

**INTRAGAZ, LP**  
TROIS-RIVIERES, QUEBEC

**DEPRECIATION STUDY**

**DETERMINATION OF THE AVERAGE SERVICE  
ESTIMATES AND CONFIRMATION OF THE  
ACCUMULATED DEPRECIATION ADEQUACY**



***Gannett Fleming***

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**Gannett Fleming**

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June 6, 2012

Mr. Rock Marois  
President  
Intragaz, Inc.  
6565, boul. Jean-XXIII  
Troiz-Rivieres, Quebec  
G9A 5C9

Dear Mr. Marois,

Pursuant to your request, we have conducted a study to determine the appropriate average service life estimates of Intragaz, LP ("Intragaz"). Our report presents a description of the methods used in the estimation of service life and our recommendations for average service life estimates. Additionally Gannett Fleming has completed an assessment of the adequacy of the December 31, 2011 Accumulated Depreciation Balances.

We gratefully acknowledge the assistance of Intragaz personnel in the completion of the review.

Respectfully submitted,

LARRY E. KENNEDY  
Vice President  
Gannett Fleming Canada ULC

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## PART I. INTRODUCTION

## INTRAGAZ, LP

### DETERMINATION OF THE AVERAGE SERVICE ESTIMATES AND CONFIRMATION OF THE ACCUMULATED DEPRECIATION ADEQUACY

#### PART I. INTRODUCTION

##### SCOPE

This report sets forth the results of the Gannett Fleming Canada ULC (“Gannett Fleming”) review of the Intragaz, LP (“Intragaz” or “the Company”) average service life estimates and test of the October 31, 2011 Accumulated Depreciation Adequacy. The average service life estimates are used to establish asset depreciation rates for rate making purposes beginning in the year 2013. Although the rate base does not include intangible assets, the assets for which average service lives were developed include intangible assets.

##### REPORT STRUCTURE

Part I, Introduction, contains statements with respect to the scope and plan of the report and the basis of the study. Part II, Methods Used in the Estimation of Average Service Life, presents the methods used in the estimation of average service lives, and in the testing of the accumulated depreciation reserve. Part III, Results of Study, presents a summary of the service life estimates and the comparable peer data used in the development of the average service life estimates. Schedule 1 of this report summarizes the average service life recommendations for all accounts. Schedule 2 provides the results of the test of the adequacy of the accumulated depreciation reserve as of October 31, 2011, followed by the Detailed Depreciation Calculations.

## BASIS OF THE STUDY

Background. Intragaz owns and operates two natural gas storage facilities in the Province of Quebec, namely the Pointe-du-Lac Storage Site and the Saint-Flavien Storage Site. The average service life estimates currently used are based on the internal expertise of the Intragaz management and on the life estimates of a number of similar operations as determined by Intragaz staff.

Intragaz has requested Gannett Fleming to complete a depreciation study in support of the depreciation component of the requested cost of service. The depreciation study contained herein has reviewed the plant accounting balances and transactions from the period of company inception in 1990 through October 31, 2011.

Service Life Estimates. The service life estimates presented herein are based on commonly accepted methods and procedures for determining average service life estimates for regulated utility plant. The service life estimates were based on data through October 31, 2011, a review of the Company's practices and outlook as they relate to plant operation and retirement, and the service life estimates for other natural gas storage and distribution companies with assets of a similar type.

The average service life estimates for each depreciable group were reviewed based on the professional judgment of Gannett Fleming. In reviewing the average service lives, Gannett Fleming gave consideration to the average service lives currently used by Intragaz, the currently used service life estimates for a peer group of companies (as discussed at page II-5 of this report), the experience of internal Intragaz

operating and management staff, and the experience of Gannett Fleming in selecting average service lives for similar plant.

## RECOMMENDATIONS

The annual depreciation accrual rates and calculated accumulated depreciation balances were calculated by using the straight line equal life group procedure applied on a whole life basis. A test of the adequacy of the booked accumulated depreciation was made which has indicated four accounts that may require a true-up calculation which should be made over the remaining life of the assets within the group.

PART II. METHODS USED IN  
THE ESTIMATION OF AVERAGE SERVICE LIFE



## PART II. METHODS USED IN THE ESTIMATION OF AVERAGE SERVICE LIFE

### DEPRECIATION

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy and obsolescence.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the Straight Line method of depreciation.

As described in earlier sections of this report, the recommendations of this report are to continue to incorporate the depreciation practices historically used at Intragaz - namely that the depreciation expense be calculated in accordance with the Straight Line method of depreciation. The tests of adequacy of the accumulated depreciation accounts have been made incorporating the Equal Life Group - Whole Life procedure in the calculation of the theoretical accumulated depreciation amounts. The calculation of annual depreciation expense based on the Straight Line - Equal Life Group - Whole Life

procedure requires the estimation of average life as discussed in the sections that follow.

## AVERAGE SERVICE LIFE

The use of an average service life for property groups implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a life estimate that considers the retirements of units which survive at successive ages. The average service life estimates reviewed by Gannett Fleming were based on judgment which considered a number of factors, including:

- Understanding of the assets currently in service through discussions with company staff;
- Physical site tours of both natural gas storage sites;
- Review of current accounting practices and procedures;
- Average service life estimates from peer natural gas distribution and storage companies; and,
- The general experience and professional judgment of Gannett Fleming.

Operating Discussions and Site Tours. Discussions with operating representatives and the physical site tours undertaken by Gannett Fleming provided Gannett Fleming with an understanding of the type of assets currently in service. The site tours provided Gannett Fleming with the necessary background to make an assessment of the physical installations of the Intragaz plant, and to understand the type of plant in service and the operating conditions of the facilities. The operating

interviews were undertaken to understand the historic operating conditions that have led to retirement of plant in the past and to understand the current condition of the assets which may impact future retirement plans. Tours of the following physical facilities provided Gannett Fleming with the additional background to complete this assignment.

- The Pointe-du-Lac Natural Gas Storage Facility; and
- The Saint-Flavien Natural Gas Storage Facility.

During and immediately following each of the above site tours, interviews with operational representatives were undertaken by Gannett Fleming. These interviews covered the following topics:

- Operating history of both plants being toured;
- Replacement history of major plant components and review of significant retirement programs;
- General operating experience of the major plant components;
- Review of any life restricting operational issues;
- Review of changes where advancements in technology may cause changes to average service life indications; and
- Discussions of the manner in which the Intragaz gas storage plants may be different than peer natural gas storage plants.

Review of Accounting Policies. Gannett Fleming had discussions with management representatives during the early phases of this assignment to discuss depreciation and accounting policies and practices. An understanding of the accounting policies is required to:

- Understand the accounting entries associated with the retirement of plant. In particular, Gannett Fleming required an understanding of the accounting entries associated with gains and losses on retirement;
- Understand any thresholds or policies with regard to capitalization of major components as compared to the replacement of minor components of plant through operating and maintenance budgets; and
- Determine if a review of the adequacy of the accumulated depreciation reserve is required.

Gannett Fleming notes that the gains and losses on retirement transactions are normally booked to the income statement in the year of the retirement transaction. In this manner, the accumulated depreciation account does not include any significant embedded gains or losses from previous retirement transactions. Gannett Fleming also notes that any amount of cost of removal [that is not associated with the retirement of an asset for which an Asset Retirement Obligation (“ARO”) is established] is charged directly to the income statement in the year of the transaction. Both the recording of gains and losses to income and the charging of cost of removal to income is in accordance with provisions of IFRS and Canadian GAAP. Gannett Fleming notes that while these are not the traditional practices of regulated utilities, the nature of the large plant components and small amount of retirement transactions have made these policies viable and reasonable for Intragaz.

Peer Analysis. In order to provide a comparison for each account grouping, Gannett Fleming selected a peer group of companies to use in the development of average service lives. The companies selected for comparison were all companies for

which Gannett Fleming is familiar or for which Gannett Fleming was able to obtain average service life information. Given that not all natural gas storage operators are publically regulated, the depreciation information is not in the public domain for some of the peer groups. As such, Gannett Fleming is respecting the confidential nature in which the information was provided to Gannett Fleming and is not listing the company names or the detailed depreciation information of the peer group. Rather, Gannett Fleming has listed the results of the peer analysis in Schedule 1 of the Results section of this report.

Professional Judgment. The use of professional judgment in the development of average service life estimates is a practice that is appropriate and has been used for many years before North American regulatory jurisdictions. When available, the use of statistical analysis of the historic retirement transactions combined with the use of professional judgment which includes the physical site inspections, review of accounting procedures and practices, use of operational staff interviews, review of prior studies, and review of the approved life estimates of peer companies, provides the most complete method of service life analysis. However, the use of professional judgment alone also provides an appropriate basis for developing average service life estimates, when appropriate factors are considered, and has been accepted as a valuable depreciation analysis tool in many North American jurisdictions.

In the specific circumstances of the Intragaz average service life estimation, the volume of historic retirement transactions available to be analyzed is not sufficient to undertake a detailed study of retirement history. As such, a retirement rate analysis was not completed by Gannett Fleming. However, all of the remaining average service

life estimation tools were available and were used to develop appropriate average service life estimates.

Approximately 85% of depreciable plant investment is grouped into six plant accounts. A detailed discussion of the factors considered in the average service life development of the six largest accounts follows.

Account 146.01 – Wells - This account is the largest account, containing over 47% of the Company's depreciable investment. Over \$55 million of this account relates to 11 injection/withdrawal wells at the Saint-Flavien Natural Gas Storage Facility. Of these 11 wells, a significant portion of the investment specifically relates to six deep horizontal wells that in total comprise approximately eight kilometers of horizontal drains. Given the significant depth and length of these six horizontal wells, these facilities are unique and present a number of unique operating considerations. The remaining investment relates to the 13 injection/withdrawal wells used with the depleted natural gas aquifer reservoir at the Pointe-du-Lac Natural Gas Storage Facility and a number of observation wells at both facilities.

The Company currently uses a 40-year average service life for this account. In the development of the Gannett Fleming recommendations, a particular focus was on the life considerations of the Saint-Flavien horizontal wells. The unique nature of these wells made peer comparisons difficult. As such, a significant amount of weighting was based on the views of the internal subject matter experts, and to a review of the work undertaken to date in order to maintain the integrity of the injection/withdrawal wells.

Senior operations staff has indicated that, as expected with wells of these types, maintenance has been required in order to maintain the integrity of the

injection/withdrawal wells at the Saint-Flavien site. Normal maintenance to date has included cement squeeze on two wells over the past ten-year period. Additionally, three other wells have required recompletion work over the past six-year period. Overall the Company believes the wells should achieve their originally estimated 40-year life, but has no evidence to suggest that a life longer than 40 years could be expected.

Gannett Fleming has reviewed the life estimates of other natural gas storage operations and has determined that life estimates of 40 to 50 years are normal for this type of account. Given the unique nature of the facilities for the Saint-Flavien site, which relates to over 90% of the investment in this account, Gannett Fleming finds it reasonable to consider that the life estimate would be on the shorter end of the range of estimates used by peers for more traditional gas storage facilities. As such Gannett Fleming recommends the continued use of a 40-year life estimate for this investment.

Account 156.01 – Compression - This account is the second largest account, containing approximately 13% of the company's depreciable investment. The investment relates to three (3) compressor units at the Pointe-du-Lac site which are driven by 2,600 HP natural gas engines, and two (2) (1,600 HP and 2,400 HP) units at the Saint-Flavien site also driven by natural gas engines. These units are similar in nature to a number of units used by both peer natural gas storage operators and natural gas gathering and transmission pipelines. As such, a large amount of relevant peer data was available for analysis.

The company currently uses a 30-year average service life for this account. In the development of the Gannett Fleming recommendations, a particular focus was on the life considerations of the peer group, and on comments of the senior operations staff

who indicated that these units are subjected to a much lesser amount of start/stop operation than many of the peer groups. The peer group analysis indicated that compression units of this type typically are depreciated over a life ranging from 25 to 40 years, with most peers using a life estimate of 25 to 30 years.

Discussions with management and operations staff provided the following information that was specifically considered in the Gannett Fleming analysis:

Pointe-du-Lac (PDL) compression units

- The units of some of the peer group would run approximately 3,000 hours per year as compared to approximately 1,000 for Pointe-du-Lac (PDL) units. After 21 years, the PDL units have only 15,000 of accumulated hours, representing an average of only 700 hours per year.
- At this rhythm, the PDL compressors would only have accumulated approximately 24,000 hours in 30 years.
- The compressors used by peer natural gas operators go through approximately 200 start/stop cycles per year as compared to approximately 30 to 50 cycles for PDL.
- Intragaz is not budgeting any compressor replacement at PDL for the next ten years.

Saint-Flavien (SFL) compression units

- The Saint-Flavien (SFL), units operate longer hours (approximately 5,000 hours per year for the C-2 and 1,500 for the C-1) than PDL.
- The C-2 is a newer (2005) and more technologically advanced Caterpillar unit that Intragaz believes could last the two 100,000 hour maintenance cycles



recommended by the manufacturer (a major overall and tolerance checks being performed at 100,000 hour intervals).

- The C-2 unit only has 35,000 hours run time after seven years. At 5,000 hours per year, it would reach approximately 150,000 hours at the end of 30 years. This corresponds to less than two maintenance life cycles.
- The C-1 has accumulated 44,000 hours since 1998 (this represents an average of 3,140 hours per year. However, it was the sole compressor from 1998 to 2005). At approximately 1,500 hours per year on a go forward basis, it should reach approximately 68,000 hours after 30 years.
- There are practically no start/stop cycles in SFL.
- Intragaz has not budgeted for any compressor replacement at the SFL site for the next ten years.

Based on the above comments from operations and management, Gannett Fleming considered that a life estimate at the longer end of the 25 to 30 years used by most of the peer group is reasonable. As such, Gannett Fleming recommends the continued use of the 30-year average service life estimate.

Account 145.51 – Site Preparation - This account relates to the investment for items such as fencing and gates, buried disposal tanks, landscaping and roads at both natural gas storage sites and represents approximately 7% of the total depreciable plant. Gannett Fleming views the average service life for the assets in this account should be linked to the life of the assets in Account 146.01 – Wells. As such, the continuation of the currently used 40-year average service life is recommended in this report.

Account 146.31 – Well Completion - This account relates to the investment for costs of the well completion at both natural gas storage sites and represents approximately 7% of the total depreciable plant. Gannett Fleming views that the average service life for the assets in this account should be linked to the life of the assets in Account 146.01 – Wells. As such, the continuation of the currently used 40-year average service life is recommended in this report.

Account 146.41 – Pipelines - This account comprises approximately 6% of the total depreciable plant investment. Specifically this investment relates to:

- 2.5 km of low pressure gathering pipelines at the Pointe-du-Lac site;
- 3.0 km of high pressure pipeline connecting the Pointe-du-Lac site to the TQM Pipeline system;
- 4.0 km of low pressure gathering pipeline at the Saint-Flavien site;
- 25 km of high pressure pipeline connecting the Saint-Flavien site to the TQM Pipeline system.

Gannett Fleming notes that the pipeline system is similar in nature to a number of natural gas gathering systems throughout Canada. It was also noted that the pipe is cathodically protected and expected to live through to the end of the economic or physical life of the storage wells. The pipeline system will likely be required through to the decommissioning of the last injection/withdrawal well at each of the two sites. Given that it is not likely that all of the wells will be decommissioned until the 40<sup>th</sup> year of operation of the plants, Gannett Fleming views that it is reasonable to assume that the pipelines will have the same 40-year life as recommended for the wells.

A review of the peer group indicates that pipeline assets have a life of approximately 65 years. However, Gannett Fleming recommends using a life estimate that is more consistent with the estimated life of the wells. As such, the peer comparables were considered to be too long. Overall, Gannett Fleming views the currently used 40-year life estimate provides a reasonable recognition that the pipeline assets will have a useful life through to the retirement of the final wells at each site.

Account 147.01 - Mechanical and Station Piping - The investment in this account relates to approximately 5% of the total depreciable plant and contains the investment for pipe racks, compressor station valves, the Ultrasonic meter and metering station, and process skids. Gannett Fleming views that the average service life for the assets in this account should be linked to the life of the assets in Account 146.01 – Wells. As such, the continuation of the currently used 40-year average service life is recommended in this report.

Other Accounts - The average service life estimates for the remaining accounts were all developed using similar analysis and incorporated similar considerations as were discussed for the above six accounts.

#### TEST OF ACCUMULATED DEPRECIATION RESERVE ADEQUACY

Based on the average service life estimates recommended in this report, Gannett Fleming undertook a test to determine the adequacy of the booked accumulated depreciation reserve as of October 31, 2011. This test was conducted through the determination of the theoretical (or calculated) accumulated depreciation requirement. For each account, the theoretical requirement was compared to the actual booked amount of accumulated depreciation and a variance was calculated.

A number of Canadian regulators have determined that an accumulated depreciation variance of +/- 5% is reasonable, and that no corrective action is required when variances are within this range of tolerance. As indicated in Schedule 2, at page III-4 of this report, five accounts would fall outside of this widely accepted range of tolerance. However, as also indicated in Schedule 2 the overall variance is less than 5.00%. Therefore Gannett Fleming recommends that no corrective action be taken at this time. However, the accumulated depreciation adequacy should continue to be monitored to ensure that the overall variance remains within the commonly accepted tolerance levels.

### PART III. RESULTS OF STUDY

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### QUALIFICATION OF RESULTS

The review of the reasonableness of the accumulated depreciation reserve, and recommended average service life estimates related to plant in service as of October 31, 2011 are the principal results of the study. Continued surveillance and periodic revisions are required to maintain continued use of appropriate average service lives. An assumption that life estimates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and for the change of the composition of property in service.

### SUMMARY OF RESULTS

A summary of the recommended average service life estimates is provided by account in Schedule 1 on the following page. This schedule provides a summary of the discussion of the various accounts previously provided in this report.

The result of the test of adequacy of the accumulated depreciation account is provided in Schedule 2 to this report. This schedule includes the original cost of investment as of October 31, 2011, the booked accumulated depreciation as of October 31, 2011, the calculated theoretical accumulated depreciation requirements as of October 31, 2011, the variances expressed as an amount and percentage, and the composite remaining life for each account.

For each account the detailed calculation of the theoretical accumulated depreciation amounts and the remaining lives for each account are presented in account order starting at page III-6.

## INTRAGAZ LP

## SCHEDULE 1. SUMMARY OF RECOMMENDED AVERAGE SERVICE LIFE ESTIMATES

ACCOUNT	DESCRIPTION	(1)	ORIGINAL COST OCTOBER 31, 2011 (2)	ACCUMULATED DEPRECIATION OCTOBER 31, 2011 (3)	NET BOOK VALUE (4) = (2) - (3)	CURRENT AVERAGE SERVICE LIFE (5)	AVERAGE AGE PLANT IN SERVICE (6)	TOTAL DOLLARS RETIRED (7)	IS USE OF COMPARABLES APPROPRIATE (8)	PEER GROUP RANGE (9)	RECOMMENDED (10)
<b>DEPRECIABLE PLANT</b>											
141.01	RIGHT OF WAY		2,530,946	923,625	1,607,322	40	15.40		Yes	45-75	40-SQ
142.01	SITE PREPARATION AND ACCESS		1,179,741	496,725	683,016	40	17.30		No	45-75	40-SQ
145.51	SITE PREPARATION		8,571,897	3,222,488	5,349,409	40	15.60		No		40-R4
146.01	WELLS		60,335,545	15,197,650	45,137,895	40	9.20	55,600	Yes	40-50	40-R4
146.21	WELL EQUIPMENT		2,099,048	872,549	1,226,499	40	17.10		Yes	25-40	30-R3
146.31	WELL COMPLETION		9,129,759	1,925,462	7,204,296	40	8.90		No		40-SQ
146.41	PIPELINES		7,423,727	2,637,645	4,786,082	40	15.10		Yes	64-65	40-R4
146.61	WELL SITE PIPING		4,323,793	1,350,984	2,972,809	40	13.00		Yes	55	40-R4
146.81	WATER REINJECTION PIPING		8,776	3,870	4,907	40	18.50		Yes		40-R4
147.01	MECHANICAL AND STATION PIPING		5,957,776	2,081,530	3,876,246	40	14.50		Yes	27-40	40-R4
151.01	BUILDINGS		2,391,515	946,829	1,444,686	40	16.30		Yes	25-43	40-R4
151.21	ELECTRIC SYSTEM AND CABLING		1,668,577	732,170	936,407	40	18.10		Yes	25-40	40-R4
156.01	COMPRESSION		17,154,024	7,399,602	9,754,423	30	13.50		Yes		30-R3
156.21	DEHYDRATION EQUIPMENT		1,243,811	453,312	790,499	30	11.70		No	25	40-R4
156.51	BOILERS		798,805	452,362	346,443	20	11.90		No		20-R4
161.01	INSTRUMENTATION		1,590,420	1,141,944	448,475	20	15.30		Yes	15-25	20-L3
162.01	CONTROL SYSTEMS - GAS AND FIRE DETECTION		722,374	479,315	243,059	10	12.40		Yes	15-25	10-R5
169.01	TOOLS		378,826	335,894	42,932	10	13.60	1,049	Yes		10-SQ
171.01	COMPUTER SYSTEMS		699,659	687,783	11,876	5	13.70		Yes	5-10	5-SQ
172.01	OFFICE COMPUTERS		0	0	0	5			N/A		
173.01	OFFICE FURNITURE		54,551	53,924	626	5	16.00	55,597	Yes	20	7-SQ
174.01	TRUCKS		205,965	205,965	0	5	11.20		Yes	5-11	6-L3
<b>TOTAL DEPRECIABLE PLANT</b>			<b>128,469,535</b>	<b>41,601,629</b>	<b>86,867,907</b>			<b>112,246</b>			
<b>INTANGIBLE PLANT</b>											
190.51	INTANGIBLE ASSETS		937,354	836,745	100,609	10.5	9.40				
191.01	INCORPORATION COSTS		302,399	302,399	0	40	8.50				45
192.01	GOODWILL		3,490,480	959,882	2,530,598	40	11.50				45
<b>TOTAL INTANGIBLE PLANT</b>			<b>4,730,233</b>	<b>2,099,026</b>	<b>2,631,207</b>						
<b>PLANT NOT STUDIED</b>											
140.51	LAND		1,057,674	0	1,057,674	N/A					
140.70	CUSHION GAS		15,922,692	0	15,922,692	N/A					
198.01	WORK IN PROGRESS		1,532,706	0	1,532,706	N/A					
195.20	SPARE PARTS - COMPRESSORS		395,892	49,388	346,504	30					
<b>TOTAL PLANT NOT STUDIED</b>			<b>18,908,964</b>	<b>49,388</b>	<b>18,859,576</b>						
<b>TOTAL PLANT</b>			<b>152,108,732</b>	<b>43,750,043</b>	<b>108,358,690</b>						

INTRAGAZ LP

SCHEDULE 2. SUMMARY OF RECOMMENDED AVERAGE SERVICE LIFE ESTIMATES AND  
TEST OF ADEQUACY OF ACCUMULATED DEPRECIATION AS OF OCTOBER 31, 2011

ACCOUNT	DESCRIPTION (1)	ESTIMATED SURVIVOR CURVE (2)	ORIGINAL COST AS OF OCTOBER 31, 2011 (3)	BOOKED ACCUMULATED DEPRECIATION AS OF OCTOBER 31, 2011 (4)	CALCULATED ACCUMULATED DEPRECIATION (5)	VARIANCE		
						AMOUNT (6) = (4)-(5)	PERCENT (7) = (6)/(5)	REMAINING LIFE (YEARS) (8)
141.01	RIGHT OF WAY	40-SQ	2,530,946	923,625	926,759	(3,134)	(0.34)	23.4
142.01	SITE PREPARATION AND ACCESS	40-SQ	1,179,741	496,725	489,438	7,287	1.49	23.4
145.51	SITE PREPARATION	40-R4	8,571,897	3,222,488	3,316,944	(94,456)	(2.85)	23.4
146.01	WELLS	40-R4	60,335,545	15,197,650	13,399,806	1,797,844	13.42	29.6
146.21	WELL EQUIPMENT	30-R3	2,099,048	872,549	1,129,098	(256,549)	(22.72)	13.3
146.31	WELL COMPLETION	40-SQ	9,129,759	1,925,462	1,853,257	72,205	3.90	31.9
146.41	PIPELINES	40-R4	7,423,726	2,637,645	2,792,476	(154,831)	(5.54)	23.8
146.61	WELL SITE PIPING	40-R4	4,323,793	1,350,984	1,379,643	(28,659)	(2.08)	25.9
146.81	WATER REINJECTION PIPING	40-R4	8,776	3,870	4,042	(172)	(4.26)	20.8
147.01	MECHANICAL AND STATION PIPING	40-R4	5,957,776	2,081,530	2,138,589	(57,059)	(2.67)	24.4
151.01	BUILDINGS	40-R4	2,391,515	946,829	968,607	(21,778)	(2.25)	22.3
151.21	ELECTRIC SYSTEMS AND CABLING	40-R4	1,668,577	732,170	750,936	(18,766)	(2.50)	21.2
156.01	COMPRESSION	30-R3	17,154,024	7,399,602	7,374,501	25,101	0.34	16.4
156.21	DEHYDRATION EQUIPMENT	40-R4	1,243,811	453,312	357,454	95,858	26.82	27.2
156.51	BOILERS	20-R4	798,805	452,361	429,338	23,023	5.36	9.9
161.01	INSTRUMENTATION	20-L3	1,590,420	1,141,944	1,041,144	100,800	9.68	7.7
162.01	CONTROL SYSTEMS - GAS AND FIRE DETECTION	10-R5	722,374	479,315	471,817	7,498	1.59	8.0
169.01	TOOLS	10-SQ	378,826	335,894	331,981	3,913	1.18	5.4
171.01	COMPUTER SYSTEMS	5-SQ	699,659	687,783	689,892	(2,109)	(0.31)	0.8
173.01	OFFICE FURNITURE	7-SQ	54,551	53,924	52,149	1,775	3.40	5.7
174.01	TRUCKS	6-L3	205,965	205,965	184,464	21,501	11.66	1.0
TOTAL			128,469,534	41,601,627	40,082,335	1,519,292	3.79	



### PART III. DETAILED DEPRECIATION CALCULATIONS

INTRAGAZ LP

ACCOUNT 141.01 - RIGHT OF WAY

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. 40-SQUARE					
NET SALVAGE PERCENT.. 0					
1990	323,869.62	2.50	8,096.74	0.5188	168,007
1991	111,585.04	2.50	2,789.63	0.4938	55,095
1992	14,448.63	2.50	361.22	0.4688	6,773
1993	46,428.96	2.50	1,160.72	0.4438	20,603
1994	1,233.14	2.50	30.83	0.4188	516
1995	9,950.00	2.50	248.75	0.3938	3,918
1997	1,463,760.15	2.50	36,594.00	0.3438	503,168
1998	171,026.36	2.50	4,275.66	0.3188	54,515
1999	388,644.31	2.50	9,716.11	0.2938	114,164
	2,530,946.21		63,273.66		926,759
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.50					

INTRAGAZ LP

ACCOUNT 142.01 - SITE PREPARATION AND ACCESS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. 40-SQUARE					
NET SALVAGE PERCENT.. 0					
1990	420,380.46	2.50	10,509.51	0.5188	218,072
1991	64,897.31	2.50	1,622.43	0.4938	32,043
1992	8,101.17	2.50	202.53	0.4688	3,797
1993	189,493.62	2.50	4,737.34	0.4438	84,088
1994	133,895.98	2.50	3,347.40	0.4188	56,069
1995	12,449.87	2.50	311.25	0.3938	4,902
1996	2,000.00	2.50	50.00	0.3688	738
1997	190,537.56	2.50	4,763.44	0.3438	65,497
1998	490.28	2.50	12.26	0.3188	156
1999	31,124.66	2.50	778.12	0.2938	9,143
2001	34,964.97	2.50	874.12	0.2438	8,523
2006	2,117.00	2.50	52.92	0.1188	251
2007	7,177.91	2.50	179.45	0.0938	673
2008	77,721.61	2.50	1,943.04	0.0688	5,343
2009	2,389.00	2.50	59.72	0.0438	105
2010	2,000.00	2.50	50.00	0.0188	38
	1,179,741.40		29,493.53		489,438
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.50					

INTRAGAZ LP

ACCOUNT 145.51 - SITE PREPARATION

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1990	2,265,611.08	2.57	58,226.20	0.5333	1,208,250
1991	296,185.33	2.58	7,641.58	0.5096	150,936
1992	75,838.48	2.59	1,964.22	0.4856	36,827
1993	83,963.34	2.60	2,183.05	0.4615	38,749
1994	47,936.70	2.60	1,246.35	0.4355	20,876
1995	44,157.28	2.61	1,152.51	0.4111	18,153
1996	3,768.01	2.62	98.72	0.3864	1,456
1997	4,505,085.41	2.62	118,033.24	0.3602	1,622,732
1998	18,106.21	2.63	476.19	0.3353	6,071
1999	244,015.20	2.63	6,417.60	0.3090	75,401
2002	95,724.81	2.64	2,527.13	0.2310	22,112
2003	42,508.70	2.65	1,126.48	0.2054	8,731
2006	839,977.32	2.65	22,259.40	0.1259	105,753
2007	9,019.16	2.65	239.01	0.0994	897
	8,571,897.03		223,591.68		3,316,944
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.61					

INTRAGAZ LP

ACCOUNT 146.01 - WELLS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1990	2,893,022.57	2.57	74,350.68	0.5333	1,542,849
1991	458,679.08	2.58	11,833.92	0.5096	233,743
1992	61,336.63	2.59	1,588.62	0.4856	29,785
1993	15,689.69	2.60	407.93	0.4615	7,241
1994	133,469.94	2.60	3,470.22	0.4355	58,126
1995	200.00	2.61	5.22	0.4111	82
1996	347,775.93	2.62	9,111.73	0.3864	134,381
1997	12,027,622.35	2.62	315,123.71	0.3602	4,332,350
1999	26,768.61	2.63	704.01	0.3090	8,272
2000	4,644,073.41	2.64	122,603.54	0.2838	1,317,988
2003	12,687,904.95	2.65	336,229.48	0.2054	2,606,096
2005	8,789,469.56	2.65	232,920.94	0.1524	1,339,515
2006	76,050.68	2.65	2,015.34	0.1259	9,575
2007	17,668,915.62	2.65	468,226.26	0.0994	1,756,290
2009	504,566.05	2.66	13,421.46	0.0466	23,513
	60,335,545.07		1,592,013.06		13,399,806

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.64

INTRAGAZ LP

ACCOUNT 146.21 - WELL EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 30-R3					
NET SALVAGE PERCENT.. 0					
1990	1,243,181.54	3.20	39,781.81	0.6640	825,473
1991	13,781.37	3.24	446.52	0.6399	8,819
1995	9,011.40	3.38	304.59	0.5324	4,798
1996	10,591.00	3.42	362.21	0.5044	5,342
1997	175,147.60	3.45	6,042.59	0.4744	83,090
1998	33,382.51	3.48	1,161.71	0.4437	14,812
1999	24,529.84	3.52	863.45	0.4136	10,146
2001	37,124.47	3.58	1,329.06	0.3490	12,956
2002	473,752.62	3.61	17,102.47	0.3159	149,658
2004	44,191.59	3.66	1,617.41	0.2470	10,915
2008	27,889.73	3.78	1,054.23	0.1040	2,901
2010	6,464.50	3.88	250.82	0.0291	188
	2,099,048.17		70,316.87		1,129,098

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.35

INTRAGAZ LP

ACCOUNT 146.31 - WELL COMPLETION

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. 40-SQUARE					
NET SALVAGE PERCENT.. 0					
1993	8,901.33	2.50	222.53	0.4438	3,950
1994	239,519.13	2.50	5,987.98	0.4188	100,299
1995	8,335.65	2.50	208.39	0.3938	3,282
1996	273,255.43	2.50	6,831.39	0.3688	100,763
1997	3,098,287.20	2.50	77,457.18	0.3438	1,065,036
1998	19,750.83	2.50	493.77	0.3188	6,296
1999	340,803.74	2.50	8,520.09	0.2938	100,111
2002	8,562.50	2.50	214.06	0.2188	1,873
2005	2,389,895.38	2.50	59,747.38	0.1438	343,547
2006	432,995.85	2.50	10,824.90	0.1188	51,418
2009	1,335,197.13	2.50	33,379.93	0.0438	58,415
2010	974,254.44	2.50	24,356.36	0.0188	18,267
	9,129,758.61		228,243.96		1,853,257

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.50

INTRAGAZ LP

ACCOUNT 146.41 - PIPELINES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1990	664,609.00	2.57	17,080.45	0.5333	354,436
1991	3,155.10	2.58	81.40	0.5096	1,608
1992	23,400.00	2.59	606.06	0.4856	11,363
1997	6,732,562.40	2.62	176,393.13	0.3602	2,425,069
	7,423,726.50		194,161.04		2,792,476

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.62



INTRAGAZ LP

ACCOUNT 146.61 - WELL SITE PIPING

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1990	1,063,613.43	2.57	27,334.87	0.5333	567,225
1996	58,008.86	2.62	1,519.83	0.3864	22,415
1997	618,603.38	2.62	16,207.41	0.3602	222,821
1998	72,826.11	2.63	1,915.33	0.3353	24,419
1999	427,941.09	2.63	11,254.85	0.3090	132,234
2001	30,866.73	2.64	814.88	0.2574	7,945
2002	402,148.70	2.64	10,616.73	0.2310	92,896
2003	944,084.25	2.65	25,018.23	0.2054	193,915
2004	310,376.28	2.65	8,224.97	0.1789	55,526
2005	395,324.11	2.65	10,476.09	0.1524	60,247
	4,323,792.94		113,383.19		1,379,643
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.62					

INTRAGAZ LP

ACCOUNT 146.81 - WATER REINJECTION PIPING

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1993	8,464.49	2.60	220.08	0.4615	3,906
1994	312.00	2.60	8.11	0.4355	136
	8,776.49		228.19		4,042
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.60					

INTRAGAZ LP  
ACCOUNT 147.01 - MECHANICAL AND STATION PIPING

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1990	1,154,151.58	2.57	29,661.70	0.5333	615,509
1991	6,501.80	2.58	167.75	0.5096	3,313
1993	393,809.82	2.60	10,239.06	0.4615	181,743
1994	523,930.96	2.60	13,622.20	0.4355	228,172
1995	3,943.03	2.61	102.91	0.4111	1,621
1997	2,265,920.17	2.62	59,367.11	0.3602	816,184
1998	68,431.32	2.63	1,799.74	0.3353	22,945
1999	88,937.64	2.63	2,339.06	0.3090	27,482
2001	16,831.80	2.64	444.36	0.2574	4,333
2002	55,254.81	2.64	1,458.73	0.2310	12,764
2003	468,687.28	2.65	12,420.21	0.2054	96,268
2004	328,824.09	2.65	8,713.84	0.1789	58,827
2006	534,032.70	2.65	14,151.87	0.1259	67,235
2009	45,960.46	2.66	1,222.55	0.0466	2,142
2010	2,559.00	2.66	68.07	0.0200	51
	5,957,776.46		155,779.16		2,138,589
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.61					

INTRAGAZ LP

ACCOUNT 151.01 - BUILDINGS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1990	366,745.62	2.57	9,425.36	0.5333	195,585
1991	266,246.94	2.58	6,869.17	0.5096	135,679
1992	954.50	2.59	24.72	0.4856	464
1993	315,855.95	2.60	8,212.25	0.4615	145,768
1994	306,455.20	2.60	7,967.84	0.4355	133,461
1995	34,533.75	2.61	901.33	0.4111	14,197
1996	5,040.61	2.62	132.06	0.3864	1,948
1997	737,668.93	2.62	19,326.93	0.3602	265,708
1998	65,477.30	2.63	1,722.05	0.3353	21,955
1999	56,811.23	2.63	1,494.14	0.3090	17,555
2001	19,674.04	2.64	519.39	0.2574	5,064
2002	5,436.75	2.64	143.53	0.2310	1,256
2003	66,704.09	2.65	1,767.66	0.2054	13,701
2005	5,950.00	2.65	157.68	0.1524	907
2006	75,180.00	2.65	1,992.27	0.1259	9,465
2007	58,420.33	2.65	1,548.14	0.0994	5,807
2010	4,360.00	2.66	115.98	0.0200	87
	2,391,515.24		62,320.50		968,607
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.61					

INTRAGAZ LP

ACCOUNT 151.21 - ELECTRIC SYSTEM AND CABLING

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1990	542,678.70	2.57	13,946.84	0.5333	289,411
1991	157,650.55	2.58	4,067.38	0.5096	80,339
1993	240,203.05	2.60	6,245.28	0.4615	110,854
1994	118,093.84	2.60	3,070.44	0.4355	51,430
1995	24,560.43	2.61	641.03	0.4111	10,097
1996	8,120.03	2.62	212.74	0.3864	3,138
1997	553,685.57	2.62	14,506.56	0.3602	199,438
1998	8,099.51	2.63	213.02	0.3353	2,716
2001	13,245.40	2.64	349.68	0.2574	3,409
2009	2,240.00	2.66	59.58	0.0466	104
	1,668,577.08		43,312.55		750,936
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.60					

INTRAGAZ LP

ACCOUNT 156.01 - COMPRESSION

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 30-R3					
NET SALVAGE PERCENT.. 0					
1990	2,613,705.86	3.20	83,638.59	0.6640	1,735,501
1991	27,944.20	3.24	905.39	0.6399	17,881
1992	48,921.79	3.27	1,599.74	0.6131	29,994
1993	2,491,540.94	3.31	82,470.01	0.5875	1,463,780
1994	2,687,306.48	3.35	90,024.77	0.5611	1,507,848
1995	22,557.09	3.38	762.43	0.5324	12,009
1996	18,030.83	3.42	616.65	0.5044	9,095
1997	2,161,827.97	3.45	74,583.06	0.4744	1,025,571
1998	137,201.12	3.48	4,774.60	0.4437	60,876
1999	133,367.83	3.52	4,694.55	0.4136	55,161
2001	24,054.64	3.58	861.16	0.3490	8,395
2002	242,384.03	3.61	8,750.06	0.3159	76,569
2004	4,416.00	3.66	161.63	0.2470	1,091
2005	6,328,070.26	3.69	233,505.79	0.2122	1,342,817
2006	5,281.93	3.72	196.49	0.1767	933
2007	147,772.03	3.75	5,541.45	0.1406	20,777
2008	59,641.22	3.78	2,254.44	0.1040	6,203
	17,154,024.22		595,340.81		7,374,501
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 3.47					

INTRAGAZ LP

ACCOUNT 156.21 - DEHYDRATION EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1994	22,255.82	2.60	578.65	0.4355	9,692
1995	10,092.80	2.61	263.42	0.4111	4,149
1997	334,622.22	2.62	8,767.10	0.3602	120,531
1998	70,509.88	2.63	1,854.41	0.3353	23,642
1999	186,692.98	2.63	4,910.03	0.3090	57,688
2001	46,809.12	2.64	1,235.76	0.2574	12,049
2002	553,622.07	2.64	14,615.62	0.2310	127,887
2005	5,185.26	2.65	137.41	0.1524	790
2008	14,021.00	2.66	372.96	0.0732	1,026
	1,243,811.15		32,735.36		357,454
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.63					

INTRAGAZ LP

ACCOUNT 156.51 - BOILERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 20-R4					
NET SALVAGE PERCENT.. 0					
1990	165,139.55	4.31	7,117.51	0.8943	147,684
1998	6,752.39	5.00	337.62	0.6375	4,305
1999	334,265.55	5.06	16,913.84	0.5946	198,754
2004	57,977.18	5.25	3,043.80	0.3544	20,547
2006	226,983.55	5.28	11,984.73	0.2508	56,927
2008	7,686.46	5.30	407.38	0.1458	1,121
	798,804.68		39,804.88		429,338
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.98					



INTRAGAZ LP

ACCOUNT 161.01 - INSTRUMENTATION

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 20-L3					
NET SALVAGE PERCENT.. 0					
1990	395,054.72	3.87	15,288.62	0.8030	317,229
1992	1,910.00	4.16	79.46	0.7800	1,490
1993	160,253.14	4.31	6,906.91	0.7650	122,594
1994	109,533.29	4.47	4,896.14	0.7487	82,008
1995	31,974.53	4.63	1,480.42	0.7292	23,316
1996	7,993.38	4.78	382.08	0.7050	5,635
1997	434,469.72	4.92	21,375.91	0.6765	293,919
1998	8,897.49	5.05	449.32	0.6439	5,729
1999	62,630.69	5.16	3,231.74	0.6063	37,973
2001	76,759.95	5.34	4,098.98	0.5206	39,961
2002	47,860.91	5.42	2,594.06	0.4742	22,696
2003	1,230.00	5.48	67.40	0.4247	522
2004	217,615.03	5.54	12,055.87	0.3740	81,388
2005	8,551.00	5.58	477.15	0.3208	2,743
2007	11,659.86	5.64	657.62	0.2115	2,466
2008	7,791.09	5.65	440.20	0.1554	1,211
2010	6,234.72	5.66	352.89	0.0424	264
	1,590,419.52		74,834.77		1,041,144
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.71					

INTRAGAZ LP

ACCOUNT 162.01 - CONTROL SYSTEMS - GAS AND FIRE DETECTION

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 10-R5					
NET SALVAGE PERCENT.. 0					
1990	307,711.99			1.0000	307,712
1991	2,445.95			1.0000	2,446
1992	305.44			1.0000	305
1993	3,823.94			1.0000	3,824
1997	87,728.57			1.0000	87,729
1999	5,975.00	8.31	496.52	0.9764	5,834
2001	10,711.80	9.26	991.91	0.9028	9,671
2009	303,671.42	10.22	31,035.22	0.1788	54,296
	722,374.11		32,523.65		471,817
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 4.50					

INTRAGAZ LP

ACCOUNT 169.01 - TOOLS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR	ORIGINAL COST	--ANNUAL RATE	ACCRUAL-- AMOUNT	--ACCRUED FACTOR	DEPREC.-- AMOUNT
(1)	(2)	(3)	(4)	(5)	(6)
SURVIVOR CURVE.. 10-SQUARE					
NET SALVAGE PERCENT.. 0					
1990	31,265.85			1.0000	31,266
1991	32,972.97			1.0000	32,973
1992	13,326.11			1.0000	13,326
1993	23,876.19			1.0000	23,876
1994	16,207.23			1.0000	16,207
1995	20,633.02			1.0000	20,633
1996	15,012.75			1.0000	15,013
1997	48,503.46			1.0000	48,503
1998	13,239.12			1.0000	13,239
1999	30,938.08			1.0000	30,938
2000	41,191.51			1.0000	41,192
2001	1,539.09	10.00	153.91	0.9750	1,501
2002	2,300.00	10.00	230.00	0.8750	2,012
2003	13,196.69	10.00	1,319.67	0.7750	10,227
2004	4,256.00	10.00	425.60	0.6750	2,873
2005	12,683.12	10.00	1,268.31	0.5750	7,293
2006	32,448.57	10.00	3,244.86	0.4750	15,413
2008	19,111.11	10.00	1,911.11	0.2750	5,256
2010	3,203.08	10.00	320.31	0.0750	240
2011	2,922.07	10.00	292.21		
	378,826.02		9,165.98		331,981

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.42

INTRAGAZ LP

ACCOUNT 171.01 - COMPUTER SYSTEMS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)		--ACCRUED DEPREC.-- FACTOR (5)	
			AMOUNT (4)		AMOUNT (6)
SURVIVOR CURVE.. 5-SQUARE					
NET SALVAGE PERCENT.. 0					
1990	24,101.00			1.0000	24,101
1992	16,411.93			1.0000	16,412
1993	106,274.27			1.0000	106,274
1994	43,941.13			1.0000	43,941
1995	7,160.16			1.0000	7,160
1997	101,255.06			1.0000	101,255
1998	169,147.98			1.0000	169,148
1999	50,990.19			1.0000	50,990
2001	58,247.70			1.0000	58,248
2002	46,739.72			1.0000	46,740
2003	10,911.05			1.0000	10,911
2004	2,501.15			1.0000	2,501
2005	28,050.10			1.0000	28,050
2006	21,863.24	20.00	4,372.65	0.9500	20,770
2008	4,401.14	20.00	880.23	0.5500	2,421
2010	6,467.60	20.00	1,293.52	0.1500	970
2011	1,195.45	20.00	239.09		
	699,658.87		6,785.49		689,892
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 0.97					

INTRAGAZ LP

ACCOUNT 173.01 - OFFICE FURNITURE

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	---ANNUAL ACCRUAL--- RATE (3)	AMOUNT (4)	---ACCRUED DEPREC.--- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. 7-SQUARE					
NET SALVAGE PERCENT.. 0					
1990	21,431.96			1.0000	21,432
1991	1,379.30			1.0000	1,379
1992	1,213.50			1.0000	1,214
1993	1,803.00			1.0000	1,803
1994	2,713.18			1.0000	2,713
1995	2,514.08			1.0000	2,514
1996	2,200.00			1.0000	2,200
1997	4,821.02			1.0000	4,821
1998	1,975.87			1.0000	1,976
2000	395.00			1.0000	395
2002	4,194.58			1.0000	4,195
2004	324.00	14.29	46.30	0.9643	312
2005	8,260.21	14.29	1,180.38	0.8214	6,785
2007	625.00	14.29	89.31	0.5357	335
2010	700.00	14.29	100.03	0.1071	75
	54,550.70		1,416.02		52,149

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 2.60

INTRAGAZ LP

ACCOUNT 174.01 - TRUCKS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION  
RELATED TO ORIGINAL COST OF INVESTMENT AS OF OCTOBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	--ANNUAL ACCRUAL-- RATE (3)	AMOUNT (4)	--ACCRUED DEPREC.-- FACTOR (5)	AMOUNT (6)
SURVIVOR CURVE.. IOWA 6-L3					
NET SALVAGE PERCENT.. 0					
1991	16,023.19			1.0000	16,023
1994	20,309.24			1.0000	20,309
1996	26,845.71			1.0000	26,846
1998	26,830.55	7.77	2,084.73	0.9907	26,581
2003	42,410.93	11.11	4,711.85	0.8610	36,516
2005	73,545.34	13.76	10,119.84	0.7912	58,189
	205,964.96		16,916.42		184,464
COMPOSITE ANNUAL ACCRUAL RATE, PERCENT .. 8.21					