



Key Accounting Topics for Oil Pipelines

Tom Angleton, Explorer Pipeline

Karen Abbas, Regulatory Economics Group, LLC

Agenda

- Standards Update
 - ✓ Joint projects of FASB and IASB
 - ✓ Completed FASB projects
- Annual Reports
 - ✓ Disclosure considerations
 - ✓ SEC comments
- Accounting for Commercial Success
 - ✓ Cost-driven revenue
 - ✓ Data Capture & Reporting
 - ✓ Process Design
 - ✓ Compliance

Objectives

- Gain understanding of developing national and international financial accounting standards
- Gain awareness of annual report audience
- Gain understanding of unique characteristics of oil pipeline accounting: how regulation makes accounting essential to commercial success.



STANDARDS UPDATE

(SLIDES ADAPTED FROM ERNST & YOUNG)

FASB and IASB Joint Projects

Overview

- FASB and IASB joint projects progressing
- FASB and IASB goal – high-quality, converged accounting standards
- Focus is on financial instruments, revenue recognition, leases and insurance contracts, consolidation and investment companies
 - ✓ Timelines extended on active projects
 - ✓ Re-expose proposals on revenue and leases causing additional delays
 - ✓ Lower priority projects set aside for the near term
- Boards are re-deliberating many projects, making tentative decisions
- Boards have not finalized effective dates and transition methods for several joint projects

FASB / IASB Joint Projects

Timeline

Active projects	2010 – 2011 (highlights of prior activity)		Q1 – Q2 2012	Q3 – Q4 2012	Q1 2013
Financial Instruments					
Classification and measurement	FASB	ED ¹	ED ²	ED ³	
	IASB	Final ⁴		ED ⁵	
Impairment	FASB	ED ¹	SD	ED ³	
	IASB	SD		ED	
Hedging	FASB	ED ¹	DP		
	IASB	ED		Review draft	Final ⁶
Revenue Recognition	FASB	ED	ED	RT	Final
	IASB	ED	ED	RT	Final ⁷
Leases	FASB	ED		ED	
	IASB	ED		ED	
Insurance Contracts	FASB	DP		ED	
	IASB	ED		ED ⁸	
Consolidation	FASB	ED			
	IASB	Final ⁹			
Investment Companies	FASB	ED	RT	Final	
	IASB	ED	RT	Final	

ED —Exposure draft RT —Roundtable SD —Supplementary document DP —Discussion paper

¹ The FASB issued a single comprehensive proposal on all three phases of this project.

² In Q2 2012, the FASB separately issued an ED on liquidity and interest rate risk disclosures related to financial instruments.

³ The FASB will at a minimum expose the proposed amendments to the Codification, and may decide to fully re-expose the model.

⁴ The IASB's final IFRS on classification and measurement for liabilities. In 2011, the IASB deferred the mandatory effective date of IFRS 9.

⁵ The IASB's project is to undertake limited scope changes to IFRS 9.

⁶ The IASB expects to issue a separate DP on macro hedge accounting in the second half of 2012.

⁷ Our expectation is that the IASB will follow timing that is similar to the FASB's on finalizing the revenue recognition project.

⁸ The IASB will issue an ED or review draft.

⁹ In Q2 2012, the IASB issued amendments to clarify the transition guidance in IFRS 10.

¹⁰ The FASB is reconsidering some elements of this guidance.

Note: Our timeline for some FASB projects is based on discussions with staff and may differ from the technical plan on the FASB website.

Recently completed projects

Balance Sheet —Offsetting

Statement of Comprehensive Income¹⁰

Fair Value Measurement

Inactive projects

Financial Statement Presentation

Reporting Discontinued Operations

Financial Instruments with Characteristics of Equity

Emissions Trading Schemes

Financial Instruments

Overview

- FASB issued financial instruments exposure draft (“ED”) May 2010
 - ✓ Proposed major changes to
 - Classification and measurement
 - Impairment
 - Hedging
 - ✓ Commenters on the ED opposed many key aspects of the proposal
 - Many expressed concern over lack of convergence

Financial Instruments

Overview (continued)

- Re-deliberations
 - ✓ Classification and measurement
 - FASB's new proposed model requires less measurement at fair value (than its 2010 ED)
 - The Boards are jointly re-deliberating for convergence of their respective models
 - FASB expects to expose a new draft in Q3 or Q4 2012
 - ✓ Impairment
 - Boards are jointly developing a new approach
 - ✓ Hedging
 - FASB expects to begin re-deliberations in late 2012
- FASB issued a separate ED on liquidity and interest rate risk disclosures in Q2 2012

Financial Instruments

Classification

- Classification would be based on an entity's business model, not its intent for each asset
- Must classify all financial assets into one of three categories
 - ✓ Amortized cost
 - Strategy is to manage the instruments through customer financing or lending activities (servicing) AND
 - Have ability to manage credit risk by negotiating adjustment of contractual cash flows AND
 - Financial assets **are not** held for sale at acquisition
 - ✓ FVOCI (fair value through other comprehensive income)
 - Strategy is to invest cash to maximize total return by collecting contractual cash flows or selling the asset OR manage the interest rate or liquidity risk by either holding or selling the asset
 - AND Financial assets **are not** held for sale at acquisition or issuance
 - ✓ FVNI
 - EITHER Financial assets **are** held for sale at acquisition or issuance
 - OR Financial assets are actively managed and monitored internally on a fair value basis
- Financial liabilities that meet certain conditions would generally be measured at amortized cost, with certain exceptions that would require classification at FV-NI (e.g., short sales)
 - ✓ If financial assets will be used to settle nonrecourse financial liabilities, financial liabilities would be measured consistent with associated financial assets

Financial Instruments

Measurement

- Measurement would be based on financial instrument characteristics
- Measurement would be at fair value through net income (“FVNI”) **unless** the following criterion is met:
 - ✓ It is a **debt instrument** held or issued that has all of the following characteristics
 - It is not a derivative.
 - An amount is transferred to the debtor (issuer) at inception that will be returned to the creditor (investor) at maturity or other settlement, which is the principal amount of the contract adjusted by any discount or premium at acquisition.
 - The debt instrument cannot contractually be prepaid or otherwise settled in such a way that the investor would not recover substantially all of its initial investment, other than through its own choice.
- Specific measurement guidance
 - ✓ Trade receivables and payables generally would meet the criterion above.
 - ✓ Financial liabilities would be measured at amortized cost unless the entities strategy is to later transact at fair value or the liabilities are short sales.
 - ✓ Equity securities would be measured at FVNI.
 - Practicability exception for nonmarketable securities - measured instead at cost less impairment or cost adjusted (up or down) when price changes are observable
 - ✓ Derivatives would be measured at FVNI except those designated as hedging instruments in a cash flow hedge or a hedge of a net investment in a foreign operation.

Financial Instruments

Impairment

- Highlights of the basic model
 - ✓ Applies to financial assets measured at amortized cost or FVOCI
 - ✓ Most items initially captured in Bucket 1
 - Impairment measured based on expected losses from events expected in the next 12 months
 - ✓ Assets transferred into Bucket 2 or 3 when two criteria are met:
 - There has been a deterioration in credit quality since initial recognition (more than insignificant)
 - It is reasonably possible that the contractual cash flows will not be fully recovered
 - ✓ Assets can generally move back into Bucket 1 if the initial transfer criteria are no longer satisfied
 - ✓ Unit of evaluation differentiates buckets 2 and 3
 - Bucket 2 captures lifetime expected losses on a group basis
 - Bucket 3 captures lifetime expected losses on an individual basis
- Estimate of expected losses would include:
 - ✓ All reasonable and supportable information considered relevant in making the forward-looking estimate
 - ✓ A range of possible outcomes that considers the likelihood and reasonableness of those outcomes
 - ✓ The time value of money
- Various approaches could be used to estimate expected losses (no particular approach is prescribed)

Financial Instruments

Hedging

- Both IASB and FASB have hedging projects in process, each at a significantly different stage of completion
- FASB is seeking comments on the IASB's 2010 ED
 - ✓ FASB questioned the clarity, operability, and auditability of the IASB's proposal
 - ✓ FASB expected to begin re-deliberations later in 2012 after its work on classification and measurement
- IASB ED would significantly change IFRS hedge accounting and opens hedge accounting to more types of hedge relationships
 - ✓ IASB re-deliberations are complete and IASB hopes to issue a "review draft" of its general hedging model in the third quarter of 2012 and plans to issue a final standard by the end of 2012
 - ✓ IASB plans to issue a separate DP on macro hedge accounting in the second half of 2012

Revenue Recognition

Overview

- New joint revenue recognition ED would replace existing US GAAP for revenue recognition
 - ✓ Creates a single, global revenue recognition model
 - ✓ Many industries would be affected
 - ✓ Excludes leases, insurance contracts, financial instruments, guarantees and certain nonmonetary transactions from the scope of the proposal
- Certain aspects of the proposed model could result in a significant change from current practice
 - ✓ Identify components of transactions – performance obligations
 - ✓ Determine appropriate timing for revenue recognition

Revenue Recognition Overview (continued)

- Important dates
 - ✓ Comment period ended March 2012
 - ✓ Re-deliberations planned for July – December 2012
 - Topics to be addressed include: onerous performance obligations, variable considerations, disclosures and transition method
 - ✓ Effective date and transition
 - No effective date has been determined yet, but would not be effective sooner than January 1, 2015
 - Retrospective application would be required, with some practical expedients

Revenue Recognition

Summary of proposed model

Identify the contract(s) with the customer



Identify the separate performance obligations in the contract



Determine the transaction price



Allocate the transaction price to the separate performance obligations



Recognize revenue when each performance obligation is satisfied

Leases

Overview

- Boards issued joint ED in August 2010
 - ✓ Objective is to record lease contracts on balance sheet
 - ✓ Project responds to some of the criticisms of current model
 - ✓ Addresses accounting for leases from the perspective of lessees and lessors
- Boards decided to re-expose due to significant changes to proposed model
 - ✓ Prior to issuance, Boards will address how the decision to classify leases affects previous decisions (e.g., transition and disclosure) and other remaining issues
 - ✓ Second ED expected in the fourth quarter of 2012

Leases

Overview (continued)

- Full retrospective or modified retrospective adoption at the effective date would be required
-
- Reminder: EITF 01-8 offers guidance for determining whether a capacity arrangement contains a lease. Criteria are that the purchaser controls:
 - ✓ Operations
 - ✓ Physical access
 - ✓ More than a minor part of the output

Leases

Tentative Decisions

- Lessees and lessors would distinguish between two types of leases based primarily on the nature of the underlying asset being leased
 - ✓ Certain conditions could overcome presumptive classification
- Lessees would recognize a right-of-use asset and a lease liability for both types of leases
 - ✓ Leases of property (i.e., land, building or part of a building) – generally recognize straight-line lease expense similar to operating leases under current accounting
 - ✓ Leases of equipment – generally recognize amortization expense and interest expense separately in a pattern usually resulting in accelerated expense recognition

Leases

Tentative Decisions (continued)

- Lessors
 - ✓ Leases of property – generally apply operating lease accounting
 - ✓ Leases of equipment – generally recognize a lease receivable, a residual asset and day-one profit (if any)
 - Income related to interest on the receivable and accretion of residual asset would be recognized over lease term
- Lessees and lessors could apply operating lease accounting for short-term leases

Leases

Tentative Decisions (continued)

- Initially measure lessee's liability and lessor's receivable at the present value of the lease payments to be made over the lease term
- Lease term: noncancelable period plus any options for which there is significant economic incentive to extend (or not terminate) lease
 - ✓ Examples – renewal rates priced at a bargain or penalty payments
- For a purchase option with significant economic incentive to exercise, include exercise price in lease payments
 - ✓ Lessees would amortize right-of-use asset over economic life of underlying asset

Leases

Tentative Decisions (continued)

- Variable lease payments based on:
 - ✓ An index or rate, would be included in amounts recognized on balance sheet
 - ✓ Performance or usage, would not be included in amounts recognized on balance sheet – instead, recognized when incurred
- Residual value guarantees:
 - ✓ Lessees would recognize amounts expected to be payable as lease payments
 - ✓ Lessors would not recognize amounts expected to be received until the end of the lease

Leases

Tentative Decisions (continued)

- Non-lease components would be accounted for separately except in limited circumstances
- Reassessment required for:
 - ✓ Lease term and purchase option when there is a significant change in factors relevant to determining whether a significant economic incentive exists
 - Changes in market rates after lease begins would not be included in assessment
 - ✓ Discount rate when there is a change in the assessment of the lease term
 - ✓ Residual value guarantees when events or circumstances indicate a significant change in the amount expected to be payable (lessees only)
 - ✓ Variable lease payments based on an index or rate reassessed each reporting period using index or rate that exists at each measurement date

Leases

Tentative Decisions (continued)

- Assess for impairment of the lessee's right-of-use asset and lessor's receivable and residual asset
- Sale-leaseback transactions would not be required to meet additional criteria beyond requirements of new revenue recognition guidance to recognize a sale and a lease (rather than a financing)
 - ✓ Recognize gain or loss on sale

Insurance Contracts

Overview

- Models would address recognition, measurement, presentation and disclosure requirements for insurance contracts
- Boards continue to jointly re-deliberate but have acknowledged they will not issue a single standard
 - ✓ Boards are not reaching converged conclusions on fundamental aspects of the proposals
- IASB expects to issue a review draft or ED in the second half of 2012
- FASB plans to issue an ED in the same timeframe

Consolidation

Overview

- The FASB issued an ED in November 2011 that would:
 - ✓ Rescind the FAS 167 deferral for certain investment funds
 - ✓ More closely align US GAAP with IFRS
 - ✓ More closely align the consolidation models within US GAAP
- The proposed changes would affect all reporting entities, especially those in the asset management industry

Consolidation

Overview (continued)

- Re-deliberations by the FASB will consider:
 - ✓ A consolidation principle and objective
 - ✓ Kick-out and participating rights as well as related parties
 - ✓ Consolidation conclusions for certain entities (e.g., money market funds)
 - ✓ Potential alignment of the variable and voting interest models
- IASB issued IFRS 10 in May 2011
 - ✓ Single consolidation model
 - ✓ Considers existence of potential voting rights and de facto control

Investment Companies

Overview

- FASB and IASB issued separate proposals in 2011 to:
 - ✓ Define an investment company and how it accounts for investments
 - Eliminate the FASB's current scope exception for Real Estate Investment Trusts
 - Include new presentation and disclosure requirements
- Boards are currently re-deliberating their proposals and decided to:
 - ✓ Base their separate definitions on only certain of the six originally proposed criteria (e.g., express purpose and nature of the investment activities)
 - Remaining criteria would be factors to consider

Investment Companies

Overview (continued)

- Boards decisions (continued):
 - ✓ Prohibit an investment company from consolidating another controlled investment company, including a master fund in a master-feeder structure
 - FASB will further consider whether an investment company parent entity that is regulated under the SEC's Investment Company Act of 1940 should be required to consolidate its wholly owned investment company subsidiaries
 - ✓ Disagree on retention of fair value accounting by a non-investment company parent
 - The FASB favors retention of fair value accounting; the IASB does not

Completed Projects

Balance Sheet Offsetting

- Boards issued final guidance in December 2011
- Boards decided to retain their current, differing approaches
 - ✓ FASB – retains its current approach including the current US GAAP exception for certain derivative transactions executed under a master netting agreement in which the ability to offset may be conditional
 - ✓ IASB – retains its more restrictive offsetting requirements

Completed Projects

Balance Sheet Offsetting (continued)

- Common disclosure requirements to enable users to reconcile certain significant quantitative differences between US GAAP and IFRS balance sheets, including:
 - ✓ Amounts netted in the balance sheet
 - ✓ Amounts subject to an enforceable master netting arrangement that are not presented net in the balance sheet either because management makes an accounting policy election not to offset or because arrangement doesn't meet some or all of the conditions for offsetting
 - ✓ Amounts related to financial collateral arrangements
- Effective retrospectively for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods

Completed Projects

Presentation of comprehensive income

- Boards issued final guidance in June 2011
 - ✓ FASB is reconsidering certain elements of this guidance
- Annual periods – present components of net income and OCI and a total for comprehensive income in a single continuous statement or two consecutive statements
 - ✓ Eliminates previous alternative in US GAAP to present items of OCI solely in the statement of changes in equity
- Interim periods – present a total for comprehensive income in a single continuous statement or two consecutive statements (US GAAP only)

Completed Projects

Presentation of comprehensive income (continued)

- No change to items included in OCI or calculation of EPS
- Effective dates and transition
 - ✓ Public – Fiscal years and interim periods within those years beginning after December 15, 2011
 - ✓ Nonpublic – Fiscal years ending after December 15, 2012 and interim periods thereafter
 - ✓ Early adoption is permitted and retrospective application is required

Completed projects

Fair value

- IFRS 13 and ASU 2011-04 were issued in May 2011
 - ✓ Largely converge the requirements for fair value measurements and disclosures
 - ✓ Effective for public companies for periods beginning after December 15, 2011
- Key changes/clarifications to US GAAP related to measuring fair value
 - ✓ Concepts of “highest and best use” and “valuation premise” only apply to nonfinancial assets, however financial assets and liabilities with offsetting risks may be measured on the basis of their net exposure if certain criteria are met
 - ✓ Use of “blockage factor” prohibited in all fair value measurements (at all hierarchy levels)
 - ✓ Other premiums/discounts may be applied if market participants would consider them and their inclusion is not inconsistent with the unit of account
 - ✓ Additional guidance provided on (1) estimating the fair value of own equity instruments and liabilities and (2) determining the principal market of item being measured

Inactive Projects

- Financial Statement Presentation
- Reporting Discontinued Operations
- Financial Instruments with Characteristic of Equity
- Emissions Trading Schemes

Disclosure considerations and SEC comments



ANNUAL REPORTS

Preparing 10-K disclosures

- Purposes of the Form 10-K Annual Report
 - ✓ Comply with requirements
 - ✓ Provide decision-useful information
- Audiences
- Reviewers

Who reads your annual report?



Annual Report Preparation and Review - General

- Truthful and complete
- Confined and definite
 - ✓ Avoid commentary
 - ✓ Avoid absolute statements
 - ✓ Avoid qualitative judgments
- Challenge wording, avoid boilerplate language
 - ✓ Across companies
 - ✓ Across years
- Consider wording from multiple reader perspectives

Annual Report

Preparation and Review – Specific Considerations

- Cost of Capital
 - ✓ Strategy
 - ✓ Explicit statements
 - ✓ Tax advantages
 - ✓ Risks discussion
- Business combinations
 - ✓ Goodwill
 - ✓ Form of payment
- Cost allocations
- Changes in economic circumstances

Annual Report

Recent SEC Comment Letters

- Rationale required for presentation of a regulatory asset and the methodology for valuing it and its corresponding debt
- Additional detail and explanations requested regarding
 - ✓ contingent liabilities
 - ✓ risk disclosures
 - ✓ operating segment identification and aggregation
- Presentation of consolidating financial information required where a filer's indirect subsidiaries contained virtually all of its assets and operations (such as an MLP)



ACCOUNTING FOR COMMERCIAL SUCCESS

Regulated Oil Pipelines

Overview of Cost-Based Regulation

- Imposed price ceiling based upon allowed costs
- Supported costs can directly affect revenue
- Fall-back rate regime

Elements of Cost-Based Rates

Determination of a “Just and Reasonable” Rate:

- **Recovery of Operating Expenses** – Operations, maintenance, and general expenses incurred in providing regulated services.
- **Return of Investment** – Capital investments in property, plant, and equipment (Carrier Property) are recovered over the economic life of the facilities through Depreciation charges.
- **Return on Investment (Rate Base)** – Interest on debt and a return to equity investors.
- **Income Tax Allowance** – The amount included in COS for income taxes on taxable elements of Return on Investment.

Elements of Cost-Based Rates

Determination of a “Just and Reasonable” Rate:

$$\begin{aligned} & \text{Rate Base} \\ \times & \quad \underline{\text{Weighted Average Cost of Capital}} \\ \\ = & \quad \text{Return on Investment (Rate Base)} \\ + & \quad \text{Operating Expenses} \\ + & \quad \text{Return of Investment (Depreciation)} \\ + & \quad \underline{\text{Income Tax Allowance}} \\ \\ = & \quad \text{Cost of Service} \\ - & \quad \underline{\text{Operating Revenue}} \\ \\ = & \quad \text{Headroom} \end{aligned}$$

Elements of Cost-Based Rates

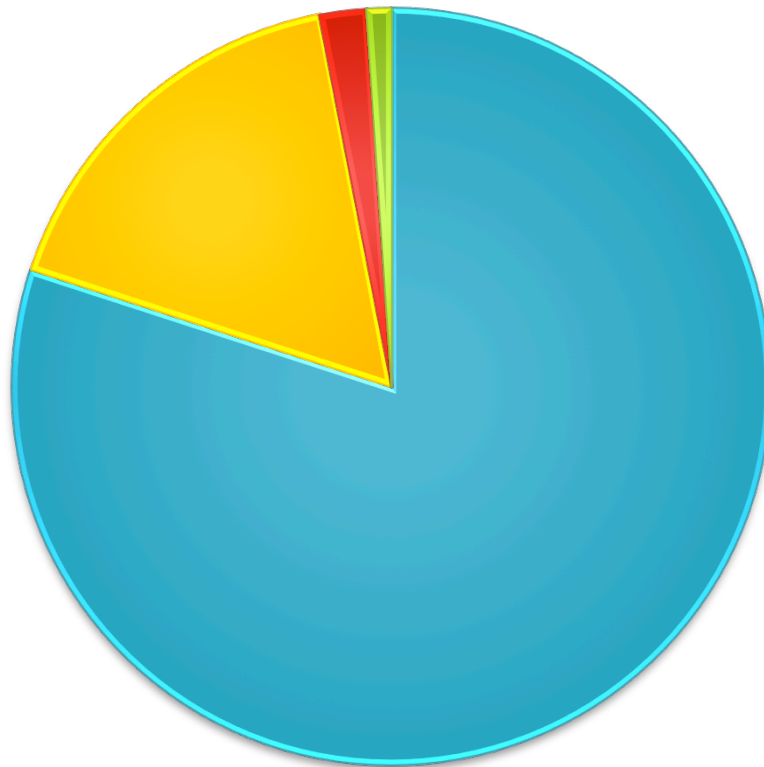
Determination of a “Just and Reasonable” Rate:

Does Age Matter?

	Geezer Pipeline		Newbie Pipeline	
Overall Return on Rate Base	\$10	13%	\$125	41%
Income Tax Allowance	5	7%	75	25%
Operating Expenses (excl. depr.)	50	67%	50	17%
Depreciation	6	8%	47	16%
Amortization of AFUDC	0	—	3	1%
Amortization of Deferred Return	4	5%	0	—
Total Cost of Service	\$75	100%	\$300	100%

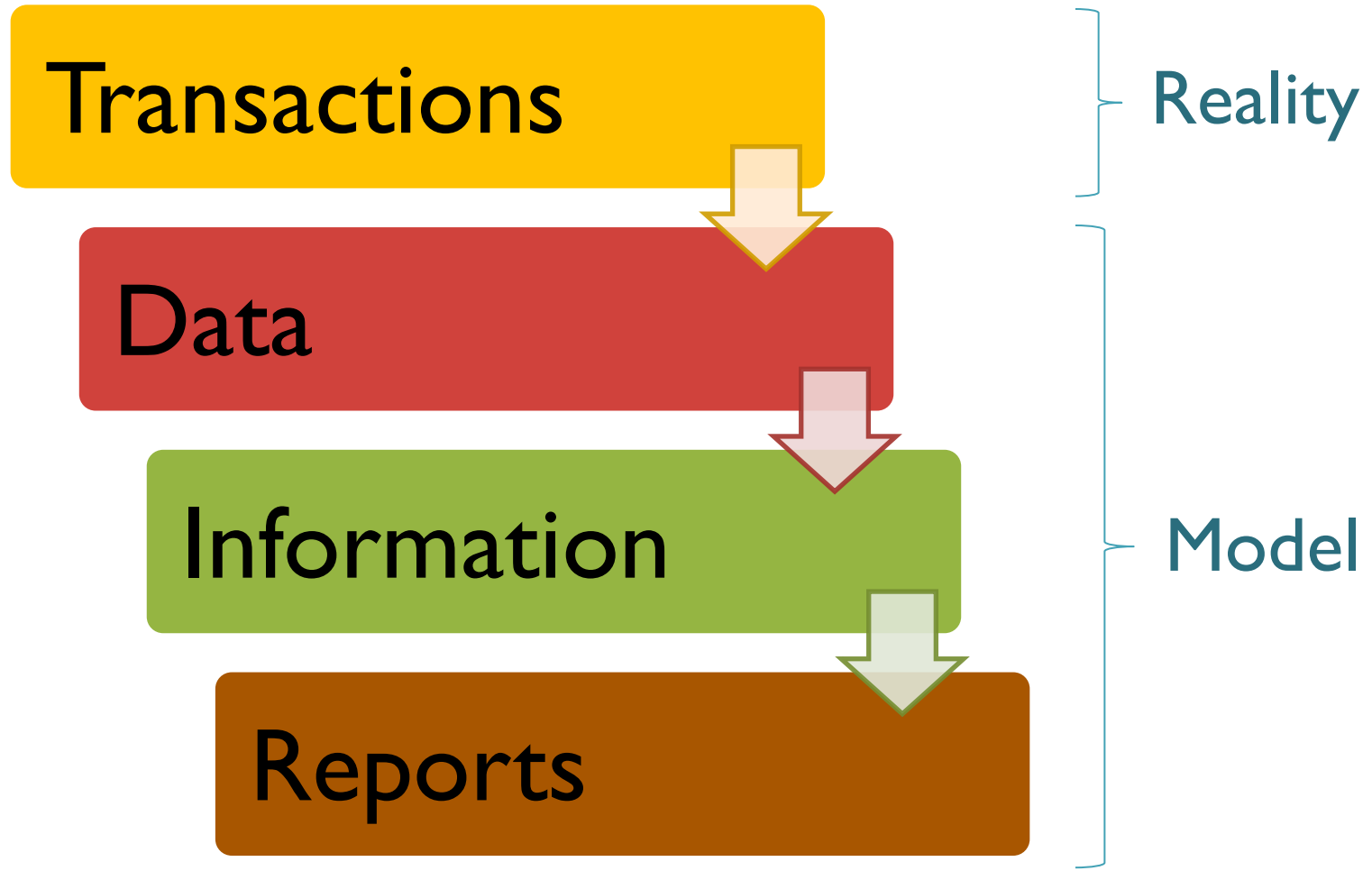
The Components of Rate Base

Which ones depend upon property records?



- Carrier Property
- Deferred Return, net
- Accumulated AFUDC
- Working Capital

Accountants Model Reality



Data Capture and Reporting

- Understand data sources and repositories
 - ✓ Completeness Check
 - ✓ Have all required data items been entered?
 - ✓ Where do data items reside?
- Limit Check
 - ✓ Is a numerical amount below a set amount?
 - ✓ ... including positive vs. negative values.

Data Capture and Reporting

- Understand Purpose and Use of Reports
 - ✓ Internal / External
 - ✓ Performance
 - ✓ Analysis
- Reasonableness Test
 - ✓ Are results within expectations?
- Validity Check
 - ✓ Are outputs / reports consistent with source data in master file?

Process Design

- Periodic process review can reveal
 - ✓ Backlog of transactions
 - ✓ Incomplete system transition
 - ✓ Data gaps between corresponding systems
 - ✓ Manual steps that could be automated
- Account mapping and location code / cost center definitions limit re-segmentation of operating costs
- Location coding and location identifications limit re-segmentation of property balances and can mis-align operating expenses

Process Design (continued)

- What areas incur costs directly, what areas have costs shared between locations / responsibility areas?
- Important to maintain historical property records to support rate base
- Consistent and accurate recording of operating expense is necessary to support Cost of Service

Record Retention

- 18 CFR 356.3 sets minimum requirements
- Reliability and completeness of records retained
 - ✓ Original cost
 - ✓ Valuation reports
- Availability for analysis and support
 - ✓ Off site storage
 - ✓ Obsolete media
- Accounting system conversions
 - ✓ Incomplete transitions
 - ✓ Inconsistent format of fields, figures, dates, *etc.*
- Formally document approved destruction

A project of the AOPL Accounting Committee



INDUSTRY ACCOUNTING GUIDELINE UPDATE

Background

- Objectives
 - ✓ Singular industry interpretation of accounting regulations
 - ✓ Consistent with authoritative guidance
 - ✓ Adoption is completely voluntary
- Timeline
 - ✓ February 2007 – FERC initiated an inquiry regarding revisions to Form 6.
 - ✓ September 2007 – AOPL responded with a proposal to generate an accounting guideline that would set forth a single industry interpretation of ambiguous accounting regulations.
 - ✓ October 2008 – The AOPL Accounting Committee ratified the initial AOPL Accounting Guideline after a formal comment period.
 - ✓ December 2010 – first revision
 - ✓ September 2011 – second revision

Issues Addressed (1 of 2)

- **Set 1: Broad Account Classifications**
 - ✓ 1-01 Carrier versus Noncarrier Property
 - ✓ 1-02 Idle Carrier Property
 - ✓ 1-03 Operating Revenue versus Noncarrier Revenue
 - ✓ 1-04 Operations and Maintenance versus General
- **Set 2: Employment Related**
 - ✓ 2-01 Filers without Employees
 - ✓ 2-02 Employment Benefits of Operations Personnel
 - ✓ 2-03 FICA Taxes
 - ✓ 2-04 Relocation and Recruiting Expenses
- **Set 3: General Accounting**
 - ✓ 3-01 Interest Payments
 - ✓ 3-02 Fines and Penalties

Issues Addressed (2 of 2)

- **Set 3: General Accounting (continued)**
 - ✓ 3-03 Right-of-Way Operations and Maintenance
 - ✓ 3-04 Non-Compressor Fuel
 - ✓ 3-05 Station Fuel and Power and Drag Reducing Agent
 - ✓ 3-06 Equity in Earnings
 - ✓ 3-07 Committed Throughput Not Met
 - ✓ 3-08 Operating Oil Supply Adjustments
 - ✓ 3-09 Materials and Supplies
 - ✓ 3-10 Casualty and Other Losses
 - ✓ 3-11 FERC Annual Charges
- **Set 4: Instructions to FERC Form No. 6**
 - ✓ 4-01 Product Number and Name
 - ✓ 4-02 Long-term Debt and Interest Reporting
 - ✓ 4-03 Mileage Disclosure for Pipeline Not Operated by File
 - ✓ 4-04 Payments for Services Rendered by Other than Employees

Revisions in Progress

Issues drafted for resolution September 2012:

- Instructions to FERC Form No. 6
 - ✓ Pages 600-601 – Scope of Volumes Reported
 - ✓ Pages 602-603 – Loop Line Mileage Reporting
- Equity reporting by pass-through entities such as MLP's