

Connecticut Electric IRP Energy Policy Discussion

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D E P E N D A B L E N A T U R A L G A S

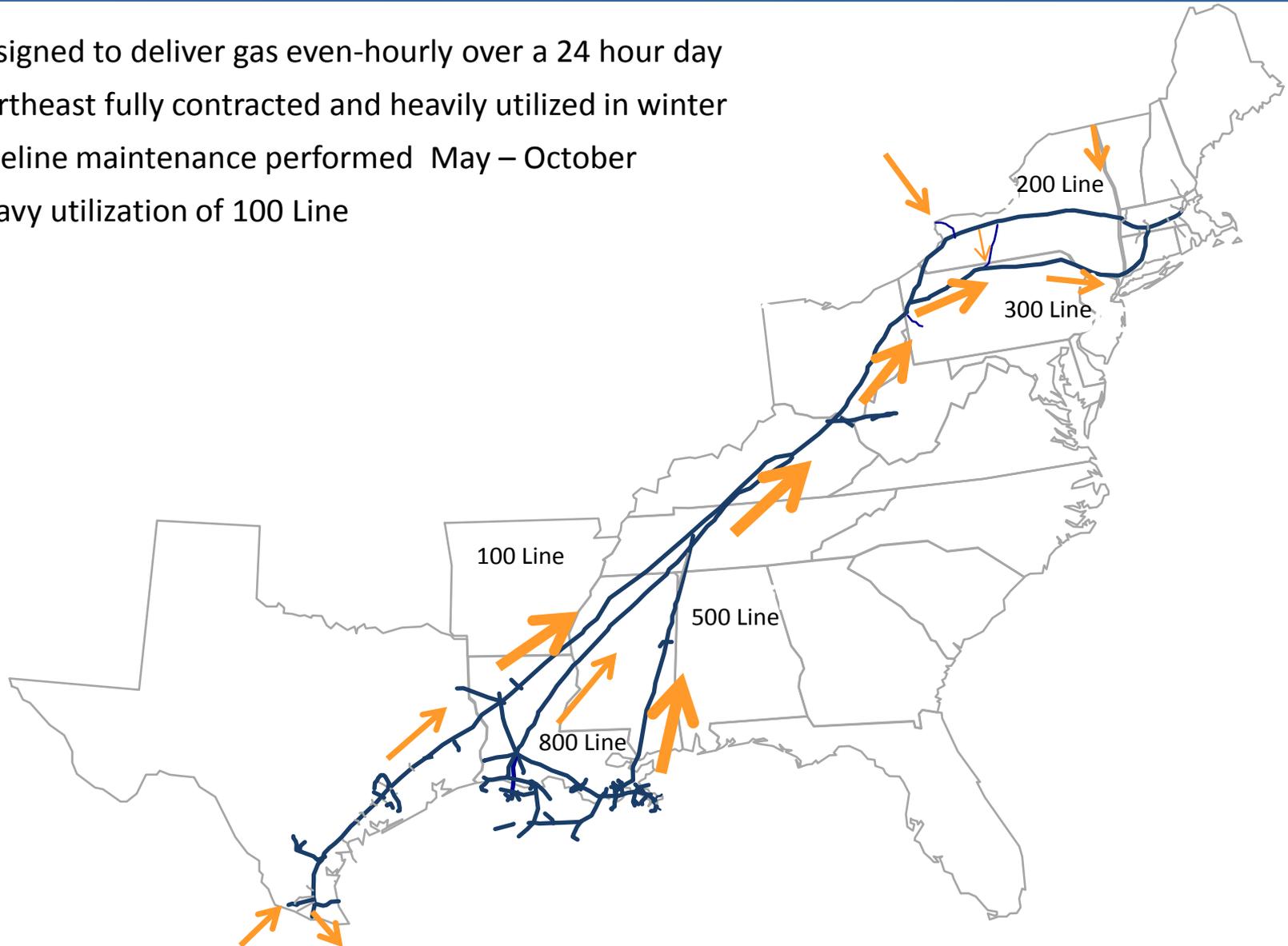
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- El Paso/Tennessee Gas Pipeline Goals
- Tennessee Gas Pipeline Background
- Growing Supply Sources – Great Connectivity
- Operational Challenges
- Pipeline Integrity & Safety
- Operational and Reliability Statistics
- Growth Projects Serving the Northeast

Tennessee Gas Pipeline 2007

Designed to deliver gas even-hourly over a 24 hour day
Northeast fully contracted and heavily utilized in winter
Pipeline maintenance performed May – October
Heavy utilization of 100 Line



Tennessee Gas Pipeline 2011

Peak hour demands and power loads growing

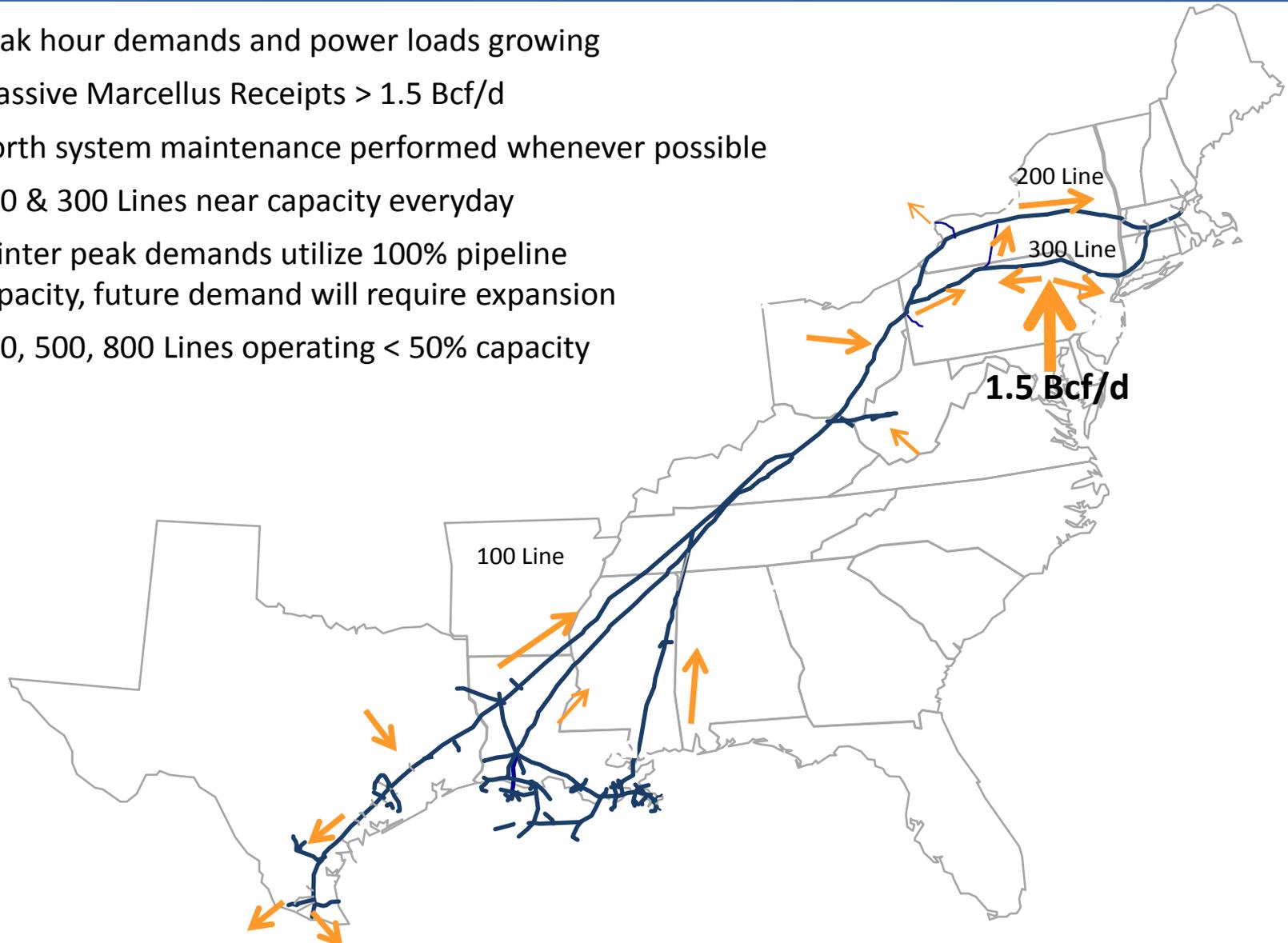
Massive Marcellus Receipts > 1.5 Bcf/d

North system maintenance performed whenever possible

200 & 300 Lines near capacity everyday

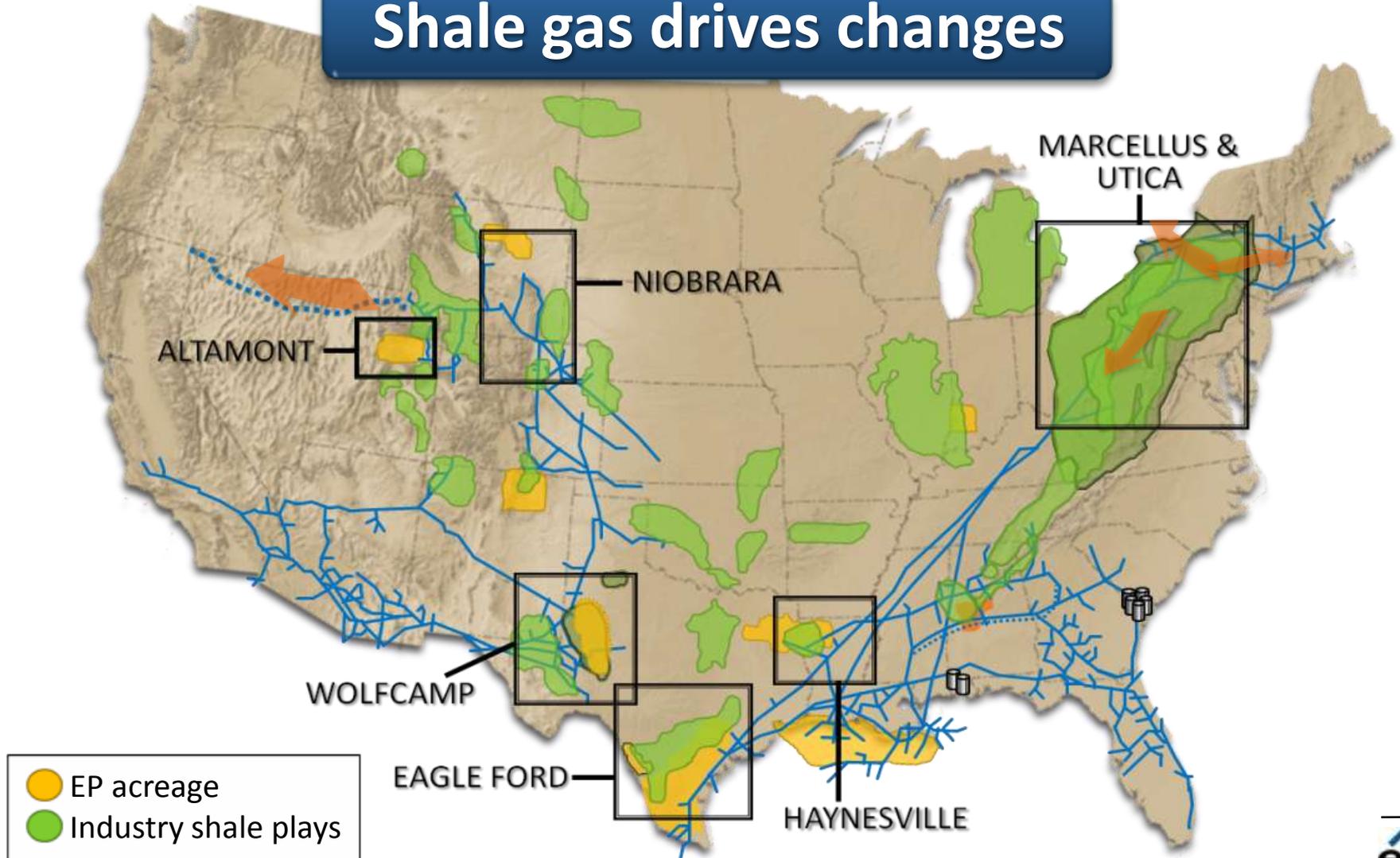
Winter peak demands utilize 100% pipeline capacity, future demand will require expansion

100, 500, 800 Lines operating < 50% capacity



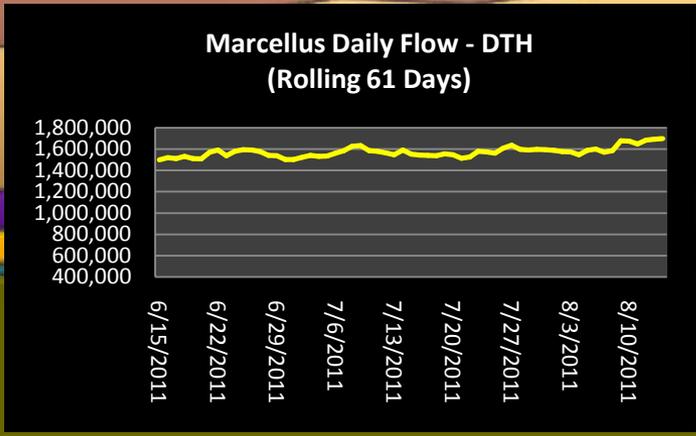
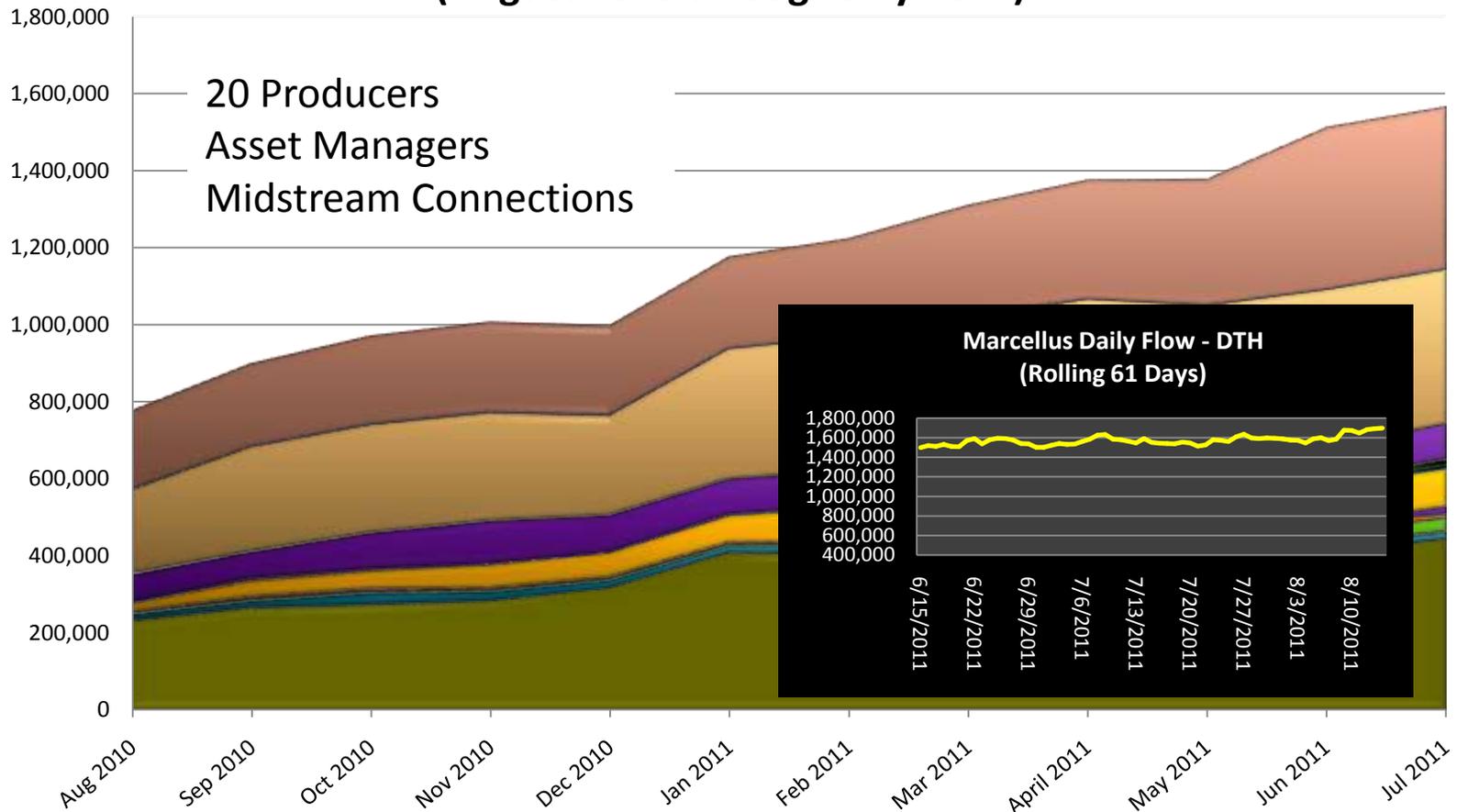
TGP recipient of Gas Shale

Shale gas drives changes



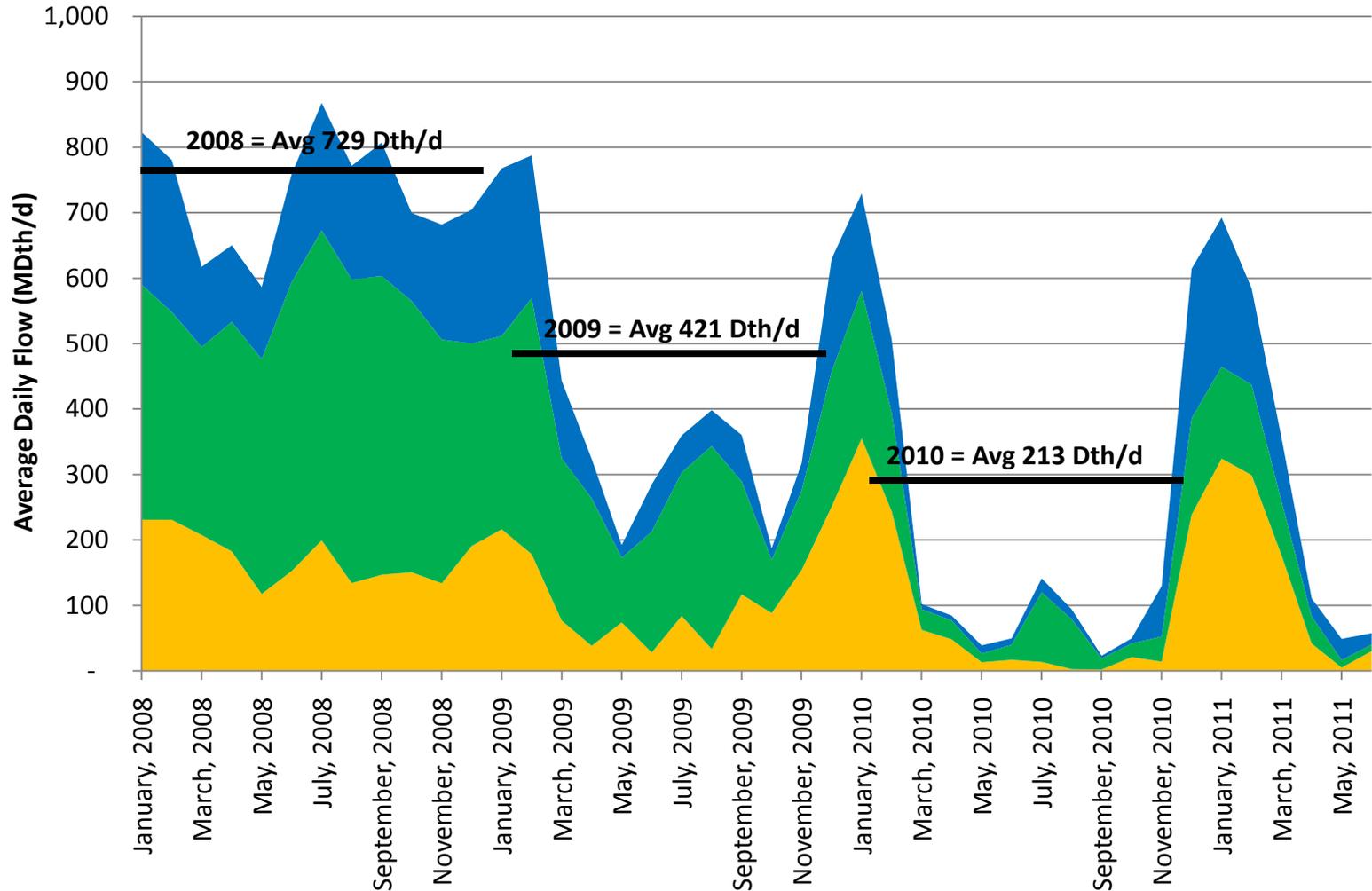
Tennessee's Marcellus Receipts Increase

**Marcellus Average Daily Flow (Dth)
(August 2010 through July 2011)**



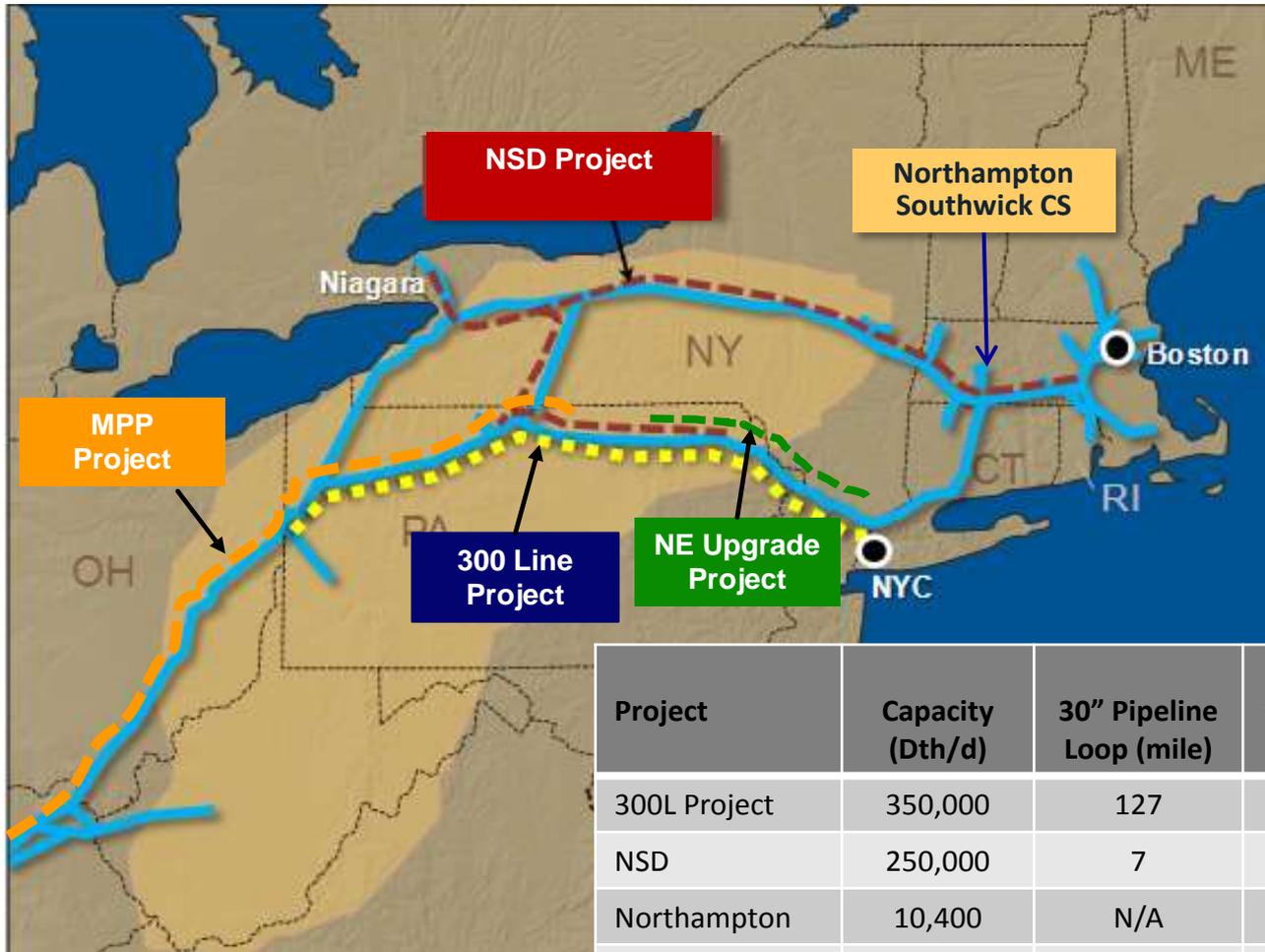
Tennessee Canadian Receipts Decrease

January 2008-June 2011 Scheduled Volumes



Note: Niagara receipts represent TGP's joint venture share of total scheduled volumes

Marcellus Supply Drives Expansions

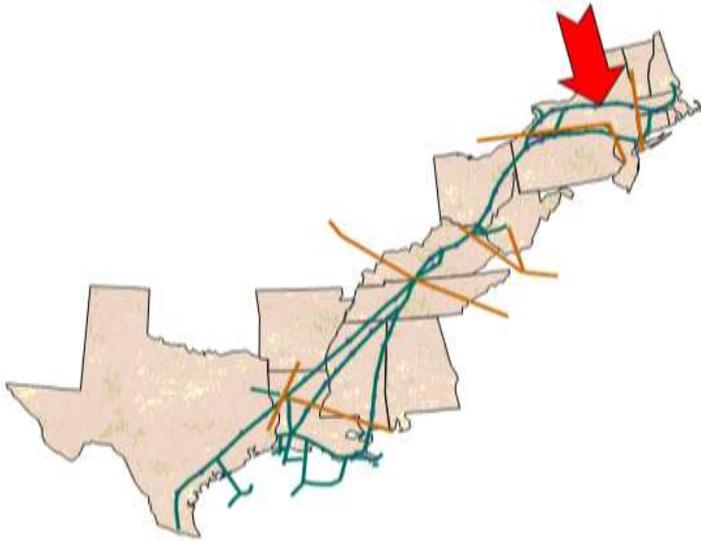


Expansions shown increase Marcellus takeaway but do not increase direct deliveries in the northeast

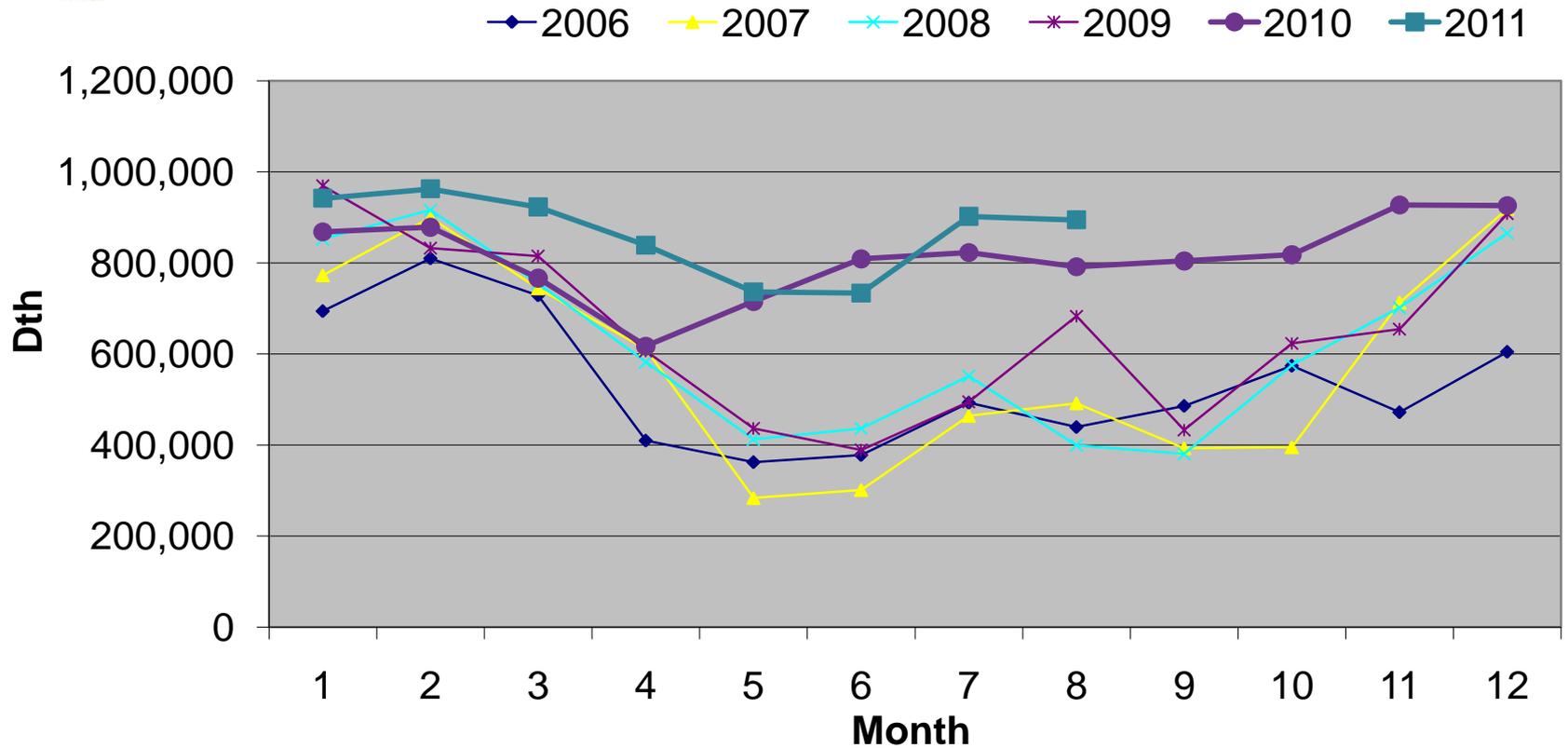
Project	Capacity (Dth/d)	30" Pipeline Loop (mile)	New Compression (Hp)	In-Service
300L Project	350,000	127	55,000	Nov 1, 2011
NSD	250,000	7	N/A	Nov 1, 2012
Northampton	10,400	N/A	2,000	Nov 1, 2012
NE Upgrade	636,000	40	22,310	Nov 1, 2013
MPP Project	240,000	8	N/A	Nov 1, 2013

Operational Challenges

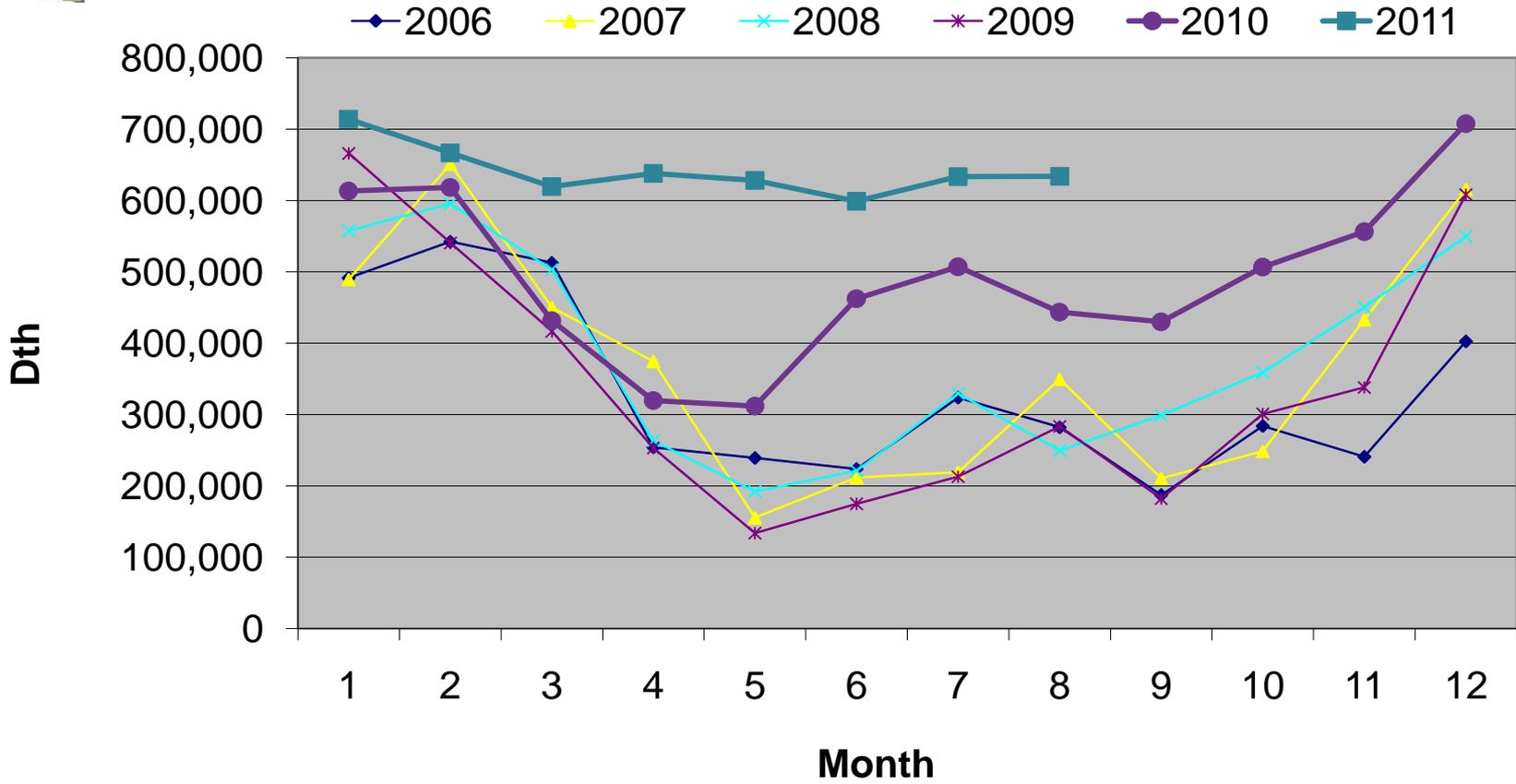
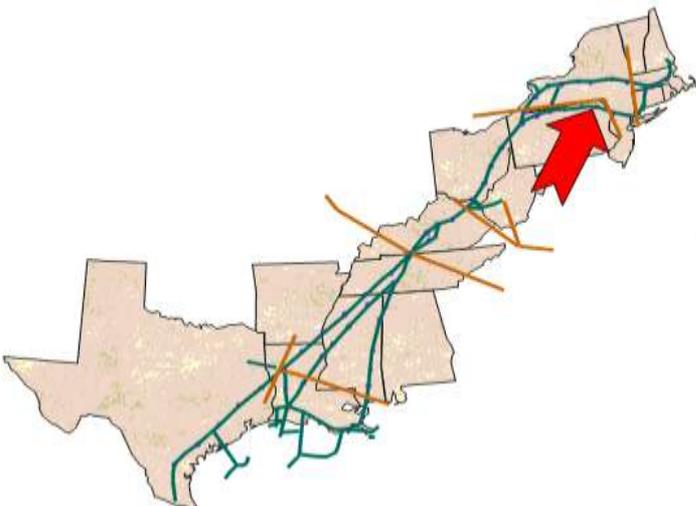
- Dual Winter and Summer Peak Demands
- Heavily Utilization in the Northeast
- New Power Plant Loads
- Growing Hourly Demand
- Need for Imbalance Management



200 Line Flow at Sta. 245

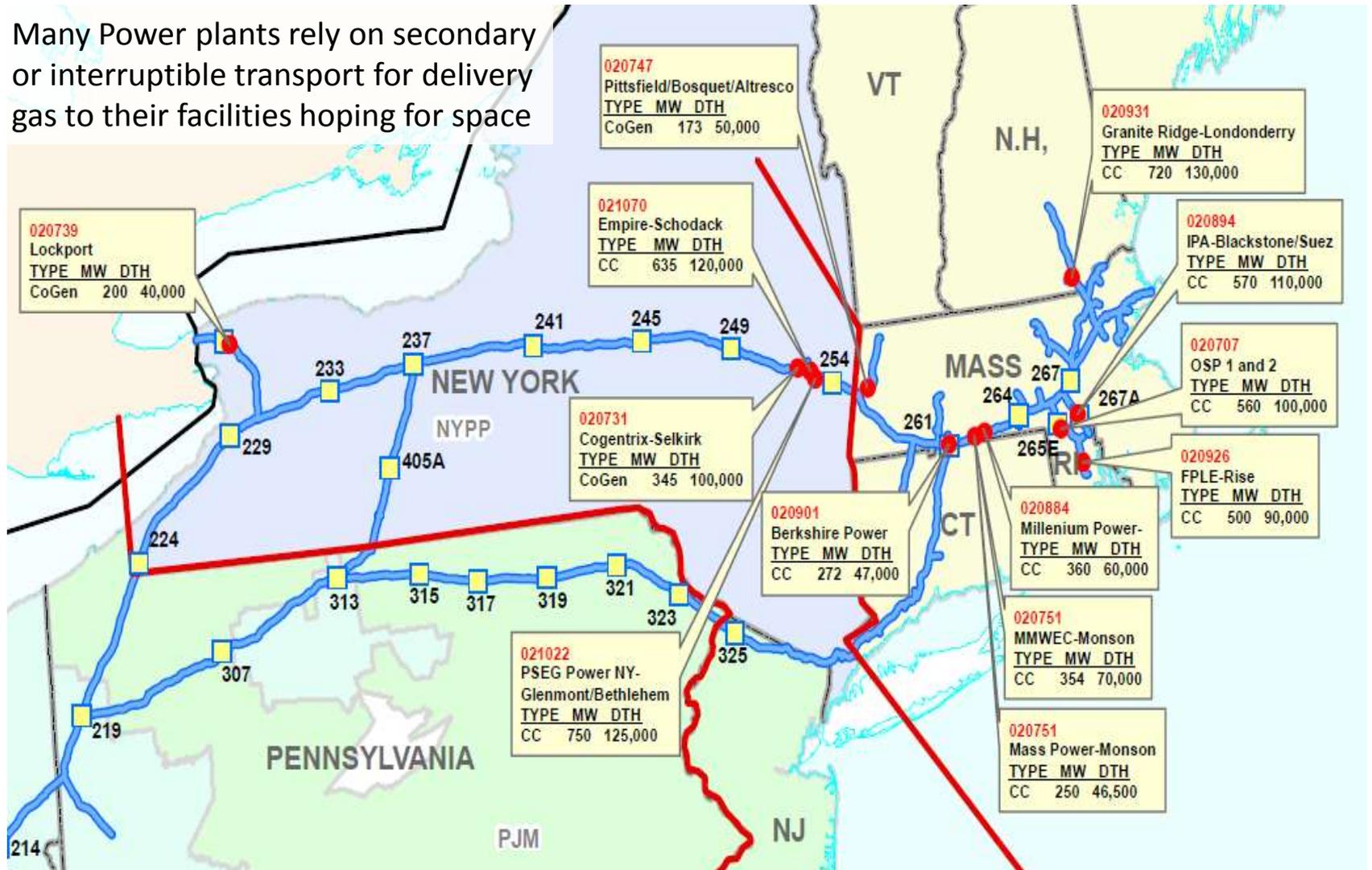


300 Line Flow Eastward at Sta. 321



Northeast Power Plants

Many Power plants rely on secondary or interruptible transport for delivery gas to their facilities hoping for space



Power Plant Summer loads change

SCADA Data from July 11 2011 11:44 a.m. CDT



Flow Acc Vol Sched Pressure

30061 4090 0 810

0 0 0 561

70374 7691 70731 581

29848 3484 0 593

81426 10749 37500 461

39803 4530 30000 723

55151 6239 55000 420

108860 12350 42500 511

78014 8911 75000 532

91621 10231 84587 678

111044 12191 85000 548

120717 12644 78245 556

103402 11459 82978 558

920172 104293 641541

2575050 261879 1653697 1582679

● Demand 920,172 Dth

● Scheduled 641,541 Dth

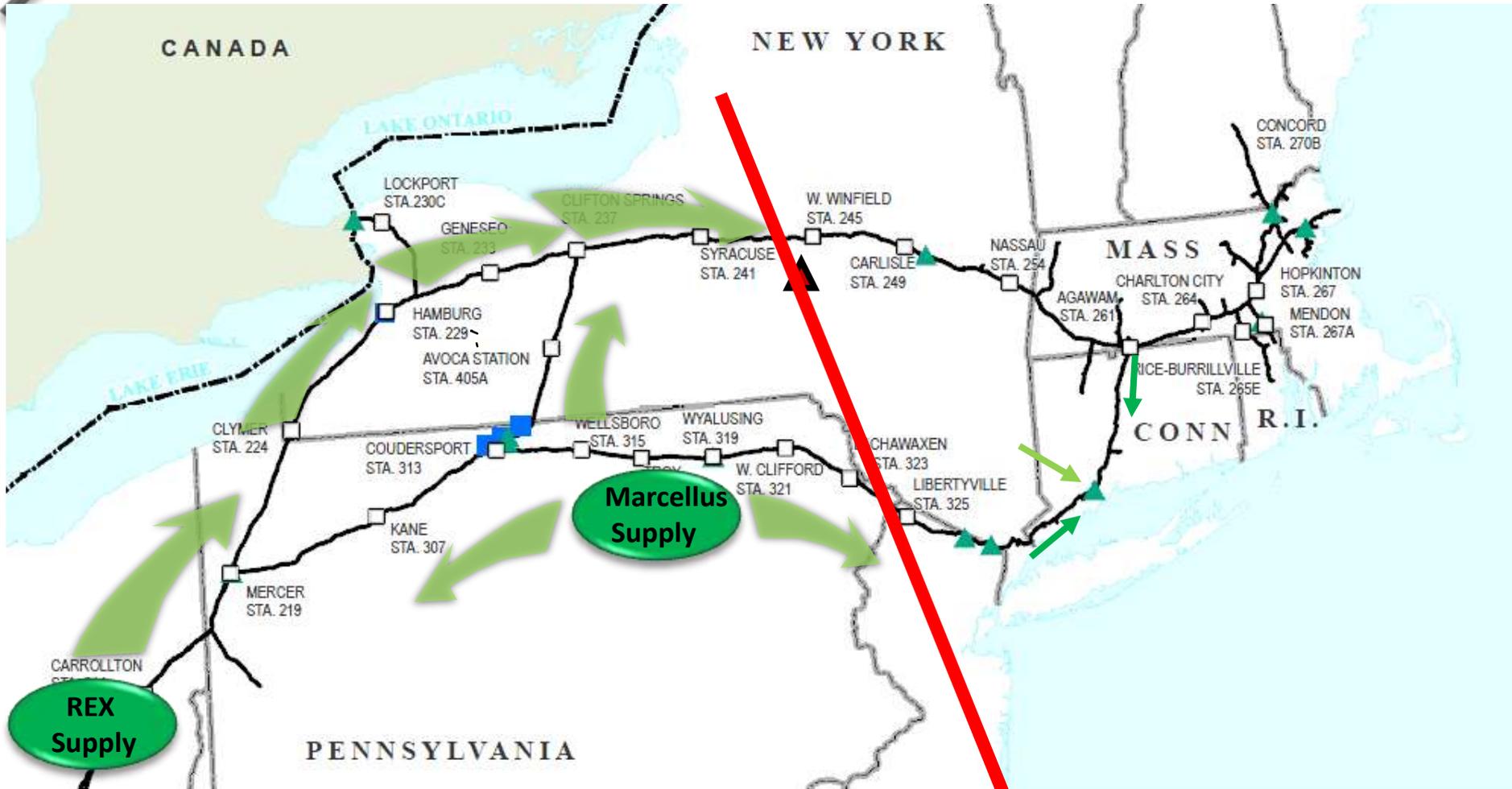
● Deficit 278,631 Dth

● Pressures are dropping

● One plant flowing with no scheduled volume

● Total Overpull ~1 Bcf/d

Major Market Receipts/ Restrictions



Imbalance Management and Next Steps

Need shippers to comply with nomination and scheduling procedures to ensure reliability

● Nominations/Scheduling

- Need to nominate gas including payback
- Submit Burn Profiles (Power Plants)
 - Schedule volumes to match burn profile and adjust Noms to match burn profile
- Utilize Hourly nomination cycles after hours

● Imbalance Management

- Daily Imbalance Charges are always in effect
- OBA Transportation Service charges are in effect

● Additional Pipeline actions

- Confirm nominations down to match flow
- Implement Operational Flow Order (OFO) penalty for overtaking gas
- Flow Control, set delivered volumes equal to scheduled volumes

Commitment to PL Safety



Substantial commitment to In Line Inspection

- 32,865 miles capable of being inspected by ILI (93% Onshore miles)
- 31,581 miles by 2012
- 93% of HCA's assessed by ILI

Aerial Patrols & Leak Surveys

- Own & Operate fixed wing aircraft
- Patrol every (5) weeks
- Encroachments & Terrain Condition

Manage Gas Quality

Electronic monitoring of PL System by Gas Control Center (24/7; 365)

Incident Prevention & Mitigation Measures



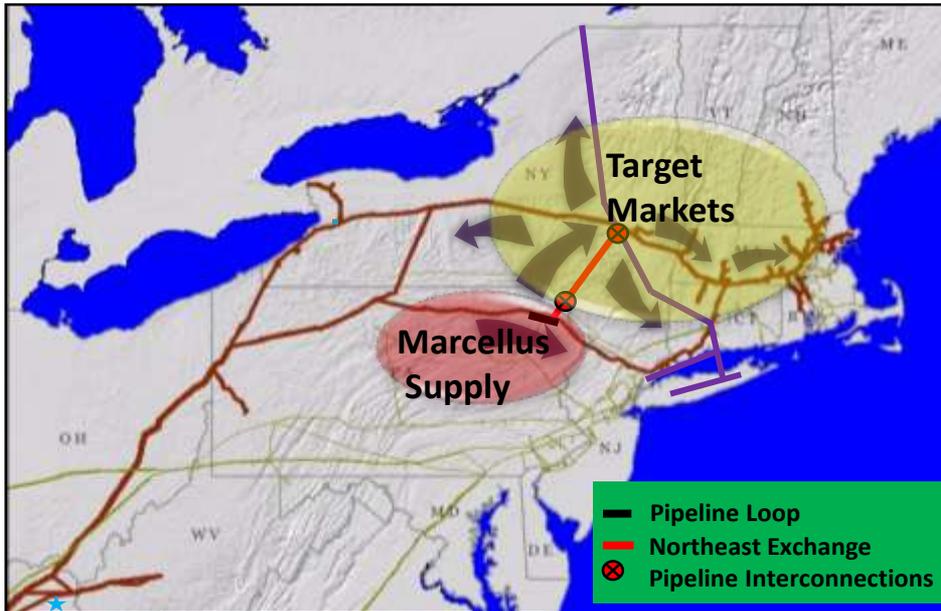
Operational and Reliability Statistics



- 2009 throughput of 1,704 Bcf *
- 2010 throughput of 1,854 Bcf *
- 2009 - 2011 scheduled and delivered 100% of in-path requested volumes
- TGP is committed to serving its firm customers, delivering customers gas where it is needed, when it is needed, safely, reliably and efficiently

* FERC Form 2

Northeast Exchange



Project Highlights

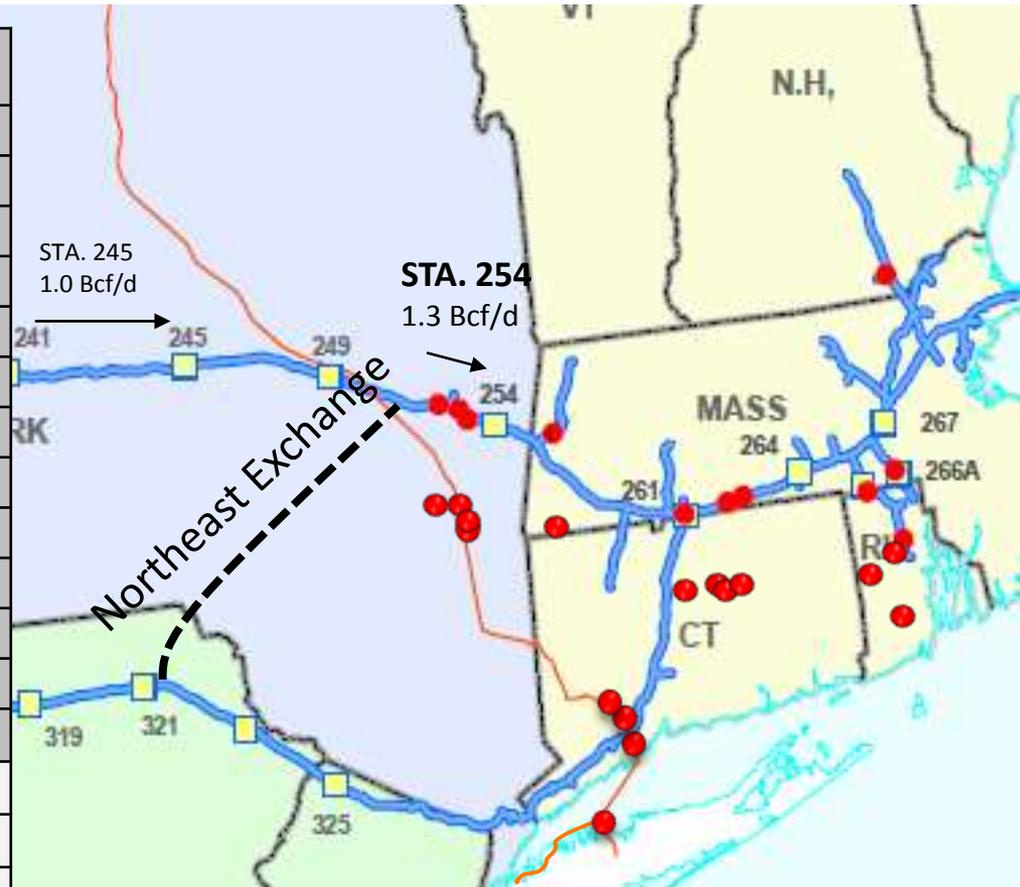
- In-Service Date: 2016/2017
- Incremental Volume: ~600 MDth/d
- Facilities: ~115 mile pipeline, ~20 mile loop
~40,000 Hp Compression
- Target Markets: TGP – Z5, Z6, Iroquois – Z1, Z2

Project Provides Power Producers:

- Marcellus supply access
 - Total Flow ~ 3.1 Bcf/d
 - TGP Current Flow ~ 1.6 Bcf/d
 - TGP capacity ~10.5 Bcf/d
- Domestic Supply
 - Local
 - Not subject to international price arbitrage
- Superior Economics from Supply
 - Less costly than Canadian imports
 - Less costly than competitor projects
- Facilitates future expansions into New England

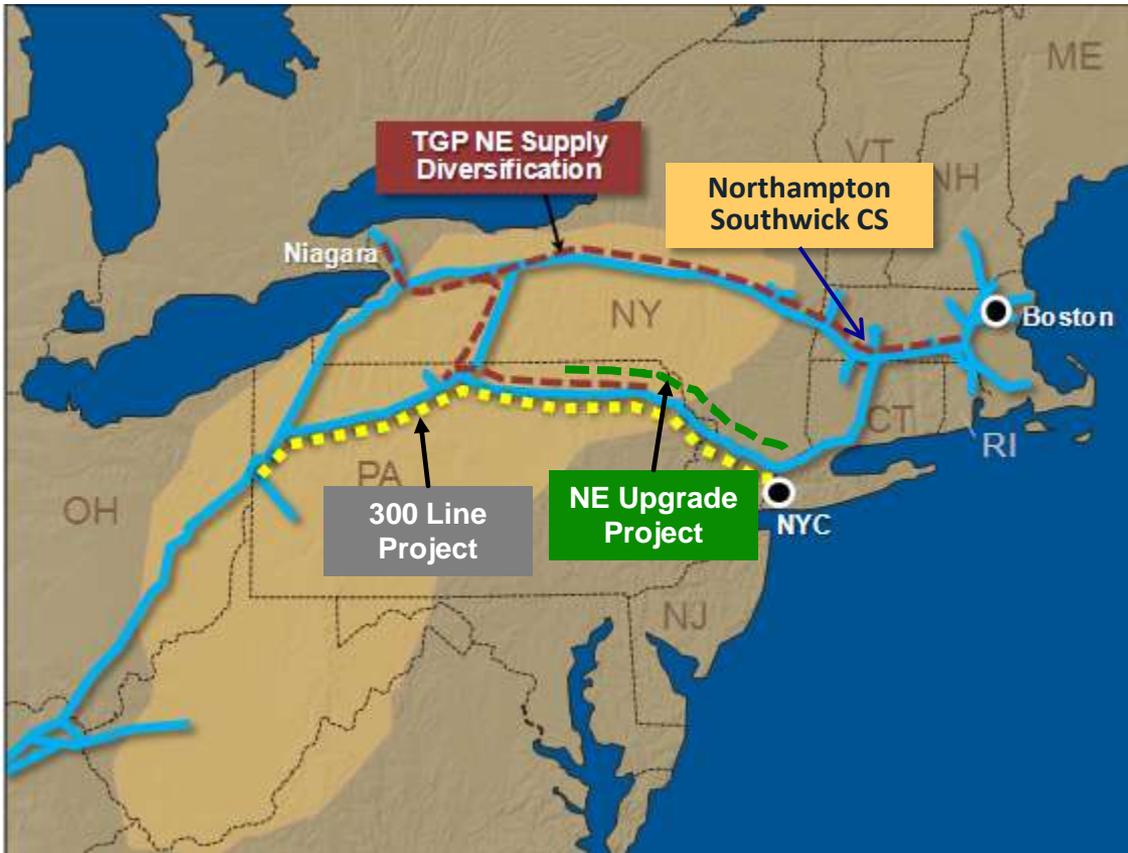
Right project to bring Marcellus to Market

Power Plant	MW	Volume (Mdth/d)
Berkshire Power	272	47
Granite Ridge-Londonderry	720	130
PSEG Power NY-Glenmont/Bethlehem	750	125
Empire-Schodack	635	120
IPA-Blackstone/Suez	570	110
Cogentrix-Selkirk	345	100
OSP 1 and 2	560	100
FPLE-Rise	500	90
MMWEC-Monson	354	70
Millenium Power	360	60
Pittsfield/Bosquet/Altresco	173	50
Mass Power-Monson	250	47
Lockport	200	40
Athens	1,323	222
Devon	172	29
Milford	578	97
Northport	1,548	372
Stratford	520	87
TOTAL	9,830	1,896



- Power Plant
- Iroquois Gas Transmission
- Tennessee Gas Pipeline

TGP Ongoing Growth Projects



\$1.2 billion investment

TGP 300 Line

- 340 MMcf/d capacity
- Fully subscribed 15 years
 - Equitable Gas
- In-service: 2011

NSD Project - uses existing New England Capacity

- 220 MMcf/d capacity
- 15 year contract terms
 - Cabot Oil & Gas
 - Anadarko Energy Services
 - Seneca Resources
- In-service: 2012

Northeast Upgrade Project

- 620 MMcf/d capacity
- Fully subscribed 20 years
 - Chesapeake Energy
 - Statoil Natural Gas
- In-service: 2013

Northampton Southwick Compressor Station

- 10,400 Dth/d capacity
- Fully subscribed 20 years
 - Columbia Gas of Massachusetts
 - Berkshire Gas
- In-service: 2012



Commercial

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- Sital Mody.....713 420-4336 Marketing

Commercial Operations

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