, generally described as firm service, the customer generally pays a two-part transaction price that includes (i) a fixed fee reserving the right to transport natural gas in our facilities up to contractually specified capacity levels (referred to as "reservation") and (ii) a fee-based per-unit rate for quantities of natural gas actually transported. In our firm service contracts we generally promise to provide a single integrated service each day over the life of the contract, which is fundamentally a stand-ready obligation to provide services up to the customer's reservation capacity prescribed in the contract. Our customers have a take-or-pay payment obligation with respect to the fixed reservation fee component, regardless of the quantities they actually transport. In other cases, generally described as interruptible service, there is no fixed fee associated with these transportation services because the customer accepts the possibility that service may be interrupted at our discretion in order to serve customers who have firm service contracts. We do not have an obligation to perform under interruptible customer arrangements until we accept and schedule the customer's request for periodic service. The customer pays a transaction price on a fee-based per-unit rate for the quantities actually transported.

Environmental Matters

We capitalize or expense, as appropriate, environmental expenditures. We capitalize certain environmental expenditures required in obtaining rights-of-way, regulatory approvals or permitting as part of the construction of facilities we use in our business operations. We accrue and expense environmental costs that relate to an existing condition caused by past operations, which do not contribute to current or future revenue generation. We generally do not discount environmental liabilities to a net present value, and we record environmental liabilities when environmental assessments and/or remedial efforts are probable and we can reasonably estimate the costs. Generally, our recording of these accruals coincides with our completion of a feasibility study or our commitment to a formal plan of action. We recognize receivables for anticipated associated insurance recoveries when such recoveries are deemed to be probable.

We routinely conduct reviews of potential environmental issues and claims that could impact our assets or operations. These reviews assist us in identifying environmental issues and estimating the costs and timing of remediation efforts. We also routinely adjust our environmental liabilities to reflect changes in previous estimates. In making environmental liability estimations, we consider the material effect of environmental compliance, pending legal actions against us, and potential third-party liability claims we may have against others. Often, as the remediation evaluation and effort progresses, additional information is obtained, requiring revisions to estimated costs. These revisions are reflected in our income in the period in which they are reasonably determinable.

We are subject to environmental cleanup and enforcement actions from time to time. In particular, the Comprehensive Environmental Response, Compensation and Liability Act generally imposes joint and several liability for cleanup and enforcement costs on current and predecessor owners and operators of a site, among

others, without regard to fault or the legality of the original conduct, subject to the right of a liable party to establish a “reasonable basis” for apportionment of costs. Our operations are also subject to federal, state and local laws and regulations relating to protection of the environment. Although we believe our operations are in substantial compliance with applicable environmental laws and regulations, risks of additional costs and liabilities are inherent in our operations, and there can be no assurance that we will not incur significant costs and liabilities. Moreover, it is possible that other developments, such as increasingly stringent environmental laws, regulations and enforcement policies under the terms of authority of those laws, and claims for damages to property or persons resulting from our operations, could result in substantial costs and liabilities to us.

Although it is not possible to predict the ultimate outcomes of the environmental matters to which we are a party, we believe that the resolution of those matters will not have a material adverse effect on our business, financial position, results of operations or cash flows. We had no accruals for any outstanding environmental matters as of June 30, 2020 and 2019.

Legal Proceedings

We are party to various legal, regulatory and other matters arising from the day-to-day operations of our business that may result in claims against the Company. Although no assurance can be given, we believe, based on our experiences to date and taking into account established reserves, that the ultimate resolution of such items will not have a material adverse impact on our business, financial position, results of operations or cash flows. We believe we have meritorious defenses to the matters to which we are a party and intend to vigorously defend the Company. When we determine a loss is probable of occurring and is reasonably estimable, we accrue an undiscounted liability for such contingencies based on our best estimate using information available at that time. If the estimated loss is a range of potential outcomes and there is no better estimate within the range, we accrue the amount at the low end of the range. We disclose contingencies where an adverse outcome may be material, or in the judgment of management, we conclude the matter should otherwise be disclosed.

We had no accruals for any outstanding legal proceedings as of June 30, 2020 and 2019.

Regulatory Assets and Liabilities

Regulatory assets and liabilities represent probable future revenues or expenses associated with certain charges and credits that are expected to be recovered from or returned to customers through the ratemaking process.

3. Income Taxes

We are a limited liability company and are not subject to federal or state income taxes; however, all of our activities are included in the tax returns of KMI, which is a taxable C-corporation. Our approved rates include an allowance for income taxes, calculated as if we were a taxable corporation, and the FERC requires that we reflect such taxes in our financial statements.

We record current income taxes based on our taxable income and we provide for deferred income taxes to reflect estimated future tax payments and receipts. Deferred taxes represent the tax impacts of differences between the financial statement and tax bases of assets and liabilities and carryovers at each year end. We account for tax credits under the flow-through method, which reduces the provision for income taxes in the year the tax credits first become available. We reduce deferred tax assets by a valuation allowance when, based on our estimates, it is more likely than not that a portion of those assets will not be realized in a future period. The estimates utilized in the recognition of deferred tax assets are subject to revision, either up or down, in future periods based on new facts or circumstances. Income taxes charged to us are reflected in the accompanying comparative balance sheet in Account 236 "Taxes Accrued" and Accounts 190, 282, and 283 "Accumulated Deferred Income Taxes." A portion of the activity in Account 211 "Miscellaneous Paid-in Capital" reflects the income taxes assigned or advanced to our Member. Current income taxes assigned to our Member are transferred into Account 211 from Account 236. Deferred income taxes advanced to our Member are transferred into Account 211 with an offsetting adjustment to Account 186 "Miscellaneous Deferred Debits." For more information, See Note 4.

The following table reflects the components of income tax expense included in net income (in millions):

	<u>Year Ended June 30,</u>
	<u>2020</u>
Current:	
Federal	\$ 0.9
State	<u>0.5</u>
	<u>1.4</u>
Deferred:	
Federal	0.3
State	<u>0.1</u>
	<u>0.4</u>
Total income tax expense	\$ <u>1.8</u>

The differences between our actual income tax expense and the amount computed by applying the statutory federal income tax rate of 21% are summarized as follows (in millions):

	<u>Year Ended June 30,</u>
	<u>2020</u>
Income tax expense at the statutory federal rate. . .	\$ 1.3
State income tax, net of federal income tax effect . .	<u>0.5</u>
Total income tax expense	\$ <u>1.8</u>
Effective tax rate	<u>28.2%</u>

The following are the components of our net deferred tax liability (in millions):

	<u>2020</u>	<u>June 30,</u> <u>2019</u>
Deferred tax liabilities:		
Property, plant, and equipment	\$ 2.4	\$ 1.9
AFUDC equity income tax gross up	<u>0.7</u>	<u>0.7</u>
Total deferred tax liabilities	<u>3.1</u>	<u>2.6</u>
Deferred tax assets:		
Other	<u>0.1</u>	<u>0.1</u>
Net deferred tax liability	\$ <u>3.0</u>	\$ <u>2.5</u>

4. Related Party Transactions

Cash Management Program

We participate in KMI's cash management program, which matches the short-term cash surpluses and needs of participating affiliates, thus minimizing total borrowings from outside sources. KMI uses the cash management program to settle intercompany transactions between participating affiliates. As of June 30, 2020 and 2019, we had a note receivable from KMI of approximately \$2.4 million and \$2.6 million, respectively. The interest rate on this note is variable and was 0.4% and 2.7% as of June 30, 2020 and 2019, respectively. These amounts are included in Account 123, "Investments in Associated Companies" on our balance sheets.

Proprietary Capital

The following table reflects changes to our proprietary capital accounts resulting from distributions paid to our Member, as well as other changes in proprietary capital (in millions):

	<u>Year Ended June 30, 2020</u>	
	<u>Account</u> <u>211</u>	<u>Account</u> <u>216</u>
Balance – Beginning of Period	\$ 66.1	\$ 0.4
Net Income.	-	4.5
Transfer of net earnings from Account 216 ⁽¹⁾	4.6	(4.6)
Transfer from Account 236 ⁽¹⁾	1.3	-
Transfer from Account 186 ⁽¹⁾	<u>0.5</u>	<u>-</u>
Total Transfers	<u>6.4</u>	<u>(4.6)</u>
Distributions of pre-tax earnings	(6.4)	-
Distributions as return of capital	<u>(2.7)</u>	<u>-</u>
Total Distributions to Member	<u>(9.1)</u>	<u>-</u>
Balance – End of Period	<u>\$ 63.4</u>	<u>\$ 0.3</u>

(1) Settlements of these amounts are made within equity and are considered non-cash financing activities.

Other Affiliate Balances and Activities

The following table summarizes our other balance sheet affiliate balances (in millions):

	June 30, <u>2020</u>	June 30, <u>2019</u>
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We obtain natural gas quantities from our shippers, in accordance with our tariff and applicable contract terms, as reimbursement for fuel consumed at compressor stations and other locations on our system as well as for natural gas quantities lost and otherwise unaccounted for. On an annual basis, we make a filing with the FERC detailing the fuel and lost and unaccounted for reimbursement activity. In this filing, prospective fuel and lost and unaccounted for retention rates are established based on historical information. Volumetric over- or under-collections of fuel and lost and unaccounted for quantities from prior periods are trued-up through either an addition or reduction to the prospective fuel and lost and unaccounted for retention rates. For the year ended June 30, 2020, we recorded a net regulatory expense of less than \$0.1 million under our fuel recovery mechanism.

6. Recent Accounting Pronouncement

Accounting Standards Update (ASU) No. 2016-13

On June 16, 2016, the FASB issued ASU No. 2016-13, *“Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.”* This ASU modifies the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to utilize a new forward-looking “expected loss” methodology that generally will result in the earlier recognition of allowance for losses. We adopted ASU No. 2016-13 effective January 1, 2020 with no material impact to our financial statements.

Mojave Pipeline Company, L.L.C.
Income Statement
For the Twelve Months Ending 6/30/2020

Docket No. RP14-1275-_____
Statement M
Appendix A
Page 1 of 1

Line No.	Title of Account (a)	FERC Account (b)	Twelve Months Ending 6/30/2020 (c)
	UTILITY OPERATING INCOME		
1	Gas Operating Revenues	400	\$ 15,850,086
	OPERATING EXPENSES		
2	Operation Expenses	401	\$ 3,526,543
3	Maintenance Expenses	402	477,873
4	Depreciation Expense	403	4,021,408
5	Amortization and Depletion of Utility Plant	404-405	163,606
6	Regulatory Debits	407.3	655,890
7	(Less) Regulatory Credits	407.4	277,319
8	Taxes Other Than Income Taxes	408.1	1,081,535
9	Income Taxes-Federal	409.1	873,051
10	Income Taxes-Other	409.1	440,440
11	Provision for Deferred Income Taxes	410.1	504,405
12	(Less) Provision for Deferred Income Taxes - Credit	411.1	72,939
13	Total Utility Operating Expense		<u>\$ 11,394,493</u>
14	Net Utility Operating Income		<u>\$ 4,455,593</u>
	OTHER INCOME AND DEDUCTIONS		
	Other Income		
15	Interest and Dividend Income	419	\$ 80,800
16	Allowance for Funds Used During Construction	419.1	4,908
17	Miscellaneous NonOperating Income	421	45,654
18	Total Other Income		<u>\$ 131,362</u>
	Other Income Deductions		
19	Penalties	426.3	\$ 213
20	Total Other Income Deductions		<u>\$ 213</u>
21	Total Other Income and Deductions		<u>\$ 131,149</u>
	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		
22	Income Taxes-Federal	409.2	\$ 26,556
23	Income Taxes-Other	409.2	9,297
24	Provision for Deferred Income Taxes	410.2	1,390
25	Total Taxes on Other Income and Deductions		<u>\$ 37,243</u>
26	Net Other Income and Deductions		<u>\$ 93,906</u>
	INTEREST CHARGES		
27	Other Interest Expense	431	\$ 11,213
28	(Less) Allowance for Borrowed Funds Used During Constr. Credit	432	2,099
29	Net Interest Charges		<u>\$ 9,114</u>
30	NET INCOME		<u>\$ 4,540,385</u>
	RETAINED EARNINGS		
31	Retained Earnings Beginning of Period		\$ 440,239
32	Balance Transferred from Income		4,540,385
33	Total Distributions of After-Tax Earnings to Members		4,637,455
34	Retained Earnings - End of Period		<u>\$ 343,169</u>

1. General

We are a Delaware limited liability company originally organized as a Texas general partnership in 1985. When we refer to "us," "we," "our," "ours," "the Company," or "Mojave" we are describing Mojave Pipeline Company, L.L.C. We are a direct wholly owned subsidiary of El Paso Natural Gas Company, L.L.C. (EPNG or Member). EPNG is an indirect subsidiary of Kinder Morgan, Inc. (KMI).

Mojave was formed to construct, own and operate an interstate natural gas pipeline to serve the enhanced oil recovery operations and associated cogeneration projects in the heavy oil fields in central California. Our system consists of approximately 445 miles of pipeline and connects with the EPNG system near Cadiz, California, the EPNG and Transwestern Pipeline Company transmission systems at Topock, Arizona, and the Kern River Gas Transmission Company (Kern) transmission system in California. The system also extends to customers in the vicinity of Bakersfield, California.

Mojave Pipeline Operating Company, L.L.C. (MPOC), our wholly-owned subsidiary, is a Texas limited liability company. MPOC was formed to operate our pipeline facilities, including facilities commonly owned by us and Kern.

Coronavirus Diseases 2019 (COVID-19). The COVID-19 pandemic-related reduction in energy demand and the dramatic decline in commodity prices that began in the first quarter of 2020 continued to cause disruptions and volatility in the second quarter of 2020. Sharp declines in the supply of and demand for energy related commodities due to the economic shutdown in the wake of the pandemic affected the energy industry in the second quarter, and we expect will continue to do so in the near term. Further, significant uncertainty remains regarding the duration and extent of the impact of the pandemic on the energy industry, including demand and prices for hydrocarbons.

2. Summary of Significant Accounting Policies

Basis of Presentation

We have prepared our accompanying financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Use of Estimates

Certain amounts included in or affecting our financial statements and related disclosures must be estimated, requiring us to make certain assumptions with respect to values or conditions which cannot be known with certainty at the time our financial statements are prepared. These estimates and assumptions affect the amounts we report for assets and liabilities, our revenues and expenses during the reporting period, and our disclosures, including as it relates to contingent assets and liabilities at the date of our financial statements. We evaluate these estimates on an ongoing basis, utilizing historical experience, consultation with experts and other methods we consider reasonable in the particular circumstances. Nevertheless, actual results may differ significantly from our estimates. Any effects on our business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known.

In addition, we believe that certain accounting policies are of more significance in our financial statement preparation process than others, and set out below are the principal accounting policies we apply in the preparation of our financial statements.

Cash Equivalents

We define cash equivalents as all highly liquid short-term investments with original maturities of three months or less.

Accounts Receivable

We establish provisions for losses on accounts receivable due from shippers and operators if we determine that we will not collect all or part of the outstanding balance. We regularly review collectability and establish or adjust our allowance as necessary using the specific identification method. We had no allowance for doubtful accounts as of June 30, 2020 and 2019.

Natural Gas Imbalances

Natural gas imbalances occur when the amount of natural gas delivered from or received by a pipeline system differs from the scheduled amount of gas to be delivered or received. We value these imbalances due to or from shippers and operators at current index prices. Imbalances are settled in cash or made up in-kind, subject to the terms of our FERC tariff. Imbalances due from others are reported on our balance sheets as part of Account 174 "Miscellaneous Current and Accrued Assets". Imbalances owed to others are reported on our balance sheets as part of Account 242 "Miscellaneous Current and Accrued Liabilities". We classify all imbalances due from or owed to others as current as we expect to settle them within a year.

Property, Plant and Equipment

Our property, plant and equipment is recorded at its original cost of construction or, upon acquisition, at either the fair value of the assets acquired or the cost to the entity that first placed the asset in utility service. For constructed assets, we capitalize all construction-related direct labor and material costs, as well as indirect construction costs. Our indirect construction costs primarily include an interest and equity return component (as more fully described below) and labor and related costs associated with supporting construction activities. The indirect capitalized labor and related costs are based upon estimates of time spent supporting construction projects. We expense costs for routine maintenance and repairs in the period incurred.

We use the composite method to depreciate property, plant and equipment. Under this method, assets with similar economic characteristics are grouped and depreciated as one asset. The FERC-accepted depreciation rate is applied to the total cost of the group until the net book value equals the salvage value. For certain general plant, the asset is depreciated to zero. As part of periodic filings with the FERC, we also re-evaluate and receive approval for our depreciation rates. When property, plant and equipment is retired, accumulated depreciation and amortization is charged for the original cost of the assets in addition to the cost to remove, sell or dispose of the assets, less salvage value. We do not recognize gains or losses unless we sell land or an entire operating unit (as approved by the FERC).

We capitalize a carrying cost (an allowance for funds used during construction or AFUDC) on debt and equity funds related to the construction of long-lived assets. This carrying cost consists of a return on the investment financed by debt and a return on the investment financed by equity. Our AFUDC is calculated based on the AFUDC rates of EPNG. The debt portion is calculated based on EPNG's average cost of debt. Interest costs capitalized are included as a reduction to interest charges in Account 432 "Allowance for Borrowed Funds Used During Construction – Credit" on our income statements. The equity portion is calculated based on EPNG's most recent FERC approved rate of return. Equity amounts capitalized are included in Account 419.1 "Allowance for Other Funds Used During Construction" on our income statements.

Asset Retirement Obligations (ARO)

We record liabilities for obligations related to the retirement and removal of long-lived assets used in our business. We record, as liabilities, the fair value of ARO on a discounted basis when they are incurred and can be reasonably estimated, which is typically at the time the assets are installed or acquired. Amounts recorded for the related assets are increased by the amount of these obligations. Over time, the liabilities increase due to the change in their present value, and the initial capitalized costs are depreciated over the useful lives of the related assets. The liabilities are eventually extinguished when the asset is taken out of service.

We are required to operate and maintain our natural gas pipeline system and intend to do so as long as supply and demand for natural gas exists, which we expect for the foreseeable future. Therefore, we believe that we cannot reasonably estimate the ARO for the substantial majority of our assets because these assets have indeterminate lives. We continue to evaluate our ARO and future developments could impact the amounts we record. We had no ARO as of June 30, 2020 and 2019.

Asset Impairments

We evaluate our assets for impairment when events or changes in circumstances indicate that the carrying values may not be recovered. These events include changes in the manner in which we intend to use a long-lived asset, decisions to sell an asset and adverse changes in market conditions or in the legal or business environment such as adverse actions by regulators. If an event occurs and if an impairment is indicated, or if we decide to sell a long-lived asset or group of assets, we adjust the carrying value of the asset downward, if necessary and upon regulatory approval, to its estimated fair value.

Our fair value estimates are generally based on assumptions market participants would use, including market data obtained through the sales process or an analysis of expected discounted future cash flows. There were no impairments for the year ended June 30, 2020.

Equity Method of Accounting

We use the equity method of accounting for investments in subsidiaries. Under this method, our equity investments are carried originally at our acquisition cost, increased by our proportionate share of the investee's net income and by contributions made, and decreased by our proportionate share of the investee's net losses and by distributions received.

Revenue Recognition

We segregate each class of revenue by account pursuant to the FERC's guidance under Code of Federal Regulations Title 18, Part 201.

Revenues from Contracts with Customers. The unit of account in ASU No. 2014-09, "Revenue from Contracts with Customers" and a series of related accounting standard updates (collectively, "Topic 606") is a performance obligation, which is a promise in a contract to transfer to a customer either a distinct good or service (or bundle of goods or services) or a series of distinct goods or services provided over a period of time. Topic 606 requires that a contract's transaction price, which is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, is to be allocated to each performance obligation in the contract based on relative standalone selling prices and recognized as revenue when (point in time) or as (over time) the performance obligation is satisfied.

Our revenues are primarily generated from the transportation of natural gas under firm service customer

contracts with take-or-pay elements (principally for capacity reservation) where both the price and quantity are fixed. Generally, for these contracts: (i) our promise is to transfer (or stand ready to transfer) a series of distinct integrated services over a period of time, which is a single performance obligation; (ii) the transaction price includes fixed and/or variable consideration which is determinable at contract inception and/or at each month end based on our right to invoice at month end for the value of services provided to the customer that month; and (iii) the transaction price is recognized as revenue over the service period specified in the contract as the services are rendered. In these arrangements, the customer is obligated to pay for services associated with its take-or-pay obligation regardless of whether or not the customer chooses to utilize the service in that period. Because we make the service continuously available over the service period, we recognize the take-or-pay amount as revenue ratably over such period based on the passage of time.

The natural gas we receive under our transportation contracts remains under the control of our customers. In many cases, generally described as firm service, the customer generally pays a two-part transaction price that includes (i) a fixed fee reserving the right to transport natural gas in our facilities up to contractually specified capacity levels (referred to as "reservation") and (ii) a fee-based per-unit rate for quantities of natural gas actually transported. In our firm service contracts we generally promise to provide a single integrated service each day over the life of the contract, which is fundamentally a stand-ready obligation to provide services up to the customer's reservation capacity prescribed in the contract. Our customers have a take-or-pay payment obligation with respect to the fixed reservation fee component, regardless of the quantities they actually transport. In other cases, generally described as interruptible service, there is no fixed fee associated with these transportation services because the customer accepts the possibility that service may be interrupted at our discretion in order to serve customers who have firm service contracts. We do not have an obligation to perform under interruptible customer arrangements until we accept and schedule the customer's request for periodic service. The customer pays a transaction price on a fee-based per-unit rate for the quantities actually transported.

Environmental Matters

We capitalize or expense, as appropriate, environmental expenditures. We capitalize certain environmental expenditures required in obtaining rights-of-way, regulatory approvals or permitting as part of the construction of facilities we use in our business operations. We accrue and expense environmental costs that relate to an existing condition caused by past operations, which do not contribute to current or future revenue generation. We generally do not discount environmental liabilities to a net present value, and we record environmental liabilities when environmental assessments and/or remedial efforts are probable and we can reasonably estimate the costs. Generally, our recording of these accruals coincides with our completion of a feasibility study or our commitment to a formal plan of action. We recognize receivables for anticipated associated insurance recoveries when such recoveries are deemed to be probable.

We routinely conduct reviews of potential environmental issues and claims that could impact our assets or operations. These reviews assist us in identifying environmental issues and estimating the costs and timing of remediation efforts. We also routinely adjust our environmental liabilities to reflect changes in previous estimates. In making environmental liability estimations, we consider the material effect of environmental compliance, pending legal actions against us, and potential third-party liability claims we may have against others. Often, as the remediation evaluation and effort progresses, additional information is obtained, requiring revisions to estimated costs. These revisions are reflected in our income in the period in which they are reasonably determinable.

We are subject to environmental cleanup and enforcement actions from time to time. In particular, the Comprehensive Environmental Response, Compensation and Liability Act generally imposes joint and several liability for cleanup and enforcement costs on current and predecessor owners and operators of a site, among

others, without regard to fault or the legality of the original conduct, subject to the right of a liable party to establish a “reasonable basis” for apportionment of costs. Our operations are also subject to federal, state and local laws and regulations relating to protection of the environment. Although we believe our operations are in substantial compliance with applicable environmental laws and regulations, risks of additional costs and liabilities are inherent in our operations, and there can be no assurance that we will not incur significant costs and liabilities. Moreover, it is possible that other developments, such as increasingly stringent environmental laws, regulations and enforcement policies under the terms of authority of those laws, and claims for damages to property or persons resulting from our operations, could result in substantial costs and liabilities to us.

Although it is not possible to predict the ultimate outcomes of the environmental matters to which we are a party, we believe that the resolution of those matters will not have a material adverse effect on our business, financial position, results of operations or cash flows. We had no accruals for any outstanding environmental matters as of June 30, 2020 and 2019.

Legal Proceedings

We are party to various legal, regulatory and other matters arising from the day-to-day operations of our business that may result in claims against the Company. Although no assurance can be given, we believe, based on our experiences to date and taking into account established reserves, that the ultimate resolution of such items will not have a material adverse impact on our business, financial position, results of operations or cash flows. We believe we have meritorious defenses to the matters to which we are a party and intend to vigorously defend the Company. When we determine a loss is probable of occurring and is reasonably estimable, we accrue an undiscounted liability for such contingencies based on our best estimate using information available at that time. If the estimated loss is a range of potential outcomes and there is no better estimate within the range, we accrue the amount at the low end of the range. We disclose contingencies where an adverse outcome may be material, or in the judgment of management, we conclude the matter should otherwise be disclosed.

We had no accruals for any outstanding legal proceedings as of June 30, 2020 and 2019.

Regulatory Assets and Liabilities

Regulatory assets and liabilities represent probable future revenues or expenses associated with certain charges and credits that are expected to be recovered from or returned to customers through the ratemaking process.

3. Income Taxes

We are a limited liability company and are not subject to federal or state income taxes; however, all of our activities are included in the tax returns of KMI, which is a taxable C-corporation. Our approved rates include an allowance for income taxes, calculated as if we were a taxable corporation, and the FERC requires that we reflect such taxes in our financial statements.

We record current income taxes based on our taxable income and we provide for deferred income taxes to reflect estimated future tax payments and receipts. Deferred taxes represent the tax impacts of differences between the financial statement and tax bases of assets and liabilities and carryovers at each year end. We account for tax credits under the flow-through method, which reduces the provision for income taxes in the year the tax credits first become available. We reduce deferred tax assets by a valuation allowance when, based on our estimates, it is more likely than not that a portion of those assets will not be realized in a future period. The estimates utilized in the recognition of deferred tax assets are subject to revision, either up or down, in future periods based on new facts or circumstances. Income taxes charged to us are reflected in the accompanying comparative balance sheet in Account 236 "Taxes Accrued" and Accounts 190, 282, and 283 "Accumulated Deferred Income Taxes." A portion of the activity in Account 211 "Miscellaneous Paid-in Capital" reflects the income taxes assigned or advanced to our Member. Current income taxes assigned to our Member are transferred into Account 211 from Account 236. Deferred income taxes advanced to our Member are transferred into Account 211 with an offsetting adjustment to Account 186 "Miscellaneous Deferred Debits." For more information, See Note 4.

The following table reflects the components of income tax expense included in net income (in millions):

	<u>Year Ended June 30,</u>
	<u>2020</u>
Current:	
Federal	\$ 0.9
State	<u>0.5</u>
	<u>1.4</u>
Deferred:	
Federal	0.3
State	<u>0.1</u>
	<u>0.4</u>
Total income tax expense	\$ <u>1.8</u>

The differences between our actual income tax expense and the amount computed by applying the statutory federal income tax rate of 21% are summarized as follows (in millions):

	<u>Year Ended June 30,</u>
	<u>2020</u>
Income tax expense at the statutory federal rate. . .	\$ 1.3
State income tax, net of federal income tax effect . .	<u>0.5</u>
Total income tax expense	\$ <u>1.8</u>
Effective tax rate	<u>28.2%</u>

The following are the components of our net deferred tax liability (in millions):

	<u>2020</u>	<u>June 30,</u> <u>2019</u>
Deferred tax liabilities:		
Property, plant, and equipment	\$ 2.4	\$ 1.9
AFUDC equity income tax gross up	<u>0.7</u>	<u>0.7</u>
Total deferred tax liabilities	<u>3.1</u>	<u>2.6</u>
Deferred tax assets:		
Other	<u>0.1</u>	<u>0.1</u>
Net deferred tax liability	\$ <u>3.0</u>	\$ <u>2.5</u>

4. Related Party Transactions

Cash Management Program

We participate in KMI's cash management program, which matches the short-term cash surpluses and needs of participating affiliates, thus minimizing total borrowings from outside sources. KMI uses the cash management program to settle intercompany transactions between participating affiliates. As of June 30, 2020 and 2019, we had a note receivable from KMI of approximately \$2.4 million and \$2.6 million, respectively. The interest rate on this note is variable and was 0.4% and 2.7% as of June 30, 2020 and 2019, respectively. These amounts are included in Account 123, "Investments in Associated Companies" on our balance sheets.

Proprietary Capital

The following table reflects changes to our proprietary capital accounts resulting from distributions paid to our Member, as well as other changes in proprietary capital (in millions):

	<u>Year Ended June 30, 2020</u>	
	<u>Account</u> <u>211</u>	<u>Account</u> <u>216</u>
Balance – Beginning of Period	\$ 66.1	\$ 0.4
Net Income.	-	4.5
Transfer of net earnings from Account 216 ⁽¹⁾	4.6	(4.6)
Transfer from Account 236 ⁽¹⁾	1.3	-
Transfer from Account 186 ⁽¹⁾	<u>0.5</u>	<u>-</u>
Total Transfers	<u>6.4</u>	<u>(4.6)</u>
Distributions of pre-tax earnings	(6.4)	-
Distributions as return of capital	<u>(2.7)</u>	<u>-</u>
Total Distributions to Member	<u>(9.1)</u>	<u>-</u>
Balance – End of Period	\$ <u>63.4</u>	\$ <u>0.3</u>

(1) Settlements of these amounts are made within equity and are considered non-cash financing activities.

Other Affiliate Balances and Activities

The following table summarizes our other balance sheet affiliate balances (in millions):

	June 30, <u>2020</u>	June 30, <u>2019</u>
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Mojave Pipeline Company, L.L.C (Mojave) is a natural gas company engaged in open-access transportation. Mojave's pipeline system extends west from the interconnection with El Paso Natural Gas Company, L.L.C. and Transwestern Pipeline Company, LLC near Topock, Arizona to the interconnection with Kern River Gas Company (Kern) near Daggett, California. West of the Daggett interconnect, the system is co-owned by Mojave and Kern and is operated as common facilities. The facilities extend west of Daggett to a bifurcation point where the system splits into two delivery laterals. The East Lateral moves north and northwest to a termination point near Bakersfield, California. The West Lateral moves west and northwest to a termination point near McKittrick, California. The Mojave system consists of approximately 445 miles of pipeline.

There have been no major expansions or abandonments of the Mojave system since it went into service on March 1, 1992. However, in 2005, a new interconnect with EPNG was installed near the Town of Cadiz, California and, in 2015, two pipeline segments comprising approximately 1,825 linear feet of 30-inch-diameter pipeline were replaced near the City of Taft, California.

The Mojave pipeline system has a maximum design capacity of approximately 460 MMcf per day for its wholly-owned facilities that extend from Topock, Arizona to a point near Daggett, California. Such facilities have a maximum allowable operating pressure (MAOP) of 1,200 psig. On the jointly-owned common facilities that extend from a point near Daggett, California to the termini of the East and West Laterals, both located in Kern County, California, the maximum design capacity is approximately 1.6 Bcf per day with an MAOP of 930 psig. The design ambient temperature is 94 degrees Fahrenheit.

Mojave incorporates by reference into this filing its 2019 System Flow Diagram, Format No. FERC 567, pursuant to 18 C.F.R. § 260.8 of the Commission's regulations.