



# Shipper Meeting

June 1, 2007

# Legal Cautionary Statement

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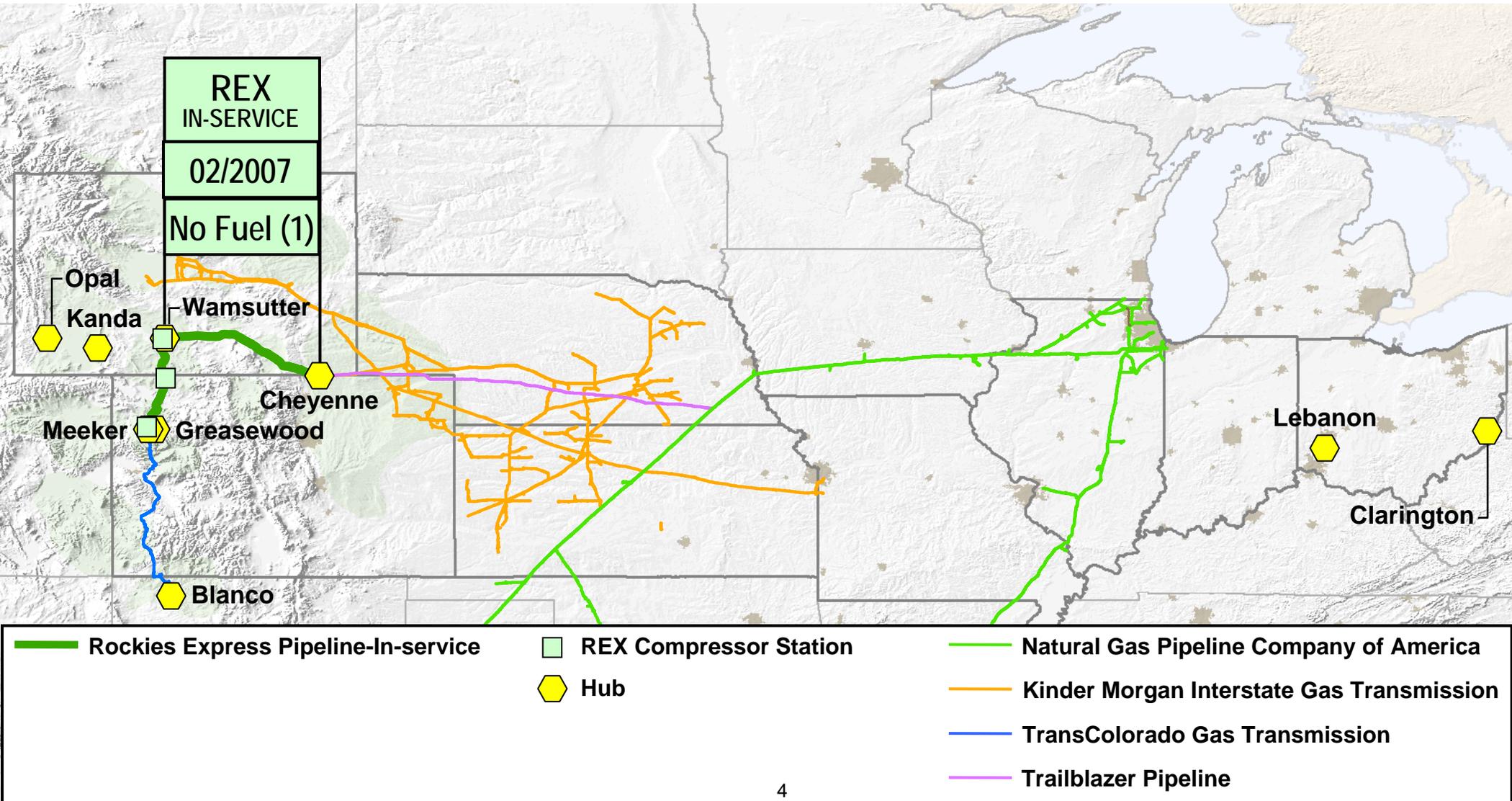
Please keep in mind that sharing your company's forecasts, predictions, pricing plans, production plans or purchasing plans with competitors is illegal. Please do not discuss current or future prices, price trends, production, demand or other sensitive information with persons who are your competitors. Please do not use this meeting as a forum to share information that is proprietary or confidential. I'm sure that each of our employers has an antitrust policy in place. I ask that you keep that policy and the antitrust laws in mind during today's formal and informal activities.

# Today's Agenda

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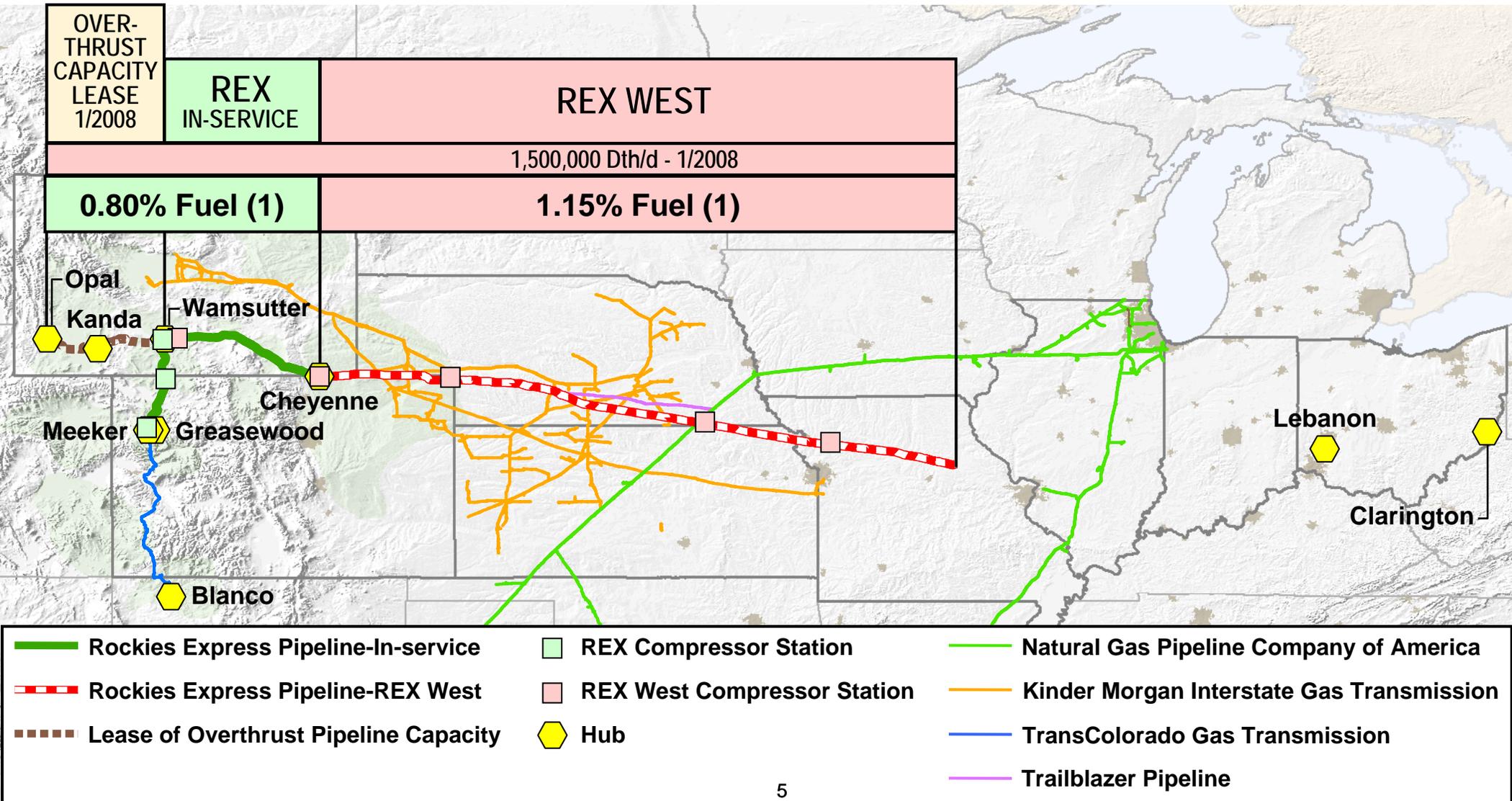
- **Project Status Update**
  - ✓ **Overview**
  - ✓ **REX- West**
  - ✓ **Overthrust**
  - ✓ **REX-East**
- **Regulatory Update**
- **Interconnects**
- **Nominations, Scheduling and Pooling- Under Development**
- **Next Development Steps**

# Overview



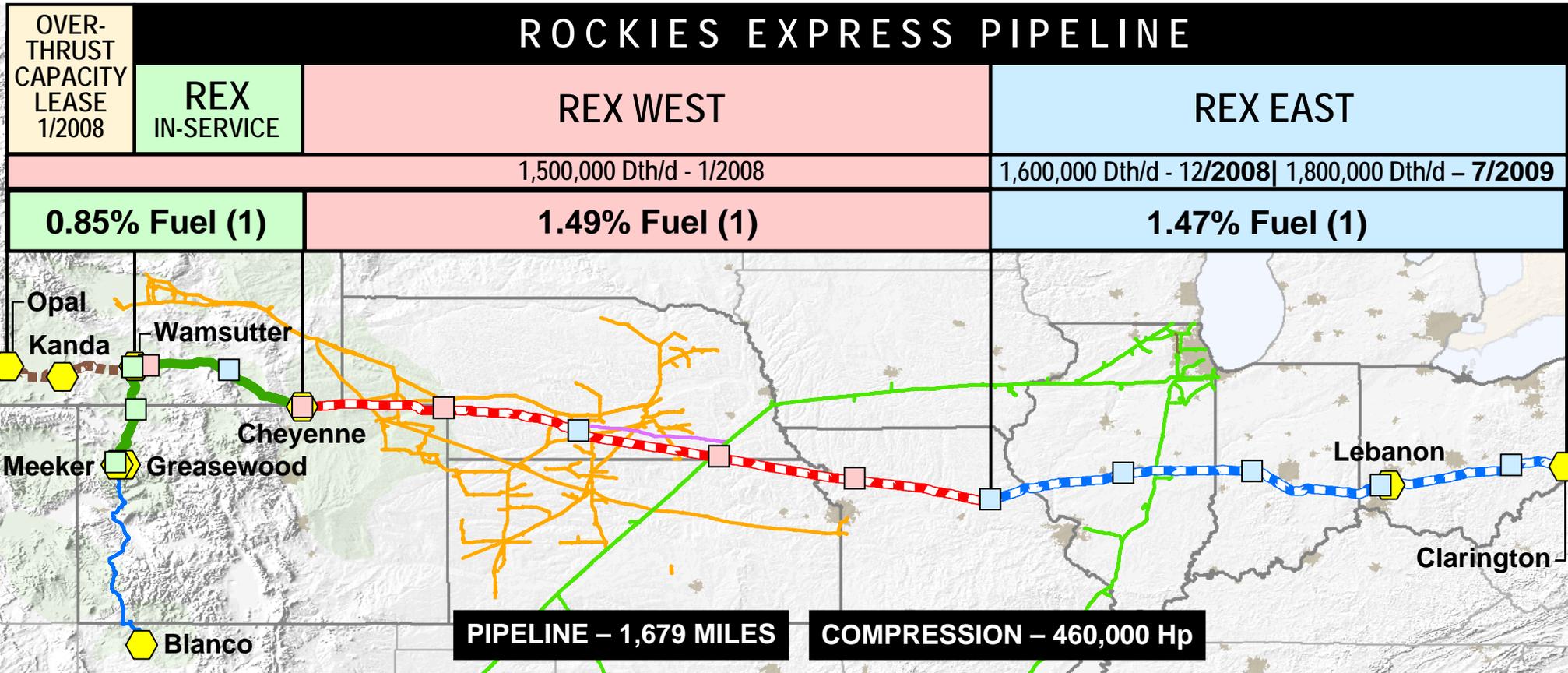
Note 1: Lost and Unaccounted For gas will be retained and tracked to actuals.

# Overview



Note 1: Plus Lost and Unaccounted For gas (L&U) estimated at .15%

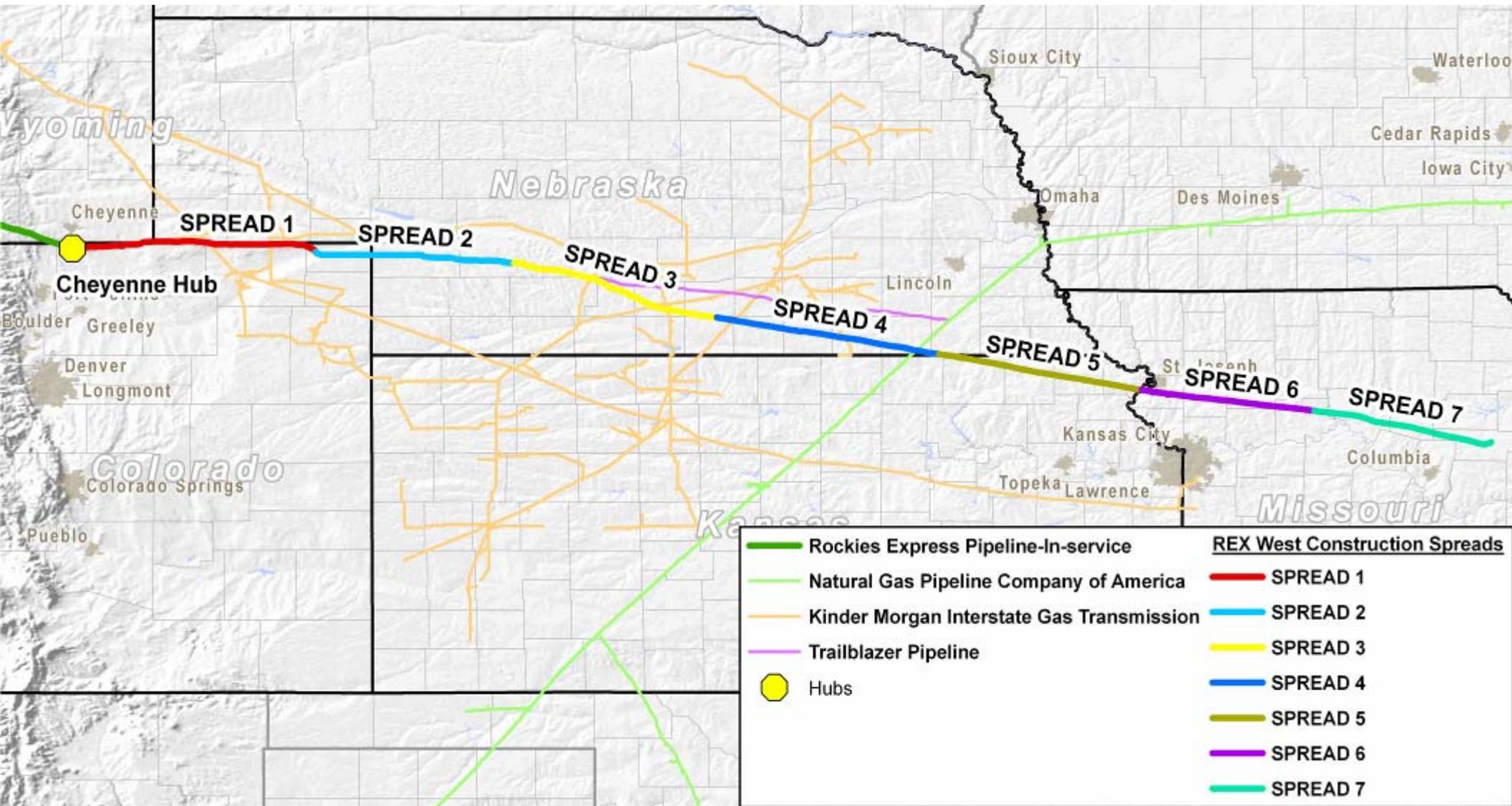
# Overview



- Rockies Express Pipeline-In-service
- - - Rockies Express Pipeline-REX West
- - - Rockies Express Pipeline-REX East
- - - Lease of Overthrust Pipeline Capacity
- REX Compressor Station
- REX West Compressor Station
- REX East Compressor Station
- ⬡ Hub
- Natural Gas Pipeline Company of America
- Kinder Morgan Interstate Gas Transmission
- TransColorado Gas Transmission
- Trailblazer Pipeline

Note 1: Plus L&U estimated at .15%

# REX West Construction Spreads



# REX- West

- 713 miles 42-inch diameter pipeline
- Compressor stations
  - ✓ 6 Mainline/2 Supply Lateral
  - ✓ 2 Hub Services
- Progress (as of May 15<sup>th</sup>)

		<u>% Complete</u>
✓ Pipe Received:	390 miles	55%
✓ ROW:	1,688 tracts secured	97%
➤ In Negotiations:	13 Pending	1%
➤ Condemnations:	38 In Process	2%
✓ Contractors	Deployed to Staging Areas	
✓ Compression:	Notice to Proceed in Hand	

# REX- West (Continued)

## Mainline Compressor Stations

✓ Meeker	Gas	Turbine	15,400 Hp (iso)
✓ Wamsutter	Gas	Turbine	30,930 Hp (iso)
✓ Cheyenne	Electric	Turbine	35,000 Hp (iso)
✓ Julesburg	Electric	Turbine	35,000 Hp (iso)
✓ Steele City	Gas	Turbine	41,000 Hp (iso)
✓ Turney	Electric	Turbine	35,000 Hp (iso)

# REX- West (Continued)

## Supply Laterals

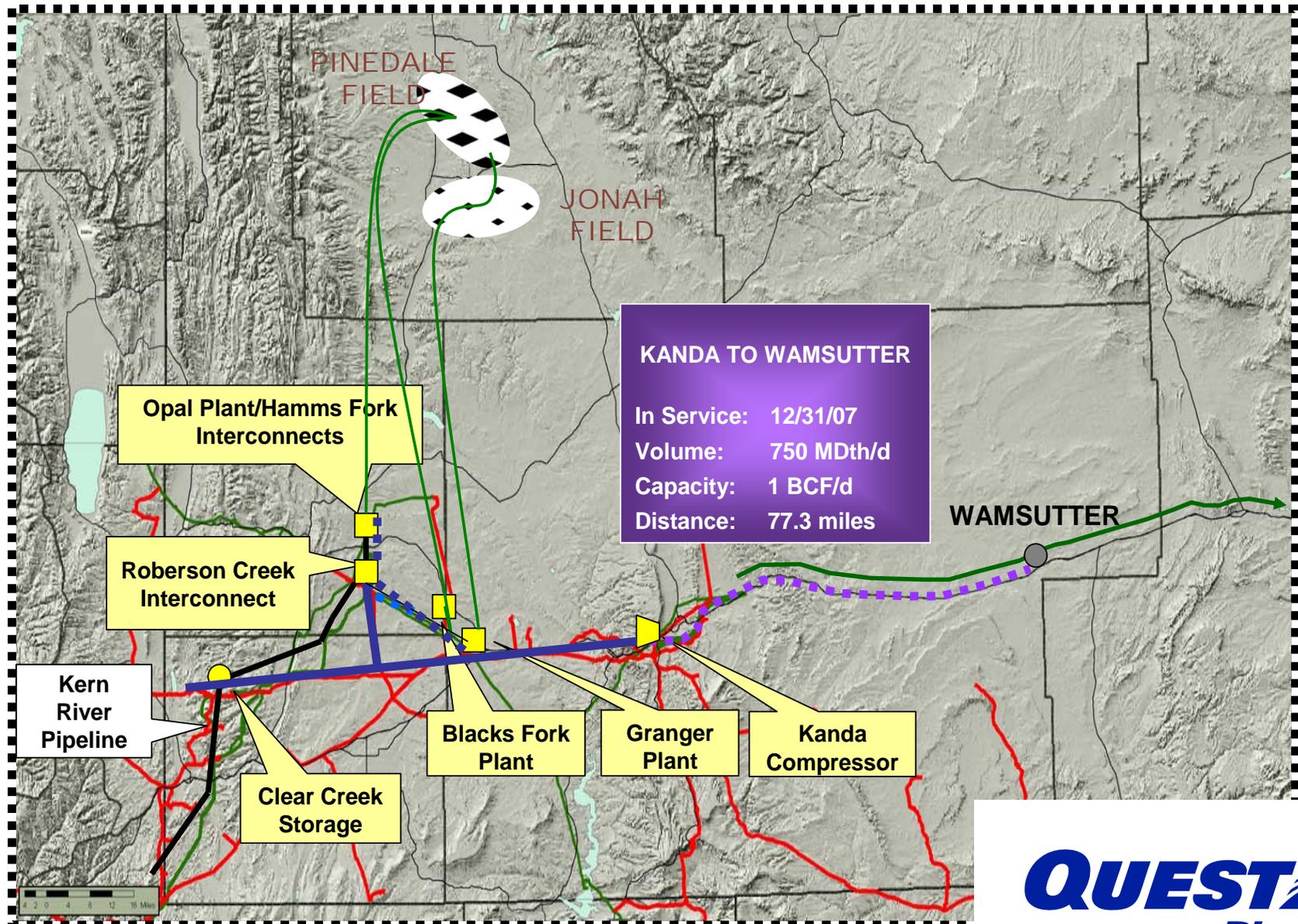
- ✓ Echo Springs (part of in REX- West certificate application)
  - ❖ Receipt at WFS Echo Springs Plant site
  - ❖ Pipeline 6 miles of 24-inch
  - ❖ Compressionreciprocating 7,100 Hp (iso)
  - ❖ Capacity 115,000 Dth/d
  
- ✓ Lost Creek (to be Constructed under Blanket Authority)
  - ❖ Receipt at the Southern Terminus of the Lost Creek System
  - ❖ Pipeline 2 miles of 24-inch
  - ❖ Compressionreciprocating 4,700 Hp (iso)
  - ❖ Capacity 150,000 Dth/d

# REX- West (Continued)

## Hub Service Compressor Stations (Incremental Fee & Fuel)

✓ Meeker	Gas	Reciprocating	13,020 Hp (iso)
		Recourse Rate:	\$0.0416/Dth (100% LF)
		Fuel estimate:	0.42%
✓ Cheyenne	Electric	Reciprocating	500 Hp (iso)
		Recourse Rate:	\$0.0622/Dth (100% LF)
		Fuel estimate:	0.21%

# Overthrust Facilities for Capacity Lease



# Overthrust Facility Description

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- **Kanda to Wamsutter**
  - ✓ **77.3 miles of 36” Pipeline**
    - ❖ **.531-.750, X-70 wall pipe**
    - ❖ **1,458 psig Maximum allowable operating pressure**
  - ✓ **Line follows existing corridor crossing BLM and private land**
  - ✓ **2 new compressor stations located at Roberson Creek and Kanda.**
    - ❖ **Kanda - One Solar MARS 100**
    - ❖ **Roberson Creek - 2 Solar MARS 100s**
  - ✓ **Total Horsepower: 45,000 ISO**
  - ✓ **Project Cost Estimate: \$202,325,045**



# REX-East Status

- **637 miles 42-inch diameter pipeline**
- **8 Mainline Compressor stations**
- **Survey**
  - ✓ Permits 2,871 of 3,770 Tracts obtained 85%
  - ✓ Civil 589 of 637 miles complete 92%
  - ✓ Biological 473 of 637 miles complete 74%
  - ✓ Cultural 505 of 637 miles complete 79%
- **ROW**
  - ✓ Acquisition Underway
- **Public Relations - Ongoing**

# REX- East (Continued)

- **Mainline Compressor Stations**

✓ Big Hole	Gas	Zone 1	Turbine	7,700 Hp (iso)
✓ Arlington	Gas	Zone 1	Reciprocating	24,540 Hp (iso)
✓ Bertrand	Gas	Zone 2	Reciprocating	36,810 Hp (iso)
✓ Mexico	Gas	Zone 2	Turbine	41,000 Hp (iso)
✓ Blue Mound	Gas	Zone 3	Reciprocating	36,810 Hp (iso)
✓ Bainbridge	Gas	Zone 3	Turbine	41,000 Hp (iso)
✓ Hamilton	Electric	Zone 3	Turbine	35,000 Hp (iso)
✓ Chandlersville	Gas	Zone 3	Reciprocating	20,450 Hp (iso)

# REX – West Regulatory

- ✓ FTSA/Negotiated Rate Letter Agreements- Complete
- ✓ Notice to Proceed
  - ❖ Compressor Stations- Received
  - ❖ Pipeline – Pending
    - Contractors authorized to go to their staging areas
- ✓ Planned Future Tariff Filings
  - ❖ Overthrust Dew Point Change/Conforming REX @ Opal
  - ❖ Changes from FERC Order; non-conforming agreements
  - ❖ Evaluating new services to meet market needs at interconnects
- ✓ Annual FL&U tracker for Zone 1, Zone 2, Meeker, Cheyenne Hubs

# REX – East Regulatory

- **Certificate Application (CP07-208)**

- ✓ Filed April 30, 2007
  - ❖ Accepted and Noticed—Interventions due June 4
  - ❖ REX requests FERC Certificate February 1, 2008
  - ❖ Final Environmental Impact Statements approximately 8 months from final submission environmental reports

# REX-West Interconnects

Interconnect Point		Capacity	In-Service Date	Flow
Meeker	TransColorado	350,000	Operational	Receipt Only
	Enterprise	850,000	Operational	Receipt Only
Wamsutter	Overthrust	630,000	January 1, 2008	Receipt Only
	Lost Creek	150,000	January 1, 2008	Receipt Only
Echo Springs	WFS	115,000	January 1, 2008	Receipt Only
Rockport	WIC	50,000	January 1, 2008	Receipt Only
Wamsutter	CIG	500,000	Operational	Bi-Directional
	WIC	500,000	Operational	Bi-Directional
Rockport	CIG	600,000	Operational	Delivery Only
	XCEL	200,000	Operational	Delivery Only
	Cheyenne Plains	730,000	Operational	Bi-Directional
	Trailblazer	860,000	Operational	Delivery Only
KMIGT		100,000	January 1, 2008	Delivery Only
NGPL		600,000	January 1, 2008	Delivery Only
NNG		200,000	January 1, 2008	Delivery Only
ANR		600,000	January 1, 2008	Delivery Only
PEPL		1,051,000	January 1, 2008	Delivery Only

# REX - East Interconnects

## (11 Primary Points)

Interconnect Point		County	Proposed Capacity (1)
Lebanon	Columbia	Warren, OH	280,000
	Dominion	Warren, OH	700,000
	Texas Eastern	Warren, OH	140,000
	Vectren	Warren, OH	140,000
		TOTAL >>>	1,260,000
In-Path	Columbia Gas of Ohio	Pickaway, OH	140,000(
	Columbia	Fairfield, OH	500,000
	Cincinnati Gas & Electric	Fairfield, OH	140,000
	Tennessee Gas Transmission	Muskingham, OH	560,000
		TOTAL >>>	1,340,000
Clarington	Dominion	Monroe, OH	500,000
	Dominion East Ohio	Monroe, OH	140,000
	Texas Eastern	Monroe, OH	980,000
		TOTAL >>>	1,620,000

Note 1: Point Capacities and the terms of Facility Interconnect and related agreements are being negotiated and are subject to change.

# REX - East Interconnects

## (9 Secondary Points)

Interconnect Point	County	Proposed Capacity (1)
NGPL	Moultrie, IL	560,000
Illinois Power	Moultrie, IL	140,000
Trunkline	Douglas, IL	140,000
PEPL	Douglas, IL	140,000
MGT	Edgar, IL	140,000
Citizens Gas	Morgan, IN	140,000
Indiana Gas	Johnson, IN	140,000
ANR	Shelby, IN	560,000
Texas Gas Transmission	Warren, OH	140,000
	<b>TOTAL &gt;&gt;&gt;</b>	<b>2,100,000</b>

Note 1: Point Capacities and the terms of Facility Interconnect and related agreements are being negotiated and are subject to change.

# REX CAPACITY LEASE ON OVERTHRUST

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- All receipt points for REX transport are physically a single interconnect with upstream operators.
- Upstream operators will have two delivery points to nominate – one for REX and one for Overthrust.
- Shippers nominate from the appropriate receipt point as if they are two separate physical interconnects.
- REX will confirm nominations directly with the upstream operator for nominations to REX.
- Overthrust will confirm nominations directly with the upstream operator for nominations to Overthrust.
- REX and Overthrust will confirm with each other, in order to make sure the total nominations physically flow.

# Supply Aggregation/Pooling (Under Development)

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- **Conceptual Service**

- ✓ **Zone 1 Pools**

- ❖ Opal

- ❖ Meeker

- ❖ Wamsutter

- ❖ Cheyenne

- ✓ **Pools located downstream of Hub Compression (e.g., Meeker & Cheyenne)**

- **Attributes**

- ✓ **No fee to nominate to the pool**

- ❖ Excludes incremental Meeker or Cheyenne Hub fees

- ✓ **Tracking of buy/sell transactions will be provided**

- ✓ **Transportation fees will be applicable for nominations from a pool (i.e., pool to pool, or pool to delivery point)**

- ❖ Wheeling at a pool is under development (e.g., receipts and deliveries within a pool)

- **Next steps**

- ✓ **Obtain customer input via individual meetings**

- ✓ **Draft procedures**

# Next Development Steps Expansion

- **Expansion**

- ✓ Zone 1

- ❖ Address Regional Capacity to Opal, Wamsutter, Blanco and Cheyenne
- ❖ Overthrust
- ❖ Meeker to Cheyenne

- ✓ Zones 2 & 3

- ✓ Zone 3 Only

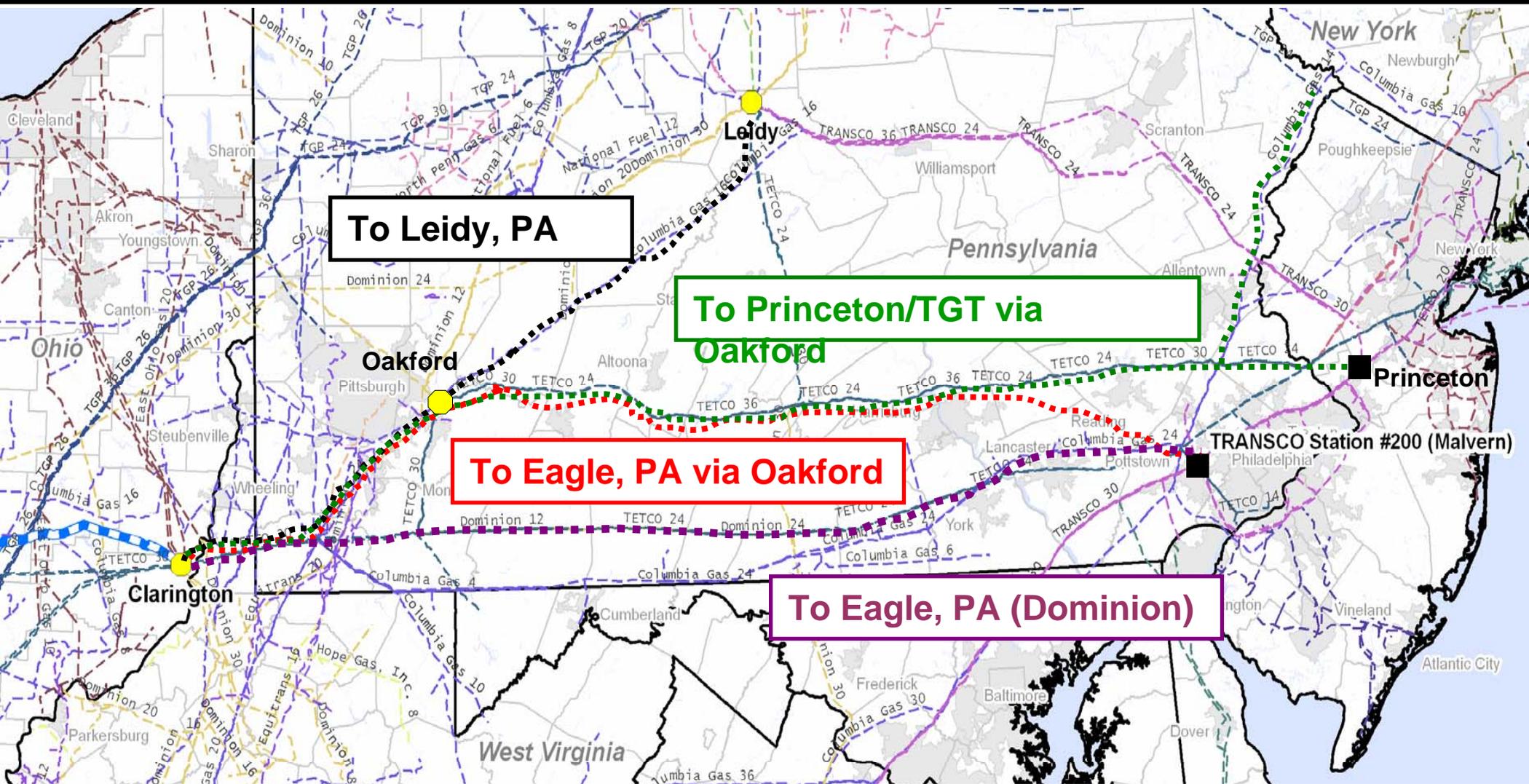
- ❖ Segmentation
- ❖ Capacity Lease

# Next Development Steps Extension

- **Extension**

- ✓ Volumetric Momentum
- ✓ Benefit of High Pressure
- ✓ Producer Push or Market Pull?
- ✓ Single Point or Partnership?
  - ❖ Access Existing Storage
  - ❖ Access City Gates

# Expansion Alternatives



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# QUESTIONS??



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