

**Reconciliation of Income (Loss) from Continuing Operations to Recurring Earnings**  
(UNAUDITED)

FINAL

(Dollars in millions, except for per-share amounts)	2004					2005			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	Year
<b>Income (loss) from continuing operations available to common stockholders</b>	\$ -	(\$18.5)	\$16.2	\$95.5	\$93.2	\$202.2	\$40.7	\$5.7	\$248.6
<b>Income (loss) from continuing operations - diluted earnings (loss) per common share</b>	\$ -	(\$0.03)	\$0.03	\$0.17	\$0.17	\$0.34	\$0.07	\$0.01	\$0.42
<b>Nonrecurring items:</b>									
<i>Power</i>									
Accrual for a regulatory settlement <sup>(1)</sup>	-	-	-	-	-	4.6	-	-	4.6
Accrual for litigation contingencies <sup>(1)</sup>	-	-	-	-	-	-	13.1	0.4	13.5
Prior period correction	-	-	-	-	-	6.8	-	-	6.8
<i>Total Power nonrecurring items</i>	-	-	-	-	-	11.4	13.1	0.4	24.9
<i>Gas Pipeline</i>									
Prior period liability corrections - TGPL	-	-	-	-	-	(13.1)	(4.6)	-	(17.7)
Prior period pension adjustment - TGPL	-	-	-	-	-	-	(17.1)	-	(17.1)
Write-off of previously-capitalized costs - idled segment of Northwest's pipeline	-	9.0	-	-	9.0	-	-	-	-
Income from favorable ruling on FERC appeal (1999 Fuel Tracker)	-	-	-	-	-	-	-	(14.2)	(14.2)
<i>Total Gas Pipeline nonrecurring items</i>	-	9.0	-	-	9.0	(13.1)	(21.7)	(14.2)	(49.0)
<i>Exploration &amp; Production</i>									
Gain on sale of E&P properties	-	-	-	-	-	(7.9)	-	(21.7)	(29.6)
Loss provision related to an ownership dispute	-	11.3	-	4.1	15.4	0.3	-	-	0.3
<i>Total Exploration &amp; Production nonrecurring items</i>	-	11.3	-	4.1	15.4	(7.6)	-	(21.7)	(29.3)
<i>Midstream Gas &amp; Liquids</i>									
La Maquina depreciable life adjustment	-	-	6.4	1.2	7.6	-	-	-	-
Gain on sale of Louisiana Olefins assets	-	-	-	(9.5)	(9.5)	-	-	-	-
Gulf Liquids arbitration award (Winterthur)	-	-	-	(93.6)	(93.6)	-	-	-	-
Impairment of Discovery	-	-	-	16.9	16.9	-	-	-	-
Devils Tower revenue correction	-	(16.5)	16.5	-	-	-	-	-	-
<i>Total Midstream Gas &amp; Liquids nonrecurring items</i>	-	(16.5)	22.9	(85.0)	(78.6)	-	-	-	-
<i>Other</i>									
Impairment of Longhorn	-	10.8	-	-	10.8	-	49.1	-	49.1
Write-off of capitalized project development costs	-	-	-	-	-	-	4.0	-	4.0
Augusta environmental reserve	-	-	-	11.8	11.8	-	-	-	-
Longhorn recapitalization fee	6.5	-	-	-	6.5	-	-	-	-
<i>Total Other nonrecurring items</i>	6.5	10.8	-	11.8	29.1	-	53.1	-	53.1
Nonrecurring items included in segment profit (loss)	6.5	14.6	22.9	(69.1)	(25.1)	(9.3)	44.5	(35.5)	(0.3)
<b>Nonrecurring items below segment profit (loss)</b>									
Impairment of cost-based investments (Investing income (loss) - Various)	-	-	15.7	2.3	18.0	-	-	-	-
Write-off of capitalized debt expense (Interest accrued - Corporate)	-	3.8	-	-	3.8	-	-	-	-
Premiums, fees and expenses related to the debt repurchase and debt tender offer (Other income (expense) - net - Corporate and Exploration & Production)	-	96.7	155.1	29.7	281.5	-	-	-	-
Gulf Liquids arbitration award (Winterthur) - interest income - (Investing income / loss) - Midstream)	-	-	-	(9.6)	(9.6)	-	-	-	-
Gain on sale of remaining interests in Seminole Pipeline and MAPL (Investing income / loss - Midstream)	-	-	-	-	-	-	(8.6)	-	(8.6)
Loss provision related to an ownership dispute - interest component (Interest accrued - Exploration & Production)	-	1.9	-	2.1	4.0	2.7	-	-	2.7
Directors and officers insurance policy adjustment (General corporate expenses - Corporate)	-	-	-	-	-	-	-	13.8	13.8
Loss provision related to ERISA litigation settlement (Other income (expense) - net - Corporate)	-	-	-	-	-	-	-	5.0	5.0
	-	102.4	170.8	24.5	297.7	2.7	(8.6)	18.8	12.9
<b>Total nonrecurring items</b>	6.5	117.0	193.7	(44.6)	272.6	(6.6)	35.9	(16.7)	12.6
Tax effect for above items <sup>(1)</sup>	2.5	44.8	74.1	(17.1)	104.3	(2.8)	10.7	(6.4)	1.5
<b>Recurring income (loss) from continuing operations available to common stockholders</b>	<b>\$4.0</b>	<b>\$53.7</b>	<b>\$135.8</b>	<b>\$68.0</b>	<b>\$261.5</b>	<b>\$198.4</b>	<b>\$65.9</b>	<b>(\$4.6)</b>	<b>\$259.7</b>
<b>Recurring diluted earnings (loss) per common share</b>	<b>\$0.01</b>	<b>\$0.10</b>	<b>\$0.26</b>	<b>\$0.12</b>	<b>\$0.49</b>	<b>\$0.33</b>	<b>\$0.11</b>	<b>(\$0.01)</b>	<b>\$0.44</b>
<b>Weighted-average shares - diluted (thousands)</b>	519,485	521,698	529,525	586,497	535,611	599,422	578,902	580,735	604,749

<sup>(1)</sup>No tax effect on \$.6 million of the accrual for a regulatory settlement in 1st quarter 2005 and \$8 million of the accrual for litigation contingencies in 2nd quarter 2005.

Note: The sum of earnings (loss) per share for the quarters may not equal the total earnings (loss) per share for the year due to changes in the weighted-average number of common shares outstanding.