



"Rockies Express Pipeline"



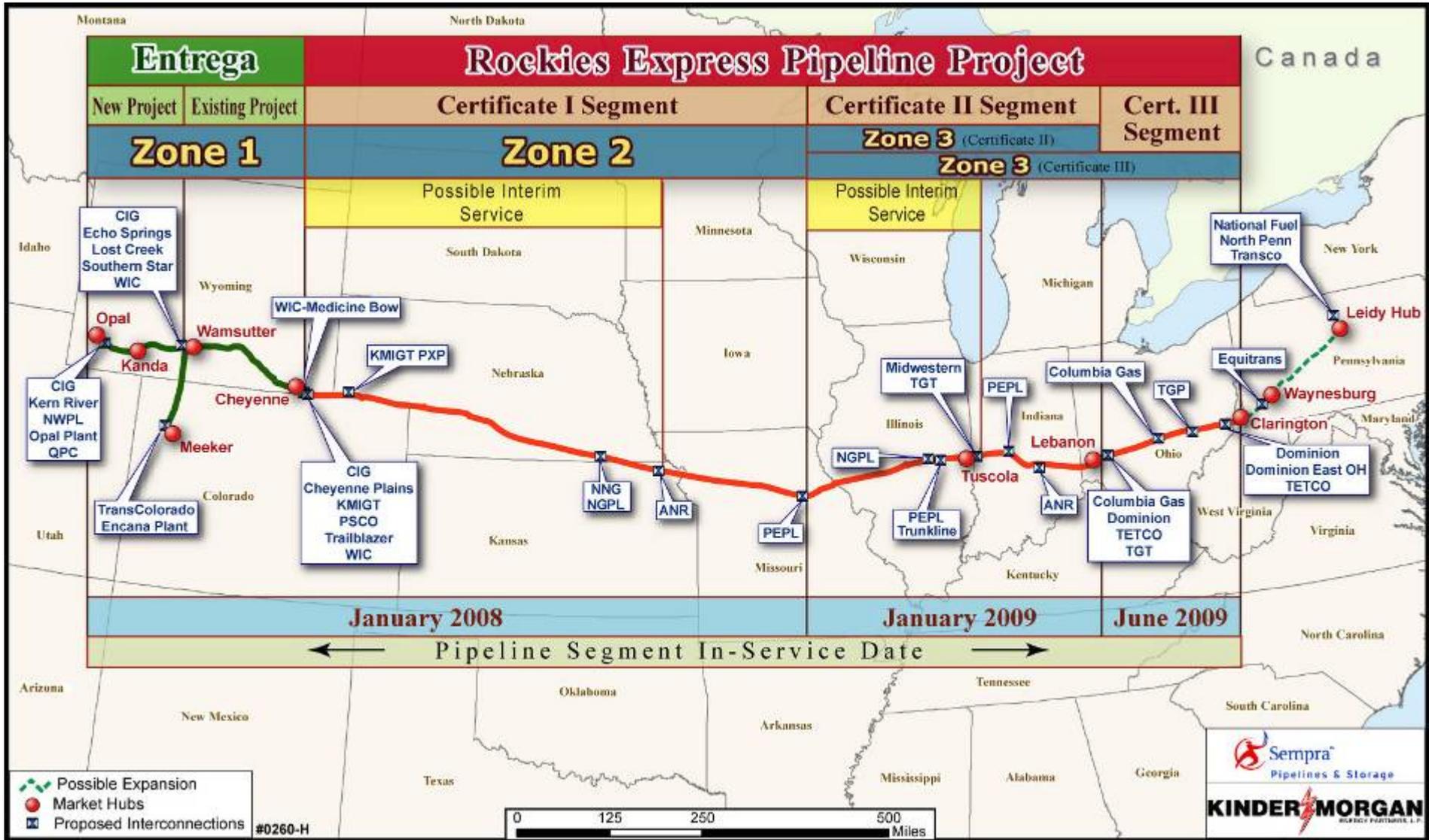
**November 2005
(version 1.3)**

Critical Mass

- **EnCana & Entrega Support**
 - 500,000 Dth/d of firm long haul commitment
 - Incorporation of Entrega into the project
- **Kinder & Sempra Joint Development**
 - Kinder 2/3 equity and Sempra 1/3 equity
 - Sempra Affiliate committing to 200,000 Dth/d of FT
- **Wyoming Natural Gas Pipeline Authority**
 - WNGPA working exclusively with Rockies Express Pipeline
 - WNGPA commitment of up to 200,000 Dth/d of FT

Rockies Express Benefits

- Provides a long term solution for addressing capacity constraints out of the Rockies
- RBAC model studies indicate that a narrowing of the basis will occur with this project
- Market penetration in advance of new LNG projects
- Access multiple high net back markets and demand based storage areas
- Shared rewards – Producers get higher net backs and End Users lower purchase price



Rockies Express Segments

- Certificate 1 Segment – Cheyenne Hub to PEPL (In-service Jan 08)
- Certificate 2 Segment – PEPL to Lebanon Hub (In-service Jan 09)
- Certificate 3 Segment – Lebanon to Clarington (In-service Jun 09)

- Initiated dialogue with FERC staff for optimal strategy
- Initiated detailed engineering, right of way and environmental in July 2005
- Pipeline route parallels over 90% of existing utility corridors (over 700 miles along Trailblazer and Platt Valley pipeline corridor)
- FERC staff has agreed to a schedule for the NEPA pre-filing process and should be docketed in Nov. 2005

Entrega Overview

- **Entrega Existing Project (FERC Certificate)**
 - Phase I:
 - Segment 1:
 - 36" pipeline, Meeker to Wamsutter
 - In-Service est. January 2006
 - Segment 2:
 - 42" pipeline, Wamsutter to Cheyenne Hub
 - In-Service est. December 2006
 - Phase II:
 - Compression addition: Meeker to Wamsutter
 - In-Service est. January 2008
 - Capacity: 1.5 Bcf/d (Meeker to Cheyenne Hub)
- **Entrega New Project (Expansion to Opal)**
 - Approx. 150 miles of 30" and/or 36" pipeline
 - Build and/or Lease to effectuate optimal shipper flexibility and project scalability
 - Design Capacity of 0.5 Bcf/d to 1.0 Bcf/d
 - In-Service no later than January 2008



Entrega/Rockies Express Integration

- EnCana Marketing, USA (“EMUS”) has 100% of FT for both Phase I & Phase II
- EMUS turn back Entrega capacity conditioned upon conforming long haul bids on Rockies Express Project
- Rockies Express purchases stock of Entrega

FT Contracting Seamless Service

- Open Seasons and negotiations of Precedent Agreements for the Entrega Expansion and Rockies Express will be run in parallel
- Entrega Expansion and Rockies Express execute binding PA's with Shippers
- Consolidate Entrega and Rockies Express prior to January 2008
- Once combined, PA on Rockies Express will survive and Entrega PA will be terminated

FT Contracting Precedent Agreements

3 Types of Precedent Agreements (“PA”)

- Foundation Shipper
 - At least 500 mmcf/d
 - Release of Entrega FT capacity
- Anchor Shippers
 - At least 200 mmcfd
- Standard Shipper
 - Less than 200 mmcf/d

FT Contracting Precedent Agreements

- Benefits of Foundation and Anchor Shippers
 - Capacity not subject to pro-ration in Open Season
 - Most Favored Nations
 - Foundation Shippers – based on all shippers
 - Anchor Shippers – based on all shippers except Foundation shippers
 - Annual Evergreen Rights
 - Right of First Refusal at the Negotiated Rate
- Conforming Bids
 - Originating in Zone 1 and terminating in Zone 3 (Rockies to OH)
 - Minimum of 10 years from the In-Service of Certificate 3 Segment
 - Meets credit requirements
 - Binding PA's executed by December 19, 2005

FT Contracting

Key Dates

- **November 8 – December 19, 2005:** Open Season for Entrega Expansion and Rockies Express
- **November 15th and 17th 2005:** End User, Producer and Aggregator shipper meetings
- **December 19, 2005:** Execute Binding PA (subject to Shipper's Board approval)
- **January 31, 2006:** Shipper Board Approval
- **February 28, 2006:** if Project obtains 1.5 Bcf/d of long haul capacity commitments then Project will relinquish its economic outs and will be contractually obligated to proceed with construction

Rates - Overview

Rate Options

- Maximum Recourse Reservation Rate
- Negotiated Reservation Rate
 - Fixed Rate Option
 - Adjustable Rate Option (“Steel Tracker”)
 - Starting rate based on steel pipe at \$1,275 per ton
 - Rates have applicable collars (cap and floor)
 - Rates will vary based on actual purchase price of steel pipe and will be adjusted within applicable collar

Entrega Expansion Rates

(rates for Anchor Shippers)

	<u>Zone 1</u>
Maximum Recourse Rates	\$0.385
Fixed Negotiated Rate	\$0.250
Adj. Negotiated Rate (Base)	\$0.250
Adj. Rate Floor	\$0.200
Adj. Rate Cap	\$0.300
FL&U	0.91%

Non-Anchor Shippers rates are 2 cents higher than Anchor Shippers

Certificate 1 Segment

(cumulative rates for Anchor Shippers)

	<u>Zone 1</u>	<u>Zone 2</u>
Maximum Recourse Rates	\$0.385	\$0.944
Fixed Negotiated Rate	\$0.250	\$0.774
Adj. Negotiated Rate (Base)	\$0.250	\$0.774
Adj. Rate Floor	\$0.200	\$0.724
Adj. Rate Cap	\$0.300	\$0.824
FL&U	0.91%	1.47%

**Non-Anchor Shippers rates are 2 cents higher than Anchor Shippers
Interim Rates would be 5 cents less until full in-service to PEPL**

Certificate 2 Segment

(cumulative rates for Anchor Shippers)

	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>
Maximum Recourse Rates	\$0.359	\$0.881	\$1.196
Fixed Negotiated Rate	\$0.250	\$0.719	\$0.984
Adj. Negotiated Rate (Base)	\$0.250	\$0.719	\$0.984
Adj. Rate Floor	\$0.200	\$0.669	\$0.934
Adj. Rate Cap	\$0.300	\$0.769	\$1.034
FL&U	0.91%	1.47%	2.00%

Non-Anchor Shippers rates are 2 cents higher than Anchor Shippers
Interim Rates would be 5 cents less until full in-service to Lebanon Hub

Certificate 3 Segment

(cumulative rates for Anchor Shippers)

	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>
Maximum Recourse Rates	\$0.385	\$0.944	\$1.427
Fixed Negotiated Rate	\$0.250	\$0.704	\$1.074
Adj. Negotiated Rate (Base)	\$0.250	\$0.704	\$1.074
Adj. Rate Floor	\$0.200	\$0.654	\$1.024
Adj. Rate Cap	\$0.300	\$0.754	\$1.124
FL&U	0.91%	1.47%	2.22%

**Non-Anchor Shippers rates are 2 cents higher than Anchor Shippers
Interim Rates would be 5 cents less until full in-service to Clarington, Oh**

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