



March 11, 2008

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

RE: Composition of Proxy Companies For Determining Gas and Oil Pipeline Return on Equity; Docket No. PL07-2-000

Dear Secretary Bose:

This morning, the Interstate Natural Gas Association of America (“INGAA”) filed Post-Technical Conference Supplemental Comments, including an affidavit of its expert witness, Dr. Michael J. Vilbert, in response to the Reply Comments of the State of Alaska, in the above-referenced docket. Dr. Vilbert’s affidavit, Table 1, references a workpaper. INGAA inadvertently forgot to attach the workpaper to its filing. Accordingly, I am submitting such workpaper hereto.

If you have any questions please do not hesitate to contact me.

s/s Joan Dreskin

---

Joan Dreskin  
General Counsel  
Interstate Natural Gas Association  
Of America  
(202) 216-5928  
[Jdreskin@ingaa.org](mailto:Jdreskin@ingaa.org)

Attachment

Workpaper for Table 1 of the Vilbert Affidavit

	(\$ millions)	Inergy	Hiland	Energy Transfer	Alliance	NuStar	Magellan	Penn Virginia	Buckeye
<b>LP Equity</b>									
[1]	LP Shares (Bloomberg)	50.534	9.286	136.981	36.551	49.410	66.546	50.118	45.718
[2]	Current 15-day avg. LP Price	29.302	49.134	48.465	38.805	54.019	43.792	27.263	49.268
[3]	Total LP Equity Value	\$1,480.75	\$456.26	\$6,638.74	\$1,418.37	\$2,669.06	\$2,914.18	\$1,366.38	\$2,252.45
<b>GP Equity</b>									
GP Holdings LP									
[4]	GP Shares (Bloomberg)	20.009	21.600	222.828	59.863	42.501	62.647	39.075	27.891
[5]	Current 15-day avg. GP Price	44.565	23.979	32.459	23.416	26.820	25.330	27.331	27.703
[6]	Total GP Holding Value	\$891.70	\$517.95	\$7,232.70	\$1,401.75	\$1,139.88	\$1,586.85	\$1,067.97	\$772.67
[7]	GP LP Ownership <sup>1</sup>	10.3%	57.8%	45.7%	42.5%	20.7%	0.0%	42.5%	0.0%
[8]	GP LP Value	\$152.52	\$263.51	\$3,033.90	\$603.23	\$552.06	\$0.00	\$580.44	\$0.00
[9]	Total GP Equity Value	\$739.18	\$254.44	\$4,198.80	\$798.52	\$587.82	\$1,586.85	\$487.53	\$772.67
[10]	Direct Estimate of Market Value of MLP Equity	\$2,219.93	\$710.70	\$10,837.53	\$2,216.89	\$3,256.88	\$4,501.03	\$1,853.92	\$3,025.12
<b>Rule of Thumb Estimates</b>									
[11]	Current GP Share of Total Distribution	22.16%	18.42%	36.07%	28.87%	11.44%	31.20%	17.93%	30.02%
[12]	Maximum GP Share of Total Distributions	48%	50%	50%	50%	25%	50%	50%	45%
[13]	"Rule of Thumb" GP Sharing ratio	35.08%	34.21%	43.03%	39.44%	18.22%	40.60%	33.96%	37.51%
[14]	"Rule of Thumb" Total MLP Equity Value Estimate	\$2,280.82	\$693.51	\$11,653.95	\$2,341.93	\$3,263.72	\$4,906.14	\$2,069.12	\$3,604.49
[15]	Rule of Thumb Over (under) estimate of Total MLP Equity Value	\$60.90	(\$17.19)	\$816.41	\$125.03	\$6.84	\$405.11	\$215.21	\$579.37
[16]	"Rule of Thumb" over-estimate of Equity Value (% of Direct Estimate)	3%	-2%	8%	6%	0%	9%	12%	19%
[17]	Horst Total MLP Equity Value Estimate	\$2,374.90	\$735.90	\$11,830.84	\$2,415.42	\$3,286.30	\$5,032.13	\$2,198.80	\$3,657.03
[18]	Horst Over (under) estimate of Total MLP Equity Value	\$154.98	\$25.20	\$993.30	\$198.53	\$29.43	\$531.10	\$344.88	\$631.91
[19]	Horst over-estimate of MLP Equity Value (% of Direct Estimate)	7%	4%	9%	9%	1%	12%	19%	21%

**Notes and Sources:**

[1]: From Bloomberg as of 3/6/2008

[2]: From Bloomberg as of 3/6/2008

[3]: [1] x [2]

[4]: From Bloomberg as of 3/6/2008

[5]: From Bloomberg as of 2/27/2008

[6]: [4] x [5]

[7]: From Presentations about organizational structures

[8]: [3] x [7]

[9]: [6] - [8]

[10]: [3] + [9]

[11]: Calculated using most recent (as of 3/6/2008) distribution and IDR Structure as per company 10Ks.

[12]: Upper bound of GP share determined by tier structure (see company 10Ks).

[13]: ([11] + [12]) / 2

[14]: [3] / (1 - [13])

[15]: [14] - [10]

[16]: [15] / [10]

[17]:  $0.5 \times \{ [3] / (1 - [11]) + [3] / (1 - [12]) \}$

[18]: [18] - [10]

[19]: [19] / [10]