

Fireside Chat With the Bid Room

December 14, 2011



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

Tennessee Gas Pipeline Overview

TGP Quick Facts

- 13,800 miles of pipeline
- ~12 Bcf of linepack
- 92 Bcf of storage capacity
- Average throughput (BBtu/d)
 - ~6,800 (Nov. 2011); 5,081 (Y2010); 4,614 (Y2009)

Serves Major Markets

- Northeast (including NYC and Boston)
- Mid-Atlantic
- Southeast
- Mexico

Attaches to several supply areas

- Marcellus
- Eagle Ford / Haynesville
- Gulf of Mexico
- Canada
- LNG

Multiple liquid trading points



Superior Connectivity to Both Supply & Market Areas

*Attached within the last twelve months

Meet the TGP Commercial Group

Bid Room Team

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➤ What Do We Offer?

- **Firm Transportation Contracts**
- **Interruptible Transportation**
- **Park & Loan Service**
- **Customer Service**

Market Update

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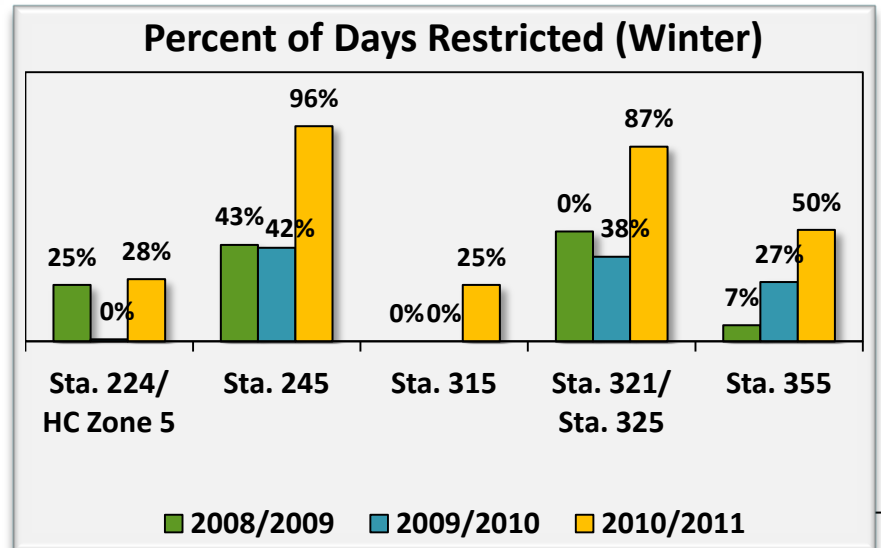
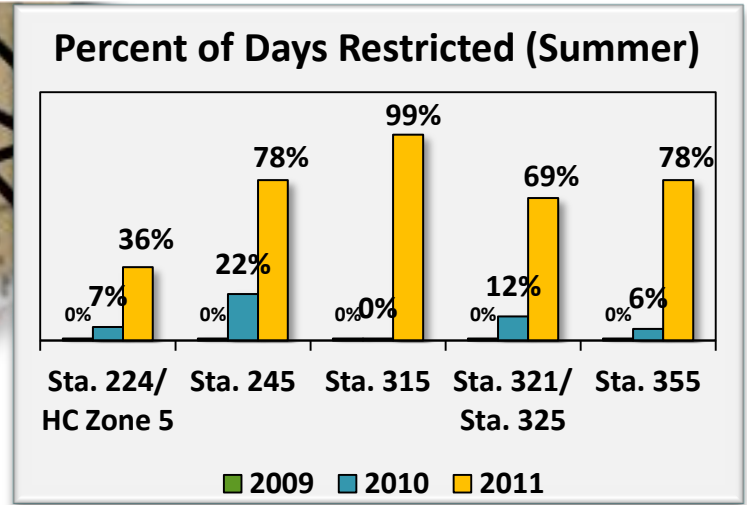
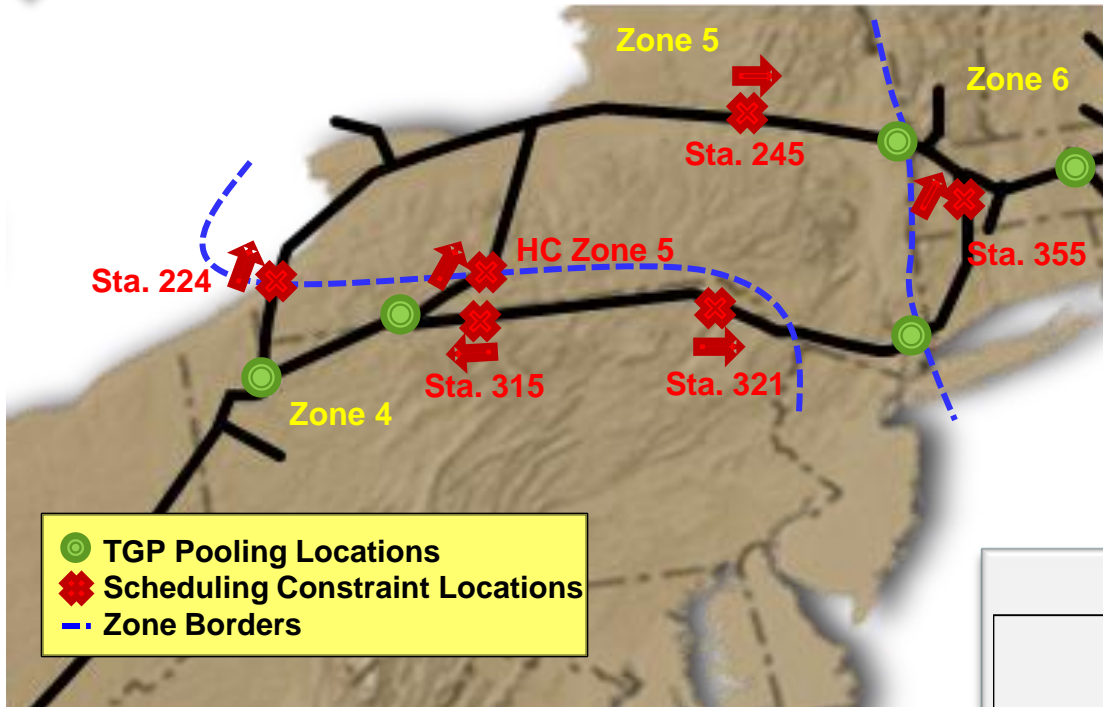


Rate Case Settlement Review

- Uncontested Settlement Approved December 5, 2011
- Rate Moratorium
 - Rates won't change before April 1, 2014
 - Rate review must occur before November 1, 2015
- Hybrid Rate Structure
 - Zones 0–3: Straight Fixed Variable (one commodity rate)
 - Zones 4–6: Non-Straight Fixed Variable (min & max commodity)
- Fuel Changes
 - 2 components to fuel: Payment in-kind & dollar charge (EPCR)
 - Will be on a tracker, revised annually April 1
- No storage cycling requirements

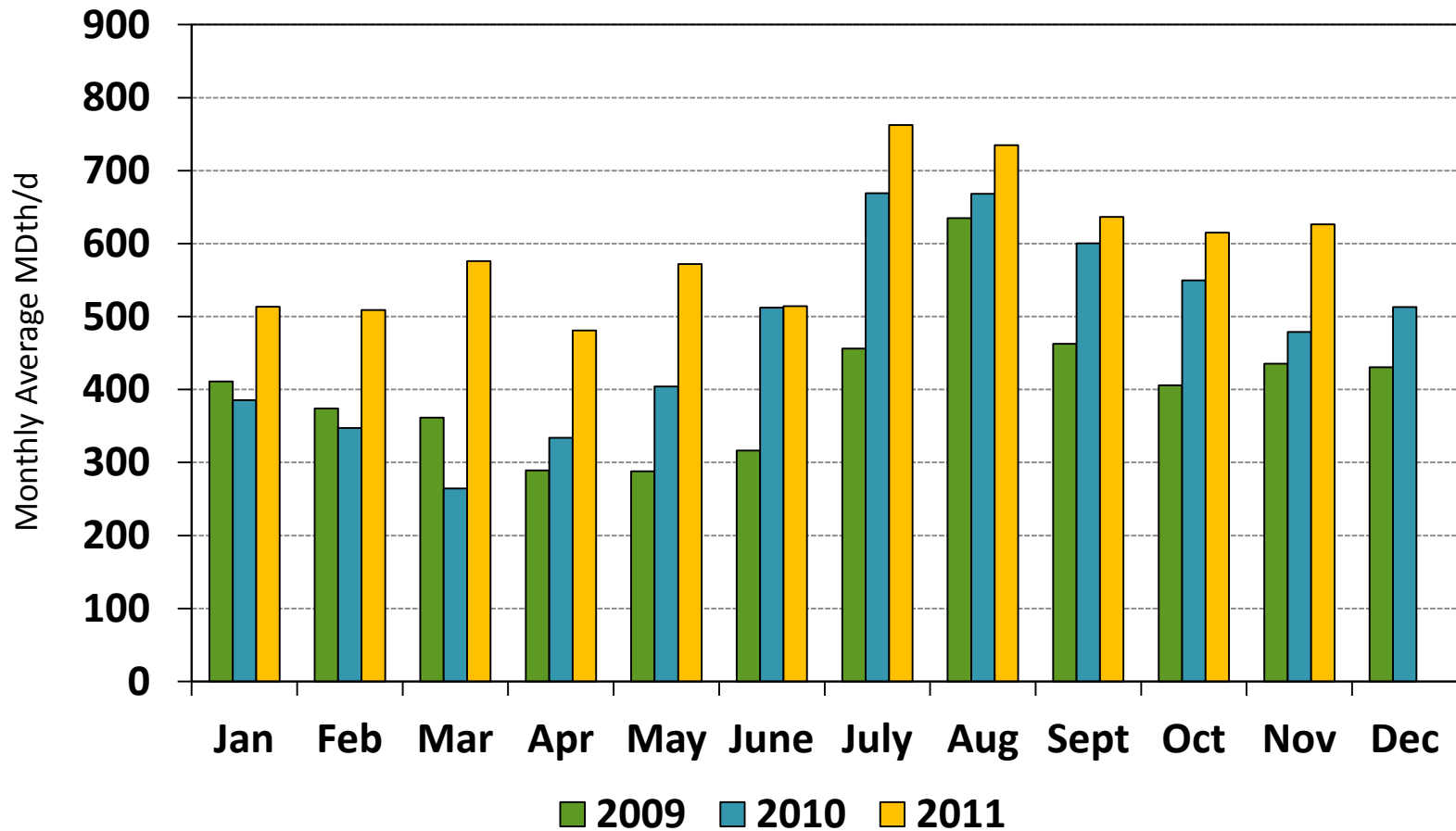
Successful outcome for TGP and its customers

TGP Marcellus/Market Area Changes



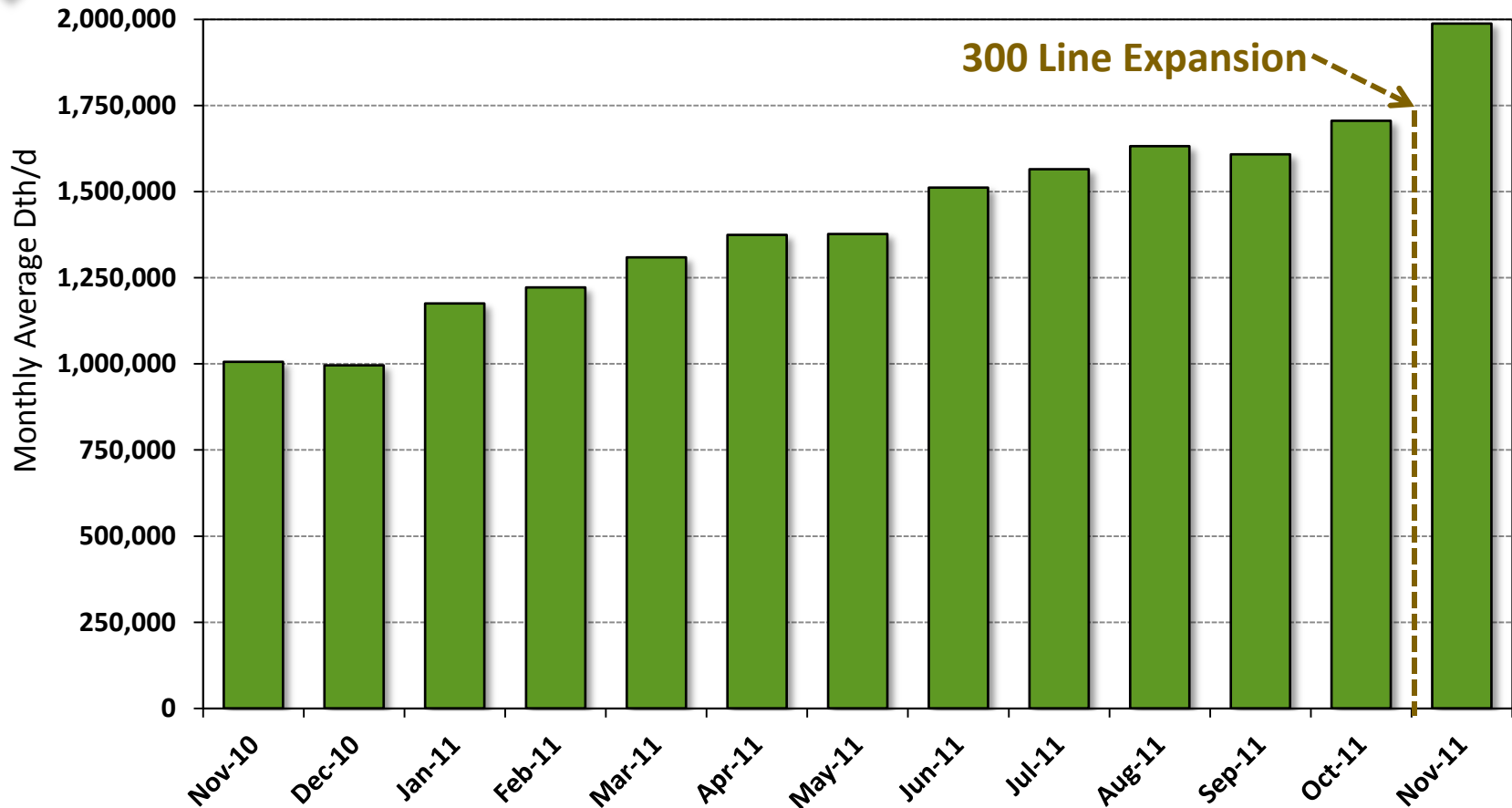
Changes in flows have resulted in more scheduling constraints

Total Power Demand—Zones 4, 5, & 6



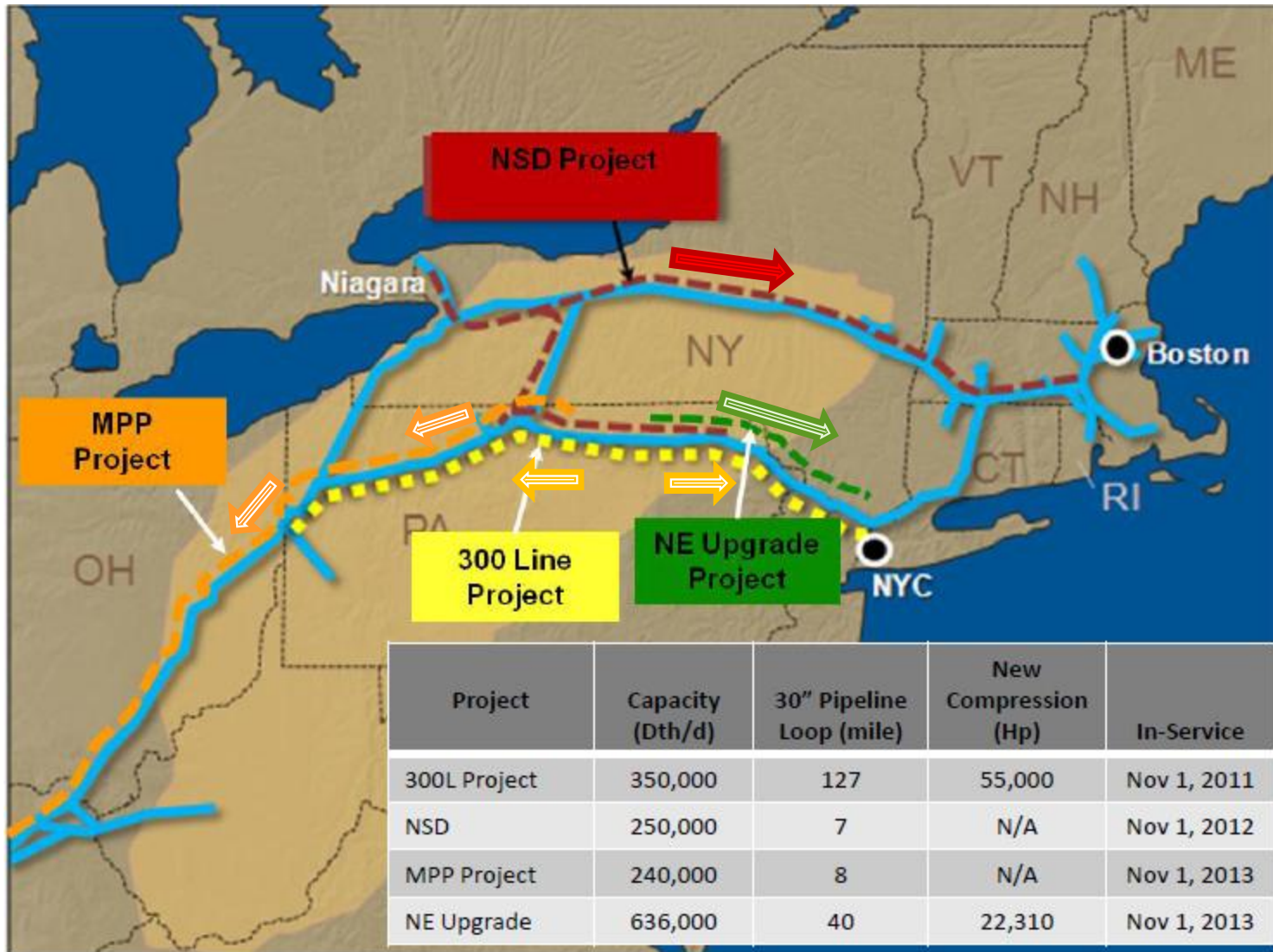
Reduced prices lead to higher utilization of gas-fired generation

Marcellus Volumes Continue to Grow

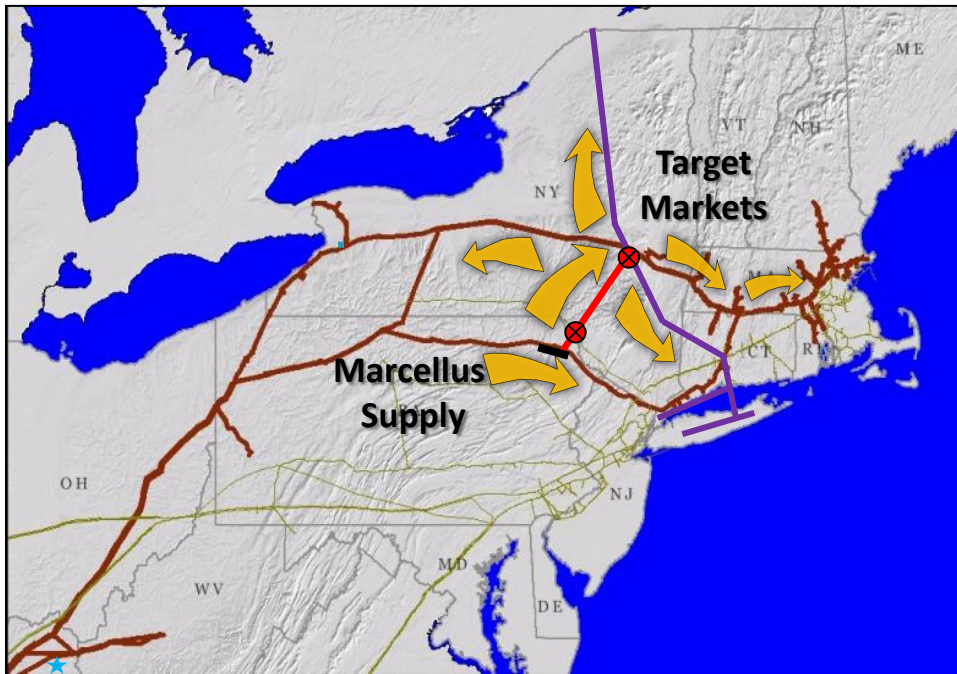


Current daily Marcellus receipts exceed 2 Bcf

Current Expansion Projects



Northeast Exchange Project



Summary

- Proposed In-service Date: Winter 2015
- Incremental Volume: 600MDth/d
- Target Markets: TGP Z5, Z6; IGT Z1, Z2

Northeast Exchange: The Right Project

- Premium Market Access (TGP & IQT)
- Unmatched, Direct Supply Access
- Proved Project Execution

- In-Service Date: 2015
- Incremental Volume: ~600 MDth/d
- Facilities: ~110 mile pipeline, ~ 23 mile loop, ~44,000 Hp Compression
- Target Markets: TGP – Z5, Z6, Iroquois – Z1, Z2

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