PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-D-3.7 GENERAL EMPLOYEE BENEFITS INFORMATION - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Question #4 - If the benefit is not addressed by Questions 2 or 3 above, provide adequate source documentation to verify the calculation of the requested expense (i.e. thrift benefits, etc.)

			Transmission		
Line No.	Account Number	Month	401(k) Savings Plan [1]	Pension [2]	Total Retirement Benefits
1	926	Apr-12	$16,011	($8,111)	$7,900
2		May-12	16,011	(8,111)	$7,900
3		Jun-12	16,011	(8,111)	$7,900
4		Jul-12	16,649	(8,111)	$8,537
5		Aug-12	16,649	(8,111)	$8,537
6		Sep-12	16,649	(8,111)	$8,537
7		Oct-12	16,649	(8,111)	$8,537
8		Nov-12	16,649	(8,111)	$8,537
9		Dec-12	16,649	(8,111)	$8,537
10		Jan-13	16,649	(16,904)	($255)
11		Feb-13	17,148	(16,904)	$245
12		Mar-13	17,148	(16,904)	$245
		Total Expense	$198,872	($123,714)	$75,158

[1] Projected based upon average employer contribution rate of 4.5% per employee and projected salaries per month.

[2] The Company's allocable portion of pension income is determined based on the ratio of the Company's total pensionable earnings to that of the parent company, NextEra Energy, Inc.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-D-3.7 GENERAL EMPLOYEE BENEFITS INFORMATION - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Question #5 - Assure that the information presented in II-D-3.7.2 through II-D-3.7.4 agrees with or is reconciled to the total cost per benefit listed elsewhere.

Projected benefits amounts and totals for Lone Star Transmission used in II-D-3.7 are consistent with those presented elsewhere in schedules and testimony

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-D-3.7 GENERAL EMPLOYEE BENEFITS INFORMATION - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
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Question #6 - Cost for retirees for each benefit shall be separately identified

Lone Star Transmission, LLC. has no retired employees.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-D-3.8 PENSION EXPENSE - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Question #1 - Is the Company's requested pension expense based on a GAAP calculation?

Yes, the Company's recorded pension income is based upon an allocated portion of the GAAP calculation. The Company's allocable portion of pension income is determined based on the ratio of the Company's total pensionable earnings to that of the parent company, NextEra Energy, Inc. The pension plan is an enterprise level plan and therefore an allocation method based upon pensionable earnings reflects each subsidiary company's portion of pension income.

Question #2 - List the actual pension fund payments by function for the three most recent calendar years. Support the payments with check copies, wire transfer or other appropriate documentation provided as workpapers.

There were no required pension fund payments during the two most recent calendar years and there are no expected pension fund payments for the projected year ending March 31, 2013.
The pension plan assets exceeded the funding target for the historical years and plan assets are projected to exceed the funding target for the projected year.

Question #3 - Present the three most recent years' pension information by function in the following format:

Presentation below reflects the projected rate period and the two most recent prior years.

Line No.	Year	Account Number	Description	Reference Schedule	Total Company	Non-Regulated or Non-Electric	Known Change	Company Total Electric	Texas Retail Allocation Factor	Allocation to Texas	FF #	Funct Factor Name	TRAN
1	Apr 2012 - Mar 2013		Actual Pension Fund Payments		$0	$0	$0	$0	$0	$0			$0
2		926	Pension Expense (Income)		($123,714)	$0	$0	$0	$0	$0			($123,714)
3			Actuarial Minimum		$0	$0	$0	$0	$0	$0			$0
4			Actuarial Maximum		$0	$0	$0	$0	$0	$0			$0
5													
6													
7	April 2011 - Mar 2012		Actual Pension Fund Payments		$0	$0	$0	$0	$0	$0			$0
8		926	Pension Expense (Income)		($52,274)	$0	$0	$0	$0	$0			($52,274)
9			Actuarial Minimum		$0	$0	$0	$0	$0	$0			$0
10			Actuarial Maximum		$0	$0	$0	$0	$0	$0			$0
11													
12													
13	April 2010 - Mar 2011		Actual Pension Fund Payments		$0	$0	$0	$0	$0	$0			$0
14		926	Pension Expense (Income)		($9,313)	$0	$0	$0	$0	$0			($9,313)
15			Actuarial Minimum		$0	$0	$0	$0	$0	$0			$0
16			Actuarial Maximum		$0	$0	$0	$0	$0	$0			$0
17													
18													
19													
20													
21													

Question #4. Update required for 3. above if actuarial information or actual pension payments change subsequent to test year end.

No updates at this time.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-D-3.9 POSTRETIREMENT BENEFITS OTHER THAN PENSION - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

					1	2	3	4	5	6	7	8	9	10	11	12	13
Line No.	Account Number	Description		Reference Schedule	Total Company	Non-Regulated or Non-Electric	Known Change	Company Total Electric	Texas Retail Allocation Factor	Allocation to Texas	FF #	Funct Factor Name	TRAN	DIST	MET	TDCS	Total TX-Retail
1																	
2																	
3			This Schedule is Not Applicable.														
4																	
5																	

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-D-3.10 ADMINISTRATION FEES - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Question #1 - Provide a schedule for each benefit which details the monthly administration fees paid by function and included in the requested level of employee benefits.

				Transmission				
Line No.	Reference Schedule	Account Number	Month	Medical Admin and Prescription Admin [1]	Dental Admin [1]	CIGNA STD Admin [2]	CIGNA FMLA Admin [2]	Total Administrative Expenses
1	II-D-3 10.1	926	Apr-12	$2,006	$88	$126	$126	$2,346
2			May-12	2,005	88	126	126	$2,345
3			Jun-12	2,005	88	126	126	$2,345
4			Jul-12	2,101	92	132	132	$2,457
5			Aug-12	2,101	92	132	132	$2,457
6			Sep-12	2,101	92	132	132	$2,457
7			Oct-12	2,101	92	132	132	$2,457
8			Nov-12	2,101	92	132	132	$2,457
9			Dec-12	2,101	92	132	132	$2,457
10			Jan-13	2,164	95	136	136	$2,530
11			Feb-13	2,164	95	136	136	$2,530
12			Mar-13	2,164	95	136	136	$2,530
			Total Administrative Expenses	$25,110	$1,102	$1,578	$1,578	$29,368

[1] An average per employee was calculated and trended with a 3% increase beginning in January 2013.

[2] STD and FMLA Admin fees are based upon current per employee cost with a trended increase of 3% beginning in January 2013

Question #2 - Provide a copy of the administrative contract which details the services provided, the period covered and the calculation of the monthly/annual administrative fees.

The copy of the contract is confidential and is filed in a separate package In addition, work papers detailing the calculation of the administrative fees are filed separately.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-D-4 SUMMARY OF EXCLUSIONS FROM REPORTING PERIOD - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

				1	2	3	4	5	6	7	8	9	10	11	12	13	14
Line No.	Account Number	Description	Reference Schedule	Total Company	Non-Regulated or Non-Electric	Known Change	Company Total Electric	FF #	Funct Factor Name	Allocation to Texas	TRAN	DIST	MET	TBILL	ABILL	TDCS	Total
1		Legislative Advocacy	II-D-4														
2		Penalties and Fines	II-D-4														
3		Other Exclusions	II-D-4		This Schedule is Not Applicable.												
4		Social/Recreational/Religious	II-D-4														
5		Political	II-D-4														
6																	
7	TOTAL EXCLUSIONS FROM REPORTING PERIOD		II-D-4														

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC
II-E-1 DEPRECIATION & AMORTIZATION EXPENSE - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

				1	2	3	4	5	6	7	8	9	10	11	12	13	14
Line No.	Account Number	Description	Reference Schedule	Total Company	Non-Regulated or Non-Electric	Known Change	Company Total Electric	FF #	Funct Factor Name	Allocation to Texas	TRAN	DIST	MET	TBILL	ABILL	TDCS	Total
1		**Depreciation and Amortization Expense**	II-E-1														
2																	
3	**Intangible Plant**		II-E-1														
4	A301	Organization		$0	$0	$1,581	$1,581			$1,581	$1,581	$0	$0	$0	$0	$0	$1,581
5	A302	Franchise and Consents		0	0	15,859	$15,859			$15,859	$15,859	0	0	0	0	0	$15,859
6	A303	Miscellaneous Intangible Plant		0	0	0	$0			$0	$0	0	0	0	0	0	$0
7		Subtotal		$0	$0	$17,440	$17,440			$17,440	$17,440	$0	$0	$0	$0	$0	$17,440
8																	
9	**Transmission Plant**		II-E-1														
10	A350.1	Land Owned in Fee		$0	$0	$0	$0			$0	$0	$0	$0	$0	$0	$0	$0
11	A350.2	Land Rights		0	0	0	$0			$0	$0	0	0	0	0	0	$0
12	A352	Structures and Improvements		0	0	350,354	$350,354			$350,354	$350,354	0	0	0	0	0	$350,354
13	A353	Station Equipment		0	0	1,327,506	$1,327,506			$1,327,506	$1,327,506	0	0	0	0	0	$1,327,506
14	A354	Towers and Fixtures		0	0	0	$0			$0	$0	0	0	0	0	0	$0
15	A355	Poles and Fixtures		0	0	0	$0			$0	$0	0	0	0	0	0	$0
16	A356	O.H. Conductors & Devices		0	0	0	$0			$0	$0	0	0	0	0	0	$0
17	A357	Underground Conduit		0	0	0	$0			$0	$0	0	0	0	0	0	$0
18	A358	Underground Conductors		0	0	0	$0			$0	$0	0	0	0	0	0	$0
19	A359	Roads and Trails		0	0	0	$0			$0	$0	0	0	0	0	0	$0
20		Others		0	0	0	$0			$0	$0	0	0	0	0	0	$0
21		Subtotal		$0	$0	$1,677,859	$1,677,859			$1,677,859	$1,677,859	$0	$0	$0	$0	$0	$1,677,859
22																	
23	**Regional Transmission and Market Operation Plant - Gross (RTMO)**		II-E-1														
24	A382	Computer Hardware		$0	$0	$455,217	$455,217			$455,217	$455,217	$0	$0	$0	$0	$0	$455,217
25	A383	Computer Software		0	0	62,262	$62,262			$62,262	$62,262	0	0	0	0	0	$62,262
26	A384	Communication Equipment		0	0	130,468	$130,468			$130,468	$130,468	0	0	0	0	0	$130,468
27		Subtotal		$0	$0	$647,947	$647,947			$647,947	$647,947	$0	$0	$0	$0	$0	$647,947

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-1 DEPRECIATION & AMORTIZATION EXPENSE - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

				1	2	3	4	5	6	7	8	9	10	11	12	13	14
Line No.	Account Number	Description	Reference Schedule	Total Company	Non-Regulated or Non-Electric	Known Change	Company Total Electric	FF #	Funct Factor Name	Allocation to Texas	TRAN	DIST	MET	TBILL	ABILL	TDCS	Total
28																	
29	General Plant		II-E-1														
30	A389 1	Land and Land Rights		$0	$0	$0	$0			$0	$0	$0	$0	$0	$0	$0	$0
31	A390	Structures and Improvements		0	0	0	$0			$0	$0	0	0	0	0	0	$0
32	A391	Office Furniture		0	0	14,480	$14,480			$14,480	$14,480	0	0	0	0	0	$14,480
33	A392	Transportation equipment		0	0	0	$0			$0	$0	0	0	0	0	0	$0
34	A393	Store Equipment		0	0	0	$0			$0	$0	0	0	0	0	0	$0
35	A394	Tools, Shop & Garage Equip		0	0	0	$0			$0	$0	0	0	0	0	0	$0
36	A395	Lab Equip		0	0	0	$0			$0	$0	0	0	0	0	0	$0
37	A396	Power Operated Equipment		0	0	0	$0			$0	$0	0	0	0	0	0	$0
38	A397	Communication Equip		0	0	52,401	$52,401			$52,401	$52,401	0	0	0	0	0	$52,401
39	A398	Misc Equip		0	0	397	$397			$397	$397	0	0	0	0	0	$397
40	A399	Other Intangible Prop - Depr		0	0	0	$0			$0	$0	0	0	0	0	0	$0
41	A399	Other Intangible Prop - Depletable		0	0	0	$0			$0	$0	0	0	0	0	0	$0
42		Subtotal		$0	$0	$67,278	$67,278			$67,278	$67,278	$0	$0	$0	$0	$0	$67,278
43																	
44	TOTAL DEPRECIATION & AMORTIZATION		II-E-1	$0	$0	$2,410,524	$2,410,524			$2,410,524	$2,410,524	$0	$0	$0	$0	$0	$2,410,524

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC
II-E-2 TAXES OTHER THAN FEDERAL INCOME TAXES - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

				1	2	3	4	5	6	7	8	9	10	11	12	13	14
Line No.	Account Number	Description	Reference Schedule	Total Company	Non-Regulated or Non-Electric	Known Change	Company Total Electric	FF #	Funct Factor Name	Allocation to Texas	TRAN	DIST	MET	TBILL	ABILL	TDCS	Total
1		Taxes Other Than Federal Income Taxes	II-E-2														
2																	
3		Payroll-Related	II-E-2														
4		FICA		$0	$0	$311,285	$311,285			$311,285	$311,285	$0	$0	$0	$0	$0	$311,285
5		FUTA		0	0	1,848	$1,848			1,848	1,848	0	0	0	0	0	$1,848
6		SUTA		0	0	10,692	$10,692			10,692	10,692	0	0	0	0	0	$10,692
7		Total Federal		$0	$0	$323,825	$323,825			$323,825	$323,825	$0	$0	$0	$0	$0	$323,825
8																	
9		Property Related	II-E-2.1														
10		Transmission		$0	$0	$716,715	$716,715			$716,715	$716,715	$0	$0	$0	$0	$0	$716,715
11		Distribution		0	0	0	$0			0	0	0	0	0	0	0	$0
12		Total Property		$0	$0	$716,715	$716,715			$716,715	$716,715	$0	$0	$0	$0	$0	$716,715
13																	
14		Unemployment		$0	$0	$0	$0			$0	$0	$0	$0	$0	$0	$0	$0
15		Franchise		0	0	0	$0			0	0	0	0	0	0	0	$0
16		Total Non-Revenue Related		$0	$0	$0	$0			$0	$0	$0	$0	$0	$0	$0	$0
17																	
18		Revenue Related	II-E-2														
19		Texas State Franchise Tax		$0	$0	$128,569	$128,569			$128,569	$128,569	$0	$0	$0	$0	$0	$128,569
20		State Gross Receipts		0	0	0	$0			0	0	0	0	0	0	0	$0
21		Occupational Street Rental		0	0	0	$0			0	0	0	0	0	0	0	$0
22		Environmental		0	0	0	$0			0	0	0	0	0	0	0	$0
23		Total Revenue Related		$0	$0	$128,569	$128,569			$128,569	$128,569	$0	$0	$0	$0	$0	$128,569
24																	
25		TOTAL TAXES OTHER THAN INCOME TAXES	II-E-2	$0	$0	$1,169,109	$1,169,109			$1,169,109	$1,169,109	$0	$0	$0	$0	$0	$1,169,109

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
ESTIMATE OF TEXAS STATE FRANCHISE TAX - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

ADJUSTMENT TO COST OF SERVICE

LINE NO.	Texas State Franchise Tax	Increase (Decrease) to Cost of Service Transmission
1	Gross Operating Revenues -Pro forma	$18,367,001
2		
3	Taxable Revenue Percent	70%
4		
5	Taxable Revenue	$12,856,901
6		
7	Taxable Margin Percent	1%
8		
9	Total Texas State Franchise Tax - Annual	$128,569

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-2.1 AD VALOREM TAXES AND PLANT BALANCES - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

LINE NO.	Ad valorem Taxes Description	April 2012- December 2012 Monthly Property Taxes	January 2013- March 2013 Monthly Property Taxes
1	Original Cost	$71,925,649	$71,925,649
2	Less: Intangibles	(13,419,950)	(13,419,950)
3	Less: Land / Right of Way	(946,229)	(946,229)
4	Acc. Depreciation	0	(2,069,534)
5	Net Original Cost	$57,559,471	$55,489,936
6	CWIP/In Service Ratio	50%	100%
7	Taxable Value - CWIP	$28,779,735	$55,489,936
8	Land	946,229	946,229
9		$29,725,964	$56,436,165
10	Interim Period Tax Rate	1.97%	1.97%
11	Annual Taxes	$585,247	$1,111,120
12	Monthly Taxes	48,771	92,593
13	Number of Months	9	3
14	Subtotal	$438,935	$277,780
15			
16	**Interim Rate Period Ad Valorem Tax Expense**		**$716,715**

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3 FEDERAL INCOME TAXES - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

				1	2	3	4	5	6	7	8	9	10	11	12	13	14
Line No.	Account Number	Description	Reference Schedule	Total Company	Non-Regulated or Non-Electric	Known Change	Company Total Electric	FF #	Funct Factor Name	Allocation to Texas	TRAN	DIST	MET	TBILL	ABILL	TDCS	Total
1		**Federal Income Taxes**	II-E-3														
2																	
3		**Return on Rate Base**	II-B	$0	$0	$4,521,285	$4,521,285			$4,521,285	$4,521,285	$0	$0	$0	$0	$0	$4,521,285
4																	
5		**Deductions:**															
6		Synchronized Interest	II-B & II-C-2.1	$0	$0	$1,297,133	$1,297,133			$1,297,133	$1,297,133	$0	$0	$0	$0	$0	$1,297,133
7		DITC Amortization		0	0	0	$0			0	0	0	0	0	0	0	$0
8		Amortization of Protected Excess DFIT		0	0	0	$0			0	0	0	0	0	0	0	$0
9		Amortization of Non-protected excess DFIT		0	0	0	$0			0	0	0	0	0	0	0	$0
10		Protected Excess Reserve Adjustment		0	0	0	$0			0	0	0	0	0	0	0	$0
11		Amortization of reserved non ratable net excess		0	0	0	$0			0	0	0	0	0	0	0	$0
12		Depletion		0	0	0	$0			0	0	0	0	0	0	0	$0
13		Other		0	0	0	$0			0	0	0	0	0	0	0	$0
14		**Subtotal**		$0	$0	$1,297,133	$1,297,133			$1,297,133	$1,297,133	$0	$0	$0	$0	$0	$1,297,133
15																	
16		**Additions:**															
17		Depreciation adjustment		0	0	0	$0			0	0	0	0	0	0	0	$0
18		Meals and Entertainment		0	0	0	$0			0	0	0	0	0	0	0	$0
19		prior year adjustments		0	0	0	$0			0	0	0	0	0	0	0	$0
20		provision for contingencies		0	0	0	$0			0	0	0	0	0	0	0	$0
21		**Subtotal**		$0	$0	$0	$0			$0	$0	$0	$0	$0	$0	$0	$0
22																	
23		**Taxable Component of Return**		$0	$0	$3,224,153	$3,224,153			$3,224,153	$3,224,153	$0	$0	$0	$0	$0	$3,224,153
24		**Tax Factor (1/.65)(.35)**		0.00%	0.00%	53.8462%	53.8462%			53.8462%	53.8462%						53.8462%
25																	
26		**Federal Income Taxes Before Adjust.**		$0	$0	$1,736,082	$1,736,082			$1,736,082	$1,736,082	$0	$0	$0	$0	$0	$1,736,082
27																	
28		**Tax Credits**															
29		ITC Amortization		0	0	0	$0			0	0	0	0	0	0	0	$0
30		Amort of protected excess DFIT		0	0	0	$0			0	0	0	0	0	0	0	$0
31		Amort. Of excess deferred taxes		0	0	0	$0			0	0	0	0	0	0	0	$0
32		protected excess revenue		0	0	0	$0			0	0	0	0	0	0	0	$0
33		Amort. of reserved non-ratable net excess		0	0	0	$0			0	0	0	0	0	0	0	$0
34		**Subtotal**		$0	$0	$0	$0			$0	$0	$0	$0	$0	$0	$0	$0
35																	
36		**ADD:**															
37		prior year adjustments		0	0	0	$0					0	0	0	0	0	$0
38		provision for contingencies		0	0	0	$0					0	0	0	0	0	$0
39		**Subtotal**		$0	$0	$0	$0			$0	$0	$0	$0	$0	$0	$0	$0
40																	
41		**TOTAL FEDERAL INCOME TAXES**	II-E-3	$0	$0	$1,736,082	$1,736,082			$1,736,082	$1,736,082	$0	$0	$0	$0	$0	$1,736,082

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
FEDERAL INCOME TAXES - INTERIM
TAX METHOD 1
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

LINE NO.		Test Period	Total Requested
1	Return	$4,521,285	$4,521,285
2	Deduct:		
3			
4	Synchronized Interest	1,297,133	1,297,133
5	DITC Amortization	0	0
6	Amortization of Protected Excess DFIT	0	0
7	Amortization of Non-protected excess DFIT	0	0
8			
9	Deduct 1	0	0
10	Deduct 2	0	0
11	Deduct 3	0	0
12	Deduct 4	0	0
13			
14			
15	Add:		
16			
17	Depreciation adjustment	0	0
18	Meals and Entertainment	0	0
19	Others		
20	Addition 1	0	0
21	Addition 2	0	0
22	Addition 3	0	0
23	Addition 4	0	0
24			
25			
26	Taxable Component of Return	$3,224,153	$3,224,153
27	Tax Factor (1/.65)(.35)	53.8462%	53.8462%
28			
29			
30	Total Federal Income Taxes Before		
31	Adjustments	$1,736,082	$1,736,082
32			
33	Amortization of ITC	0	0
34	Amortization of DFIT (Excess)	0	0
35	Other	0	0
36			
37	Total Federal Income Taxes	$1,736,082	$1,736,082

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
RECONCILIATION OF BOOK NET INCOME TO TAXABLE NET INCOME - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

LINE NO.	LINE DESCRIPTION	M-1
1.	NET INCOME PER BOOKS	$3,224,153
2.	FEDERAL INCOME TAX	1,736,082
3.	EXCESS CAPITAL LOSSES OVER CAPITAL GAINS	0
4.	INCOME SUBJECT TO TAX NOT RECORDED ON BOOKS	0
5.	EXPENSES RECORDED ON BOOKS NOT IN THIS RETURN	
	DEPRECIATION	2,427,834
	RATE CASE EXPENSE	0
	ORGANIZATION COSTS	1,581
	INJURY AND DAMAGES RESERVE EXPENSE	1,735,846
	OTHER EXPENSES RECORDED ON BOOKS NOT IN THIS RETURN	0
	TOTAL LINE 5	$4,165,262
6.	TOTAL OF LINES 1 THROUGH 5	$9,125,496
7	INCOME RECORDED ON BOOKS NOT IN THIS RETURN	0
8.	DEDUCTIONS IN THIS RETURN NOT ON BOOKS	
	DEPRECIATION	30,037,551
	RATE CASE EXPENSE	0
	ORGANIZATION COSTS	5,696
	OTHER DEDUCTIONS IN THIS RETURN NOT ON BOOKS	0
	TOTAL OF LINE 8	$30,043,247
9.	TOTAL OF LINES 7 AND 8	$30,043,247
10.	TAXABLE INCOME	($20,917,751)

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
RECONCILIATION OF BOOK NET INCOME TO TAXABLE NET INCOME - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

LINE NO.	LINE DESCRIPTION	M-1
	PRE-TAX BOOK INCOME	$4,960,235
	SCHEDULE M ADJUSTMENTS ADDBACK <DEDUCT>:	
	DEPRECIATION EXPENSE - BOOK	2,427,834
	DEPRECIATION EXPENSE - TAX	(30,037,551)
	RATE CASE EXPENSE - BOOK	0
	RATE CASE EXPENSE - TAX	0
	ORGANIZATION COSTS - BOOK	1,581
	ORGANIZATION COSTS - TAX	(5,696)
	INJURY AND DAMAGES RESERVE EXPENSE - BOOK	1,735,846
	INJURY AND DAMAGES RESERVE EXPENSE - TAX	0
	TAXABLE INCOME <LOSS>	($20,917,751)

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
EXPLANATION OF RECONCILING ITEMS - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Line No.	(1)	(2)
	Add Backs	
1	Federal Income Tax	Amount of federal income tax expense recorded for financial reporting purposes in the rate period.
2	Book Depreciation	Amount of book depreciation recorded for financial reporting purposes in the rate period.
3	Rate Case Expenses	Rate Case Expenses are amortized to book expense over 2 years and over 15 years for tax purposes (IRC 195(b)).
4	Organizational Expenses	Organizational Expenses are amortized to book expense over 54 years and over 15 years for tax purposes (IRC 248).
5	Injury and Damages Reserve Expense	Amount of insurance expense recorded for financial reporting purposes in the rate period.
	Deducts	
6	Tax Depreciation	Accelerated Tax depreciation is calculated and deducted according to the Internal Revenue Code.
7	Rate Case Expenses	Rate Case Expenses are amortized to book expense over 2 years and over 15 years for tax purposes (IRC 195(b)).
8	Organizational Expenses	Organizational Expenses are amortized to book expense over 54 years and over 15 years for tax purposes (IRC 248).

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
RECONCILIATION OF TIMING DIFFERENCES - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

LINE NO.	Description		PROJECTED RATE PERIOD ENDED 03/31/2013
1	Net Income Before Tax		$4,960,235
2			
3	Tax at statutory rate	35%	1,736,082
4	Book Depreciation on Permanent Basis		
5	Differences - AOFUDC		-
6			
7			
8			
9			
10			
11			
12			
13	Rounding		(0)
14			
15	FIT expense		$1,736,082
16			
17			

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
PLANT ADJUSTMENTS - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

	1	2	3	4	5	6	7	8	9	10
Line No.	Tax Class	Rate	Convention	In-Service Date	Tax Basis	4/1/2012-3/31/2013 Total Depreciation (Bonus + MACRS)	3/31/2013 ADFIT - (Deferred Tax Liability)	4/1/2013-3/31/2014 Total Depreciation	4/1/2014-3/31/2015 Total Depreciation	4/1/2015-3/31/2016 Total Depreciation
1										
2	Software	MARCS 3	Half	April 1, 2012	$609,302	$406,204	($120,380)	$135,402	$45,131	$22,566
3	Computer Equipment	MACRS 5	Half	April 1, 2012	3,016,122	1,809,673	(474,060)	482,579	289,548	173,729
4	High Technology Telephone Station Equipment	MACRS 5	Half	April 1, 2012	1,208,879	725,327	(189,860)	193,421	116,052	69,631
5	Transportation Equipment	MACRS 5	Half	April 1, 2012	0	0	0	0	0	0
6	Furniture and Fixtures	MACRS 7	Half	April 1, 2012	279,875	159,934	(38,747)	34,271	24,475	17,478
7	Electric Transmission Property	MACRS 15	Half	April 1, 2012	48,451,371	25,436,970	(8,315,550)	2,301,440	2,071,296	1,865,378
8	Grading and Clearing	MACRS 20	Half	April 1, 2012	2,890,493	1,499,443	(524,805)	104,332	96,499	89,273
9				Total	$56,456,041	$30,037,551	($9,663,401)	$3,251,445	$2,643,001	$2,238,054

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
PLANT ADJUSTMENTS
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Tax Depreciation Summary

	1	2	3	4	5	6	7	8	9
Line No.	Tax Class	Rate	Convention	In-Service Date	Total 4/1/2012-3/31/2013 Depreciation (Bonus + MACRS)	Total 4/1/2013-3/31/2014 Depreciation	Total 4/1/2014-3/31/2015 Depreciation	Total 4/1/2015-3/31/2016 Depreciation	
1									
2	Software	MARCS 3	Half	April 1, 2012	$406,204	$135,402	$45,131	$22,566	
3	Computer Equipment	MACRS 5	Half	April 1, 2012	1,809,673	482,579	289,548	173,729	
4	High Tech. Telephone Station Equip.	MACRS 5	Half	April 1, 2012	725,327	193,421	116,052	69,631	
5	Transportation Equipment	MACRS 5	Half	April 1, 2012	0	0	0	0	
6	Furniture and Fixtures	MACRS 7	Half	April 1, 2012	159,934	34,271	24,475	17,478	
7	Electric Transmission Property	MACRS 15	Half	April 1, 2012	25,436,970	2,301,440	2,071,296	1,865,378	
8	Grading and Clearing	MACRS 20	Half	April 1, 2012	1,499,443	104,332	96,499	89,273	
9				Total	$30,037,551	$3,251,445	$2,643,001	$2,238,054	

Tax Depreciation Summary (Continued)

10	11	12
Line No.	3/31/2013 ADFIT - (Deferred Tax Liability)	3/31/2013 Deferred Tax Expense related to Depreciation
1		
2	($120,380)	($120,380)
3	(474,060)	(474,060)
4	(189,860)	(189,860)
5	0	0
6	(38,747)	(50,909)
7	(8,315,550)	(8,315,550)
8	(524,805)	(524,805)
9	($9,663,401)	($9,675,563)

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
PLANT ADJUSTMENTS
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Tax Depreciation Detailed Schedule

Line No.	1 FERC Account	2 FERC Account Description	3 Reference Schedule	4 Tax Class	5 Rate	6 Convention	7 In-Service Date	8 Total Tax Basis	9 2012 Applicable Bonus Depreciation Rate
10									
11	A352	Structures and Improvements	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	$4,546,838	50%
12	A352	Structures and Improvements	WP/II-E-3.3	Grading and Clearing	MACRS 20	Half	April 1, 2012	2,890,493	50%
13							Subtotal	$7,437,331	
14									
15	A353	Station Equipment	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	$43,888,993	50%
16	A354	Towers and Fixtures	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
17	A355	Poles and Fixtures	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
18	A356	O.H. Conductors & Devices	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
19	A357	Underground Conduit	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
20	A358	Underground Conductors	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
21	A359	Roads and Trails	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
22	A382	Computer Hardware	WP/II-E-3.3	Computer Equipment	MACRS 5	Half	April 1, 2012	3,016,122	50%
23	A383	Computer Software	WP/II-E-3.3	Software	MARCS 3	Half	April 1, 2012	609,302	50%
24	A384	Communication Equipment	WP/II-E-3.3	High Tech. Telephone Station Equip.	MACRS 5	Half	April 1, 2012	1,003,759	50%
25	A390	Structures and Improvements	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
26	A391	Office Furniture & Equip.	WP/II-E-3.3	Furniture and Fixtures	MACRS 7	Half	April 1, 2012	279,875	50%
27	A392	Transportation Equipment	WP/II-E-3.3	Transportation Equipment	MACRS 5	Half	April 1, 2012	0	50%
28	A393	Store Equipment	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
29	A394	Tools, Shop & Garage Equip.	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
30	A395	Laboratory Equipment	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
31	A396	Power Operated Equipment	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	0	50%
32	A398	Misc. Equipment	WP/II-E-3.3	Electric Transmission Property	MACRS 15	Half	April 1, 2012	15,539	50%
33	A397	Communication Equipment	WP/II-E-3.3	High Tech. Telephone Station Equip.	MACRS 5	Half	April 1, 2012	205,120	50%
34							Total	$56,456,041	

Tax Depreciation Detailed Schedule (Continued)

10	11	12	13	14	15	16	17	18	19	20	21
Line No.	2012 Bonus Depreciation	Remaining Tax Basis after Bonus	2012 Tax Depr Rate	2013 Tax Depr Rate	2014 Tax Depr Rate	2015 Tax Depr Rate	2012 Tax Depreciation	Total 2012 Depreciation (Bonus + MACRS)	2013 Tax Depreciation	2014 Tax Depreciation	2015 Tax Depreciation
10											
11	$2,273,419	$2,273,419	5.000%	9.500%	8.550%	7.700%	$113,671	$2,387,090	$215,975	$194,377	$175,053
12	1,445,246	1,445,246	3 750%	7.219%	6.677%	6.177%	54,197	1,499,443	104,332	96,499	89,273
13	$3,718,665	$3,718,665					$167,868	$3,886,533	$320,307	$290,876	$264,326
14											
15	$21,944,497	$21,944,497	5.000%	9.500%	8.550%	7 700%	$1,097,225	$23,041,722	$2,084,727	$1,876,254	$1,689,726
16	0	$0	5.000%	9.500%	8.550%	7.700%	$0	$0	$0	$0	$0
17	0	$0	5.000%	9.500%	8.550%	7 700%	$0	$0	$0	$0	$0
18	0	$0	5.000%	9.500%	8.550%	7 700%	$0	$0	$0	$0	$0
19	0	$0	5.000%	9.500%	8.550%	7.700%	$0	$0	$0	$0	$0
20	0	$0	5.000%	9.500%	8.550%	7 700%	$0	$0	$0	$0	$0
21	0	$0	5.000%	9.500%	8.550%	7 700%	$0	$0	$0	$0	$0
22	1,508,061	$1,508,061	20.000%	32.000%	19.200%	11.520%	$301,612	$1,809,673	$482,579	$289,548	$173,729
23	304,651	$304,651	33.334%	44.445%	14.814%	7.407%	$101,552	$406,204	$135,402	$45,131	$22,566
24	501,879	$501,879	20.000%	32.000%	19.200%	11.520%	$100,376	$602,255	$160,601	$96,361	$57,817
25	0	$0	5.000%	9.500%	8.550%	7.700%	$0	$0	$0	$0	$0
26	139,937	$139,937	14.290%	24.490%	17.490%	12.490%	$19,997	$159,934	$34,271	$24,475	$17,478
27	0	$0	20.000%	32.000%	19.200%	11.520%	$0	$0	$0	$0	$0
28	0	$0	5.000%	9.500%	8.550%	7.700%	$0	$0	$0	$0	$0
29	0	$0	5.000%	9.500%	8.550%	7.700%	$0	$0	$0	$0	$0
30	0	$0	5.000%	9.500%	8.550%	7.700%	$0	$0	$0	$0	$0
31	0	$0	5.000%	9.500%	8.550%	7.700%	$0	$0	$0	$0	$0
32	7,770	$7,770	5.000%	9.500%	8.550%	7 700%	$388	$8,158	$738	$664	$598
33	102,560	$102,560	20.000%	32.000%	19.200%	11.520%	$20,512	$123,072	$32,819	$19,692	$11,815
34	28,228,021	$28,228,021					$1,809,531	$30,037,551	$3,251,445	$2,643,001	$2,238,854

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
PLANT ADJUSTMENTS
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

ADFIT Computation

Line No.	1 FERC Account	2 FERC Account Description	3 Reference Schedule	4 Tax Class	5 3-31-2013 Accumulated Book Depreciation	6 3-31-2013 Accumulated Tax Depreciation	7 3-31-2013 Difference Between Book and Tax Depreciation	8 Federal Income Tax Rate	9 3-31-2013 ADFIT (Deferred Tax Liability)
35									
36	A352	Structures and Improvements	WP/II-E-3.3	Electric Transmission Property	$350,354	$2,387,090	($2,036,736)	35%	($712,858)
37	A352	Structures and Improvements	WP/II-E-3.3	Grading and Clearing		1,499,443	(1,499,443)	35%	(524,805)
38				Subtotal	$350,354	$3,886,533	($3,536,179)	35%	($1,237,663)
39									
40	A353	Station Equipment	WP/II-E-3.3	Electric Transmission Property	$1,327,506	$23,041,722	($21,714,216)	35%	($7,599,976)
41	A354	Towers and Fixtures	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
42	A355	Poles and Fixtures	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
43	A356	O.H. Conductors & Devices	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
44	A357	Underground Conduit	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
45	A358	Underground Conductors	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
46	A359	Roads and Trails	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
47	A382	Computer Hardware	WP/II-E-3.3	Computer Equipment	455,217	1,809,673	(1,354,456)	35%	($474,060)
48	A383	Computer Software	WP/II-E-3.3	Software	62,262	406,204	(343,942)	35%	($120,380)
49	A384	Communication Equipment	WP/II-E-3.3	High Tech. Telephone Station Equip.	130,468	602,255	(471,787)	35%	($165,125)
50	A390	Structures and Improvements	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
51	A391	Office Furniture & Equip.	WP/II-E-3.3	Furniture and Fixtures	49,230	159,934	(110,704)	35%	($38,747)
52	A392	Transportation Equipment	WP/II-E-3.3	Transportation Equipment	0	0	0	35%	$0
53	A393	Store Equipment	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
54	A394	Tools, Shop & Garage Equip.	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
55	A395	Laboratory Equipment	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
56	A396	Power Operated Equipment	WP/II-E-3.3	Electric Transmission Property	0	0	0	35%	$0
57	A398	Misc. Equipment	WP/II-E-3.3	Electric Transmission Property	397	8,158	(7,761)	35%	($2,716)
58	A397	Communication Equipment	WP/II-E-3.3	High Tech. Telephone Station Equip.	52,401	123,072	(70,671)	35%	($24,735)
59				Total	$2,427,834	$30,037,551	($27,609,717)		($9,663,401)

ADFIT Computation (Continued)

10	11	12	13	14	15
Line No.	2012 Book Depreciation	2012 Tax Depreciation	2012 Difference Between Book and Tax Depreciation	2012 Federal Income Tax Rate	2012 Deferred Tax Expense Related to Depreciation (Deferred Tax Liability)
35					
36	$350,354	$2,387,090	($2,036,736)	35%	($712,858)
37		1,499,443	(1,499,443)	35%	(524,805)
38	$350,354	$3,886,533	($3,536,179)	35%	($1,237,663)
39					
40	$1,327,506	$23,041,722	($21,714,216)	35%	($7,599,976)
41	$0	$0	$0	35%	$0
42	$0	$0	$0	35%	$0
43	$0	$0	$0	35%	$0
44	$0	$0	$0	35%	$0
45	$0	$0	$0	35%	$0
46	$0	$0	$0	35%	$0
47	$455,217	$1,809,673	($1,354,456)	35%	($474,060)
48	$62,262	$406,204	($343,942)	35%	($120,380)
49	$130,468	$602,255	($471,787)	35%	($165,125)
50	$0	$0	$0	35%	$0
51	$14,480	$159,934	($145,454)	35%	($50,909)
52	$0	$0	$0	35%	$0
53	$0	$0	$0	35%	$0
54	$0	$0	$0	35%	$0
55	$0	$0	$0	35%	$0
56	$0	$0	$0	35%	$0
57	$397	$8,158	($7,761)	35%	($2,716)
58	$52,401	$123,072	($70,671)	35%	($24,735)
59	$2,393,084	$30,037,551	($27,644,467)		($9,675,563)

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
CONSOLIDATED FEDERAL INCOME TAXES - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Lone Star is a member of a consolidated group for federal income tax purposes.
Refer to the Direct Testimony of Brian R. Murphy.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
CONSOLIDATED BENEFITS - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
CONSOLIDATED/INTER-CORPORATE TAX ALLOCATION - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Lone Star is a member of a consolidated group for federal income tax purposes.
Lone Star is not a party to an inter-corporate tax allocation agreement.
Refer to the Direct Testimony of Brian R. Murphy.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC
II-E-3.7 ACCUMULATED DEFERRED FEDERAL INCOME TAXES - AVERAGE - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

				1	2	3	4	5	6	7	8	9	10	11	12	13
Line No.	Account Number	Description	Reference Schedule	Beginning Balance	Non-Regulated or Non-Electric	Ending Balance	Company Total Electric (Average)	Texas Retail Allocation Factor	Allocation to Texas	FF #	Funct Factor Name	TRAN	DIST	MET	TDCS	Total TX-Retail
1	190	Rate Case Expenses	II-E-3.9	$0	$0	$0	$0	100%	$0			$0	$0	$0	$0	$0
2																
3		Deferred Tax Asset - NOL Carryforward	II-E-3.1	0	0	7,321,213	$3,660,606	100%	3,660,606			3,660,606	0	0	0	$3,660,606
4		Deferred Tax Asset - Reserve Accounts	II-B-7	0	0	607,546	$303,773	100%	303,773			303,773	0	0	0	$303,773
5		TOTAL A/C 190		$0	$0	$7,928,759	$3,964,379		$3,964,379			$3,964,379	$0	$0	$0	$3,964,379
6																
7	282	ADFIT Depreciation	II-E-3.3	0	0	(9,663,401)	($4,831,700)	100%	(4,831,700)			(4,831,700)	0	0	0	($4,831,700)
		Organization Costs	II-E-3.9	0	0	(1,440)	($720)	100%	(720)			(720)	0	0	0	($720)
8		Regulatory Assets - Permanent & Flow-Through		0	0	0	$0	100%	0			0	0	0	0	$0
9		TOTAL A/C 282		$0	$0	($9,664,841)	($4,832,421)		($4,832,421)			($4,832,421)	$0	$0	$0	($4,832,421)
10																
11	283	Miscellaneous		0	0	0	$0	100%	0			0	0	0	0	$0
12		Regulatory Assets - Permanent & Flow-Through		0	0	0	$0	100%	0			0	0	0	0	$0
13		TOTAL A/C 283		$0	$0	$0	$0		$0			$0	$0	$0	$0	$0
14																
15		TOTAL COMPANY ADIT		$0	$0	($1,736,082)	($868,041)		($868,041)			($868,041)	$0	$0	$0	($868,041)

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.8 ADFIT - DESCRIPTION OF TIMING DIFFERENCES - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Line No.	Acct No.	Timing Difference	Description	Remaining Life
1	282	ADFIT Depreciation	Timing difference between Tax Depreciation on Tax Basis	Various
2			and Book Depreciation on Tax Basis	
3				
7	190	Rate Case Deferred Charges	Difference related to Difference In Book Amortization (2 Years) and	Various
8			Tax Amortization (15 Years)	
9				
10	190	Organization Costs	Difference related to Difference In Book Amortization (54 Years) and	Various
11			Tax Amortization (15 Years)	
12				
13	190	Injury and Damages Reserve	From Schedule II-B-7 - Interim times the federal income tax rate of 35%	Various
14				
15	190	Net Operating Loss Carryforwad	Under Internal Revenue Code Sec. 172(b) taxpayers may carryforward unused net	Various
16			operating losses (NOLs) for 20 years. The NOL times the federal tax rate	
17			is a deferred tax asset.	
18				

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.9 ADJUSTMENTS TO ACCUMULATED DEFERRED FEDERAL INCOME TAXES - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
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Line No.	Acct No.	Description	Ref. Schedule	Book Basis at Beginning of Year	Current Year Book Amortization (54 Years)	Book Basis at End of Year	Tax Basis at Beginning of Year	Current Year Tax Amortization (15 Years)	Tax Basis at End of Year	Difference Between Current Year Book and Tax Amortization	Tax Rate	Deferred Tax Asset (Liability)
1	190	Rate Case Expenses	N/A	$0	$0	$0	$0	$0	$0	$0	35%	$0
2	282	Organization Costs	II-B-1	$85,443	$1,581	$83,862	$85,443	$5,696	$79,747	($4,115)	35%	($1,440)

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.10 ADFIT AND ITC - PLANT ADJUSTMENTS AND ALLOCATIONS - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Please refer to Schedule II-E-3.3, Plant Adjustments.

ADFIT related to plant adjustments are included in the Company's Tax Depreciation and Normalization System which supports rate year and requested ADFIT and deferred tax expense included in this filing

Plant adjustments do not include any investment which generated an investment tax credit.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.11 ANALYSIS OF INVESTMENT TAX CREDIT - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.12 ITC UTILIZED - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.13 ITC GENERATED BUT NOT UTILIZED - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.14 ITC UTILIZED - STAND ALONE - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.15 ITC ELECTIONS - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.16 FERC ACCOUNT 255 BALANCE - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC
II-E-3.17 ANALYSIS OF TEST YEAR FIT AND REQUESTED FIT - INTERIM
TAX METHOD 2 - FORECASTED RATE PERIOD
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Line No.	Description	Rate Period Actual	Proformas	Rate Period Total Electric	Proformas	Rate Period Requested	Total Requested Transmission	Total Requested Distribution
1	Total Revenue Requirement	$0	$0	$18,367,001	$0	$18,367,001	$18,367,001	$0
2								
3	Less: Cost of Service Items							
4	Synchronized Interest	0	0	1,297,133	0	1,297,133	1,297,133	0
5	Operations and Maintenance Expense	0	0	8,530,000	0	8,530,000	8,530,000	0
6								
7	Depreciation and Amortization Expense	0	0	2,410,524	0	2,410,524	2,410,524	0
8								
9								
10	Taxes Other Than Income Taxes	0	0	1,169,109	0	1,169,109	1,169,109	0
11								
12	Total Cost of Service Items	$0	$0	$13,406,766	$0	$13,406,766	$13,406,766	$0
13								
14	**ADD or SUBTRACT:**							
15	Permanent & Flowthrough	0	0	0	0	0	0	0
16								
17	Total Permanent & Flowthrough	$0	$0	$0	$0	$0	$0	$0
18								
19	**ADDITIONS:**							
20	Income Subject to Tax Not Recorded On Books &							
21	Expenses Recorded on Books Not In Tax Return							
22								
23	Book Depreciation	0	0	2,427,834	0	2,427,834	2,427,834	0
24	Rate Case Expense	0	0	0	0	0	0	0
25	Organization Costs	0	0	1,581	0	1,581	1,581	0
26	Injury and Damages Reserve	0	0	1,735,846	0	1,735,846	1,735,846	0
27								
28	Total Income Subject to Tax Not Recorded on Books	$0	$0	$4,165,262	$0	$4,165,262	$4,165,262	$0
29	& Expenses Recorded on Books Not in Tax Return							
30								
31	**DEDUCTIONS:**							
32	Income Recorded on Books not in Tax Return							
33	and Deductions in Tax Return not on Books							
34								
35	Tax Depreciation	0	0	30,037,551	0	30,037,551	30,037,551	0
36	Rate Case Expense	0	0	0	0	0	0	0
37	Organization Costs	0	0	5,696	0	5,696	5,696	0
38								
39								
40	Total Income Recorded on Books not in Tax Return	$0	$0	$30,043,247	$0	$30,043,247	$30,043,247	$0
41	and Deductions in Tax Return not on Books							
42								

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.17 ANALYSIS OF TEST YEAR FIT AND REQUESTED FIT - INTERIM
TAX METHOD 2 - FORECASTED RATE PERIOD
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Line No.	Description	Rate Period Actual	Proformas	Rate Period Total Electric	Proformas	Rate Period Requested	Total Requested Transmission	Total Requested Distribution
43	Taxable Income <Loss>	0	0	(20,917,751)	0	(20,917,751)	(20,917,751)	0
44								
45	Tax Rate	35%	35%	35%	35%	35%	35%	35%
46								
47	Regular Federal Income Taxes Before Credits	$0	$0	($7,321,213)	$0	($7,321,213)	($7,321,213)	$0
48								
49								
50								
51	Total Current Federal Income Taxes	$0	$0	($7,321,213)	$0	($7,321,213)	($7,321,213)	$0
52								
53	Amortization of DITC	0	0	0	0	0	0	0
54								
55	Deferred Tax Expense (Schedule II-E-3 18)	$0	$0	$9,057,295	$0	$9,057,295	$9,057,295	$0
56								
57								
58								
59	Total Deferred Income Taxes	$0	$0	$9,057,295	$0	$9,057,295	$9,057,295	$0
60								
61								
62	Total Taxes	$0	$0	$1,736,082	$0	$1,736,082	$1,736,082	$0

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.18 ANALYSIS OF DEFERRED FEDERAL INCOME TAXES - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Line		Test Period Amount Booked		Amount Requested	
No.	Item Deferred	Schedule M	(x) Tax Rate %	Schedule M	(x) Tax Rate %
1	Depreciation	($27,609,717)	$9,663,401	($27,609,717)	$9,663,401
2	Rate Case Expenses	0	0	0	0
3	Organization Costs	(4,115)	1,440	(4,115)	1,440
4	Injury and Damages Reserve	1,735,846	(607,546)	1,735,846	(607,546)
5					
	Total Deferred Tax Expense	($25,877,986)	$9,057,295	($25,877,986)	$9,057,295

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.19 ANALYSIS OF ADDITIONAL DEPRECIATION REQUESTED - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

Line No.	Additional Depreciation Component	Total Additional Depreciation Requested	Workpaper Reference
	This Schedule is Not Applicable.		

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.20 AMORTIZATION OF PROTECTED AND UNPROTECTED - INTERIM
EXCESS DEFERRED TAXES
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.21 ANALYSIS OF EXCESS DEFERRED TAXES BY TIMING DIFFERENCE - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.22 EFFECTS OF POST TEST YEAR ADJUSTMENT - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.23 LIST OF FEDERAL INCOME TAX TESTIMONY - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
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PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.24 HISTORY OF TAX NORMALIZATION - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.25(1) TAX ELECTIONS, IRS AUDIT STATUS AND PRIVATE LETTER RULINGS - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

TAX ELECTIONS

Line No.	Tax Return	IRC Section	Description
1	**None**	**None**	**None**

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.25(2) TAX ELECTIONS, IRS AUDIT STATUS AND PRIVATE LETTER RULINGS - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

IRS AUDIT STATUS

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS
LONE STAR TRANSMISSION, LLC.
II-E-3.25(3) TAX ELECTIONS, IRS AUDIT STATUS AND PRIVATE LETTER RULINGS - INTERIM
FOR THE INTERIM RATE PERIOD ENDING MARCH 31, 2013
DOCKET NO. 40020

PRIVATE LETTER RULINGS

Line No.	PLR Date	PLR Number	Description
1	**None**	**None**	**None**