

Additional proposals from the public meeting in Washington, D.C. on April 6 and 7.

CALIFORNIA RECOMMENDATIONS

1. Gross proceeds as minimum value only.
2. Apply new rule to majors.
3. Final rule for California only.

POGO's RECOMMENDATIONS

1. Language in preamble reference second quessing.
2. Add language reference overall balances.
3. Exempt integrated payors from gross proceeds.

WEIGHTED AVERAGE COST OF CAPITAL

- 1) Should it be applied on a project or company basis?
Parent company or pipeline company?
- 2) Compare project/company WACC with Standard & Poor's BBB rates for last three years.
- 3) Justification for 2XBBB as an indicator of the cost of capital.
- 4) Address administrative costs of using WACC vs. BBB bond rate. (#2 above)
- 5) Other alternatives?