

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC  
 ILE-3.7 ACCUMULATED DEFERRED FEDERAL INCOME TAXES - AVERAGE - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2016  
 Docket No. 2015-0028

| Line<br>No. | Account<br>Number | Description                                  | Reference Schedule | 1                 | 2                               | 3              | 4                                   | 5                                 | 6                   | 7    | 8                     | 9              | 10   | 11  | 12    | 13             |
|-------------|-------------------|----------------------------------------------|--------------------|-------------------|---------------------------------|----------------|-------------------------------------|-----------------------------------|---------------------|------|-----------------------|----------------|------|-----|-------|----------------|
|             |                   |                                              |                    | Beginning Balance | Non-Deferred or<br>Non-Electric | Ending Balance | Company Total Electric<br>(Average) | Taxes Retail<br>Allocation Factor | Allocation to Taxes | FF # | Trans. Factor<br>Name | TRAN           | DIST | MET | TICKS | Total TX-Rated |
| 1           | 190               | Rate Case Expenses                           | 11-E-3.9           | \$0               | \$0                             | \$1,283,648    | \$641,824                           | 100%                              | \$641,824           |      |                       | \$641,824      | \$0  | \$0 | \$0   | \$641,824      |
| 2           |                   | Deferred Tax Asset - NOL Carryforward        | 11-E-3.1           | 7,321,213         | 0                               | 80,675,393     | \$48,498,403                        | 100%                              | 48,498,403          |      |                       | 48,498,403     | 0    | 0   | 0     | \$48,498,403   |
| 3           |                   | Deferred Tax Asset - Reserve Accounts        | 11-E-3.7           | 607,546           | 0                               | 2,924,961      | \$1,766,253                         | 100%                              | 1,766,253           |      |                       | 1,766,253      | 0    | 0   | 0     | \$1,766,253    |
| 4           |                   | TOTAL A/C 190                                |                    | \$1,278,759       | \$0                             | \$93,884,382   | \$50,976,481                        |                                   | \$50,976,481        |      |                       | \$50,976,481   | \$0  | \$0 | \$0   | \$50,976,481   |
| 5           |                   | AUDIT Depreciation                           | 11-E-3.3           | (59,665,401)      | \$0                             | (\$18,112,298) | (\$63,891,349)                      | 100%                              | (\$63,891,349)      |      |                       | (\$63,891,349) | \$0  | \$0 | \$0   | (\$63,891,349) |
| 6           | 282               | Operating Costs                              | 11-E-3.3           | (1,440)           | 0                               | (2,880)        | (2,160)                             | 100%                              | (2,160)             |      |                       | (2,160)        | \$0  | \$0 | \$0   | (2,160)        |
| 7           |                   | Regulatory Assets - Permanent & Flow-Through | 11-E-3.9           | 0                 | 0                               | 0              | 0                                   | 100%                              | 0                   |      |                       | 0              | 0    | 0   | 0     | 0              |
| 8           |                   | TOTAL A/C 282                                |                    | (59,666,841)      | \$0                             | (\$18,115,178) | (\$63,893,510)                      |                                   | (\$63,893,510)      |      |                       | (\$63,893,510) | \$0  | \$0 | \$0   | (\$63,893,510) |
| 9           |                   | Miscellaneous                                |                    | \$0               | \$0                             | \$0            | \$0                                 | 100%                              | \$0                 |      |                       | \$0            | \$0  | \$0 | \$0   | \$0            |
| 10          | 283               | Regulatory Assets - Permanent & Flow-Through |                    | 0                 | 0                               | 0              | 0                                   | 100%                              | 0                   |      |                       | 0              | 0    | 0   | 0     | 0              |
| 11          |                   | TOTAL A/C 283                                |                    | \$0               | \$0                             | \$0            | \$0                                 |                                   | \$0                 |      |                       | \$0            | \$0  | \$0 | \$0   | \$0            |
| 12          |                   |                                              |                    |                   |                                 |                |                                     |                                   |                     |      |                       |                |      |     |       |                |
| 13          |                   |                                              |                    |                   |                                 |                |                                     |                                   |                     |      |                       |                |      |     |       |                |
| 14          |                   |                                              |                    |                   |                                 |                |                                     |                                   |                     |      |                       |                |      |     |       |                |
| 15          |                   |                                              |                    |                   |                                 |                |                                     |                                   |                     |      |                       |                |      |     |       |                |
| 16          |                   |                                              |                    |                   |                                 |                |                                     |                                   |                     |      |                       |                |      |     |       |                |
| 17          |                   | TOTAL COMPANY ADIT                           |                    | (\$1,766,802)     | \$0                             | (\$3,431,790)  | (\$12,807,029)                      |                                   | (\$12,807,029)      |      |                       | (\$12,807,029) | \$0  | \$0 | \$0   | (\$12,807,029) |

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 II-E-3.8 ADFIT - DESCRIPTION OF TIMING DIFFERENCES - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No. | Acct No. | Timing Difference                                  | Description                                                                                                                                                                     | Remaining Life |
|----------|----------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1        | 282      | ADFIT Depreciation                                 | Timing difference between Tax Depreciation on Tax Basis and Book Depreciation on Tax Basis                                                                                      | Various        |
| 2        |          |                                                    |                                                                                                                                                                                 |                |
| 3        |          |                                                    |                                                                                                                                                                                 |                |
| 4        | 190      | Rate Case Deferred Charges                         | Difference related to Difference in Book Amortization (2 Years) and Tax Amortization (15 Years)                                                                                 | Various        |
| 5        |          |                                                    |                                                                                                                                                                                 |                |
| 6        |          |                                                    |                                                                                                                                                                                 |                |
| 7        | 282      | Organization Costs                                 | Difference related to Difference in Book Amortization (34 Years) and Tax Amortization (15 Years)                                                                                | Various        |
| 8        |          |                                                    |                                                                                                                                                                                 |                |
| 9        |          |                                                    |                                                                                                                                                                                 |                |
| 10       | 190      | Injury and Damages Reserve and Maintenance Reserve | From Schedule II-B-7 - Interim times the federal income tax rate of 35%                                                                                                         | Various        |
| 11       |          |                                                    |                                                                                                                                                                                 |                |
| 12       | 190      | Net Operating Loss Carryforward                    | Under Internal Revenue Code Sec. 172(b) taxpayers may carryforward unused net operating losses (NOLs) for 20 years. The NOL times the federal tax rate is a deferred tax asset. | Various        |
| 13       |          |                                                    |                                                                                                                                                                                 |                |
| 14       |          |                                                    |                                                                                                                                                                                 |                |

WITNESS: BRIAN R. MURPHY

II-E-3.8 - FINAL

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PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 II-E-3.9 ADJUSTMENTS TO ACCUMULATED DEFERRED FEDERAL INCOME TAXES - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No. | Acct No. | Description        | Ref. Schedule | Book Basis at Beginning of Year | Current Year Book Amortization | 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 | II-E-4.5      | \$8,463,614                     | \$4,231,807                    | \$4,231,807               | \$8,463,614                    | \$564,241                                | \$7,899,373              | \$3,667,566                                               | 35%      | \$1,283,648                    |
| 2        | 282      | Organization Costs | II-B-1        | \$83,862                        | \$1,581                        | \$82,281                  | \$79,747                       | \$5,696                                  | \$74,051                 | (\$4,115)                                                 | 35%      | (\$1,440)                      |

WITNESS: BRIAN R. MURPHY

II-E-3.9 - FINAL

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PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
II-E-3.10 ADFIT AND ITC - PLANT ADJUSTMENTS AND ALLOCATIONS - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
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 - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
II-E-3.12 ITC UTILIZED - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
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 - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
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 - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
II-E-3.15 ITC ELECTIONS - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
II-E-3.16 PERC ACCOUNT 255 BALANCE - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
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 - FINAL  
TAX METHOD 2 - FORECASTED RATE PERIOD  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
DOCKET NO. 40628

| Line No. | Description                                                | Rate Period Actual | Profomas | Rate Period Total Electric | Profomas | Rate Period Requested | Total Requested |              |
|----------|------------------------------------------------------------|--------------------|----------|----------------------------|----------|-----------------------|-----------------|--------------|
|          |                                                            |                    |          |                            |          |                       | Transmission    | Distribution |
| 1        | Total Revenue Requirement                                  | \$0                | \$0      | 140,104,460                | 0        | \$140,104,460         | 140,104,460     | \$0          |
| 2        |                                                            |                    |          |                            |          |                       |                 |              |
| 3        | Less: Cost of Service Items                                | 0                  | 0        | 21,991,192                 | 0        | 21,991,192            | 21,991,192      | 0            |
| 4        | Synchronized Interest                                      | 0                  | 0        | 18,448,000                 | 0        | 18,448,000            | 18,448,000      | 0            |
| 5        | Operations and Maintenance Expense                         | 0                  | 0        | 19,952,796                 | 0        | 19,952,796            | 19,952,796      | 0            |
| 6        |                                                            |                    |          |                            |          |                       |                 |              |
| 7        | Depreciation and Amortization Expense                      | 0                  | 0        | 13,685,501                 | 0        | 13,685,501            | 13,685,501      | 0            |
| 8        |                                                            |                    |          |                            |          |                       |                 |              |
| 9        | Taxes Other Than Income Taxes                              | 0                  | 0        | 74,077,489                 | 0        | 74,077,489            | 74,077,489      | 0            |
| 10       |                                                            |                    |          |                            |          |                       |                 |              |
| 11       | Total Cost of Service Items                                | 0                  | 0        | 74,077,489                 | 0        | 74,077,489            | 74,077,489      | 0            |
| 12       |                                                            |                    |          |                            |          |                       |                 |              |
| 13       |                                                            |                    |          |                            |          |                       |                 |              |
| 14       | ADD or SUBTRACT:                                           | 0                  | 0        | 0                          | 0        | 0                     | 0               | 0            |
| 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        | 18,198,677                 | 0        | 18,198,677            | 18,198,677      | 0            |
| 24       | Rate Case Expense                                          | 0                  | 0        | 4,231,807                  | 0        | 4,231,807             | 4,231,807       | 0            |
| 25       | Organization Costs                                         | 0                  | 0        | 1,581                      | 0        | 1,581                 | 1,581           | 0            |
| 26       | Injury and Damages Reserve and Maintenance Reserve Expense | 0                  | 0        | 4,885,339                  | 0        | 4,885,339             | 4,885,339       | 0            |
| 27       |                                                            |                    |          |                            |          |                       |                 |              |
| 28       | Total Income Subject to Tax Not Recorded on Books          | \$0                | \$0      | \$27,317,404               | \$0      | \$27,317,404          | \$27,317,404    | \$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        | 328,072,668                | 0        | 328,072,668           | 328,072,668     | 0            |
| 36       | Rate Case Expense                                          | 0                  | 0        | 564,241                    | 0        | 564,241               | 564,241         | 0            |
| 37       | Organization Costs                                         | 0                  | 0        | 5,696                      | 0        | 5,696                 | 5,696           | 0            |
| 38       |                                                            |                    |          |                            |          |                       |                 |              |
| 39       | Total Income Recorded on Books not in Tax Return           | \$0                | \$0      | \$328,642,606              | \$0      | \$328,642,606         | \$328,642,606   | \$0          |
| 40       | and Deductions in Tax Return not on Books                  |                    |          |                            |          |                       |                 |              |
| 41       |                                                            |                    |          |                            |          |                       |                 |              |
| 42       | Taxable Income <Loss>                                      | 0                  | 0        | (235,298,230)              | 0        | (235,298,230)         | (235,298,230)   | 0            |
| 43       |                                                            |                    |          |                            |          |                       |                 |              |
| 44       | Tax Rate                                                   | 35%                | 35%      | 35%                        | 35%      | 35%                   | 35%             | 35%          |
| 45       |                                                            |                    |          |                            |          |                       |                 |              |
| 46       |                                                            |                    |          |                            |          |                       |                 |              |

WITNESS: BRIAN R. MURPHY

II-E-3.17 - FINAL

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PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 I-E-3.17 ANALYSIS OF TEST YEAR FIT AND REQUESTED FIT - FINAL  
 TAX METHOD 2 - FORECASTED RATE PERIOD  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No. | Description                                 | Rate Period Actual | Proformas | Rate Period Total Electric | Proformas | Rate Period Requested | Total Requested |              |
|----------|---------------------------------------------|--------------------|-----------|----------------------------|-----------|-----------------------|-----------------|--------------|
|          |                                             |                    |           |                            |           |                       | Transmission    | Distribution |
| 47       | Regular Federal Income Taxes Before Credits | 0                  | 0         | (82,354,380)               |           | (82,354,380)          | (82,354,380)    | 0            |
| 48       |                                             |                    |           |                            |           |                       |                 |              |
| 49       |                                             |                    |           |                            |           |                       |                 |              |
| 50       | Total Current Federal Income Taxes          | 0                  | 0         | (82,354,380)               | 0         | (82,354,380)          | (82,354,380)    | 0            |
| 51       |                                             |                    |           |                            |           |                       |                 |              |
| 52       | Amortization of DITC                        | 0                  | 0         | 0                          | 0         | 0                     | 0               | 0            |
| 53       |                                             |                    |           |                            |           |                       |                 |              |
| 54       | Deferred Tax Expense (Schedule I-E-3.18)    | 0                  | 0         | 105,463,820                | 0         | 105,463,820           | 105,463,820     | 0            |
| 55       |                                             |                    |           |                            |           |                       |                 |              |
| 56       |                                             |                    |           |                            |           |                       |                 |              |
| 57       |                                             |                    |           |                            |           |                       |                 |              |
| 58       | Total Deferred Income Taxes                 | 0                  | 0         | 105,463,820                | 0         | 105,463,820           | 105,463,820     | 0            |
| 59       |                                             |                    |           |                            |           |                       |                 |              |
| 60       |                                             |                    |           |                            |           |                       |                 |              |
| 61       |                                             |                    |           |                            |           |                       |                 |              |
| 62       | Total Taxes                                 | \$0                | \$0       | \$23,109,440               | \$0       | \$23,109,440          | \$23,109,440    | \$0          |

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 II-E-3.18 ANALYSIS OF DEFERRED FEDERAL INCOME TAXES - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No | Item Deferred                                              | Test Period Amount Booked |                | Amount Requested |                |
|---------|------------------------------------------------------------|---------------------------|----------------|------------------|----------------|
|         |                                                            | Schedule M                | (x) Tax Rate % | Schedule M       | (x) Tax Rate % |
| 1       | Depreciation                                               | (\$309,873,992)           | \$108,455,897  | (\$309,873,992)  | \$108,455,897  |
| 2       | Rate Case Expenses                                         | 3,667,566                 | (1,283,648)    | 3,667,566        | (1,283,648)    |
| 3       | Organization Costs                                         | (4,115)                   | 1,440          | (4,115)          | 1,440          |
| 4       | Injury and Damages Reserve and Maintenance Reserve Expense | 4,885,339                 | (1,709,869)    | 4,885,339        | (1,709,869)    |
| 5       |                                                            |                           |                |                  |                |
|         | Total Deferred Tax Expense                                 | (\$301,325,202)           | \$105,463,820  | (\$301,325,202)  | \$105,463,820  |

WITNESS: BRIAN R. MURPHY

II-E-3.18 - FINAL

1 of 1

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 II-E-3.19 ANALYSIS OF ADDITIONAL DEPRECIATION REQUESTED - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line<br>No.                                 | Additional<br>Depreciation Component | Total                                   |  | Worksheet<br>Reference |
|---------------------------------------------|--------------------------------------|-----------------------------------------|--|------------------------|
|                                             |                                      | Additional<br>Depreciation<br>Requested |  |                        |
| <div>This Schedule is Not Applicable.</div> |                                      |                                         |  |                        |

PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
II-E-3.20 AMORTIZATION OF PROTECTED AND UNPROTECTED - FINAL  
EXCESS DEFERRED TAXES  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
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 - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
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 - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
LIST OF FEDERAL INCOME TAX TESTIMONY - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
DOCKET NO. 40020

Pages 1-15

Mr. Brian R. Murphy

WITNESS: BRIAN R. MURPHY

II-E-3.23 - FINAL

PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
II-E-3.24 HISTORY OF TAX NORMALIZATION - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
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 - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

TAX ELECTIONS

| Line<br>No. | Tax<br>Return | IRC<br>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 - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
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 - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

PRIVATE LETTER RULINGS

| Line<br>No. | PLR<br>Date | PLR<br>Number | Description |
|-------------|-------------|---------------|-------------|
| 1           | None        | None          | None        |

PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
METHOD OF ACCOUNTING FOR ADJUSTMENT RELATED TO NOL CARRYFORWARD - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
DOCKET NO. 40020

Lone Star records taxes as if it were a separate corporation, even though it is part of a consolidated filing. If Lone Star has a taxable loss, it shall be carried forward and a deferred tax asset would be created to offset the carry forward loss against Lone Star's future taxable income.

As of March 31, 2014, Lone Star expects a \$48,498,403 (avg.) in the accumulated deferred federal income tax account related to net operating losses. Schedule II-E-3.7.

Net Operating Loss

Debit: Current Tax Receivable  
Credit: Current Federal Income Tax Benefit

NOL Reclass Entry

Debit: Current Federal Income Tax Expense  
Credit: Current Tax Receivable

Debit: Deferred Tax Asset - Net Operating Loss  
Credit: Deferred Federal Income Tax Benefit

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 II-E-4 OTHER EXPENSES - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No. | Account Number | Description | Reference Schedule | 1             | 2                             | 3            | 4                      | 5    | 6                | 7                   | 8    | 9    | 10  | 11    | 12    | 13   | 14    |
|----------|----------------|-------------|--------------------|---------------|-------------------------------|--------------|------------------------|------|------------------|---------------------|------|------|-----|-------|-------|------|-------|
|          |                |             |                    | Total Company | Non-Regulated or Non-Electric | Known Change | Company Total Electric | FF # | Func Factor Name | Allocation to Texas | TRAN | DIST | MET | TBILL | ABILL | TDCS | Total |

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9  
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This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, L.L.C.  
 II-E-4.1 DEFERRED EXPENSES FROM PRIOR DOCKETS - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40028

This Schedule is Not Applicable.

(1) (2) (3) (4) (5) (6) (7) (8)

| Total Transmission & Distribution |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
|-----------------------------------|-------------|--------------------|-----------------|-----------------|---------------------|-------------------------|---------------------------------------------|---------------------|---------------------------------------|
| Line No.                          | Description | Authorizing Docket | Original Amount | Deferred Period | Amortization Period | Date Amortization Began | Total                                       |                     | Unamortized Amount End of Rate Period |
|                                   |             |                    |                 |                 |                     |                         | Amortization Taken Beginning Of Rate Period | Expense Rate Period |                                       |
| 1                                 |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
| 2                                 |             |                    |                 |                 |                     |                         |                                             |                     |                                       |

(1) (2) (3) (4) (5) (6) (7) (8)

| Total Transmission |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
|--------------------|-------------|--------------------|-----------------|-----------------|---------------------|-------------------------|---------------------------------------------|---------------------|---------------------------------------|
| Line No.           | Description | Authorizing Docket | Original Amount | Deferred Period | Amortization Period | Date Amortization Began | Total                                       |                     | Unamortized Amount End of Rate Period |
|                    |             |                    |                 |                 |                     |                         | Amortization Taken Beginning Of Rate Period | Expense Rate Period |                                       |
| 1                  |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
| 2                  |             |                    |                 |                 |                     |                         |                                             |                     |                                       |

(1) (2) (3) (4) (5) (6) (7) (8)

| Total Distribution |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
|--------------------|-------------|--------------------|-----------------|-----------------|---------------------|-------------------------|---------------------------------------------|---------------------|---------------------------------------|
| Line No.           | Description | Authorizing Docket | Original Amount | Deferred Period | Amortization Period | Date Amortization Began | Total                                       |                     | Unamortized Amount End of Rate Period |
|                    |             |                    |                 |                 |                     |                         | Amortization Taken Beginning Of Rate Period | Expense Rate Period |                                       |
| 1                  |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
| 2                  |             |                    |                 |                 |                     |                         |                                             |                     |                                       |

(1) (2) (3) (4) (5) (6) (7) (8)

| Total Meter |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
|-------------|-------------|--------------------|-----------------|-----------------|---------------------|-------------------------|---------------------------------------------|---------------------|---------------------------------------|
| Line No.    | Description | Authorizing Docket | Original Amount | Deferred Period | Amortization Period | Date Amortization Began | Total                                       |                     | Unamortized Amount End of Rate Period |
|             |             |                    |                 |                 |                     |                         | Amortization Taken Beginning Of Rate Period | Expense Rate Period |                                       |
| 1           |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
| 2           |             |                    |                 |                 |                     |                         |                                             |                     |                                       |

(1) (2) (3) (4) (5) (6) (7) (8)

| Total TDMS |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
|------------|-------------|--------------------|-----------------|-----------------|---------------------|-------------------------|---------------------------------------------|---------------------|---------------------------------------|
| Line No.   | Description | Authorizing Docket | Original Amount | Deferred Period | Amortization Period | Date Amortization Began | Total                                       |                     | Unamortized Amount End of Rate Period |
|            |             |                    |                 |                 |                     |                         | Amortization Taken Beginning Of Rate Period | Expense Rate Period |                                       |
| 1          |             |                    |                 |                 |                     |                         |                                             |                     |                                       |
| 2          |             |                    |                 |                 |                     |                         |                                             |                     |                                       |

II E-4.1 - FINAL

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 II-E-4.2 BELOW THE LINE EXPENSES - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line<br>No. | OTHER INCOME AND (EXPENSES)                                                | TOTAL | GEN | TRANS | DIST |
|-------------|----------------------------------------------------------------------------|-------|-----|-------|------|
| 1           | No Below the Line Expenses have been included in the Revenue Requirements. |       |     |       |      |

PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
II-E-4.3 NONRECURRING OR EXTRAORDINARY EXPENSES - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, L.L.C.  
 II-E-4.1 REGULATORY COMMISSION EXPENSES - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 18028

| Line No. | Account Number | Description | Reference Schedule | 1             | 2                             | 3            | 4                      | 5                              | 6                   | 7    | 8                 | 9    | 10   | 11  | 12   | 13    |
|----------|----------------|-------------|--------------------|---------------|-------------------------------|--------------|------------------------|--------------------------------|---------------------|------|-------------------|------|------|-----|------|-------|
|          |                |             |                    | Total Company | Non-Regulated or Non-Electric | Known Change | Company Total Electric | Texas Retail Allocation Factor | Allocation to Texas | FF # | Fract Factor Name | TRAN | DIST | MET | TDCS | Total |

This Schedule is Not Applicable

1  
2  
3  
4

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 II-E-4.5 RATE CASE EXPENSE - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No. | Account Number | Description                     | Reference Schedule | 1<br>Total Company | 2<br>Non-Regulated or Non-Electric | 3<br>Known Change | 4<br>Company Total Electric | 5<br>Texas Retail Allocation Factor | 6<br>Allocation to Texas | 7<br>FF # | 8<br>Facility Name | 9<br>TRAN   | 10<br>DIST | 11<br>MET | 12<br>TDCS | 13<br>Total |
|----------|----------------|---------------------------------|--------------------|--------------------|------------------------------------|-------------------|-----------------------------|-------------------------------------|--------------------------|-----------|--------------------|-------------|------------|-----------|------------|-------------|
| 1        |                | Rate Case Expense               |                    |                    |                                    |                   |                             |                                     |                          |           |                    |             |            |           |            |             |
| 2        |                |                                 |                    |                    |                                    |                   |                             |                                     |                          |           |                    |             |            |           |            |             |
| 3        |                | Consultant Expenses:            |                    |                    |                                    |                   |                             |                                     |                          |           |                    |             |            |           |            |             |
| 4        |                | Legal                           |                    | \$0                | \$0                                | \$2,000,000       | \$2,000,000                 |                                     | \$2,000,000              |           |                    | \$2,000,000 | \$0        | \$0       | \$0        | \$2,000,000 |
| 5        |                | Other                           |                    | 0                  | 0                                  | 1,403,147         | \$1,403,147                 |                                     | 1,403,147                |           |                    | 1,403,147   | 0          | 0         | 0          | \$1,403,147 |
| 6        |                | Sub-total Consultant Expenses   |                    | \$0                | \$0                                | \$3,403,147       | \$3,403,147                 |                                     | \$3,403,147              |           |                    | \$3,403,147 | \$0        | \$0       | \$0        | \$3,403,147 |
| 7        |                |                                 |                    |                    |                                    |                   |                             |                                     |                          |           |                    |             |            |           |            |             |
| 8        |                | Affiliate Support and Expenses: |                    |                    |                                    |                   |                             |                                     |                          |           |                    |             |            |           |            |             |
| 9        |                |                                 |                    |                    |                                    |                   |                             |                                     |                          |           |                    |             |            |           |            |             |
| 10       |                | Company Expenses:               |                    |                    |                                    |                   |                             |                                     |                          |           |                    |             |            |           |            |             |
| 11       |                | Incremental employee expenses   |                    | \$0                | \$0                                | \$53,798          | \$53,798                    |                                     | \$53,798                 |           |                    | \$53,798    | \$0        | \$0       | \$0        | \$53,798    |
| 12       |                | Printing & Delivery             |                    | 0                  | 0                                  | 408,050           | \$408,050                   |                                     | 408,050                  |           |                    | 408,050     | 0          | 0         | 0          | \$408,050   |
| 13       |                | Temporary Employees             |                    | 0                  | 0                                  | 18,000            | \$18,000                    |                                     | 18,000                   |           |                    | 18,000      | 0          | 0         | 0          | \$18,000    |
| 14       |                | Other                           |                    | 0                  | 0                                  | 503,607           | \$503,607                   |                                     | 503,607                  |           |                    | 503,607     | 0          | 0         | 0          | \$503,607   |
| 15       |                | Sub-total Company Expenses      |                    | \$0                | \$0                                | \$983,455         | \$983,455                   |                                     | \$983,455                |           |                    | \$983,455   | \$0        | \$0       | \$0        | \$983,455   |
| 16       |                |                                 |                    |                    |                                    |                   |                             |                                     |                          |           |                    |             |            |           |            |             |
| 17       |                | Intervenor Expenses             |                    | \$0                | \$0                                | \$300,000         | \$300,000                   |                                     | \$300,000                |           |                    | \$300,000   | \$0        | \$0       | \$0        | \$300,000   |
| 18       |                |                                 |                    |                    |                                    |                   |                             |                                     |                          |           |                    |             |            |           |            |             |
| 19       |                | TOTAL RATE CASE EXPENSE         |                    | \$0                | \$0                                | \$8,463,614       | \$8,463,614                 | \$0                                 | \$8,463,614              | \$0       | \$0                | \$8,463,614 | \$0        | \$0       | \$0        | \$8,463,614 |

**PUBLIC UTILITY COMMISSION OF TEXAS**  
**LONE STAR TRANSMISSION, LLC.**  
**II-E-5 OTHER REVENUE ITEMS - FINAL**  
**FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014**  
**DOCKET NO. 40020**

| Line No. | Account Number | Description | Reference Schedule | 1             | 2                             | 3            | 4                      | 5    | 6                 | 7                   | 8    | 9    | 10  | 11    | 12    | 13   | 14    |
|----------|----------------|-------------|--------------------|---------------|-------------------------------|--------------|------------------------|------|-------------------|---------------------|------|------|-----|-------|-------|------|-------|
|          |                |             |                    | 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  
2  
3

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, L.L.C.  
 II-F FUNCTIONALIZATION FACTORS - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No. | FF # | Description                          | FF Label | TRAN    | DIST  | MET   | TBILL | ABILL | TDCS  | TOTAL   |
|----------|------|--------------------------------------|----------|---------|-------|-------|-------|-------|-------|---------|
| 1        |      | <b>Functional Allocation Factors</b> |          |         |       |       |       |       |       |         |
| 2        |      | 1 Direct Assigned                    | DA       | 1       | 2     | 3     | 4     | 5     | 6     | 7       |
| 3        |      | 2 Transmission                       | TRAN     | 100.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| 4        |      | 3 Distribution                       | DIST     |         |       |       |       |       |       |         |
| 5        |      | 4 Metering                           | MET      |         |       |       |       |       |       |         |
| 6        |      | 5 T-Billing                          | TD-Bill  |         |       |       |       |       |       |         |
| 7        |      | 6 A-Billing                          | A-Bill   |         |       |       |       |       |       |         |
| 8        |      | 7 TDCS                               | TDCS     |         |       |       |       |       |       |         |
| 9        |      |                                      |          |         |       |       |       |       |       |         |

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 IL-F FUNCTIONALIZATION FACTORS-DATA - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No. | FF # | Description                       | FF Label | TRAN | DIST | MET | TBILL | ABILL | TDCS | TOTAL |
|----------|------|-----------------------------------|----------|------|------|-----|-------|-------|------|-------|
| 1        |      | <b>Functional Allocation Data</b> |          |      |      |     |       |       |      |       |
| 2        | 1    | Direct Assigned                   | DA       | 1    | 2    | 3   | 4     | 5     | 6    | 7     |
| 3        | 2    | Transmission                      | TRAN     |      |      |     |       |       |      |       |
| 4        | 3    | Distribution                      | DIST     |      |      |     |       |       |      |       |
| 5        | 4    | Meeting                           | MET      |      |      |     |       |       |      |       |
| 6        | 5    | T-Billing                         | TD-Bill  |      |      |     |       |       |      |       |
| 7        | 6    | A-Billing                         | A-Bill   |      |      |     |       |       |      |       |
| 8        | 7    | TDCS                              | TDCS     |      |      |     |       |       |      |       |
| 9        |      |                                   |          |      |      |     |       |       |      |       |

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS  
LONE STAR TRANSMISSION, LLC.  
IL-G STATUS OF NUCLEAR DECOMMISSIONING FUNDS - FINAL  
FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
DOCKET NO. 40020

This Schedule is Not Applicable.

PUBLIC UTILITY COMMISSION OF TEXAS  
DOCKET NO. 40020  
LONE STAR TRANSMISSION, LLC  
HISTORIC YEAR BILLING DETERMINANTS

Sponsor: None

This Schedule is not applicable to the Applicant in this proceeding.

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 II-1-1 CLASS REVENUE REQUIREMENT ANALYSIS - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Description                                 | 1                                              | 2                | 3                                | 4           | 5                    | 6                    | 7       | 8            | 9        | 10                 |
|---------------------------------------------|------------------------------------------------|------------------|----------------------------------|-------------|----------------------|----------------------|---------|--------------|----------|--------------------|
|                                             | Rate Period<br>Revenue<br>Requirement<br>Total | Class<br>FF<br># | Class<br>Funct<br>Factor<br>Name | Residential | Secondary<br>≤ 10 kW | Secondary<br>> 10 kW | Primary | Transmission | Lighting | Total<br>TX-Retail |
| <div>This Schedule is Not Applicable.</div> |                                                |                  |                                  |             |                      |                      |         |              |          |                    |

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-A-1 SUMMARY OF WHOLESALE TCOS - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

| Line No. | Description                          | Reference Schedule | 1<br>Company<br>Total<br>Electric | 2<br>Company<br>Adjustments | 3<br>Company<br>Total<br>Request | 4<br>Transmission<br>Function<br>(TRAN) | 5<br>Total<br>TX-Retail |
|----------|--------------------------------------|--------------------|-----------------------------------|-----------------------------|----------------------------------|-----------------------------------------|-------------------------|
| 1        | Operating and Maintenance Expenses   | I-A-1              | \$18,448,000                      | \$0                         | \$18,448,000                     | \$18,448,000                            |                         |
| 2        | Depreciation & Amortization Expenses | I-A-1              | 19,952,796                        | 0                           | \$19,952,796                     | 19,952,796                              |                         |
| 3        | Taxes Other Than Federal Income Tax  | I-A-1              | 13,685,501                        | 0                           | \$13,685,501                     | 13,685,501                              |                         |
| 4        | Federal Income Tax                   | I-A-1              | 23,109,440                        | 0                           | \$23,109,440                     | 23,109,440                              |                         |
| 5        |                                      |                    |                                   |                             |                                  |                                         |                         |
| 6        | Return on Invested Capital           |                    | 64,908,724                        | 0                           | \$64,908,724                     | 64,908,724                              |                         |
| 7        |                                      |                    |                                   |                             |                                  |                                         |                         |
| 8        | TOTAL TRANSMISSION COST OF SERVICE   |                    | 140,104,460                       | 0                           | \$140,104,460                    | 140,104,460                             |                         |
| 9        |                                      |                    |                                   |                             |                                  |                                         |                         |
| 10       | Minus: Other Revenues                |                    | 0                                 | 0                           | \$0                              | 0                                       |                         |
| 11       |                                      |                    |                                   |                             |                                  |                                         |                         |
| 12       | TOTAL ADJUSTED REVENUE REQUIREMENT   |                    | \$140,104,460                     | \$0                         | \$140,104,460                    | \$140,104,460                           |                         |
| 13       |                                      |                    |                                   |                             |                                  |                                         |                         |
| 14       | ERCOT 4-CF MW                        |                    |                                   |                             |                                  | 61,369                                  |                         |
| 15       |                                      |                    |                                   |                             |                                  |                                         |                         |
| 16       | Wholesale Transmission Rate \$/MW    |                    |                                   |                             |                                  | \$2,282.99                              |                         |

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-B-1 ORIGINAL COST OF PLANT - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

|          | 1              | 2           | 3                  | 4                      |
|----------|----------------|-------------|--------------------|------------------------|
| Line No. | Account Number | Description | Reference Schedule | Company Total Electric |
| 1        |                |             |                    |                        |
| 2        |                |             |                    |                        |
| 3        |                |             |                    |                        |
| 4        |                |             |                    |                        |
| 5        |                |             |                    |                        |
| 6        |                |             |                    |                        |
| 7        |                |             |                    |                        |
| 8        |                |             |                    |                        |
| 9        |                |             |                    |                        |
| 10       |                |             |                    |                        |
| 11       |                |             |                    |                        |
| 12       |                |             |                    |                        |

SEE SCHEDULE II-B-1 FOR TRANSMISSION AMOUNTS

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-B-2 GENERAL PLANT - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

| Line No. | Account Number | Description | Reference Schedule | 1<br>Company Total Electric | 2<br>Company Adjustments | 3<br>Company Total Request | 4<br>Transmission Function (TRAN) |
|----------|----------------|-------------|--------------------|-----------------------------|--------------------------|----------------------------|-----------------------------------|
| 1        |                |             |                    |                             |                          |                            |                                   |
| 2        |                |             |                    |                             |                          |                            |                                   |
| 3        |                |             |                    |                             |                          |                            |                                   |
| 4        |                |             |                    |                             |                          |                            |                                   |
| 5        |                |             |                    |                             |                          |                            |                                   |
| 6        |                |             |                    |                             |                          |                            |                                   |
| 7        |                |             |                    |                             |                          |                            |                                   |
| 8        |                |             |                    |                             |                          |                            |                                   |
| 9        |                |             |                    |                             |                          |                            |                                   |
| 10       |                |             |                    |                             |                          |                            |                                   |
| 11       |                |             |                    |                             |                          |                            |                                   |
| 12       |                |             |                    |                             |                          |                            |                                   |

SEE SCHEDULE II-B-2 FOR TRANSMISSION AMOUNTS

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-B-3 COMMUNICATION EQUIPMENT - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

| Line No. | Account Number | Description | Reference Schedule | 1<br>Company Total Electric | 2<br>Company Adjustments | 3<br>Company Total Request | 4<br>Transmission Function (TRAN) |
|----------|----------------|-------------|--------------------|-----------------------------|--------------------------|----------------------------|-----------------------------------|
| 1        |                |             |                    |                             |                          |                            |                                   |
| 2        |                |             |                    |                             |                          |                            |                                   |
| 3        |                |             |                    |                             |                          |                            |                                   |
| 4        |                |             |                    |                             |                          |                            |                                   |
| 5        |                |             |                    |                             |                          |                            |                                   |
| 6        |                |             |                    |                             |                          |                            |                                   |
| 7        |                |             |                    |                             |                          |                            |                                   |
| 8        |                |             |                    |                             |                          |                            |                                   |
| 9        |                |             |                    |                             |                          |                            |                                   |
| 10       |                |             |                    |                             |                          |                            |                                   |
| 11       |                |             |                    |                             |                          |                            |                                   |
| 12       |                |             |                    |                             |                          |                            |                                   |

SEE SCHEDULE II-B-3 FOR TRANSMISSION AMOUNTS

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-B-4 CONSTRUCTION WORK IN PROGRESS - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

| Line No. | Account Number | Description                      | Reference Schedule | 1                      |  |  | 2                   |  |  | 3                     |  |  | 4                            |  |  |
|----------|----------------|----------------------------------|--------------------|------------------------|--|--|---------------------|--|--|-----------------------|--|--|------------------------------|--|--|
|          |                |                                  |                    | Company Total Electric |  |  | Company Adjustments |  |  | Company Total Request |  |  | Transmission Function (TRAN) |  |  |
| 1        |                | This Schedule is Not Applicable. |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 2        |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 3        |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 4        |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 5        |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 6        |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 7        |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 8        |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 9        |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 10       |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 11       |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |
| 12       |                |                                  |                    |                        |  |  |                     |  |  |                       |  |  |                              |  |  |

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-B-5 ACCUMULATED DEPRECIATION - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

|          |                |             | 1                  | 2                      | 3                     | 4                            |
|----------|----------------|-------------|--------------------|------------------------|-----------------------|------------------------------|
| Line No. | Account Number | Description | Reference Schedule | Company Total Electric | Company Total Request | Transmission Function (TRAN) |
| 1        |                |             |                    |                        |                       |                              |
| 2        |                |             |                    |                        |                       |                              |
| 3        |                |             |                    |                        |                       |                              |
| 4        |                |             |                    |                        |                       |                              |
| 5        |                |             |                    |                        |                       |                              |
| 6        |                |             |                    |                        |                       |                              |
| 7        |                |             |                    |                        |                       |                              |
| 8        |                |             |                    |                        |                       |                              |
| 9        |                |             |                    |                        |                       |                              |
| 10       |                |             |                    |                        |                       |                              |
| 11       |                |             |                    |                        |                       |                              |
| 12       |                |             |                    |                        |                       |                              |

SEE SCHEDULE II-B-5 FOR TRANSMISSION AMOUNTS

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-B-6 PLANT FOR FUTURE USE - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No. | Account Number | Description | Reference Schedule | 1<br>Company Total Electric | 2<br>Company Adjustments | 3<br>Company Total Request | 4<br>Transmission Function (TRAN) |
|----------|----------------|-------------|--------------------|-----------------------------|--------------------------|----------------------------|-----------------------------------|
| 0        |                |             |                    |                             |                          |                            |                                   |
| 1        |                |             |                    |                             |                          |                            |                                   |
| 2        |                |             |                    |                             |                          |                            |                                   |
| 3        |                |             |                    |                             |                          |                            |                                   |
| 4        |                |             |                    |                             |                          |                            |                                   |
| 5        |                |             |                    |                             |                          |                            |                                   |
| 6        |                |             |                    |                             |                          |                            |                                   |
| 7        |                |             |                    |                             |                          |                            |                                   |
| 8        |                |             |                    |                             |                          |                            |                                   |
| 9        |                |             |                    |                             |                          |                            |                                   |
| 10       |                |             |                    |                             |                          |                            |                                   |
| 11       |                |             |                    |                             |                          |                            |                                   |

This Schedule is Not Applicable.

**PUBLIC UTILITY COMMISSION OF TEXAS**  
**LONE STAR TRANSMISSION, LLC.**  
**III-B-7 ACCUMULATED PROVISION BALANCES - FINAL**  
**FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014**  
**DOCKET NO. 40020**

| Line No. | Account Number | Description | Reference Schedule | 1<br>Company Total Electric | 2<br>Company Adjustments | 3<br>Company Total Request | 4<br>Transmission Function (TRAN) |
|----------|----------------|-------------|--------------------|-----------------------------|--------------------------|----------------------------|-----------------------------------|
| 1        |                |             |                    |                             |                          |                            |                                   |
| 2        |                |             |                    |                             |                          |                            |                                   |
| 3        |                |             |                    |                             |                          |                            |                                   |
| 4        |                |             |                    |                             |                          |                            |                                   |
| 5        |                |             |                    |                             |                          |                            |                                   |
| 6        |                |             |                    |                             |                          |                            |                                   |
| 7        |                |             |                    |                             |                          |                            |                                   |
| 8        |                |             |                    |                             |                          |                            |                                   |
| 9        |                |             |                    |                             |                          |                            |                                   |
| 10       |                |             |                    |                             |                          |                            |                                   |
| 11       |                |             |                    |                             |                          |                            |                                   |
| 12       |                |             |                    |                             |                          |                            |                                   |

SEE SCHEDULE II-B-7 FOR TRANSMISSION AMOUNTS

**PUBLIC UTILITY COMMISSION OF TEXAS**  
**LONE STAR TRANSMISSION, LLC.**  
**III-B-8 MATERIALS AND SUPPLIES - FINAL**  
**FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014**  
**DOCKET NO. 40020**

|          | 1              | 2           | 3                  | 4                      |
|----------|----------------|-------------|--------------------|------------------------|
| Line No. | Account Number | Description | Reference Schedule | Company Total Electric |
| 1        |                |             |                    |                        |
| 2        |                |             |                    |                        |
| 3        |                |             |                    |                        |
| 4        |                |             |                    |                        |
| 5        |                |             |                    |                        |
| 6        |                |             |                    |                        |
| 7        |                |             |                    |                        |
| 8        |                |             |                    |                        |
| 9        |                |             |                    |                        |
| 10       |                |             |                    |                        |
| 11       |                |             |                    |                        |
| 12       |                |             |                    |                        |

SEE SCHEDULE II-B-8 FOR TRANSMISSION AMOUNTS

| Company Total Request | Transmission Function (TRAN) |
|-----------------------|------------------------------|
|                       |                              |
|                       |                              |
|                       |                              |
|                       |                              |
|                       |                              |
|                       |                              |
|                       |                              |
|                       |                              |
|                       |                              |
|                       |                              |
|                       |                              |

PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-B-9 CASH WORKING CAPITAL - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020

| Line No. | Account Number | Description | Reference Schedule | Company Total Electric | Company Adjustments | Company Total Request | Transmission Function (TRAN) |
|----------|----------------|-------------|--------------------|------------------------|---------------------|-----------------------|------------------------------|
| 1        |                |             |                    |                        |                     |                       |                              |
| 2        |                |             |                    |                        |                     |                       |                              |
| 3        |                |             |                    |                        |                     |                       |                              |
| 4        |                |             |                    |                        |                     |                       |                              |
| 5        |                |             |                    |                        |                     |                       |                              |
| 6        |                |             |                    |                        |                     |                       |                              |
| 7        |                |             |                    |                        |                     |                       |                              |
| 8        |                |             |                    |                        |                     |                       |                              |
| 9        |                |             |                    |                        |                     |                       |                              |
| 10       |                |             |                    |                        |                     |                       |                              |
| 11       |                |             |                    |                        |                     |                       |                              |
| 12       |                |             |                    |                        |                     |                       |                              |

SEE SCHEDULE II-B-9 FOR TRANSMISSION AMOUNTS

**PUBLIC UTILITY COMMISSION OF TEXAS**  
**LONE STAR TRANSMISSION, LLC.**  
**III-B-10 PREPAYMENTS - FINAL**  
**FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014**  
**DOCKET NO. 40020**

| Line<br>No                                    | Account<br>Number | Description | Reference<br>Schedule | 1                            |                        | 2                           |  | 3 |  | Transmission<br>Function<br>(TRAN) |
|-----------------------------------------------|-------------------|-------------|-----------------------|------------------------------|------------------------|-----------------------------|--|---|--|------------------------------------|
|                                               |                   |             |                       | Company<br>Total<br>Electric | Company<br>Adjustments | Company<br>Total<br>Request |  |   |  |                                    |
| SEE SCHEDULE II-B-10 FOR TRANSMISSION AMOUNTS |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 1                                             |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 2                                             |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 3                                             |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 4                                             |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 5                                             |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 6                                             |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 7                                             |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 8                                             |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 9                                             |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 10                                            |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 11                                            |                   |             |                       |                              |                        |                             |  |   |  |                                    |
| 12                                            |                   |             |                       |                              |                        |                             |  |   |  |                                    |

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-B-11 OTHER RATE BASE ITEMS - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

| Line No. | Account Number | Description | Reference Schedule | 1<br>Company Total Electric | 2<br>Company Adjustments | 3<br>Company Total Request | 4<br>Transmission Function (TRAN) |
|----------|----------------|-------------|--------------------|-----------------------------|--------------------------|----------------------------|-----------------------------------|
| 1        |                |             |                    |                             |                          |                            |                                   |
| 2        |                |             |                    |                             |                          |                            |                                   |
| 3        |                |             |                    |                             |                          |                            |                                   |
| 4        |                |             |                    |                             |                          |                            |                                   |
| 5        |                |             |                    |                             |                          |                            |                                   |
| 6        |                |             |                    |                             |                          |                            |                                   |
| 7        |                |             |                    |                             |                          |                            |                                   |
| 8        |                |             |                    |                             |                          |                            |                                   |
| 9        |                |             |                    |                             |                          |                            |                                   |
| 10       |                |             |                    |                             |                          |                            |                                   |
| 11       |                |             |                    |                             |                          |                            |                                   |
| 12       |                |             |                    |                             |                          |                            |                                   |

This Schedule is Not Applicable.

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 IIL-B-12 REGULATORY ASSETS - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

|          |                |             | 1                  | 2                      | 3                     | 4                            |
|----------|----------------|-------------|--------------------|------------------------|-----------------------|------------------------------|
| Line No. | Account Number | Description | Reference Schedule | Company Total Electric | Company Total Request | Transmission Function (TRAN) |
| 1        |                |             |                    |                        |                       |                              |
| 2        |                |             |                    |                        |                       |                              |
| 3        |                |             |                    |                        |                       |                              |
| 4        |                |             |                    |                        |                       |                              |
| 5        |                |             |                    |                        |                       |                              |
| 6        |                |             |                    |                        |                       |                              |
| 7        |                |             |                    |                        |                       |                              |
| 8        |                |             |                    |                        |                       |                              |
| 9        |                |             |                    |                        |                       |                              |
| 10       |                |             |                    |                        |                       |                              |
| 11       |                |             |                    |                        |                       |                              |
| 12       |                |             |                    |                        |                       |                              |

SEE SCHEDULE IIL-B-12 FOR TRANSMISSION AMOUNTS

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 IIL-C RATE OF RETURN - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

| Line No. | Account Number | Description | Reference Schedule | 1<br>Company Total Electric | 2<br>Company Adjustments | 3<br>Company Total Request | 4<br>Transmission Function (TRAN)            |
|----------|----------------|-------------|--------------------|-----------------------------|--------------------------|----------------------------|----------------------------------------------|
| 1        |                |             |                    |                             |                          |                            | SEE SCHEDULE II-C-1 FOR TRANSMISSION AMOUNTS |
| 2        |                |             |                    |                             |                          |                            |                                              |
| 3        |                |             |                    |                             |                          |                            |                                              |
| 4        |                |             |                    |                             |                          |                            |                                              |
| 5        |                |             |                    |                             |                          |                            |                                              |
| 6        |                |             |                    |                             |                          |                            |                                              |
| 7        |                |             |                    |                             |                          |                            |                                              |
| 8        |                |             |                    |                             |                          |                            |                                              |
| 9        |                |             |                    |                             |                          |                            |                                              |
| 10       |                |             |                    |                             |                          |                            |                                              |
| 11       |                |             |                    |                             |                          |                            |                                              |
| 12       |                |             |                    |                             |                          |                            |                                              |

**PUBLIC UTILITY COMMISSION OF TEXAS  
 LONE STAR TRANSMISSION, LLC.  
 III-D-1 O&M EXPENSES - FINAL  
 FOR THE FINAL RATE PERIOD ENDING MARCH 31, 2014  
 DOCKET NO. 40020**

| Line No.                                     | Account Number | Description | Reference Schedule | 1<br>Company Total Electric | 2<br>Company Adjustments | 3<br>Company Total Request | 4<br>Transmission Function (TRAN) |
|----------------------------------------------|----------------|-------------|--------------------|-----------------------------|--------------------------|----------------------------|-----------------------------------|
| 1                                            |                |             |                    |                             |                          |                            |                                   |
| 2                                            |                |             |                    |                             |                          |                            |                                   |
| 3                                            |                |             |                    |                             |                          |                            |                                   |
| 4                                            |                |             |                    |                             |                          |                            |                                   |
| 5                                            |                |             |                    |                             |                          |                            |                                   |
| 6                                            |                |             |                    |                             |                          |                            |                                   |
| 7                                            |                |             |                    |                             |                          |                            |                                   |
| 8                                            |                |             |                    |                             |                          |                            |                                   |
| 9                                            |                |             |                    |                             |                          |                            |                                   |
| 10                                           |                |             |                    |                             |                          |                            |                                   |
| 11                                           |                |             |                    |                             |                          |                            |                                   |
| 12                                           |                |             |                    |                             |                          |                            |                                   |
| SEE SCHEDULE II-D-1 FOR TRANSMISSION AMOUNTS |                |             |                    |                             |                          |                            |                                   |
| TOTAL O&M EXPENSE                            |                |             |                    |                             |                          |                            |                                   |
| II-D-1                                       |                |             |                    |                             |                          |                            |                                   |