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Updates to Instructions for Reporting Year 2009

See the following sections for updates:

Pages 8, 10 – The Production Segment and Other Energy line of business were updated. Nonconventional oil is no longer part of Other Energy but should be reported as part of the Petroleum line of business, Oil and Gas Production Segment, consistent with the Securities and Exchange Commission’s Modernization of Oil and Gas Reporting; Final Rule of January 14, 2009.

Page 13 (and elsewhere) – The Other Segment, consisting of liquefied natural gas, gas-to-liquids, and other gas processes not reported elsewhere, was added to the Downstream Natural Gas line of business.

Pages 13, 14 (and elsewhere) – Transmission and Distribution were combined in both the Downstream Natural Gas and Electric Power lines of business.

Page 22 - Schedule 5120 – “Other” columns were added.

Page 26 - Schedule 5210 – Line 3.50, Hedging/Derivatives, was added.

Pages 28-29 - Schedule 5211 – Foreign refining expenses were added.

Page 31 - Schedule 5212 – Foreign purchases and sales were added.

Page 33 - Schedule 5242 – Lines for Refinery Gross Inputs, Other Refinery Inputs, and Petroleum Consumed by Refineries were added.

Page 35-36 - Schedule 5711 – Foreign expense detail was added.

Page 38 - Schedule 5741 – Revisions were made to reflect the separation of LNG from gas processing and the combination of transmission and distribution.

Page 40 - Schedule 5812 – Revisions were made to reflect the removal of purchases of fuels and sales by type.

Page 40 - Schedule 5841 – Revisions were made to reflect the removal of capacity and generation by type, and transmission and distribution data.

I. General Instructions

A. Purpose and Legislative Authority

The legislative authority for the Energy Company Financial Reporting System (FRS), Form EIA-28, is provided by Section 205(h) of the Department of Energy Organization Act of 1977 (Public Law 95-91).

The data collected include revenues, profits, funds flows, and investments in total, as well as by type of energy (e.g., petroleum; coal, nuclear and non-conventional; downstream natural gas; electric power; and non-energy) by function (e.g., producing, refining/marketing, pipelines, and wholesale/retail operations), and by geographic area. The data are used to evaluate the competitive environment within which energy products are supplied and developed and to analyze the nature of institutional arrangements as they relate to energy resource development, supply, and distribution. The information is published annually in the report, entitled *Performance Profiles of Major Energy Producers*.

B. Filing Requirements

The FRS schedules are designed to collect information for reporting periods that coincide with the fiscal years of individual reporting companies.

Requests For Exception From Reporting Requirements

Requests for exception from reporting requirements should be made with the FRS program office at the address on the following page. Appeals of FRS program office decisions may be filed with the Office of Hearings and Appeals, Department of Energy, in accordance with the provisions of 10 CFR 205 (D).

Filing Due Dates

Reporting companies must file the form for the most recent fiscal year by May 1st of each year.

Extensions of Time To File:

If the entire FRS form is not expected to be completed by the due date, requests for a *two week* extension will be considered if the Team Leader of the Financial Reporting System has been notified in writing at least one month in advance of the due date. Such notification letter must detail why the due date cannot be met.

C. Other Filing Requirements

Who Must File

The Administrator of the Energy Information Administration has designated the major energy companies required to report. Respondents have been notified of their reporting requirements.

Certification

The FRS Certification Statement, on each of the submitted copies, must be signed by an officer of the reporting company, or a designee of an officer of the reporting company.

Where to File

Submit two (2) copies of the completed Form EIA-28, supporting documentation and exhibits via **express mail** to the following address:

U.S. Department of Energy
Financial Reporting System, EI-62
Forrestal Building, Rm 2G-090
1000 Independence Avenue, S.W.
Washington, D.C. 20585

(WARNING: any electronic media will be ruined by security processing of incoming regular U.S. mail)

D. Confidentiality

Prior to conducting each annual FRS (Form EIA-28) survey, companies are selected based on criteria established by EIA that are applied to publicly available information. The selection criteria can be viewed on the EIA Web site at <http://www.eia.doe.gov/emeu/perfpro/appenda.html#criteria>.

The names of the companies selected in this manner are not confidential and will be publicly released.

The information you provide will be used for statistical purposes only. In accordance with the Confidential Information Protection provisions of Title 5, Subtitle A, Public Law 107-347 and other applicable Federal laws, your responses will be kept confidential and will not be disclosed in identifiable form to anyone other than employees or agents without your consent. By law, every EIA employee as well as every agent has taken an oath and is subject to a jail term, a fine, or both if he or she makes public ANY identifiable information about you.

E. Sanctions

The timely submission of Form EIA-28 by those required to report is mandatory under Section 13 (b) of the Federal Energy Administration Act of 1974 (FEAA) (Public Law 93-275), as amended. Failure to respond may result in a civil penalty of not more than \$2,750 per day for each violation, or a fine of not more than \$5,000 per day for each willful

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violation. The government may bring a civil action to prohibit reporting violations that may result in a temporary restraining order or a preliminary or permanent injunction without bond. In such civil action, the court may also issue mandatory injunctions commanding any person to comply with these reporting requirements.

Title 18 U.S.C. 1001 makes it a criminal offense for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious, or fraudulent statements as to any matter within its jurisdiction.

F. Data Entry

Rounding

All dollar amounts must be rounded to the nearest million. All physical amounts (including barrels, cubic feet, tons, acres, pounds, MW, Mwh, etc.) must be rounded to the nearest thousand and expressed in thousands of units unless otherwise noted on the reporting schedule. The specific requirements are indicated on each schedule. In rounding, for example, 2,533,500 tons must be reported as 2,534 M tons; similarly, 57,498,680,000 cubic feet must be reported as 57,499 MMCF. Quantities of wells are not rounded, but are expressed to the nearest tenth of a well. Miles of transmission and distribution assets should be rounded to the nearest whole mile.

Estimates

Where the reporting company's records cannot produce data in the fashion required by FRS, use of estimates is encouraged if the respondent feels a meaningful estimate can be made without significant distortion of results. Where estimates are used, attach an explanation as part of Exhibit B identifying where estimates are used and indicating how such estimates were made. If there is any doubt, contact the FRS staff.

Sign Conventions (Use of Brackets)

Except for the instances noted below, all amounts entered should be positive (i.e., not bracketed), regardless of whether they are revenues, expenses, assets or liabilities. Brackets should be used to indicate when an item is the opposite of what is indicated on the line's title. For example, the line on the income statements entitled "income tax expense" would be bracketed only if the tax were negative (e.g., a credit), such as in the case of a net operating loss in one of the segments.

The exceptions to this rule are as follows:

The eliminations columns on the income statements (5110, 5210, 5710 and 5810) must be bracketed.

In the income statements (5110, 5210, 5710 and 5810) items reported under the caption "other revenue and expense" are bracketed if they are debits, and un-bracketed if they are credits. This particular exception is indicated on the face of the schedule.

Items in the cash flow statement (5131) are bracketed, if they are decreases in cash flow, and un-bracketed, if they are increases.

The investment tax credit and foreign tax credits reported on 5112/02, 14, 27 & 28/A will be bracketed, as well as line 29, statutory depletion. Effects of the Alternative Minimum Tax (AMT) on 5112/3, 15, & 30/A will be bracketed if the effect is a reduction in income tax expense.

In the statistical schedules, where movements between beginning of year and end of year balances are reported, those items representing reductions in the opening balances should be bracketed. Examples are sales of minerals in place, capacity reductions, and downward revisions of previous estimates.

G. Use of Exhibits

The following information must be attached as exhibits:

Exhibit A. Background information on the company's accounting and financial reporting practices should include the following:

If equity income is recognized in accounts other than line 07.00 of Schedule 5110, see the section of the instructions entitled "FRS Overview: One-Line Consolidations," and provide a complete explanation of the amounts and financial statement accounts involved.

Exhibit B. Supplemental analysis of items appearing in the financial schedules where required, if there is insufficient room on the bottom margin of the particular schedule. Specific information which should be included in Exhibit B is described throughout the instructions.

Exhibit C. Summaries and explanations of eliminations made in FRS consolidations, not covered on Schedule 5150 and 5250.

Exhibit D. Explain the nature of amounts included in the non-traceable columns.

Exhibit E. The reporting company's SEC Form 10-K and two copies of its audited financial statements are requested.

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Exhibit F. Any other information or explanations the reporting company believes are needed to understand its reported FRS data.

Each exhibit must be clearly labeled to indicate the specific item of data (schedule, line, and column) for which a supplementary explanation is provided. Also, mark an "X" in the "footnote" column on each schedule to indicate that a supplementary explanation has been provided for an item of data on that line.

H. Amendments to FRS Reported Data

Circumstances

An amended FRS report must be filed if: (a) there has been a determination that information previously filed is materially inaccurate or misleading (see the section of the instructions entitled "FRS Overview--Significance Standards"), or (b) financial or statistical reporting standards are changed, rendering prior reports non-comparable to current reports.

In the case of changes in statistical reporting standards imposed by the Federal Government, amendments must be filed for the year of the change and one preceding year.

If an amended filing is required, submit only those pages affected. Identify the change(s) on each page by circling the changed or new data elements. In addition, the letter accompanying the amendment should provide the reason(s) for the change(s).

Since an FRS filing covers only 1 year, sufficient reports must be filed to amend all prior years affected. This will be limited to 5 years, unless unusual circumstances exist. If a significant burden is foreseen, consultation with the FRS staff is recommended at the beginning.

When Due

In the case of (a) above, the amendment is due within 90 days of such determination. In the case of (b) above, the amendment is due at the time of filing the first report embodying the new reporting principle(s).

Each exhibit must be clearly labeled to indicate the specific item of data (schedule, line, and column) for which a supplementary explanation is provided. Also, mark an "X" in the "footnote" column on each schedule to indicate that a supplementary explanation has been provided for an item of data on that line.

II. FRS Overview

A. Relation to Reporting Company's Accounting Principles

In completing the FRS schedules, reporting companies should follow the accounting principles they currently use to prepare their annual certified financial statements. However, there are some exceptions covered in the following sections. (See especially section N, if you have acquired a company or if the FRS reporting company has itself been acquired during the reporting period.)

All of the detailed FRS financial schedules aggregate up into Schedule 5110. Specifically, Schedules 5110 and 5120 contain a "consolidated" column, representing the reporting company's certified consolidated financial statements. However, there may be some differences between the FRS line items in this column and the classifications in the reporting company's published financial statements. Such differences must be explained and reconciled on a separate sheet of paper attached as part of Exhibit B.

B. FRS Lines of Business/Segments and FAS 131

The FRS is designed to present a company's operations as separate functional "lines of business" and "segments" within a "line of business (LOB)," as though each were a separate entity, entering into transactions with other LOBs, segments and third parties. In FRS, the reporting company's consolidated financial statements are disaggregated to separate financial statements for each applicable "functional line of business."

Although similar to FAS 131, the FRS goes beyond FAS 131 in that the FRS segments are often further disaggregations of a line of business defined pursuant to FAS 131. In all other respects, the principles outlined in FAS 131 should be followed for FRS purposes.

C. Eliminations at More Than One Level

The reporting company may not have a separate entity for consolidation purposes corresponding to each of the FRS LOBs. Therefore, to complete the FRS schedules, it may be necessary to disaggregate information from specific operations within the reporting company's consolidation into the FRS functional lines of business and then perform a new consolidation based on the FRS LOBs, including appropriate eliminations at each level of sub-

consolidation (schedules 5210, 5710, and 5810) as required. See Schedule 5150 that summarizes the major inter-LOB eliminations.

In preparing FRS eliminations, two factors must be kept in mind. First, the FRS LOBs are not consolidated all at once. For example, the three foreign petroleum segments are first consolidated on Schedule 5210, page 2 of 2 and then these consolidated foreign petroleum segments are consolidated with the consolidated domestic petroleum segments on the same schedule, page 1 of 2. Finally, the consolidated petroleum LOB is consolidated with the other lines of business of the reporting company on Schedule 5110.

Therefore, there are three levels of consolidation for petroleum and other LOB financial statements; eliminations must be developed separately for each level of consolidation.

In establishing segments and determining appropriate eliminations, the second factor to keep in mind is that certain FRS rules for defining what business functions are within each of the defined segments must be observed.

Some examples of where to report eliminations are as follows:

Eliminations reported on Schedule 5110 in column B are only the eliminations arising from transactions between Petroleum, Coal, Nuclear and Non-conventional, Downstream Natural Gas, Electric Power, and Nonenergy (Schedule 5110 columns D through H, respectively). Eliminations arising from transactions within these columns must be reported on the appropriate schedule (i.e., 5210, 5710, 5810).

Within the Petroleum LOB, eliminations arising from transactions between the Domestic Production Segment (column E), the Domestic Refining/ Marketing Segment (column F), and the Domestic Pipeline Segment (column G) must be reported on Schedule 5210 in column D.

Within the Petroleum LOB, eliminations arising from transactions between the Foreign Production Segment (Column J), the Foreign Refining/Marketing segment (column K) and the International Marine segment (Column L) must be reported on Schedule 5210 in Column I.

Within the Petroleum LOB, eliminations arising from transactions between the total Consolidated Domestic operations (column C) and the total Consolidated Foreign operations (column H) must be reported on Schedule 5210 in column B.

Eliminations arising from transactions between the domestic segments within the Downstream Natural Gas LOB must be reported on Schedule 5710 in column D, and eliminations between foreign and domestic are reported in column B.

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Eliminations arising from transactions between segments within the Electric Power LOB must be reported on Schedule 5810, column D for domestic, and eliminations between foreign and domestic are reported in column B.

Eliminations arising from transactions between the Downstream Natural Gas LOB and the Electric Power LOB must be reported on Schedule 5110 in column B.

Eliminations arising from transactions between the Electric Power LOB (column G) and the Non-energy LOB (column H) must be reported on Schedule 5110 in column B.

Eliminations arising from transactions between the Petroleum LOB and the Downstream Natural Gas LOB must be reported on Schedule 5110 in column B.

D. FRS LOB/Segment Allocations and Non-traceable Columns

In disaggregating consolidated financial statements for FRS, most items of revenue and expense can be readily assigned to a particular functional line of business and/or segments. However, there will be some items (such as general corporate items) that may be more difficult to assign to a particular LOB/segment. If, on the basis of operating realities, these items cannot be assigned, they should be reported as non-traceable. It is the function of an item and not its geographic location that determines how it should be reported (i.e., within an FRS LOB/segment or as non-traceable). That is, some expenses occurring at the corporate office location may in fact be assignable to a particular FRS LOB/segment and therefore should be assigned appropriately.

E. One-Line Consolidations

In the absence of a specific FRS staff interpretation to the contrary (companies have been individually notified of these exceptions), "one-line" consolidations of equity in affiliate earnings should be reflected in FRS submissions in the same way they are reflected in the reporting company's published financial statements. For example, if such equity in earnings is reflected as a reduction in cost of raw materials acquired, then it should be reflected as such in the FRS income statements and in any supporting schedules.

A detailed description of the method(s) of accounting for such affiliates must be provided as a part of

Exhibit A. This description of accounting method(s) must identify the specific account(s) and amounts in both the consolidated and segment financial statements that are reflected by the "one-line" consolidation and the dollar amounts involved.

F. Income Tax Expense

Schedule 5112 – Analysis of Income Taxes

Schedule 5112 includes a complete analysis of income taxes at the corporate level, not by functional line of business or segments within an LOB. The amount reported on line 19, column A (Income Tax Expense) is equal to the amount reported on schedule 5110, line 16. This income tax expense is also required for each LOB and each segment within an LOB. A separate schedule should be completed in order to determine these amounts.

LOB/Segment Income Tax Expense Assignment

Income tax expense is a very significant item of corporate expense and is determined to a great degree by the operations of particular LOB/segment. That is, items such as operating profits and losses, investment tax credits, and foreign tax credits can each be identified with individual LOBs/segments. It is an objective of FRS to show the tax impacts of such items within each LOB/segment. Each segment reporting an operating profit or loss must also report an income tax expense or benefit.

Therefore, the basic principle underlying the determination of income tax expense for individual FRS LOBs/segments is that each and every component of consolidated income tax expense must either be identified with and allocated to a particular LOB/segment or be classified as non-traceable. The objective is to achieve an income tax expense for each individual LOB/segment that reflects the benefits accruing to the consolidated entity in the LOB/segment where the benefits are generated.

In general, the following steps will be necessary to determine income tax expense for each LOB/segment:

Classify the permanent differences according to the LOB/segment in which they originate. For tax calculation purposes, the non-traceable classifications are considered a unique LOB/segment and should be assigned amounts that cannot be associated with the operating LOB/segments.

Ascertain taxable income for each LOB/segment.

Allocate a pro-rata portion of consolidated U.S. income tax expense before credits to each LOB/segment on the basis of the ratio that a particular LOB/segment's taxable income bears to the consolidated entity's taxable income. If a LOB/segment's taxable income is negative and the consolidated entity has a positive tax expense, the LOB/segment must reflect a negative tax expense.

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Apply the tax credits that are utilized by the consolidated entity against the tax expense of the LOB/segments where they are generated. Tax credits generated that cannot be utilized by the consolidated entity due to limitations are carried forward. If and when recognized by the consolidated entity, they must be reflected as a tax benefit in the LOB/segment where they were originally generated.

As part of Exhibit B, provide a reconciliation to the statutory rate for each domestic LOB/segment where the effective tax rate is more than 5 percentage points different from the statutory (U.S.) rate.

Below are listed some additional principles which apply to the allocation of tax expense to the LOB/segments:

None of the tax expense allocation principles are intended to affect consolidated income tax expense. If, however, there appears to be some conflict caused by these principles, include a note explaining the

conflict as part of Exhibit F and/or contact the FRS staff to discuss the matter.

Foreign income tax expense will usually be attributable to a subsidiary that is in a single FRS LOB/segment. If not, an allocation will have to be made based on the applicable taxable income of the subsidiary split on a LOB/segment basis.

If unusual circumstances occur which would generate LOB/segment income tax results that are unreasonable, contact the FRS staff to discuss the matter.

The Corporate Alternative Minimum Tax (AMT) amount should not be allocated. Net alternative minimum tax (AMT less the effect of AMT on deferred taxes) normally should be \$0. However, if this computation results in a value other than \$0, this amount should be reported in the nontraceable ssegment.

The following example illustrates FRS treatment of LOB/segment income tax expense.

Tax Allocation Example

Year # 1:	Consolidated (a)	Nontraceable(b)	Petroleum(c)	Coal(d)
Pre-tax income (loss).....	80.0	(20.0)	200.0	(100.0)
Income tax expense:				
Before tax credit	40.0	(10.0)	100.0	(50.0)
Tax credit recognized	20.0	-.	6.6	13.4
Net income tax expense	20.0	(10.0)	93.4	(63.4)
Net income (loss)	60.0	(10.0)	106.6	(36.6)
Tax credit:				
Generated	30.0	-.	10.0	20.0
Recognized	20.0	-.	6.6	13.4
Carried forward	10.0	-.	3.4	6.6
Year # 2:				
Pre-tax income (loss)	180.0	(20.0)	250.0	(50.0)
Income tax expense:				
Before tax credit	90.0	(10.0)	125.0	(25.0)
Tax credit recognized	45.0	2.7	27.4	14.9
Net income tax expense	45.0	(12.7)	97.6	(39.9)
Net income (loss)	135.0	(7.3)	152.4	(10.1)
Tax credit:				
Generated	40.0	3.0	27.0	10.0
Used this year	35.0	2.7	24.0	8.3
Carried forward to next year	5.0	0.3	3.0	1.7
Carried forward from previous year	10.0	-.	3.4	6.6

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Utilized this year*	10.0	-.	3.4	6.6
Carried forward to next year	-.	-.	-.	-.

*Amounts of tax credit recognized this year, which are carried forward from a previous year, are recognized pro-rata based on amounts originally generated.

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G. Petroleum Line of Business

The Petroleum Line of Business includes the exploration, development, and production of raw materials; refining and marketing of raw materials and refined products, and the transportation of these products.

Segments

To ensure the collection of comparable data for the FRS, standardized petroleum segments are established with rules to govern inter-segment transactions. This is necessary because of the diversity in the ways companies organize their raw material and refined product supply and distribution functions.

The segments established in FRS to reflect petroleum operations are:

Domestic:

Domestic Production Segment
Domestic Refining/Marketing Segment
Pipelines Segment

Foreign:

Foreign Production Segment
Foreign Refining/Marketing Segment
International Marine Segment

The production segments include exploration, development, and production operations up to and including the lease tank but excluding the natural gas processing plants as these are reported in the Downstream Natural Gas line of business. Thereafter, begin the refining/ marketing segments, in that transportation operations, except pipelines (interstate and intrastate) and international marine, are classified by FRS as refining/marketing. Pipelines include crude oil and refined product pipelines. Natural gas pipelines and natural gas liquids pipelines are reported in the downstream natural gas line of business.

Starting in the 2009 reporting year, nonconventional oil (oil sands) should be reported in the Production Segment, consistent with the Securities and Exchange Commission's Modernization of Oil and Gas Reporting; Final Rule of January 14, 2009.

The refining/marketing segments (foreign and domestic) each contain a supply and distribution function, and handle all the buying, selling, trading and refining done in their respective domestic and

foreign areas. Therefore reporting companies having foreign operations in the foreign sector must report an FRS foreign refining/marketing segment--but there is an exception.

The exception to this rule occurs when all of the following three conditions are present:

there are no foreign refining operations;
all foreign purchases of raw materials and refined products are for domestic import; and
all foreign equity production of the company is for domestic import.

In such cases a foreign refining/marketing segment need not be established for FRS. However, Schedule 5245 must be completed in any case.

General Rules

The segments within the Petroleum line of business are separate profit centers and buy and sell products and services according to FRS definition.

Raw materials are classified as crude oil, natural gas liquids, natural gas, and other petroleum raw materials. See Glossary for detailed definitions.

Refined products are classified as motor gasoline, distillate fuels, and other refined products. See Glossary for detailed definitions.

Transfers (i.e., sales) of raw materials and refined products between segments are valued at arms-length market prices or, if there are no comparable arms-length transactions, at field posted prices. However, if any third-party sales of particular raw material streams are made at prices below posted prices, then the lower prices should be used.

Supply, trading, and transportation (as noted above) operations are downstream activities, i.e., they are included within the Domestic Refining/Marketing segment and the Foreign Refining/Marketing Segment.

Transportation expenses are incurred by the purchasing segment. For example, the Domestic Refining/Marketing Segment must value the raw material or refined product it acquires from the Foreign Refining/Marketing Segment at its f.o.b. shipping point cost and report this amount as a part of purchases on Schedule 5212.

An export sale from the U.S. is a sale shipped f.o.b. destination to a foreign location, i.e., if a sale is made f.o.b. destination to a domestic location, it is a domestic sale even though the goods may ultimately be shipped overseas by the purchaser.

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A domestic purchase is a purchase made from domestic sources, even though the purchased goods may be of foreign origin; the point of purchase and not the source of production is the determining factor.

Following is a table to use in determining whether a particular line of business or business segment can purchase from or sell raw materials or refined products to another part of the consolidated company or to a third party:

Rules for Raw Materials and Refined Products Purchases and Sales						
		Purchases By:				
Commodity	Sales By:	Production	Rfng/ Mrktng	DNG	Other Consol	3rd Party
Crude Oil	Production		Y	N	N	N
Natural Gas			FOU	Y	N	N
LNG			N	N	N	N
NGLs			FOU	Y	N	N
Refined Products			N	N	N	N
Crude Oil	Refining/ Marketing	FOU		FOU	FOU	Y
Natural Gas		N		N	N	N
LNG		N		N	N	N
NGLs		N		N	N	N
Refined Products		FOU		FOU	FOU	Y
Crude Oil	Downstream Natural Gas	N	N		N	N
Natural Gas		FOU	FOU		FOU	Y
LNG		FOU	FOU		FOU	Y
NGLs		FOU	FOU		FOU	Y
Refined Products		N	N		N	N
Crude Oil	Other Consolidated	N	N	N		N
Natural Gas		N	N	N		N
LNG		N	N	N		N
NGLs		N	N	N		N
Refined Products		N	N	N		N
Crude Oil	Third Party	N	Y	N	N	
Natural Gas		N	N	Y	N	
LNG		N	N	Y	N	
NGLs		N	N	Y	N	
Refined Products		N	Y	N	N	

FOU = For own use.

Production Segment Rules

The production segment includes exploration, development, and production operations up to and including the lease tank but excluding the natural gas processing plants as these are reported in the Downstream Natural Gas line of business.

The domestic and foreign production segments produce crude oil, natural gas liquids, natural gas, and other raw materials. Total production is reported on Schedule 5246, with crude oil and natural gas liquid combined on Line 06.00 and natural gas on Line 17.00.

All domestic crude oil production (except for own production used for production purposes) must be sold by the Domestic Production Segment to the Domestic Refining/Marketing Segment of the Petroleum Line of Business; the Domestic Production Segment cannot sell crude oil to third parties.

All natural gas and natural gas liquids production must be sold to the processing, marketing/trading, or distribution segment of the Natural gas line of business. Any natural gas or natural gas liquids which will be used by the company in refining operations must be sold from the production segment to the refining/marketing segment of the petroleum line of business. This is the only time in which the refining/marketing segment is allowed to purchase natural gas and natural gas liquids from the production segment.

Refining/Marketing Segment Rules

The refining/marketing segments (foreign and domestic) each contain a supply and distribution function, and handle all the buying, selling, trading and refining done in their respective domestic and foreign areas. Therefore reporting companies having foreign operations in the foreign sector must report an FRS foreign refining/marketing segment--but there is an exception.

The exception to this rule occurs when all of the following three conditions are present:

There are no foreign refining operations;
All foreign purchases of raw materials and refined products are for domestic import; and
All foreign equity production of the company is for domestic import.

In such cases a foreign refining/marketing segment need not be established for FRS. However, Schedule 5245 must be completed in any case.

The refining/marketing segments, include transportation operations, except pipelines (interstate and intrastate) and international marine. Pipelines include crude oil and refined product pipelines. Natural gas pipelines and natural gas liquids pipelines are reported in the downstream natural gas line of business.

All domestic crude oil and refined product--purchases from third parties and unconsolidated affiliates must be made by the Domestic Refining/Marketing Segment of the Petroleum Line of Business. The Domestic Refining/Marketing Segment cannot purchase natural gas or natural gas liquids from third parties.

With the exception (noted above) of companies: (a) having no foreign refining, (b) importing all foreign purchases, and (c) importing domestically all foreign equity production, the following rules must be observed:

All foreign crude oil production (except for own production used for production purposes) must be sold by the Foreign

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Production Segment to the Foreign Refining/Marketing Segment of the Petroleum Line of Business; and the Foreign Production Segment cannot sell crude oil to third parties.

All foreign crude oil and refined product purchases from third parties and unconsolidated affiliates must be made by the Foreign Refining/Marketing Segment of the Petroleum Line of Business. The Foreign Refining/Marketing Segment cannot purchase natural gas or natural gas liquids from third parties.

All domestic source crude oil and refined products to be sold abroad must first be reported as a sale from the Domestic Refining/Marketing Segment to the Foreign Refining/Marketing Segment, and then as a sale by the Foreign Refining/Marketing Segment to the actual foreign purchaser.

All foreign source crude oil and refined products to be sold in the U.S. must first be reported as a sale from the Foreign Refining/Marketing Segment to the Domestic Refining/Marketing Segment, and then as a sale by the Domestic Refining/Marketing Segment to the actual domestic purchasers.

Natural Gas and Natural Gas Liquids Rules

See section I, Downstream Natural Gas operations.

Pipeline Segment Rules

FRS establishes a pipeline segment. The pipelines included in this segment are all crude oil and refined product pipeline operations (interstate and intrastate), which are included in the reporting company's consolidated financial statements. Natural gas and natural gas liquids pipelines are part of the downstream natural gas line of business. The Pipeline segment is a transport service only and never takes possession of the petroleum product(s).

Equity Affiliate Reporting Requirements

Those companies that publicly disclose Financial Accounting Standard (FAS) 69 supplementary oil and gas information for the *total* of their equity investments' upstream expenditures, drilling activities, reserves, and production, are required to report this information on a subset of Form EIA-28 by the geographical regions of Schedules 5211, 5241, and 5246. The survey form instructions for the equity affiliate schedules are the same as contained herein.

H. Other Energy LOB Operations

The other energy line of business includes coal, nuclear, and other (geothermal, solar, biomass energy conversion, other energy activities not reported elsewhere).

Coal Operations

Report consolidating results of domestic and foreign coal operations as recorded in the company's certified financial statements. Refer to the Glossary for definition of activities considered as domestic or foreign.

Some companies have Coal mining operations, whose principal activity is the production of coal for commercial sales to unconsolidated affiliates and unaffiliated third parties. Other companies have Coal mines that are integrated into their other operations (e.g., electric generation and steel manufacturing); the coal produced is used principally to support and fuel these other operations. For FRS, coal operations are profit centers (one domestic and one foreign) and must be reported in the coal, nuclear, and non-conventional line of business and on Schedule 5341. "Sales" of coal to a company's own steel segment, for example, must be priced at an estimated market price.

Operating Revenues. Report all operating revenues of the Coal segment on schedule 5110. The amount reported must not be reported net of items such as royalties, Federal levies for reclamation and black lung, and severance taxes. Provide as part of Exhibit F a reconciliation of any differences between the amount reported here and the amount reported in the company's certified financial statements.

Include the value of coal purchased and resold (brokerage sales). Do not include the value of coal production used during the production process. Do include the value of coal sales netted against capitalized development expenditures. Report as other operating revenues items such as cash royalties, rentals, delay rentals, and fees from contract mining and processing.

General Operating Expenses. Report expenses incurred during the production and processing stage. Include all royalties and other payments out of production.

Do not include the amortization of prior period production and processing costs. The amortization of these items must be reported as DD&A on Schedule 5110, line 03.00.

Production expenses include labor, extensions of mining facilities and equipment, maintenance and repairs, operating supplies, expenditures for tracks, conveyors, electric cables, drainage, ventilation shafts, and access roads, if expensed.

Include the cost of coal produced by others for own account and the expenses incurred to produce and process coal for the account of others.

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Include all expenses associated with the preparation and processing of coal. Include costs incurred to crush, sort, clean, or otherwise process coal to the point of shipment.

Report the cost of coal purchased for resale from domestic and foreign sources.

Report all other general operating expenses not included above. Include: selling expense (e.g., the general operating expenses of consolidated sales subsidiaries); long distance transportation expenses incurred for delivering coal f.o.b. destination if such expenses are recognized by the company; carrying costs of undeveloped properties; exploration and development; reclamation expenses; black lung benefits; severance and other taxes.

Refer to the instructions for Schedule 5110 for definitions applicable to the remaining lines.

Nuclear Energy Operations

Report income statement information on the company's domestic and foreign operations in the following industries on schedule 5110:

The FRS reporting convention for nuclear fuel operations within other energy covers the following nuclear fuel cycle activities:

- Uranium exploration and development
- Uranium mining
- Milling
- Conversion
- Enrichment
- Fabrication
- Reprocessing
- Spent fuel storage

Refer to glossary for specific terms.

Refer to the Glossary for definition of activities considered as domestic or foreign.

Operating Revenues. Report the revenues from the nuclear fuel products and services as indicated below.

Report the revenues of nuclear fuel products sales according to the following categories.

Include sales to domestic and foreign unconsolidated affiliates and unaffiliated third parties.

Nuclear fuel products transferred by the Domestic Nuclear Fuel Segment to other domestic and foreign

segments of the reporting company must be valued at market prices.

Report sales of uranium ore, including uranium from solution (in situ) mining.

Report all other nuclear sales. Include sales of all other uranium-bearing materials such as mill tailings.

Include the service fees of nuclear fuel services sold. Include nuclear fuel services sold to domestic and foreign unconsolidated affiliates and unaffiliated third parties. Nuclear fuel services provided by the Domestic Nuclear Fuel Segment to other domestic and foreign segments of the reporting company must be valued at market prices.

Include sales of mining services, including solution (in situ) mining; milling services, including conventional milling of ore to produce U_3O_8 concentrate, leaching of mill tailings, and U_3O_8 recovery from other uranium-bearing materials; conversion services; enrichment services (e.g., service fees earned operating enrichment facilities for the U.S. Government); fabrication services; reprocessing services; spent fuel storage services; and all other sales of services associated with the nuclear fuel cycle.

General Operating Expense. Report the expenses incurred for exploratory drilling and other costs of exploration.

Include expenses incurred for drilling in search of new mineral deposits or extensions to known ore deposits and for drilling at the location of a discovery up to the time that the company decides that sufficient ore reserves are present to justify commercial exploitation.

Include direct drilling expenses and all expenses incident to exploratory drilling such as drill roads, site preparation, geological and other technical support, and sampling and drill hole logging.

Do not include capitalized exploratory or development drilling expenditures.

Report the expenses incurred to mine uranium ore.

Report the production expenses for open-pit mining, underground mining, and (in-situ) mining.

Include expenses for labor, extensions of mining facilities and equipment, backfilling excavated areas, maintenance and repairs, operating supplies, expenditures for tracks, conveyors, electric cables, drainage, ventilation shafts, and access roads (if expensed), and royalties and other payments out of production.

Include expenses for hauling uranium ore to the mill.

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Include the cost of uranium ore mined by others for own account and the expenses incurred to mine uranium ore for the account of others.

Include in production expenses the expenses incurred to process and treat uranium-bearing materials to produce U₃O₈.

Include the expenses associated with the production of U₃O₈ concentrate from conventional milling, leaching of mill tailings, and U₃O₈ recovery from phosphoric acid, copper dumps, and other uranium-bearing materials.

Include expenses for labor and materials; weighing, sampling and assaying the uranium-bearing material received; processing of the material for treatment in the plant; treating, extracting, and recovering the uranium; and drying and packaging.

Include the costs of milling done by others for own account and the expenses incurred for toll milling (i.e., milling for the account of others).

Include the costs of nuclear fuel products purchased. Include the costs of products purchased for resale and products purchased for processing. Include purchases of uranium ore, U₃O₈ concentrate, uranium hexafluoride, enriched uranium, nuclear fuel assemblies, and other uranium-bearing materials.

Report all other general operating expenses not included above. Include selling expenses (e.g., the general operating expenses of consolidated sales subsidiaries). Include: long distance transportation expenses incurred for delivering products f.o.b. destination, if recognized by the company; inventory changes; and taxes other than income taxes.

Refer to the instructions for Schedule 5110 for definitions applicable to the remaining lines.

I. Downstream Natural Gas LOB Operations Segments

To ensure the collection of comparable data for the FRS, standardized downstream natural gas segments are established with rules to govern inter-segment transactions. The segments established in FRS to reflect downstream natural gas operations are:

Domestic and Foreign:

Processing Segment
Marketing/Trading Segment
Transmission/Distribution Segment
Other (LNG, GTL)

Note that on Schedules 5710 through 5712, foreign operations are reported on a consolidated basis in the Consolidated Foreign segment.

Relationship to Production Segments of the Petroleum Line of Business. All domestic natural gas and natural gas liquids production (except that used for production purposes) must be sold by the Domestic Production Segment of the Petroleum line of business to the segments of the Downstream Natural Gas line of business, unless the products will be used in the company's refining operations. Natural gas liquids and natural gas used by the company in refining operations may be sold by the Domestic Production Segment to the Domestic Refining/Marketing Segment of the Petroleum line of business. Note that the Domestic Refining/Marketing Segment cannot sell natural gas or natural gas liquids and can only purchase natural gas or natural gas liquids used in the refining operations. The Domestic Production segment cannot sell natural gas or natural gas liquids to third parties and unconsolidated affiliates or purchase natural gas or natural gas liquids from third parties and unconsolidated affiliates.

All foreign natural gas and natural gas liquids production (except that used for production purposes) must be sold by the Foreign Production Segment of the Petroleum line of business to the Consolidated Foreign segment of the Downstream Natural Gas line of business, unless the natural gas or natural gas liquids will be used in the foreign refining operations. Natural gas and natural gas liquids used in foreign refining operations must be purchased by the Foreign Refining/Marketing Segment from the Foreign Production Segment. The Foreign Refining/Marketing Segment cannot sell natural gas or natural gas liquids and can only purchase that which is expected to be used in foreign refining operations. The Foreign Production segment cannot sell natural gas or natural gas liquids to third parties and unconsolidated affiliates or purchase natural gas or natural gas liquids from third parties and unconsolidated affiliates.

Companies with domestic natural gas production that would otherwise not report in a domestic segment of the Downstream Natural Gas line of business should report natural gas sales from Schedule 5212 as a sale to the Domestic Marketing/Trading segment of the Downstream Natural Gas line of business.

Companies with foreign natural gas production that would otherwise not report in a foreign segment of the Downstream Natural Gas line of business should report natural gas sales from Schedule 5210 as a sale to the Consolidated Foreign segment of the Downstream Natural Gas line of business.

Processing Segment

Domestic natural gas liquids production operations are included in the Domestic Processing segment of the Downstream Natural Gas line of business. Foreign natural gas liquids production operations are included in the Consolidated Foreign segment of the Downstream Natural Gas line of business. Natural gas liquids transport and storage operations are included in the Processing segment.

If the company's domestic natural gas processing operation is a profit center, then this operation should be included in the Domestic Processing segment of the Downstream Natural Gas line of business. If the company's foreign natural gas processing operation is a profit center, then this operation should be included in the Consolidated Foreign segment of the Downstream Natural Gas line of business.

Marketing/Trading Segment

The Domestic Marketing/Trading segment of the Downstream Natural Gas line of business includes the purchase and resale of natural gas, liquefied natural gas, and natural gas liquids apart from the Domestic Distribution segment. Trading activity is reported only in the Domestic Marketing/Trading segment of the Downstream Natural Gas line of business. Transactions that are settled other than with commodity deliveries are to be reported on a net basis as "Hedging/Derivatives" revenue (Schedule 5710, line 5). Operating revenues for natural gas and natural gas liquids apply only to transactions with physical delivery. Foreign purchase and resale of natural gas, liquefied natural gas, and natural gas liquids are included in the Consolidated Foreign segment of the Downstream Natural Gas line of business. Transactions that are settled other than with commodity deliveries are to be reported on a net basis as "Hedging/Derivatives" revenue (Schedule 5710, line 5). Operating revenues for natural gas and natural gas liquids apply only to transactions with physical delivery.

Transmission/Distribution Segment

The Domestic Transmission segment of the Downstream Natural Gas line of business includes U.S. interstate and intrastate natural gas pipeline transport and associated storage operations. The Domestic Transmission segment cannot buy and sell natural gas. Foreign transmission operations are included in the Consolidated Foreign segment of the Downstream Natural Gas line of business.

The Domestic Distribution segment of the Downstream Natural Gas line of business includes the purchase, resale and delivery of natural gas and natural gas liquids. Unbundled local natural gas delivery services are included in this segment. Foreign natural gas distribution operations are included in the Consolidated Foreign segment of the Downstream Natural Gas line of business.

Other (LNG, GTL)

Domestic liquefied natural gas (LNG) and gas-to-liquids (GTL) operations are included in the Domestic Other segment of the Downstream Natural Gas line of business. Foreign LNG and GTL operations are included in the Consolidated Foreign segment of the Downstream Natural Gas line of business.

Reporting Guidelines for Natural Gas, Liquefied Natural Gas and Natural Gas Liquids

The following FRS reporting guidelines have been established for the downstream natural gas, liquefied natural gas, and natural gas liquids segment operations:

The Domestic Processing segment can buy natural gas and natural gas liquids from consolidated affiliates, unconsolidated affiliates, or third parties. The Domestic Processing segment can sell natural gas and natural gas liquids directly to consolidated affiliates, unconsolidated affiliates, or third parties.

Marketing/Trading operations can buy natural gas, liquefied natural gas, and natural gas liquids from consolidated affiliates, unconsolidated affiliates, and third parties. It can sell natural gas, liquefied natural gas, and natural gas liquids to consolidated affiliates, unconsolidated affiliates, or third parties.

The Transmission portion of the Transmission/Distribution segment never takes ownership of natural gas, liquefied natural gas, or natural gas liquids products. Transmission is purely a delivery and storage segment. Transmission can sell services to consolidated affiliates, to unconsolidated affiliates, or to third parties.

The Distribution portion of the Transmission/Distribution segment can buy natural gas, liquefied natural gas, and natural gas liquids from consolidated affiliates, unconsolidated affiliates, and third parties for resale and distribution. Distribution can only sell natural gas, liquefied natural gas, and natural gas liquids to third parties.

The Other segment can buy natural gas, liquefied natural gas, and natural gas liquids from consolidated affiliates, unconsolidated affiliates, or third parties. The Domestic Processing segment can sell natural gas, liquefied natural gas,

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natural gas liquids, and other products directly to consolidated affiliates, unconsolidated affiliates, or third parties.

All downstream natural gas, liquefied natural gas, and natural gas liquids operating results are reported in the 5700 series of schedules.

Transactions with consolidated affiliates should be reported as intersegment transactions, and transactions with unconsolidated affiliates should be reported as third party transactions.

J. Electric Power LOB Operations Segments

To ensure the collection of comparable data for the FRS, standardized electric power segments are established with rules to govern inter-segment transactions. The segments established in FRS to reflect electric power operations are:

Domestic and Foreign:

Generation Segment
Marketing/Trading Segment
Transmission/Distribution Segment

Note that on Schedules 5810 through 5812, foreign operations are reported on a consolidated basis in the Consolidated Foreign segment.

Generation Segment

The Generation segment of the Electric Power line of business includes electricity generation operations in which rates are regulated by a utility commission through rulemaking and adjudication, and electricity generation operations for which sale prices are market based. All foreign generation is considered to be non-regulated for FRS reporting purposes. In Schedules 5810 through 5812, foreign electricity generation operations are included in the Consolidated Foreign segment of the Electric Power line of business.

Electricity generation and cogeneration facilities that primarily provide electricity to the company's other businesses (e.g., oil and natural gas production, petroleum refining, chemical manufacturing) rather than for sale to third parties, do not need to be reported in the Electric Power line of business.

Marketing/Trading Segment

The Domestic Marketing/Trading segment of the Electric Power line of business includes the purchase and resale of electricity apart from the Domestic Distribution segment. Trading activity is reported only in the Domestic Marketing/Trading segment of the Electric Power line of business. Transactions that are settled other than with electricity deliveries are to be reported on a net basis as "Hedging/Derivatives" revenue (Schedule 5810, line 4). Operating revenues for electricity apply only to transactions with physical delivery. Foreign purchase and resale of electricity are included in the Consolidated Foreign segment of the Electric Power line of business. Foreign transactions that are settled other than with commodity deliveries are to be reported on a net basis as "Hedging/Derivatives" revenue (Schedule 5810, line 4). Foreign operating revenues for electricity apply only to transactions with physical delivery.

Transmission/Distribution Segment

The Domestic Transmission segment of the Electric Power line of business includes electricity transmission operations. The Domestic Transmission segment cannot buy and sell electricity. In Schedules 5810 through 5812, foreign transmission operations are included in the Consolidated Foreign segment of the Electric Power line of business.

The Domestic Distribution segment of the Electric Power line of business includes the purchase, resale and delivery of electricity. Unbundled local electricity delivery services are included in this segment. In Schedules 5810 through 5812, foreign electricity distribution operations are included in the Consolidated Foreign segment of the Electric Power line of business.

Reporting Guidelines for Electric Power

The following FRS reporting conventions have been established for the Electric Power segments:

The Generation segment can purchase fuel from consolidated affiliates, unconsolidated affiliates, or third parties. The Generation segment cannot purchase electric power for resale. The non-regulated part of the Domestic Generation segment can sell electricity (at market prices) to consolidated affiliates, unconsolidated affiliates, or third parties. The regulated part of the Domestic Generation segment can sell electricity (at regulated prices) to consolidated affiliates, unconsolidated affiliates, or third parties. Electricity provided by regulated Generation to its integrated Distribution segment customers should be reported as an intersegment sale using a regulated price. All foreign generation is considered to be non-regulated for FRS reporting purposes.

The Marketing/Trading segment can buy electricity from non-regulated Generation affiliates, from regulated Generation affiliates, from unconsolidated affiliates, or from third parties.

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It can sell electricity to consolidated affiliates, unconsolidated affiliates, or third parties.

The Transmission portion of the Transmission/Distribution segment never takes possession of the Electric Power product. Transmission provides purely a delivery service. Transmission can sell services to consolidated affiliates, to unconsolidated affiliates, or to third parties.

The Distribution portion of the Transmission/Distribution segment can buy electricity from consolidated affiliates, unconsolidated affiliates, and third parties for resale and distribution. Distribution can sell distribution services to consolidated affiliates, unconsolidated affiliates, or third parties.

All electric power-operating results are reported in the 5800 series of schedules.

Transactions with consolidated affiliates should be reported as intersegment transactions, and transactions with unconsolidated affiliates should be reported as third party transactions.

K. Non-energy Operations

Report Income Statement information on the company's operations in the following industries: Non-energy Industries (including chemical, petrochemical, and all industries other than petroleum; coal, nuclear and non-conventional; downstream natural gas; and electric power). This segment also includes products that are manufactured to be used in the Energy business, such as Windmills, Solar Panels, etc.

Refer to the Glossary for definitions of specific terms.

L. Allocating Amounts to Geographic Areas

Within the LOB categories of Petroleum, Other Energy; Downstream Natural Gas, Electric Power, and Non-energy, the FRS requires a breakdown of certain information between domestic and foreign. Domestic and foreign data (e.g., expenditures and asset holdings) are sometimes further broken down geographically:

Domestic: onshore and offshore for Petroleum.

Foreign: Canada, Europe, Former Soviet Union (FSU), Africa, Middle East, Other Eastern Hemisphere (Asian land mass and other), and Other Western Hemisphere.

Refer to the Glossary for specific definitions of these geographic areas.

M. Significance Standards (Materiality)

Significance standards must be established with the ultimate use of the data in mind, but since it is not possible to describe in advance all the possible uses of each FRS data item or all the possible combinations in which they might be used with other data, only general guidelines can be given.

A definition of "material" is contained in Rule 1-02 of Securities and Exchange Commission Regulation S-X (and in Rule 405 under the Securities Act and Rule 12b-2 under the Exchange Act). However, this definition is based on a "prudent man" principle, which is of limited practical help in deciding many questions of materiality for FRS purposes.

A 5-percent significance standard is established for FRS reporting. This standard should be used to test the materiality of any item within its immediate category. The test should be made on both a vertical (line) and horizontal (row) basis.

For example, Schedule 5211 requires separate disclosure of depreciation in support equipment and facilities. Some companies may not now have such a category stated separately. In accordance with FRS significance standards, such depreciation need not be stated separately if less than a 5-percent overstatement or understatement would be caused in the depreciation accounts where this amount would normally be reported.

The 5-percent threshold may seem to be excessively rigid in some cases. In such a case, please consult the FRS staff informally by phone.

N. Operating Statistics and Financial Data

Operating statistics will be used in conjunction with financial data to compare, among other things, effort with results. For this reason:

Unless otherwise stated, only operating statistics from consolidated operations must be reported on Schedules 5241 through 5246, 5341, 5741, and 5841 so that the statistical data parallel the financial data. Selected operating data for unconsolidated affiliates are reported on designated lines in these schedules. Operating statistics for discontinued operations should be included on these schedules.

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O. Corporate Acquisitions and Dispositions

Where the reporting company buys or sells:

In the context of FRS, generally accepted accounting principles used to account for corporate acquisitions and dispositions do not always yield the desired result. If during the year the reporting company has had major transactions, involving exchanges of common shares, please consult the FRS staff before preparing the Form EIA-28.

Where the reporting company is the acquired company:

FRS companies were selected for reporting to the EIA on the basis of the interests in domestic energy reserves and production held by all members of a consolidated group. The highest level of the domestic based consolidated group is the company named to file the Form EIA-28.

Therefore, should a controlling interest (50 percent or more) of an FRS reporting company be acquired by another U.S. based enterprise and consolidated in that enterprise's financial statements, the acquiring enterprise will then be named as an FRS reporting company.

In preparing the Form EIA-28 in the year of acquisition, it will actually appear as though the acquiring company (the new FRS reporter) acquired the old FRS reporter parent. This is necessary to show the process of integration (merger) of the two enterprises, one of which is an FRS reporter in prior years.

We suggest an FRS staff consultation in such a case.

P. Discontinued Operations

Schedules 5110, 5210, 5710, and 5810 include a line to report the net after-tax results of discontinued operations. If all the conditions below are met, the net results of discontinued can be reported on the discontinued operations line of the income statements, and no other financial or operating data pertaining to those operations should be reported on other schedules. If any of the conditions are not met, then all financial and operating data from the discontinued operations should be reported on relevant schedules as if the operations were continuing.

The proved reserves of the discontinued operations (as reported on Schedule 5246) must be less than 10

percent of the total end-of-period reserves for the current reporting period (including the discontinued operations) in each of the FRS regions in which the reserves are located (U.S. Onshore, U.S. Offshore, Canada, Europe, Former Soviet Union, Africa, Middle East, Other Eastern Hemisphere, and Other Western Hemisphere).

Refining capacity of the discontinued operations (as reported on Schedule 5242) must be less than 10 percent of the total refining capacity at the end of the current reporting period (including the discontinued operations) in each of the FRS regions in which the capacity is located (Domestic and Foreign).

For other lines of business, the revenue from the discontinued operations must be less than 10 percent of the total revenue for the current reporting period (including the discontinued operations) for that line of business in each of the FRS regions in which the revenue is generated (Domestic and Foreign).

If the certified financial statement presents the results of discontinued operations on a pre-tax basis, then the amounts reported in the financial statement for gain (loss) on disposals, pre-tax income, and income tax expense (including the amounts reported in Schedule 5112, Analysis of Income Taxes) may need to be adjusted for FRS reporting purposes. Any reconciliation between the amounts reported for FRS and the amounts reported in the certified financial statement should be presented in Exhibit B.

Q. Transactions In-Kind

When payment for goods or services is *received* in-kind, that payment is reported as two transactions and valued at the arms-length market price of the payment. First, the payment is included in the appropriate revenue for the goods or services. For example, if the Domestic Processing segment of the Downstream Natural Gas line of business of the reporting company receives natural gas as a payment in-kind for processing natural gas that it does not own, the arms-length market price of the service is included as revenue in 5710/06/E. Second, the arms-length market price of the payment and the physical quantity of the payment are reported as a purchase on the appropriate schedules. For example, if the Domestic Processing segment of the Downstream Natural Gas line of business receives natural gas as a payment in-kind for processing services, in addition to the revenue reported on Schedule 5710/06/E, the arms-length market price of that payment is reported as natural gas purchased in 5711/01/A and 5710/09/E, and the arms-length market price and the physical quantity of that payment is reported as Third-party purchases on Schedule 5712/03/A&B.

When payment for goods or services is *paid* in-kind, that payment is also reported as two transactions and valued at the arms-length market price of the payment. First, the payment is included in the appropriate cost for the goods or services. For

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example, if the Domestic Refining/Marketing segment of the Petroleum line of business provides petroleum products as a payment in-kind for refining services, the arms-length market price of the service is included as an expense in 5211/11/B and 5210/07/F. Second, the arms-length market price of the payment and the physical quantity of the payment are reported as a sale. In the example of providing petroleum products as payment in-kind, the arms-length market price and physical quantity of the petroleum products are reported as sales on Schedule 5212/05-08/C&D, and the market price included in petroleum product sales on 5210/02/F.

reclassification of the net trading gains or losses if they are **not** reported as operating revenues on the respondent's audited income statement.

R. Reporting Requirements for Energy Trading Contracts

As specified in the instructions for schedules 5210, 5212, 5710, 5712, 5810, and 5812:

Revenues and costs are to be reported gross from raw materials and refined products sales and purchases related to trading activities in which transactions are **physically settled**; that is, ownership of the commodity is taken.

Gains or losses from transactions that are **financially settled** or otherwise not physically settled, should be reported on a net basis on line 5.

Hedging activities related to production of natural gas should be reported in the production segment of the petroleum line of business rather than in the downstream natural gas line of business.

Reporting of the physically settled trading gains and losses net in accordance with FASB EITF Issue no. 02-3 will result in reclassifications being necessary between net amounts reported on the respondent companies' audited statements of income and the gross amounts reported on Schedule 5110 of the EIA-28 survey.

Therefore, an elimination should be reported on Schedule 5110 and on Schedule 5150 to eliminate the gross revenue and expense amounts related to the trading activities and to report the net gains and losses (as reported in the audited financial statements) as a part of operating revenues on column A of Schedule 5110. The elimination should be reported as Petroleum segment sales to the nontraceable segment (5150/01/C).

In addition, it may be necessary as part of the Schedule 5110 reconciliation in Exhibit B to show a

III. Schedule Instructions

Reporting Company Consolidating Statement of Income Schedule 5110 General

Report consolidated results of operations for the period in column A. Reported amounts must agree with the company's certified consolidated income statement except for reclassifications needed to complete the required line items. Itemize these reclassifications on a separate sheet of paper and attach as part of Exhibit B. This itemized reconciliation should provide a detailed explanation of the variance between the amount reported on Schedule 5110 and the amount disclosed in the consolidated income statement.

Report amounts directly assignable (See "FRS Overview" section of the instructions) to Petroleum; Other Energy; Downstream Natural Gas; Electric Power; and Non-energy in columns D through H.

Report amounts not directly assignable (see "FRS Overview" section of the instructions) to Petroleum, Other Energy, Downstream Natural Gas, Electric Power, or Non-energy as Nontraceable in column C. Provide a detailed explanation of amounts classified as Non-traceable on a separate sheet of paper and attach as part of Exhibit D.

Provide a breakdown of column B, reported eliminations, on Schedule 5150. These eliminations reflect the sales and purchases among the lines of business. For example, purchases of natural gas liquid by the downstream natural gas line of business from the production segment of the petroleum line of business should be eliminated by decreasing general operating expenses of the downstream natural gas line of business and decreasing operating revenues of the petroleum line of business.

Amounts reported in column D should equal the amounts reported on schedule 5210, while amounts reported in columns F and G should equal amounts reported on schedules 5710 and 5810, respectively.

DO NOT allocate line items 08.00 and 10.00 through 13.00 to the segments. Report these items only in columns A and C.

Line 01.00--Operating Revenues. Report operating revenues as defined in the glossary. Do not include excise taxes collected on behalf of governments.

Line 02.00--General Operating Expenses. Report general operating expenses. Include selling expenses. Operating expenses should be reported as a positive amount.

General operating expenses include all expenses related to unaffiliated third-party sales, and inter-LOB/segment sales or transfers.

Line 03.00--Depreciation, Depletion, and Amortization (DD&A) Report total DD&A, including DD&A of support equipment and facilities. Asset and lease impairments should be included as DD&A.

Line 04.00--General and Administrative Report general and administrative expenses. DO NOT include selling expenses, which should be reported as a general operating expense on line 02.00 above.

Line 05.00--Total Operating Expenses
Total lines 02.00 through 04.00.

Line 06.00--Operating Income Line 01.00 less line 05.00.

Line 07.00--Earnings of Unconsolidated Affiliates. Report equity in earnings of unconsolidated affiliates recorded during the period. Include equity in earnings of joint venture companies in accordance with the company's normal reporting practices. Include the effect, if any, of adjustments due to impairment of value to investments carried at equity. If the company reports investments and advances to unconsolidated affiliates on Schedule 5120, earnings should be reported on Schedule 5110.

Equity in earnings of unconsolidated affiliates, which operate in more than one FRS LOB, should be reported in the LOB corresponding to the affiliate's primary business activity, unless data from corporate records are available to make an allocation among the applicable FRS LOBs.

Include in line 07.00 the dividend income recognized from unconsolidated affiliates accounted for on the cost basis.

Line 08.00--Other Dividend and Interest Income. Report other dividend income (i.e., portfolio dividends) and interest income for the period. Only include dividends received from marketable securities. DO NOT assign other dividend and interest income to the LOBs in columns D through H.

Line 09.00--Gain(Loss) on Disposition of Property, Plant, and Equipment Report the net gain or loss recognized for the period on disposition of property, plant, and equipment (Overview) and are classified otherwise, no reclassification

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need be made. Miscellaneous charges or credits to DD&A reserve accounts for normal asset retirements need not be adjusted. The gain (loss) on disposal of discontinued operations should be included on line 18.00, but not on line 9.00.

Line 10.00--Interest Expense and Financial Charges Report all interest expense and financial charges, including interest expense for capitalized leases. DO NOT assign interest expenses and financial charges to the LOBs in columns D through H.

Line 11.00--Minority Interest in Income Report minority interest in income of consolidated affiliates in accordance with the company's normal reporting practice. Amounts should be reported net of income taxes. DO NOT assign this item to the LOBs in columns D through H.

Line 12.00--Foreign Currency Transaction Gains (Losses) Report the gain (loss) from currency trading and from transactions with foreign entities as disclosed in certified financial statements. DO NOT assign this item to the LOBs in columns D through H.

Line 13.00--Other Revenue and (Expense) Report all other non-operating income and expenses recognized during the period for certified financial statement reporting purposes and not reflected elsewhere on this schedule. DO NOT assign these incomes and expenses to the LOBs in columns D through H. Amount reported in column C must not include inter-LOB transactions.

If the amount reported on this line exceeds 5 percent of the amount on line 15.00, provide a detailed breakdown of line 13.00. The unexplained amount should be less than 5 percent of line 15.00. Include the detailed breakdown as part of Exhibit B.

Line 14.00--Total (Lines 7.00-13.00)

Line 15.00--Pre-Tax Income Total lines 06.00 and 14.00.

Line 16.00--Income Tax Expense Report total income tax expense in column A as reported in or reconciled to the company's certified financial statements. With respect to columns B through H, allocate tax expenses as described in the "FRS Overview" section of the instructions under "Income Tax Expense." Also, see Schedule 5112, which gathers details about taxes.

Please note that income tax expense is not bracketed, but a negative expense (i.e., credit) is bracketed.

Line 17.00--Income Before Lines 18.00 and 19.00

Line 15.00 minus 16.00.

Line 18.00--Discontinued Operations

Report the sum of income (loss) from discontinued operations, less applicable income taxes, and the gain (loss) on disposal of discontinued operations, less applicable income taxes.

Line 19.00--Extraordinary Items and Cumulative Effects of Accounting Changes Report the sum of extraordinary items and cumulative effects of accounting changes if applicable.

Line 20.00--Net Income Total lines 17.00, 18.00, and 19.00. Net income reported on the EIA-28 should be net income attributable to common stockholders, which is comparable with the definition of net income reported in the past.

Reporting Company Research and Development Funding and Expenditures Schedule 5111

General

Report research and development (R&D) funds and expenditures for the period. See Glossary for definitions. Lines 04.00 and 18.00 are equal.

Source of R&D Funds

Line 01.00--Federal Government Report receipts from the U.S. Federal Government for work done by the company on R&D contracts or subcontracts and R&D portions of procurement contracts and subcontracts.

Line 02.00--Internal Company Report funds provided by the company for research and development performed by deducting non-company sources of R&D funds from total R&D expenditures.

Line 03.00--Other Sources Report receipts of funds from all other sources for R&D work done by the company. Include grants from nonprofit organizations and any other third parties.

Line 04.00--Total Sources Total lines 01.00 through 03.00.
Breakdown of R&D Expenditures

EIA-28 Survey Instructions

Classify total R&D expenditures by type of expenditure on lines 05.00-17.00. Line 18.00 must equal line 04.00.

Analysis of Income Taxes Schedule 5112

General

This schedule is designed principally to provide a disaggregation of consolidated income tax information. The purpose of this disaggregation and the principles to be used in performing the disaggregation are described in the "FRS Overview" section of the instructions under "Income Tax Expense."

Income Taxes (as per Financial Statements)

Lines 01.00 through 19.00

These lines provide details of consolidated income tax expense per the reporting company's financial statements. For each domestic segment reporting pre-tax income on Schedules 5110, 5210, 5710 and 5810, Line 15.00, corresponding income tax expense should be reported on Line 16.00. The current year deferred tax provision reported on Line 18.00 should agree with the deferred tax amount reported on Schedule 5131 Line 05.00. Schedule 5110, 5210, 5710 and 5810, Line 19.00 corresponds to Schedule 5110, column A, line 16.00.

Reconciliation of Accrued U.S. Federal Income Tax Expense to Statutory Rate

Line 20.00--Consolidated Pre-Tax Income (Loss) Enter consolidated pre-tax income or (loss) per Schedule 5110/15/A.

Line 21.00--Foreign Source Income not Subject to U.S. Tax Enter the portion of foreign source income not subject to U.S. Federal income tax. Foreign source income is earned by both U.S. corporations (those incorporated in the U.S.) and by foreign corporations (those incorporated in a foreign country). The earnings of the latter are not subject to U.S. income tax until remitted to the U.S. Therefore, enter on this line income earned by foreign corporations, reduced by earnings remitted to the U.S., and Sub-part F income of foreign corporations included in the consolidation.

Line 22.00--Income Subject to U.S. Tax Line 20.00 less line 21.00.

Line 23.00--U.S. State and Local Income Taxes

Enter U.S. State and local income taxes included in consolidated income tax expense.

Line 24.00--Applicable Foreign Income Taxes Deducted

Enter on this line the amount of foreign income taxes deducted as an expense in arriving at taxable income for the U.S. Federal tax accrual.

Income subject to U.S. tax may also be subject to foreign tax (see line 21.00 above). In computing the amount of U.S. Federal tax due, the taxpayer elected to classify the foreign taxes either as a deduction or a credit. Therefore, the amount reported on this line is the elected deduction taken.

Line 25.00--Pre-Tax Income Subject to U.S. Tax

Enter the net of line 22.00 minus the sum of lines 23.00 and 24.00.

Line 26.00--"Expected" Tax Provision Enter the amount arrived at by multiplying the amount on line 25.00 by the statutory U.S. Federal income tax rate.

Line 27.00--Foreign Tax Credits Recognized Enter the amount of foreign tax credit recognized in arriving at the current year's income tax expense. Normally, foreign tax credits are less than the amount of foreign income taxes reported on Line 11.00.

Line 28.00--U.S. Federal Investment Tax Credit Recognized Enter the amount of U.S. Federal investment tax credits that were recognized in arriving at the current year's Federal income tax expense.

Line 29.00--Statutory Depletion Enter the amount of tax savings recognized due to statutory depletion.

Line 30.00--Effect of Alternative Minimum Tax Enter the increase (decrease) in income tax expense due to the corporate alternative minimum tax. The effect of AMT should approximate the sum of the effect of AMT on current and deferred taxes reported on Lines 03.00 and 15.00.

Line 31.00--Other Enter any other items needed to complete this reconciliation. If the amount on this line exceeds 5 percent of the amount of line 32.00, provide a detailed breakdown of line 31.00 so that the unexplained amount is less than 5 percent of line 32.00. Attach the detailed breakdown on a separate sheet of paper as part of Exhibit B.

EIA-28 Survey Instructions

Line 32.00-Actual U.S. Federal Tax Provision/(Refund) Enter the amount of the U.S. Federal tax provision that will equal the net of lines 01.00, 02.00, and 03.00, plus the net of lines 13.00, 14.00, and 15.00 above. If the company is not subject to income taxes, the expected tax amount should be determined and reported on Line 26.00. This amount should be multiplied by (-1) and reported as other expected reconciling item on Line 31.00, in order to properly reflect a zero amount as the U.S. Federal tax provision on Line 32.00.

Lines 33.00 through 44.00--Domestic Taxes other than Income Taxes These lines are intended to gather the broad spectrum of taxes imposed on reporting companies, classified by line of business. Reasonable estimates are encouraged where company records do not readily produce the required data at the consolidated domestic level. Report only domestic total amounts for lines 38.00 through 41.00. If motor gasoline sales to retailers or resellers are reported on Schedule 5212, excise taxes should be reported on Line 43.00.

Reconciliation to Statutory Rate

For domestic segments where the effective tax rate (e.g., tax expense divided by pre-tax income) is more than 5 percentage points different from the statutory rate, a reconciliation from the statutory rate to the actual rate is required as a part of exhibit B.

Reporting Company Selected Consolidating Balance Sheet Data Schedule 5120

General

On page 1 of this schedule, report the selected consolidated balance sheet data as of the end of the period. Reported amounts must agree with the company's certified consolidated balance sheet, except for reclassifications needed to complete the required line items. Itemize these reclassifications on a separate sheet of paper and attach as part of Exhibit B.

On pages 2 – 5, report amounts directly assignable to the Petroleum; Other Energy (Coal, Nuclear & Non-conventional); Downstream Natural Gas; Electric Power; and Non-energy LOBs .

Report amounts not directly assignable (see "FRS Overview" section of the instructions) to particular LOBs as Non-traceable on line 98.00. Do not allocate costs of assets maintained for general corporate purposes to particular LOBs. Provide a detailed

explanation of amounts classified as Non-traceable on a separate sheet of paper and attach as a part of Exhibit D.

If the amounts on line 18.00 and 19.00 exceed 5 percent of the amount on line 21.00, provide a detailed breakdown of lines 18.00 and 19.00. The unexplained amounts should be less than percent of line 21.00. Include the detailed breakdown as part of Exhibit B.

Memo-Line 26.00, Page 1 of 4

Report on this line the amount of the cumulative foreign currency translation adjustment at year-end. This amount should be equal to the amount reported for foreign currency translation adjustment in the stockholder's equity section of the balance sheet.

Memo-Line 27.00, Page 1 of 4

Report on this line the foreign currency translation adjustment for the current year. This amount should be equal to the difference between this year's cumulative foreign currency translation adjustment and the prior year's cumulative foreign currency translation adjustment.

Pages 2 – 5:

Columns A-G

Report year-end balances and activity during the reporting period as indicated by the column headings. All amounts are based on historical cost. Additions to property, plant and equipment must include all drilling and equipping costs for wells, except for exploratory dry holes (in the case of "successful efforts" companies). Additions to property, plant and equipment should be reported as a positive amount.

Report reclassifications and adjustments in column G so that the year-end net amount, column C will cross foot precisely with the prior year balance. If the amount in column G is more than 5 percent of column C, include a detailed breakdown of column G as part of Exhibit B.

The effect of an acquisition in excess of \$50 million on PP&E and/or investment and advances should be disclosed in Exhibit B. In addition, the effect of a disposal in excess of \$50 million on the book value of disposals should also be disclosed on Schedule 5120.

Book value of disposals should always be reported as a positive amount. It is not possible for Schedule 5120 to capture all transactions related to PP&E. The effect of certain transactions, such as the transfer of PP&E between segments and the reversal of a prior year write-off, should be omitted from Schedule 5120. Include an explanation of these transactions in Exhibit B if they are significant to Schedule 5120.

EIA-28 Survey Instructions

Columns H-J – Investments and Advances to Unconsolidated Affiliates Report investments and advances to unconsolidated affiliates and additions thereto during the period as recorded on the company's financial records.

Investments and advances to unconsolidated affiliates that operate in more than one FRS LOB should be reported in the LOB corresponding to the affiliate's primary business activity, unless data from corporate records are available to make an allocation among the applicable FRS LOBs.

Report reclassifications and adjustments of investments and advances in column J.

Earnings of unconsolidated affiliates should also **not** be included in column H.

If the amount in column J is more than 5 percent of the amount in column H, include a detailed breakdown of column J as part of Exhibit B.

Investments in unconsolidated affiliates reported on Schedule 5120 should have corresponding earnings reported on Schedule 5110, 5210, 5710 or 5810.

If an investment balance in an upstream equity affiliate is reported on Schedule 5120, column G, the supplemental Form EIA-28 for upstream equity affiliates should be completed.

Reporting Company Consolidated Statement of Cash Flows Schedule 5131

General

Report consolidated statement of cash flows (line 01.00 through 27.00) for the reporting company. Amounts must agree with certified financial statement reporting, except for reclassifications needed to complete the required line items. Itemize these reclassifications on a separate sheet of paper attached as part of Exhibit B. For example, cash flows from operations in FRS entails adding dry hole expense back to net income, which may be at variance with a reporting company's public reporting practice. In such a case a reconciling item will be necessary in comparing the FRS to the published financial statement in Exhibit B.

Note that certain line items are cross referenced to Schedules 5110, 5112, and 5120 and that additions to

PP&E on Schedules 5120 and 5131 exclude exploratory dry hole expense (for "successful efforts" companies).

Schedule 5131 has been designed to conform generally to Financial Accounting Standard (FAS) 95 utilizing the indirect method to report cash flows from operations. However, Schedule 5131 differs from FAS 95 in reporting mergers and acquisitions. Also described below is the reporting of dry hole expense.

Line 10.00-Other Cash Items, Net

Report all other cash items recognized during this period for certified financial statement reporting purposes and not reflected elsewhere on this schedule. If the amount on this line exceeds 5 percent of the amount on line 11.00, provide a detailed breakdown of line 10.00. The unexplained amount should be less than 5 percent of line 11.00. Include the detailed breakdown as part of Exhibit B.

Line 12.00-Additions to PP&E Due to Mergers and Acquisitions Addition to PP&E due to mergers and acquisitions should be reported as a negative amount.

Additions to PP&E as a result of a contribution of PP&E by a parent or other affiliate should be reported as an addition due to mergers and acquisitions with an offsetting amount reported as other investing activities on Line 17.00. The effect on PP&E as a result of the contribution of PP&E by a parent or other affiliate should be disclosed and allocated to the various segments on Schedule 5120.

Line 17.00-Other Investment Activities, Net

Report the cash effect of all other investment activities recognized during the period for certified financial statement reporting purposes and not reflected elsewhere on this schedule. If the amount on this line exceeds 5 percent of the amount on line 18.00, provide a detailed breakdown of line 17.00. The unexplained amount should be less than 5 percent of line 18.00. Include the detailed breakdown as part of Exhibit B.

Line 20.00-Proceeds from Equity Security Offerings

Report proceeds from equity security offerings, capital contributions including proceeds from notes contributed by owners, and any other cash received from owners for ownership interests.

Line 22.00-Purchase of Treasury Stock

Report gross treasury stock purchased. Do not net against any issuances of treasury stock.

Line 24.00-Other Financing Activities, Including Net Change in Short-Term Debt Report the cash effect of all other financing activities recognized during the period for certified financial statement reporting purposes and not reflected elsewhere on this schedule. The unexplained amount should be less than 5 percent of line 25.00. Include the detailed breakdown as part of Exhibit B.

EIA-28 Survey Instructions

Mergers and Acquisitions

Within the framework of FAS 95, only the cash effects of an acquisition on cash flows from investing activities need to be recognized. However, statistical considerations and the mandated objectives of the FRS require that all components of an acquisition be included in Schedule 5131. Consequently, the additions to property, plant, and equipment (consistent with Schedule 5120 of Form EIA-28), incurrence of debt and/or assumption of debt, working capital affects, equity security issues, and any other effects associated with an acquisition or merger should be included on the appropriate lines of Schedule 5131. The inclusion of these data should not affect the net change in cash and cash equivalents reported on line 27.00 which should be equal to the value of this item reported in the certified financial statement.

In order to accurately report the effect of mergers and acquisitions on investment patterns, the allocation of the amount reported on line 12.00 of Schedule 5131 (Cash Flows from Investing Activities: Due to Mergers and Acquisitions) to the LOBs of Schedule 5120, column D, should be disclosed in Exhibit B.

Dry Hole Expense

For "successful efforts" companies, the expense of exploratory dry holes (worldwide) completed in the reporting year, consistent with drilling and equipping expenditures reported in Schedule 5211, should be reported on line 04.00 of Schedule 5131. The difference between dry hole expense recognized in the certified financial statement and the amount reported on line 04.00 should be included in the amount reported on line 09.00. The amount reported for dry hole expense should be less than the amount reported as exploration expenditures on Schedule 5211, Line 26.00.

Reserve Swaps

Reserve swaps with a value in excess of \$50 million should be reported as a disposal on Line 28.00 and as an acquisition on Line 29.00. The details of the reserve swap must be included in Exhibit B.

Memo-Line 28.00

Report on this line the amount of funds (cash or other) generated from the disposal of properties or subsidiaries in transactions/valued in excess of \$50 million. Disposals of properties or subsidiaries reported on Line 28 should represent single transactions valued in excess of \$50 million. Collective groups of transactions which in total exceed \$50 million should not be included on Line 28. These transactions should be valued at the

amount of cash or other consideration generated from the disposal not at the effect on book value of disposals.

For each disposal transaction in excess of \$50 million, the following items must be disclosed in Exhibit B:

Name of the entity sold.

Acquiring entity.

Date of the transaction.

Value of the transaction (cash and other consideration received).

The effect of the transaction on the book value of the disposals reported in column F by segment of Schedule 5120.

Memo-Line 29.00

Report on this line the amount of funds (cash and other) utilized in purchases of existing assets (e.g., plant and equipment, proved reserves) in transactions valued in excess of \$50 million. Acquisitions of existing assets, such as plant and equipment and proved reserves, reported on Line 29 should represent single purchases valued in excess of \$50 million only. Collective groups of transactions which in total exceed \$50 million should not be included on Line 29. These transactions should be valued at the amount of cash and other consideration paid rather than at the effect on PP&E and/or investments and advances.

For each acquisition transaction in excess of \$50 million, the following items must be disclosed in Exhibit B:

Name of asset acquired.

Disposing entity.

Date of transaction.

Value of the transaction (cash and other consideration paid).

The effect of the transaction on PP&E and/or investment and advances by the segments of Schedule 5120.

Note for Lines 28.00 and 29.00:

For the purposes of Exhibit B, value of transaction includes cash received or utilized as well as other consideration, such as debt assumed by purchaser or equity securities transferred by seller. Transactions in which cash received or utilized is less than \$50 million should be reported in Exhibit B if the value of the transaction, cash and other consideration, is in excess of \$50 million.

Following is an example to use to assist in how to report transactions in lines 28 and 29:

Example Reporting Company A acquires all of the outstanding common stock (2 million shares) of Acquired Company B, a wholly owned subsidiary of Reporting Company C, in a purchase transaction dated September 30, 2006. In consideration for the common stock received Company A pays \$30 million in cash, issues 1 million shares of common stock with a fair market value of \$25 per share and assumes debt of Reporting Company C of \$10 million. Reporting Company C reports book value of PP&E at the date of the transaction of \$28 million for proved properties and \$7 million for refining/marketing segment PPE.

Following is an example of the appropriate information to include in Reporting Company A's Form EIA-28 – Exhibit B.

EIA-28 Survey Instructions

Asset acquired: Acquired Company B
Counterparty: Reporting Company C
Date of transaction: September 30, 2006
Value of transaction: \$65 million (\$30 million cash plus \$25 million stock issued plus \$10 million debt assumed)
Effect of transaction: Dom Prod - \$35 million on PPE and/or invest-Dom r/m - \$10 million
ments and advances by segment, of Schedule 5120

Following is an example of the appropriate information to include in Reporting Company C's Form EIA-28 – Exhibit B.

Asset disposed: Acquired Company B
Counterparty: Reporting Company A
Date of transaction: September 30, 2006
Value of transaction: \$65 million (\$30 million cash plus \$25 million stock received plus \$10 million debt assumed by acquiror)
Effect of transaction: Dom Prod - \$28 million on book value of dis-Dom r/m - \$7 million
posals reported in column F of Schedule 5120

Reporting Company Eliminations in Consolidation Schedule 5150

General

This schedule summarizes the eliminations required for the 5110 income statement, which is the schedule that contains numerous inter-LOB eliminations. Report only elimination amounts on this schedule.

Compiling the correct eliminations required to consolidate the FRS LOBs requires an understanding of the FRS LOB definitions and the rules governing inter-LOB transactions. For background on this see the Chapter II, "FRS Overview," sections B, C, G, H, I and J.

The hatched out areas are provided to indicate inter-LOB transactions which are not permitted under the FRS rules or which would not conceptually be possible in any case.

Columns A through G represent inter-LOB sales, while lines 01.00 through 07.00 represent the inter-LOB purchases. An example of an elimination that should be reported on Schedule 5150 is the sale of natural gas from the production segment of the domestic or foreign petroleum line of business to the downstream natural gas line of business. This sale would be eliminated on Line 04.00 in column C.

Line 7, column A

The amount reported on line 07.00, column A will be the Operating Revenue and Operating Expense elimination required on Schedule 5110, column B.

Domestic and Foreign Petroleum Segments Consolidating Statement of Income Schedule 5210

General

Report the consolidating results of operations assignable to domestic and foreign petroleum segments.

Refer to the Glossary for definitions of activities considered as domestic or foreign.

Refer to the Glossary for definitions of raw materials (i.e., crude oil, natural gas, natural gas liquids, and other petroleum raw materials) and refined products (i.e., motor gasoline, distillate fuels, residual fuels, and other refined products).

In general, revenues and expenses should be associated with costs incurred within a segment, but refer to Chapter II, "FRS Overview," of the instructions for more detailed explanations of the FRS segments.

Columns E and J -- Production

Report as raw materials revenues (1) the value of production transferred to the Refining/Marketing Segment and (2) the sales of natural gas and plant products to the consolidated affiliate downstream natural gas segments, to unconsolidated affiliates or to third parties. . Do not include the value of production used for production purposes, e.g., re-injected gas and crude burned on the lease.

Column G -- Pipelines

Classify operations in this segment only if they are associated with rate-regulated (interstate and intrastate) crude oil and refined product pipeline operations. Natural gas and natural gas liquids pipelines are part of the downstream natural gas line of business.

Column L -- International Marine

Classify operations in this segment that are associated with high seas transportation activities serving a foreign port (i.e., exclude Jones Act shipping).

EIA-28 Survey Instructions

Include revenues and expenses for voyages by company-owned, leased, or chartered vessels carrying cargo for others as well as for the company's own use.

Do not include foreign transportation charges paid to third parties for shipments or deliveries of the reporting company's own goods. These costs should be reported in the Refining/Marketing Segment (column K).

Operating Revenues

Report all operating revenues included on Schedule 5110 (line 01.00, column D) in the categories indicated on lines 01.00 through 06.00 (domestic and foreign) as follows:

Lines 01.00 & 02.00--Raw Materials Sales & Refined Products Sales

Report the value of the sale or inter-segment transfer of raw materials and refined products by the domestic and foreign segments. Include the company's royalty interest in other's production. Domestic Production and Refining/Marketing Segment sales of raw materials and refined products must agree with Schedule 5212, column D, lines 04 and 08 (Refining/Marketing), and 11 (Production).

Note: Revenues and costs are to be reported gross from raw materials and refined products sales and purchases related to trading activities in which transactions are **physically settled**; that is, physical possession as well as ownership is taken by the respondent or tendered by the respondent to the buyer.

Gains or losses from transactions that are **financially settled** or otherwise not physically settled, should be reported on a net basis on line 3.50.

Hedging activities related to production of natural gas should be reported in the production segment (5210, column E) of the petroleum line of business.

Refer to the FRS Overview chapter of the Instructions, section R. Reporting Requirements for Energy Trading Contracts, for a further discussion of trading gains and losses.

Line 03.00—Transportation Revenues

Report all revenues derived from Pipeline Segment operations in column G.

Report all revenues derived from International Marine Segment operations in column L.

Report all other transportation revenues under the appropriate column heading.

Line 03.50—Hedging/Derivatives

Report all gains and losses, on a net basis, associated with derivative accounting/hedging contracts that are financially settled or otherwise not physically settled. Hedging activities related to natural gas production should be reported in column E, not on Schedule 5710.

Line 04.00--Management and Processing Fees

Report all management and processing fee revenues, domestic and foreign. Include amounts paid to the consolidated reporting company for processing crude oil or other raw materials for the accounts of third parties. Management fees include only those fees for operating oil and gas facilities for host country governments or their agencies. These fees need not be reported here, if it is the company's practice in their public financial statements to net such fees against costs of operations.

Line 05.00--Other

Report all other domestic and foreign operating revenues not included on lines 01.00 through 04.00. Include all revenues derived from tire, battery, and accessory (TBA), anti-freeze, undercoating, groceries, beverages, and other sales from Marketing.

Line 06.00--Total Operating Revenues

Total lines 01.00 through 05.00. Elimination amounts reported on line 06.00, column D (domestic) and I (foreign) should equal the amounts reported on schedule 5250, line 04.00, column A (domestic) and line 08.00, column E (foreign).

Line 07.00 through 20.00

Refer to the instructions for Schedule 5110 for definitions applicable to these lines on Schedule 5210. Amounts reported in column A must agree with amounts reported in column D on Schedule 5110.

Line 07.00, column D (domestic) and column I (foreign) Should equal the amounts reported on schedule 5250, line 04.00, column A (domestic) and line 08.00, column E (foreign). In addition, details of line 07.00 operating expenses are reported on schedule 5211, pages 1 – 4.

Eliminations

Eliminations reported in Column I represent transactions among the foreign petroleum segments. Column D represents transactions among the domestic petroleum segments. Transactions between the domestic and foreign petroleum segments are reported in Column B.

Domestic and Foreign Petroleum Segments Refining/Marketing Operations and Production Operations Expenditure and Operating Expense Detail Schedule 5211

General

This schedule contains general operating expense details for domestic and foreign refining/marketing operations (lines 01.00-18.00, Page 1 of 4) and expenditure details as well as general operating expense totals for domestic (onshore and offshore) exploration and production operations (lines 19.00-45.00, pages 2 & 3 of 4) and foreign (by geographic region, page 4 of 4).

Domestic and Foreign Refining/Marketing Segment (Page 1 of 4)

This schedule breaks total Domestic and Foreign Refining/Marketing Segment expenses into three parts – net Raw Material Supply (meaning the cost of raw materials sold, e.g., not refined), Refining operations, and Marketing operations.

The marketing function includes the operation of terminals, bulk plants, retail outlets, and transportation facilities used for delivering refined products. Canning plant operations (e.g., blending, compounding, and canning lube oil products) should be included in refinery operating expenses or, as appropriate, in other marketing expenses.

Do not include the expense of petrochemical operations since such operations must be included in the Chemical Segment reported in Non-energy Operations.

Line 01.00--Raw Material Purchases

Report purchases by the Domestic and Foreign Refining/Marketing Segment of crude oil, natural gas, natural gas liquids, and other petroleum raw materials as reported on Schedule 5212, line 04.00, columns B and F. Natural gas and natural gas liquids should only be purchased for use in refining operations.

Line 02.00--Other Raw Material Supply Expense

Report all other domestic and foreign raw material supply expenses not included in line 01.00. Include:

raw material transportation, raw material exchange differentials, and inventory change.

Line 03.00--Total Raw Material Supply Expense

Total lines 01.00 and 02.00.

Line 04.00--Less: Cost of Raw Materials Input to Refining

Report the value of total raw materials input to domestic and foreign refining. The related volumes are reported on 5245, line 11.00, columns B and C.

Line 05.00--Net Raw Material Supply

Line 03.00 minus line 04.00.

Line 06.00--Raw Materials Input to Refining

Report the value of total raw materials input to domestic and foreign refining. This amount must agree with the amount reported on line 04.00 above.

Line 07.00--Less: Raw Material Used As Refinery Fuel

Report as reduction (credit) the value of raw material input to domestic and foreign refining (line 04.00) that was subsequently used as refinery fuel.

Line 08.00--Refinery Process Energy Expense

Report all domestic and foreign refinery process energy expenses, including cost of own fuel, purchased fuel, electricity, and steam used in the process of refining. Include amounts reported on line 07.00.

Line 09.00--Other Refining Operating Expenses

Report all other domestic and foreign refining operating expenses. Include purchases of non-petroleum blending stocks. Also include any canning and blending operation expenses not assigned to other marketing expenses (line 14.00).

Line 10.00--Refined Product Purchases

Report domestic and foreign refined product purchases as reported on Schedule 5212, line 08.00, columns B and F.

Line 11.00--Other Refined Product Supply Expenses

Report all other domestic and foreign refined product supply general operating expenses not included on lines 06.00 through 10.00. Include all taxes applicable to refined product supply (other than income taxes and consumer excise taxes). Include refined product exchange differentials, inventory changes, and transportation. DO NOT include any amounts incurred in rate regulated pipeline operations.

Line 12.00--Total

Total lines 06.00 through 11.00.

EIA-28 Survey Instructions

Line 13.00--Cost of Other Products Sold

Report domestic and foreign purchases of other products held for resale, including tires, batteries, and accessories (TBA) and other merchandise. Include inventory change.

Line 14.00--Other Marketing Expenses

Report all other domestic and foreign marketing operation expenses not included on line 13.00. Include expenses of any canning and blending operations that might be assigned to the marketing function. Include advertising and credit card operating expenses.

Line 15.00--Total Marketing Expenses

Total lines 13.00 and 14.00.

Lines 16.00--Expenses of Transport Services for Others

Report all domestic and foreign transportation expenses applicable to the transportation revenues reported on Schedule 5210, line 03.00, columns F and K. This expense represents the cost of transporting goods for third parties and unconsolidated affiliates.

Line 18.00--Total Domestic and Foreign Refining/Marketing Segment General Operating Expenses

Total of lines 05.00, 12.00, and 17.00. This amount must agree with the amount reported on Schedule 5210, line 07.00, columns F and K.

Exploration and Production Operations (Pages 2-4 of 4)

Cost of property acquisition, exploration, development and production (lifting), reported on lines 21, 29, 37 and 42 respectively, should agree with amounts reported in your company annual report pursuant to FAS Number 19, except for royalty expense reported on line 39.00.

Segregate reported amounts by the indicated domestic onshore or offshore operations. Refer to the Glossary for detailed definitions.

Include only costs and expenses assignable to the Production Segment. Allocations performed at the district or field level as part of the company's normal reporting system are acceptable and need not be adjusted for this schedule.

Lines 19.00-21.00--Acquisition of Unproved and Proved Acreage

Report the net company interest in direct domestic expenditures incurred for acquiring unproved

acreage. Include lease bonuses; options to purchase or lease properties; title costs; recording; broker, and legal fees; advance initial royalties; and any other direct outlays necessary to acquire leases, mineral rights, and fee lands incident to oil and gas exploration.

Include the purchase value of proved properties acquired in mergers and acquisitions as an acquisition of proved acreage.

Purchases of minerals-in-place should be reported on Schedule 5246 for proved acreage acquisition costs reported on Schedule 5211, line 20.

Lines 24.50-26.00--Drilling and Equipping of Wells: Completed Well Costs

On line 24.50 report cumulative domestic expenditures for drilling and equipping exploratory wells completed (i.e., finished) during the period, reduced by the amount of outside cash contributions such as bottom hole or dry hole contributions.

Include all expenditures for the drilling and equipping of wells incurred since the inception of drilling.

Include expenditures for casing, tubing, and other equipment, including equipment installed for development of successful exploratory wells, such as down-hole pumping equipment, platforms, and the wellhead assembly, as well as the costs of roads, grading, etc.

Do not include costs related to equipment beyond the christmas tree, as these should be reported as lease equipment on line 35.00 below.

Reduce costs of exploratory dry holes by salvage of equipment capable of re-use.

On line 25.00, report the increase (or decrease) in expenditures capitalized for drilling and equipping domestic exploratory wells-in-progress between the beginning and end of the reporting period.

On line 26.00, report the total of lines 24.50 and 25.00. This amount must equal the expenditures during the current period.

Line 27.00--Geological and Geophysical

Report all geological and geophysical expenditures including, but not limited to, costs incurred for salaries, equipment and supplies for scouts, and geological and geophysical crews. Include cost of surface and subsurface studies and geochemical analyses.

Line 28.00--Other, Including Direct Overhead

Report all other expenses, including direct overhead costs assigned at the field or district level, directly associated with exploration activities. Include carrying costs of undeveloped

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properties (lease rents); test hole contributions; and land development, leasing, and scouting.

Line 29.00--Total Exploration

Total of lines 26.00, 27.00, and 28.00.

Domestic Development

Line 32.50--Drilling and Equipping of Wells: Completed Well Costs

For line 32.50 report cumulative domestic expenditures for drilling and equipping development wells (reduced by the amount of outside cash contributions such as bottom hole of dry hole) completed (i.e., finished) during the period. Include all expenditures since the inception of these completed wells.

Include casing, tubing, and wellhead fittings associated with development wells, costs of roads and grading, costs of drilling platforms, and all cost incident to development drilling.

Include cost of old wells drilled deeper, re-drilled wells, and re-completions.

Exclude costs of service wells, which should be reported on line 36.00, and exclude costs of well workovers. Reduce the cost by salvage value of equipment capable of re-use.

Line 33.00--Work-in-Progress Adjustment

Report the increase or (decrease) in expenditures capitalized for drilling and equipping domestic development wells-in-progress between the beginning and end of the reporting period.

Line 34.00--This Year's Expenditures

Total of lines 32.50 and 33.00. This must equal the expenditures incurred during the current period.

Line 36.00--Other Development Costs

Include all other domestic development costs, including: gas processing facilities, access facilities to district installation (as opposed to individual wells) such as roads, bridges, canals, and other improvements; camp and district facilities; fuel gas systems; observation wells, salt water disposal wells, and water supply wells, directly assignable and other overhead costs; and expenditures for capital equipment used for development not otherwise accounted for. Exclude costs of equipment and buildings used by personnel engaged in general producing activities as distinguished from development operations.

Line 37.00--Total Development Costs

Total of lines 34.00, 35.00, and 36.00.

Line 38.00--Subtotal

Total of lines 21.00, 29.00, and 37.00.

Lines 39.00-42.00--Production (Lifting) Costs

Refer to the Glossary for definitions of production costs. Report lifting and other expenses that can be assigned to the production of oil and gas. Exclude costs of exploratory and development activities.

Production costs include labor, supervision in the field, repair and maintenance (see below for workovers), fuel, power, and water, small tools and supplies, cost of treating oil, teaming and trucking, insurance, taxes other than income taxes, buildings, lease or field facilities, and other property used in production operations, bailing, shooting, fracturing, and acidizing (when not part of original completion work), abandonments, and expenditures for maintaining field offices.

Include all expenses of cleaning out and working over wells for the purpose of restoring or increasing the production from the same producing horizon.

Report all expenses for operations and maintenance of fluid injection and other improved recovery programs, including well operations and maintenance for improved recovery wells. Include workovers of improved recovery wells.

Include the value of all materials used, except the reporting company's own raw material production used on the lease.

Line 39.00--Royalty Expenses

Report royalty expense classified as an expense in the company's financial statements.

Line 40.00--Taxes Other Than Income Taxes

Include all expenses for ad valorem taxes on producing properties, equipment, buildings, lease or field facilities, and other property used in production operations. Exclude ad valorem taxes on undeveloped properties and on buildings and equipment used for exploratory purposes. (Include these items in other exploration costs on line 28.00 above.) Exclude ad valorem taxes on properties in development and on buildings and equipment used for development purposes. Include these items in other development costs on line 36 above. Other taxes which are unrelated to exploration, development or production should be reported as either general operating expenses or general & administrative on Schedule 5110 or 5210.

Include payments of production or severance taxes to State and local governments. Do not reduce the revenues from crude oil or natural gas produced at the wellhead by such amounts.

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Include tax expense attributable to the Crude Oil Windfall Profits Tax Act of 1980.

Line 41.00--Other Production Costs

Report overhead expense, especially at the district and field levels, and other expenses not included elsewhere, which are assigned to the production function. Include domestic royalty expenses and costs of operation and maintenance of gas processing facilities classified as costs of oil and gas producing activities in the company's financial statements.

Line 42.00--Total Production Costs

Total of lines 39.00 through 41.00.

Line 43.00--Total Costs Incurred

Total of lines 38.00 and 42.00.

Lines 44.00 and 45.00--Support Equipment and Facilities (Memo)

On line 44.00, report the amount of depreciation of support equipment and facilities. Such amount would already be included as a part of exploration, development, and production costs reported above.

On line 45.00, report the amount of new investment in support equipment and facilities for the year. Such amounts are not included as a component of exploration, development, or production costs reported above, since the depreciation is allocated to these functions pursuant to SFAS Number 19.

Domestic and Foreign Petroleum Segments Purchases and Sales of Raw Materials and Refined Products Schedule 5212

General

This schedule gathers volume and value data for purchases and sales of raw materials and refined products. Reported amounts must relate only to the reporting company and its consolidated affiliates. The "FRS Overview" chapter of the instructions concerning petroleum operations should be consulted before completing this schedule.

Volumes and values reported on Schedule 5212 should not include hedging or trading activities in which the transactions were not settled in physical quantities; that is, transactions in which ownership of the raw materials or refined products was not taken.

Refer to the FRS Overview chapter of the Instructions, section R. Reporting Requirements for Energy Trading Contracts, for a further discussion of trading gains and losses.

Classify aviation gasoline and jet fuel with gasoline and distillate fuels, respectively. Exclude consumer excise taxes. Report petroleum volumes in thousands of barrels and natural gas volumes in millions of cubic feet.

Lines 01.00-04.00 -- Domestic and Foreign Refining/Marketing Purchases and Sales of Raw Materials

Report for the Domestic and Foreign Refining/Marketing Segment the volumes and values of raw materials purchased and sold. Schedule 5212, line 01.00, columns A and E, represents the volumes of crude oil and NGL purchased. The volume of NGL purchased should only include that purchased for use in the refining operations of the company. All other NGL should be purchased by the Downstream Natural Gas Line of Business. The volume of crude oil purchased should agree with Schedule 5245, line 09.00, columns B and C. Schedule 5212, line 01.00, columns C and G, represent the volumes of crude oil sold and should agree with Schedule 5245, line 14.00, columns B and C. There should be no NGL sold by Refining/Marketing. Schedule 5212, line 2, columns A and E, represent the volumes of natural gas purchased for use by the company in refining operations only. All other natural gas is sold to the Downstream Natural Gas Line of Business. Also, schedule 5212, line 04.00, columns D and H, Totals (raw material sales), should agree with 5210, line 01.00, column F and K.

Lines 05.00-08.00 -- Domestic and Foreign Refining/Marketing Segment Purchases and Sales of Refined Products

Report for the Domestic and Foreign Refining/Marketing Segment the volumes and values of refined products purchased and sold. Schedule 5212, line 08.00, columns D and H, total refined product sales, should agree with 5210, line 02.00, columns F and K. Net sales (5212, line 08.00, column C minus column A for domestic and 5212, line 08.00, column G minus column E for foreign) should approximate total refinery output (5242, line 18.00, column B for domestic and column C for foreign). Such comparisons would be expected to hold true on a product level comparison also.

Lines 09.00-11.00 -- Domestic and Foreign Production Segment Purchase and Sales of Raw Materials

Report for the Domestic and Foreign Production Segment the volumes and values of raw materials purchased and sold. Note that pursuant to the FRS trading rules, the Domestic and Foreign Production Segment is not permitted to purchase crude oil, so only NGL's should be reported on 5212, line 09.00, columns A-B and E-F (see the FRS Overview section of the instructions). Schedule 5212, line 9, columns C and G, should reflect the volumes of crude oil sold to Refining/Marketing, and the volumes of NGL sold to the

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Refining/Marketing and Downstream Natural Gas lines of business. The volume of NGL should be the sum of the volume sold to Refining/Marketing for the company's own use and the volume sold to Downstream Natural Gas. Likewise, the volumes of natural gas sold on line 10, columns C and G, should be the sum of the volumes sold to Refining/Marketing for the company's own use and the volumes sold to Downstream Natural Gas.

Lines 12.00-21.00--Domestic Dispositions of Refined Products

This section is a further breakdown of the totals appearing above in 5212, line 08.00, columns C & D, and therefore line 18.00, columns B through G, should agree with lines 05.00 through 08.00, columns C & D, above.

Report in column H, lines 19.00, 20.00, and 21.00, the number of active automotive outlets at period end classified as "company operated," "lessee dealers," or "open dealers." See the Glossary entry, "Company Automotive (Retail) Outlet" for definitions.

Please note that the volumes and values reported on lines 14.00 and 15.00, columns B and C, should be for the outlets reported in column H, except that there will be some volumes and values associated with outlets closed during the year. In other words, except for the outlets closed during the year, only report outlets in column H for which volumes and values are reported in columns B and C. Outlets for which the company has made the decision to close prior to year end, but were not officially closed before the end of the year, should be reported in column H. Outlets which are part of operations reported as discontinued at year-end should still be reported on Schedule 5212.

Report on line 13.00 sales to parties known to be wholesaler-resellers, including other petroleum companies. Report on lines 14.00 & 15.00 sales to consumers through company automotive (retail) outlets (see Glossary). Report on line 16.00 sales not classified elsewhere, including primarily industrial and commercial sales, and other sales at retail (marinas, airports, etc.).

Purchase and sales values reported on Schedule 5212 should include transportation costs.

Domestic and Foreign Petroleum Segments Exploration, Development, and Production Statistics Schedule 5241

General

Report exploration, development, and production statistics for domestic and foreign petroleum operations as indicated.

Reported amounts must relate only to the reporting company and its consolidated affiliates.

Acreage, Wells, and Drilling (lines 01.00-26.00)

Report information pertaining to acreage, wells, and drilling as indicated. Refer to the Glossary for definitions of all line items and for definitions of the foreign geographic areas listed in column headings F - L. Acreage is considered developed when development has been completed.

Note that information on the number of wells completed should not reflect an end-of-period well count, but instead should reflect the wells completed (i.e., finished) at any time during the period, regardless of when drilling was initiated. The number of wells refers to the number of holes drilled. (Round to the nearest tenth of a well.)

Note that information on drilling footage (reported on lines 19.00-26.00) should reflect cumulative footage drilled for wells completed at any time during the reporting period. Footage should be reported in the same period as the completed well. Corresponding costs should also be reported in the same period on Schedule 5211.

"Gross" acreage refers to the total number of acres for all properties in which the company has a working interest.

"Net" acreage, wells, and drilling footage refer to the company's share of the total working interest.

If the amounts reported do not correspond to those reported in the company's certified consolidated financial statements, any differences must be explained and reconciled as part of Exhibit B.

Domestic and Foreign Petroleum Segments Petroleum Refining Statistics Schedule 5242

General

Report refining/marketing statistics for domestic and foreign petroleum segments as indicated.

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Reported amounts must relate only to the reporting company and its consolidated affiliates. Refineries and related operating statistics which are reported as discontinued operations at year-end should still be reported on Schedule 5242.

Report the company's share of gross inputs on a calendar day basis for the period. Condensate may be included in volumes reported. Include runs to fractionators.

Lines 01.00-02.00--Number of Refineries

Report the number of operable petroleum refineries 100% owned by the company and by its consolidated affiliates (line 01.00), the number of consolidated refineries less than 100% owned (line 02.00). DO NOT include natural gas processing or petrochemical plants. The number of refineries should be the number owned or partially owned at year end. Include in the total those refineries which the company has agreed, prior to year end, to close or sell, but were still owned by the company at year end.

Line 03.00— Gross Inputs at Own Refineries

Report gross inputs to atmospheric crude oil distillation units.

Line 03.50—Other Refinery Inputs

Report all other refinery inputs including unfinished oils and blending components.

Line 04.00-- Gross Inputs at Refineries of Others

Report gross inputs to atmospheric crude oil distillation units processed for the company's account at refineries that are not part of the consolidated company.

Line 05.00--Total Inputs

Total of lines 03.00, 03.50, and 04.00.

Lines 05.50-11.00--Refinery Output at Own Refineries

Report refinery output by product type for the period for the reporting company and its consolidated affiliates. Include petroleum products produced and consumed in the refineries on Line 10.50. Refer to the Glossary for product definitions.

Lines 11.50-17.00--Total Refinery Output at Other's Refineries

Report refinery output by product type for the period for the company's account at refineries that are not part of the consolidated company. Include petroleum products produced and consumed in the refineries on Line 16.00.

Line 18.00--Total Refinery Output

Total of lines 11.00 and 17.00.

Lines 19.00-23.00—Capacity--Barrels Per Calendar Day Basis

Report the company's share of total refinery capacity and changes in capacity during the year on a barrels per calendar day basis (see Glossary) for the reporting company and its consolidated affiliates.

Beginning of period capacity reported on line 19.00 must agree with the prior year capacity at end of period reported on Schedule 5242 line 23.00.

Domestic and Foreign Petroleum Segments Sources and Dispositions of Crude and Natural Gas Liquids Schedule 5245

General

Read the "FRS Overview" Chapter of the instructions concerning petroleum operations before completing this schedule.

Report acquisitions (domestic and foreign volumes) of raw materials as specified. Report all volumes in thousands of barrels.

Report domestic and foreign volumes for purchase/sale agreements and brokerage activities in accordance with the company's normal accounting practices. Do not report exchanges.

Report transfers of raw materials from the Production Segment to the Refining/Marketing Segment as purchases by the Refining/ Marketing Segment as explained in the "FRS Overview" chapter of the instructions concerning petroleum operations.

Include inter-segment transactions. Report inter-segment transfers of refined products between Domestic and Foreign Refining/ Marketing on line 16.00. Note that inter-segment transfers between Domestic and Foreign Refining/Marketing net to -0- in the total column.

Include sales to unconsolidated affiliates on line 12.00, which is entitled "unaffiliated third parties." Note the amount of sales to unconsolidated affiliates in a footnote at the bottom of the schedule, if available.

**Domestic and Foreign Petroleum Segments
Proved Petroleum Reserves
Schedule 5246**

General

Report proved reserves of crude oil (and natural gas liquids) and natural gas (and changes therein) by the indicated categories and geographic areas. If the amounts reported do not correspond to those reported in the company's certified consolidated financial statements, any differences must be explained and reconciled as part of Exhibit B.

As defined in the Glossary, natural gas liquids include lease condensate as well as natural gas plant liquids.

Reported amounts must relate only to the reporting company and its consolidated affiliates, except for proportional interest in investee reserves. Report amounts as of the end of the reporting period unless otherwise indicated.

Please note that amounts for "production" and "sales of minerals in place" should be bracketed, pursuant to the instructions pertaining to sign conventions on page 3.

Beginning of period reserves reported on lines 01.00 and 12.00 must agree with the end of period reserves reported on the prior year's Form EIA-28. If prior year ending reserves have been restated, the prior year Schedule 5246 will need to be amended.

If the company acquired reserves through a non-cash transaction (i.e. reserve swap), the value of the transaction and the quantities involved should be reported as part of Exhibit B. The same procedure should be followed if the company paid for reserves during the reporting year but did not take possession until the following year, creating a timing difference.

**Domestic and Foreign Petroleum Segments
Eliminations in Consolidation
Schedule 5250**

General

This schedule summarizes the eliminations required for the schedule 5210 income statement, which is the

petroleum schedule that contains numerous inter-segment eliminations. Report only elimination amounts on this schedule.

Compiling the correct eliminations required to consolidate the petroleum segment requires an understanding of the petroleum segment definitions and the rules governing segment transactions. For background on this see the "FRS Overview" chapter of the instructions, sections B, C, and G.

The hatched out areas are provided to indicate inter-segment transactions which are not permitted under the FRS rules or which would not conceptually be possible in any case.

Eliminations on Schedule 5210

The total of the domestic transactions (line 04.00, column A) will be the eliminations for Operating Revenue and General Operating Expense on Schedule 5210, column D. The total of the foreign transactions (line 08.00, column E) will be the eliminations for Operating Revenue and General Operating Expense on Schedule 5210, column I. The total transactions between domestic and foreign (line 04.00, column E plus line 08.00, column A) will be the eliminations for Operating Revenue and General Operating Expense on Schedule 5210, column B.

**Domestic and Foreign Downstream Natural Gas Segments
Consolidating Statements of Income
Schedule 5710**

General

Report consolidating results of operations assignable to domestic and foreign downstream natural gas segments.

Refer to section I of Chapter II for definitions of segments (Processing, Marketing/Trading, Transmission/Distribution, and Other) included in the domestic and foreign downstream natural gas line of business.

In general, revenues and expenses should be associated with costs incurred within a segment, but refer to Chapter II, "FRS Overview," section I of the instructions for more detailed explanations of the FRS segment reporting rules.

Column A – Consolidated

Column A contains the totals for downstream natural gas operations, after all eliminations, and should equal amounts reported on Schedule 5110, column F.

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Column E – Processing

Classify operations in this segment that are associated with all of the revenue and expense transactions involved in natural gas processing and natural gas liquids production, transport, storage, and sales.

Column F – Marketing/Trading

Classify operations in the segment that are associated with the purchase and resale of natural gas, natural gas liquid products, and liquefied natural gas apart from Distribution segment operations.

Column G – Transmission/Distribution

Classify operations in this segment that are associated with the bulk/wholesale delivery of natural gas. For Transmission, do not include the cost of natural gas or natural gas liquid products, include only those revenue and expense transactions associated with wholesale delivery services. For Distribution, include the purchase, resale and delivery of natural gas and natural gas liquids, and local natural gas delivery services.

Column H – Other (LNG/GTL)

Classify operations in this segment that are associated with the production, transport, storage, and sales of liquefied natural gas (LNG), gas-to-liquids (GTL), and other natural gas processes not reported elsewhere.

Column I -- Consolidated Foreign

Foreign operations in natural gas processing, NGL production, LNG production, marketing/trading, transmission, and distribution are reported on a consolidated basis in this column.

Operating Revenues and Expenses

All operating revenues included on Schedule 5110 (line 01.00, column F) should equal line 08.00, column A of Schedule 5710.

Lines 01.00 -- 02.00—Natural Gas, LNG, and NGL Sales

Report the value of the sale or inter-segment transfer of retail natural gas, liquefied natural gas, and natural gas liquid products by the domestic and foreign segments. Inter-segment transfers will be eliminated and shown in columns B and D. The amounts reported on lines 01.00, 01.50, and 02.00 for consolidated domestic and consolidated foreign will equal domestic and foreign sales reported on Schedule 5712, lines 16, 21, and 26, respectively.

Note: Revenues and costs are to be reported gross from product sales and purchases related to trading activities in which transactions are **physically**

settled; that is, physical possession as well as ownership is taken by the respondent or tendered by the respondent to the buyer.

Gains or losses from transactions that are **financially settled** or otherwise not physically settled, should be reported on a net basis on line 5.

Refer to the FRS Overview chapter of the Instructions, section R. Reporting Requirements for Energy Trading Contracts, for a further discussion of trading gains and losses.

Line 03.00 -- Transportation Sales

Report all revenues derived from delivery services of the Transmission and Distribution segment operations, columns G, H, and I. Report all other transportation revenues under the appropriate column heading.

Line 04.00 -- Other Product Sales

Report all sales of products and services associated with the downstream natural gas operations, other than natural gas, natural gas liquids, or liquefied natural gas.

Line 05.00 -- Hedging/Derivatives

Report gains and losses, on a net basis, associated with derivative accounting/hedging contracts that are financially settled or otherwise not physically settled. Do not include the revenue associated with the actual product, as this is reported on lines 01.00 - 02.00.

Hedging activities related to natural gas production should be reported in the production segment (5210, column E) of the petroleum line of business.

Line 06.00 -- Management and Processing Fees

Report all management and processing fee revenues for each applicable segment, domestic and foreign. Include amounts paid to the consolidated reporting company for processing natural gas or other raw materials for the accounts of third parties.

Line 07.00 -- Other Revenues

Report all other domestic and foreign operating revenues not included on lines 01.00 through 06.00.

Line 08.00 -- Total Operating Revenues

Total of lines 01.00 through 07.00.

Lines 09.00 through 22.00

Refer to the instructions for Schedule 5110 for definitions applicable to these lines on Schedule 5710. Amounts reported in column A must agree with amounts reported in column F on Schedule 5110. The amounts reported on line 09.00, General Operating Expenses, are further detailed on Schedule 5711.

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Eliminations

Report in column D the domestic inter-segment eliminations. Report in column B eliminations between domestic and foreign transactions/transfers.

Domestic and Foreign Downstream Natural Gas Segments General Operating Expense Detail Schedule 5711

General

This schedule contains general operating expense details for domestic and foreign downstream natural gas operations.

Lines 01.00 - 09.00 -- Processing

Lines 01.00 through 06.00 pertain to natural gas processing and the production of natural gas liquids.

Report all costs associated with the purchase of natural gas and natural gas liquids for natural gas processing and the production of natural gas liquids on lines 01.00 and 02.00, respectively.

Report all natural gas and natural gas liquids used as NGL plant fuel (own consumption) on line 03.00, this will be an offset/reduction from lines 01.00 through 02.00.

Report on line 04.00 the cost of energy consumed in the production of NGL at the plant.

Report on line 05.00 the cost of storage of natural gas and natural gas liquids. Also include any other storage and supply expenses that support or are ancillary to the inventory.

Report any other natural gas processing or NGL plant operating expenses on line 06.00.

Report on line 07.00 any other expenses included in the Processing sub-segment that would not have been applicable to lines 01.00 – 06.00.

Line 09.00 (the sum of lines 01.00 – 07.00), Total Processing, should equal the amount reported on Schedule 5710, line 09.00, column E.

Lines 10.00 - 13.00 -- Marketing/Trading

Lines 10.00 – 13.00 include the cost of brokering volumes of natural gas, liquefied natural gas, and natural gas liquids.

Lines 10.00 through 11.00 represent the cost of the product purchased from consolidated affiliates, unconsolidated affiliates and/or third parties.

Line 12.00 includes all other costs associated with marketing/trading activity.

Line 13.00 Total Trading, is the sum of lines 10.00 – 12.00. Line 13.00 should equal the amount reported on Schedule 5710, line 09.00, column F.

Lines 18.00 – 23.00 – Transmission/Distribution

Lines 18.00 through 19.00 include the cost of the purchases of volumes of natural gas, liquefied natural gas, and natural gas liquids for resale by local distribution operations. Any cost of delivering the products should be included in line 20.00.

Report on line 21.00 the operating cost of any storage facilities for natural gas, liquefied natural gas, and natural gas liquids related to transmission or distribution.

Include in line 22.00, the amount of any other transmission or distribution related expenses.

Line 23.00 is the sum of lines 18.00 – 22.00. The amount reported on line 23.00 should equal the reported amount on Schedule 5710, line 09.00, column G.

Lines 24.00 – 27.00 – Other (LNG, GTL)

Report on Line 24.00 costs associated with LNG liquefaction operations.

Report on line 25.00 costs associated with LNG regasification operations.

Report on line 26.00 any other expenses related to downstream natural gas operations not reported elsewhere.

Line 27.00 is the sum of lines 24.00 – 26.00. Line 27.00 should equal the reported amount on Schedule 5710, line 09.00, column H.

**Downstream Natural Gas Segments
Purchases and Sales of Natural Gas,
LNG, and NGLs
Schedule 5712**

General

This schedule gathers volume and value data for purchases and sales of domestic and foreign natural gas, liquefied natural gas, and natural gas liquids. section I of Chapter II of the instructions concerning downstream natural gas operations should be consulted before completing this schedule. All volumes and values reported on this schedule should be prior to any inter-segment elimination. Reported amounts must relate only to the reporting company and its consolidated affiliates.

Volumes and values reported on Schedule 5712 should not include trading activities in which the transactions were not settled in physical quantities; that is, transactions in which ownership of the product was not taken.

Refer to the FRS Overview chapter of the Instructions, section R. Reporting Requirements for Energy Trading Contracts, for a further discussion of trading gains and losses.

Exclude consumer excise taxes. Report natural gas volumes in millions of cubic feet and natural gas liquids volumes in thousands of barrels.

Lines 01.00-04.00 – Natural Gas Purchases

On lines 01.00 - 03.00 the volumes and values purchased, for domestic and foreign operations. Line 01.00 reports the volumes and value of the transfers from upstream petroleum consolidated affiliates. Line 02.00 reports volumes and values of transfers between foreign and domestic operations. Line 03.00 reports volumes and values purchased from third parties. Any purchases from unconsolidated affiliates should be included in line 03.00.

Note: for transfers between domestic and foreign on line 02.00, report the purchases on line 02.00 columns A and B (for transfers from foreign to domestic), or C and D (for transfers from domestic to foreign). The sales should be reported on line 12.00, in columns A and B, or C and D, as appropriate.

Line 04.00 (the sum of lines 01.00 - 03.00), column B should equal the total of the amounts reported on Schedule 5711, lines 01.00 + 10.00 + 18.00, minus any intersegment amounts included in 5711.

Lines 05.00-07.00 – Liquefied Natural Gas Purchases

On lines 05.00 - 07.00 the volumes and values purchased for domestic and foreign operations. Line 05.00 reports the volumes and value of transfers between foreign and domestic operations. Line 06.00 is used for the volumes and values purchased from third parties.

Note: for transfers between domestic and foreign on line 05.00, report the purchases on line 05.00 columns A and B (for transfers from foreign to domestic), or C and D (for transfers from domestic to foreign). The sales should be reported on line 17.00, in columns A and B, or C and D, as appropriate.

Line 07.00 (the sum of lines 05.00 and 06.00), column B should equal the total of the amounts reported on Schedule 5711, lines 01.50 + 10.50 + 18.50, minus any intersegment amounts included in 5711.

Lines 08.00-11.00– Natural Gas Liquids Purchases

On lines 08.00 - 11.00 the volumes and values purchased for domestic and foreign operations. Line 08.00 reports the volumes and value of the transfers from upstream petroleum consolidated affiliates. Line 09.00 reports volumes and values of transfers between foreign and domestic operations. Line 10.00 is used for the volumes and values purchased from third parties.

Note: for transfers between domestic and foreign on line 09.00, report the purchases on line 09.00 columns A and B (for transfers from foreign to domestic), or C and D (for transfers from domestic to foreign). The sales should be reported on line 22.00, in columns A and B, or C and D, as appropriate.

Line 11.00 (the sum of lines 08.00 - 10.00), column B should equal the total of the amounts reported on Schedule 5711, lines 02.00 + 11.00 + 19.00, minus any intersegment amounts included in 5711.

Lines 12.00-16.00 – Natural Gas Sales

On line 12.00 report volumes and values of sales to other company operations outside of the downstream natural gas line of business, including any sales to the petroleum line of business consolidated affiliates. Also include the sales part of the transaction reported on line 02.00.

On line 13.00 report volumes and values of sales to third parties known to be wholesale/resellers including direct sales to end-use customers requiring large volumes of product.

On line 14.00 report volumes and values of sales to third-party end users.

Sales to unconsolidated affiliates are included with third-party sales.

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Line 15.00 is the sum of lines 13.00 and 14.00.

Line 16.00 is the sum of lines 12.00 and 15.00. Line 16.00, column B equals line 01.00, column C of Schedule 5710 and line 16.00, column D equals line 01.00, column I of Schedule 5710.

Lines 17.00-21.00 – Liquefied Natural Gas Sales

On line 17.00 report volumes and values of sales to other company operations outside of the downstream natural gas line of business, including any sales to the petroleum line of business consolidated affiliates. Also include the sales part of the transaction reported on line 05.00.

On line 18.00 report volumes and values of sales to third parties known to be wholesale/resellers including direct sales to end-use customers requiring large volumes of product.

On line 19.00 report volumes and values of sales to third-party end users.

Sales to unconsolidated affiliates are included with third-party sales.

Line 20.00 is the sum of lines 18.00 and 19.00.

Line 21.00 is the sum of lines 17.00 and 20.00. Include line 21.00, column B in line 01.50, column C of Schedule 5710, and line 21.00, column D in line 01.50, column I of Schedule 5710.

Lines 22.00-26.00 – Natural Gas Liquids Sales

On line 22.00 report volumes and values of sales to other company operations outside of the downstream natural gas line of business, including any sales to the petroleum line of business consolidated affiliates. Also include the sales part of the transaction reported on line 09.00.

On line 23.00 report volumes and values of sales to third parties known to be wholesale/resellers including direct sales to end-use customers requiring large volumes of product.

On line 24.00 report volumes and values of sales to third-party end users.

Sales to unconsolidated affiliates are included with third-party sales.

Line 25.00 is the sum of lines 23.00 and 24.00.

Line 26.00 is the sum of lines 22.00 and 25.00. Line 26.00, column B equals line 02.00, column C of Schedule 5710 and line 26.00, column D equals line 02.00, column I of Schedule 5710.

Domestic and Foreign Downstream Natural Gas Capacity and Output Statistics Schedule 5741

General

Report downstream natural gas, natural gas liquids (NGL), and liquefied natural gas (LNG) capacity and output statistics as follows:

Page 1 – Domestic and foreign capacity statistic details for the end of the reporting period.

Page 2 – Worldwide, domestic, and foreign product output statistics for the reporting period.

Reported amounts must relate only to the reporting company and its consolidated affiliates. Report natural gas, NGL, and LNG processed or produced for the company's account by third parties. Do not include natural gas, NGL, or LNG owned by third parties that is processed or produced by the reporting party.

Natural gas treatment throughput should not be reported on Schedule 5741 lines 17 or 17.5. Only report natural gas throughput at processing plants on Schedule 5741 lines 17 and 17.5. Natural gas treatment capacity and number of treatment plants are reported on Schedule 5741 lines 3 and 4, respectively, but treatment plant throughput is not reported. Note that if a plant produces natural gas liquids, it is considered a processing plant for FRS purposes.

For Page 1:

Lines 1.00 – 4.60 -- Processing

Report the natural gas capacity statistics as detailed. Assign NGL storage capacity to either processing (line 4.6) or pipelines (line 14), whichever you determine is the best fit.

Note: For FRS purposes, if a plant produces NGLs, then it is a **processing** plant. If it only removes impurities, it is a **treatment** plant

Lines 05.00 – 06.00 -- LNG Liquefaction/Regasification Facilities

Report the capacity statistics for LNG liquefaction and regasification facilities as detailed.

EIA-28 Survey Instructions

Lines 07.00 – 10.00 -- Natural Gas Transmission/Distribution

Report the natural gas transmission/distribution capacity statistics as detailed.

Lines 13.00 – 14.00 – NGL/LPG Pipelines

Report the NGL/LPG pipeline statistics as detailed. Assign NGL storage capacity to either processing (line 4.6) or pipelines (line 14), whichever you determine is the best fit.

For Page 2:

Lines 15.00 – 17.50 -- Processing

Report the natural gas processing and NGL production statistics as detailed. NGL production reported on line 15.00 represents natural gas plant liquids as defined in the Glossary, which excludes lease condensate. On line 15.00, include NGL production for the company's account by processing plants of others (plants not included in line 02.00). For lines 17.00 and 17.50, include natural gas inputs to natural gas processing plants. For FRS purposes, if a plant produces any NGLs, then it is a processing plant. On line 17.00 include natural gas processed by the reporting company and its consolidated affiliates. On line 17.50 include natural gas processed for the company's account by others. Include on Schedule 5741 line 17.50 all natural gas processed at processing plants that are not consolidated by the company.

Lines 18.00 – 19.00 – LNG Facilities

On line 18.00, report LNG production at the LNG liquefaction plants of the reporting company and its consolidated affiliates. On line 19.00, report the amount of LNG regasified at the facilities of the reporting company and its consolidated affiliates.

Lines 21.00 – 24.00 – Transmission/Distribution

Report natural gas transmission and distribution throughput statistics.

Electric Power Segments Consolidating Statements of Income Schedule 5810

General

Report the consolidating results of operations assignable to domestic and foreign electric power segments.

Refer to section J of Chapter II of the Instructions for definitions of segments in the Electric Power line of business (Generation, Marketing/Trading, and Transmission/Distribution).

In general, revenues and expenses should be associated with costs incurred within a segment, but refer to Chapter II, "FRS Overview," of the instructions for more detailed explanations of the FRS segment reporting rules.

Column A -- Consolidated Total

Column A represents the totals for electric power operations, after all eliminations, and should equal amounts reported on Schedule 5110, column G.

Column E -- Generation (Regulated and Non-Regulated)

Classify operations in this segment that are associated with the processing of fuel into electric power. This includes the cost of the fuel as well as operating and maintaining all of the mechanical, electrical and other plant systems required to produce electricity and place it on the delivery grid. For domestic generation, combine the operations associated with regulated generation and non-regulated generation. Do not include purchases of electric power for resale.

Column F -- Marketing/Trading

Classify operations in this segment that are associated with the purchase and resale of the electric power product apart from Distribution operations.

Column H -- Transmission/Distribution

Include Transmission operations in this segment that are associated with the bulk/wholesale delivery of the electric power product. For the Transmission portion, do not include the cost of the electric power product; include only those revenue and expense transactions associated with wholesale product delivery. For Distribution, include the costs associated with the purchase, resale, and delivery of the electric power product, and the local electric power delivery services.

Column I -- Consolidated Foreign

Foreign operations in Generation, Marketing/Trading, and Transmission/Distribution are reported on a consolidated basis in this column.

Operating Revenues and Expenses

Operating revenues included on Schedule 5110 (line 01.00, column G) should equal line 06.00, column A of Schedule 5810.

EIA-28 Survey Instructions

Line 01.00 -- Power Sales

Report the value of the sale or inter-segment transfer of electric power by the domestic and foreign operations. Inter-segment transfers will be eliminated and shown in columns D (domestic) and B (between domestic and foreign). The amounts reported on line 01.00 for the applicable segments both domestic (columns E, F, and H) and foreign (column I) should equal sales amounts reported on Schedule 5812.

Note: Revenues and costs are to be reported gross from power sales and purchases related to trading activities in which transactions are **physically settled**; that is, physical possession as well as ownership is taken by the respondent or tendered by the respondent to the buyer.

Gains or losses from transactions that are **financially settled** or otherwise not physically settled, should be reported on a net basis on line 4.

Refer to the FRS Overview chapter of the Instructions, section R. Reporting Requirements for Energy Trading Contracts, for a further discussion of trading gains and losses.

Line 02.00 -- Transportation Sales

Report all revenues derived from delivery services in the Transmission/Distribution segment operations (columns H and I) and any transport sales by Marketing/Trading in column F.

Line 03.00 -- Other Product Sales

Report all sales of products associated with the electric power operations, other than the electric power itself. This could include, but not be limited to street lighting, joint use facilities, reconnection fees, automated meter reading devices, etc.

Line 04.00—Hedging/Derivatives

Report revenues, on a net basis, associated with derivative accounting/hedging contracts that are financially settled or otherwise not physically settled. Do not include the revenue associated with the actual product, as this is reported on line 01.00.

Line 05.00 -- Other Revenues

Report all other domestic and foreign operating revenues not included on lines 01.00 through 04.00. Revenues associated with non-energy product sales should be reported on Schedule 5110, line 01.00, column H.

Line 06.00 --Total Operating Revenues

Total of lines 01.00 through 05.00.

Line 07.00 through 20.00

Refer to the instructions for Schedule 5110 for definitions applicable to these lines on Schedule 5810. Amounts reported in column A must agree with amounts reported in column G on Schedule 5110.

Amounts reported on line 07.00, General Operating Expenses (domestic), are further detailed on Schedule 5811, lines 6, 9, and 13.

Eliminations

Column D is used to eliminate inter-segment transactions for the domestic operations.

Column B is used to eliminate transactions between the foreign and domestic operations.

Domestic Electric Power Segments General Operating Expense Detail Schedule 5811

General

This schedule contains general operating expense details for total domestic electric power operations.

Lines 01.00 – 06.00 -- Generation Expense

Lines 01.00 through 06.00 pertain to the generation of electric power.

Report all costs associated with the purchase of fuel specifically used for the generation of electric power on line 01.00.

Report all other cost of purchasing, transporting and handling the fuel on lines 02.00 and 03.00.

Line 04.00 is the sum of lines 01.00 – 03.00.

Line 05.00 is to be used to report all other operation, maintenance and administrative expenses for generation.

Line 06.00 is the sum of all generation operating expenses and should equal the amount reported on Schedule 5810, line 07.00, column E.

Lines 07.00 – 09.00 -- Marketing/Trading Expense

Lines 07.00 – 09.00 include the cost of brokering volumes of electric power.

Line 07.00 represents the cost of the product purchased from consolidated generating affiliates, unconsolidated generating affiliates, and/or third parties.

EIA-28 Survey Instructions

Line 08.00, Other Expense, reports all operating expenses other than the purchase of electric power.

Line 09.00 is the sum of lines 07.00 and 08.00. Line 09, should equal the amount reported on Schedule 5810, line 07.00, column F.

Lines 11.00 – 13.00 – Transmission/Distribution Expense

Line 11.00 includes the cost of purchases of volumes of electric power for resale. Any cost of delivering the power should be included in line 12.00.

Line 12.00 includes the cost of delivering the power plus the amount of any other transmission/distribution related expense.

Line 13.00 is the sum of lines 11.00 – 12.00. The amount reported on line 13.00 should equal the reported amount on Schedule 5810, line 07.00, column H.

Electric Power Segments Purchases and Sales of Electric Power Schedule 5812

General

The schedule gathers domestic and foreign volume and value data for purchases and sales of electric power. section J of Chapter II, "FRS Overview," of the instructions concerning electric power operations should be consulted before completing this schedule.

Volumes and values reported on Schedule 5812 should not include trading activities in which the transactions were not settled in physical quantities; that is, transactions in which ownership of the product was not taken.

Refer to the FRS Overview chapter of the Instructions, section R. Reporting Requirements for Energy Trading Contracts, for a further discussion of trading gains and losses.

Exclude consumer excise taxes. Report electric power volumes in megawatt hours.

Columns A and B -- Domestic

Line 07.00 reports the volumes and values of electric power purchased by the marketing/trading and distribution segments from the generation segment,

from unconsolidated affiliates, and from third-parties. Line 07.00 should equal the total of the amounts reported on Schedule 5811, lines 07.00 and 11.00.

On line 16.00, report the volumes and values of total electric power sales. Column B should equal sales reported on Schedule 5810, line 01.00, column C.

Columns C and D -- Consolidated Foreign

Line 07.00 reports the volumes and values of electric power purchased. The amount in lines 07.00, column D, should be less than the amount reported on Schedule 5810, line 07.00, column I.

On line 16.00 report volume and value of electric power sales by foreign electric power operations. Line 16.00, column D should equal Schedule 5810, line 01.00, column I.

Electric Power Segments Capacity and Output Statistics Schedule 5841

General

Report electric power capacity (net summer capacity) and output statistics as follows:

Lines 10.00 – 12.00 – Domestic and foreign capacity statistic details for capacity at the end of the reporting period.

Lines 24.00 and 26.00 – Domestic and foreign electric power output statistics for the reporting period.

Consolidated amounts must relate only to the reporting company and its consolidated affiliates. In cases of unconsolidated joint ownership of assets, the reporting company should only report the capacity and output of their ownership share of the asset.