

Bison Discussion

May 2008



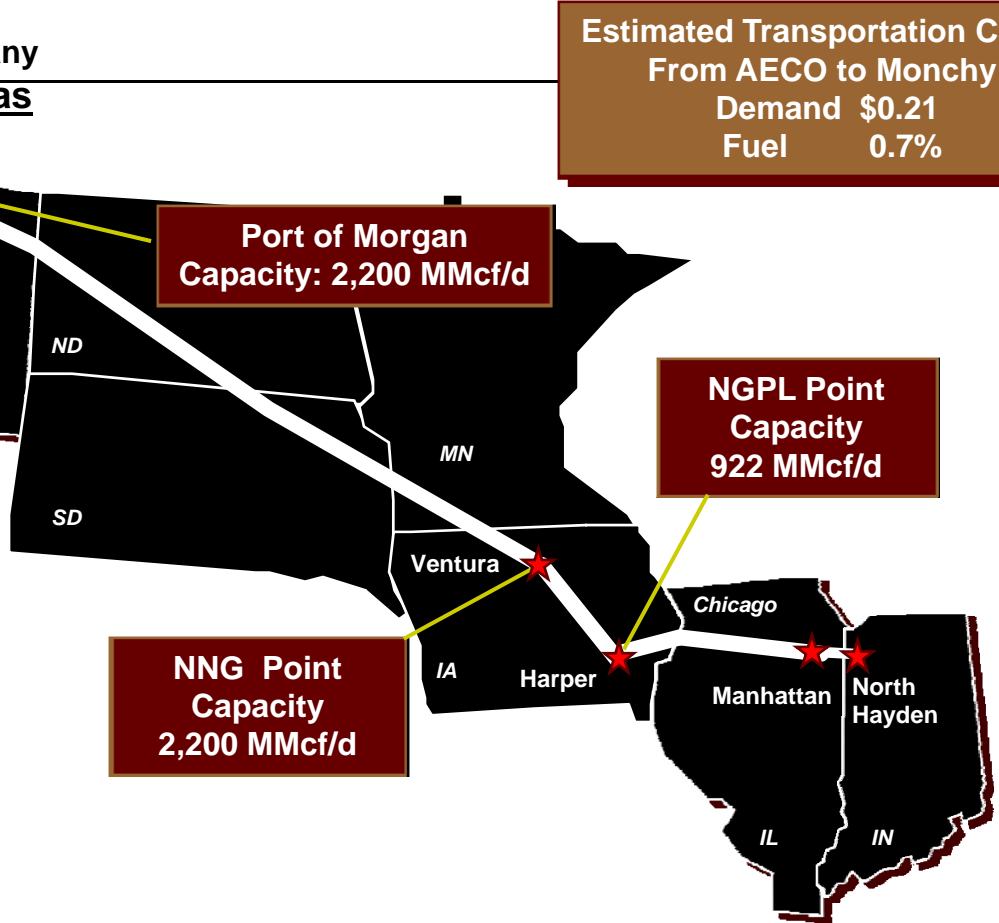
Agenda

- Northern Border Overview
- Bison Overview
 - Assumption & Terms
 - Netback Comparison
 - Milestones & Timeline
- Cheyenne
- Summary
- Discussion

Northern Border Overview



Company	Capacity	Rate	Use Gas
Port of Morgan-Ventura	2.4 Bcfd	28.1¢	2.2%
Ventura-Harper	1.5 Bcfd	5.4¢	.4%
Harper-Manhattan	987 Mmcfd	9.3¢	.7%
Manhattan-North Hayden	557 Mmcfd	1.3¢	.1%
Total		44.1¢	3.4%



Estimated Transportation Costs From AECO to Monchy:
 Demand \$0.21
 Fuel 0.7%

NNG Point Capacity 2,200 MMcf/d

NGPL Point Capacity 922 MMcf/d

Rates Include Compressor Usage Surcharge

Ventura Pricing Relationships

- Average Winter 2007/08 (YTD)
 - Chicago \$7.68
 - Henry Hub \$7.62
 - Ventura \$7.58
 - Demarc \$7.25
 - Cheyenne \$6.25
- Ventura was second-highest priced market on February 20, 2008. Transco Zone 6 area was the only higher priced market.

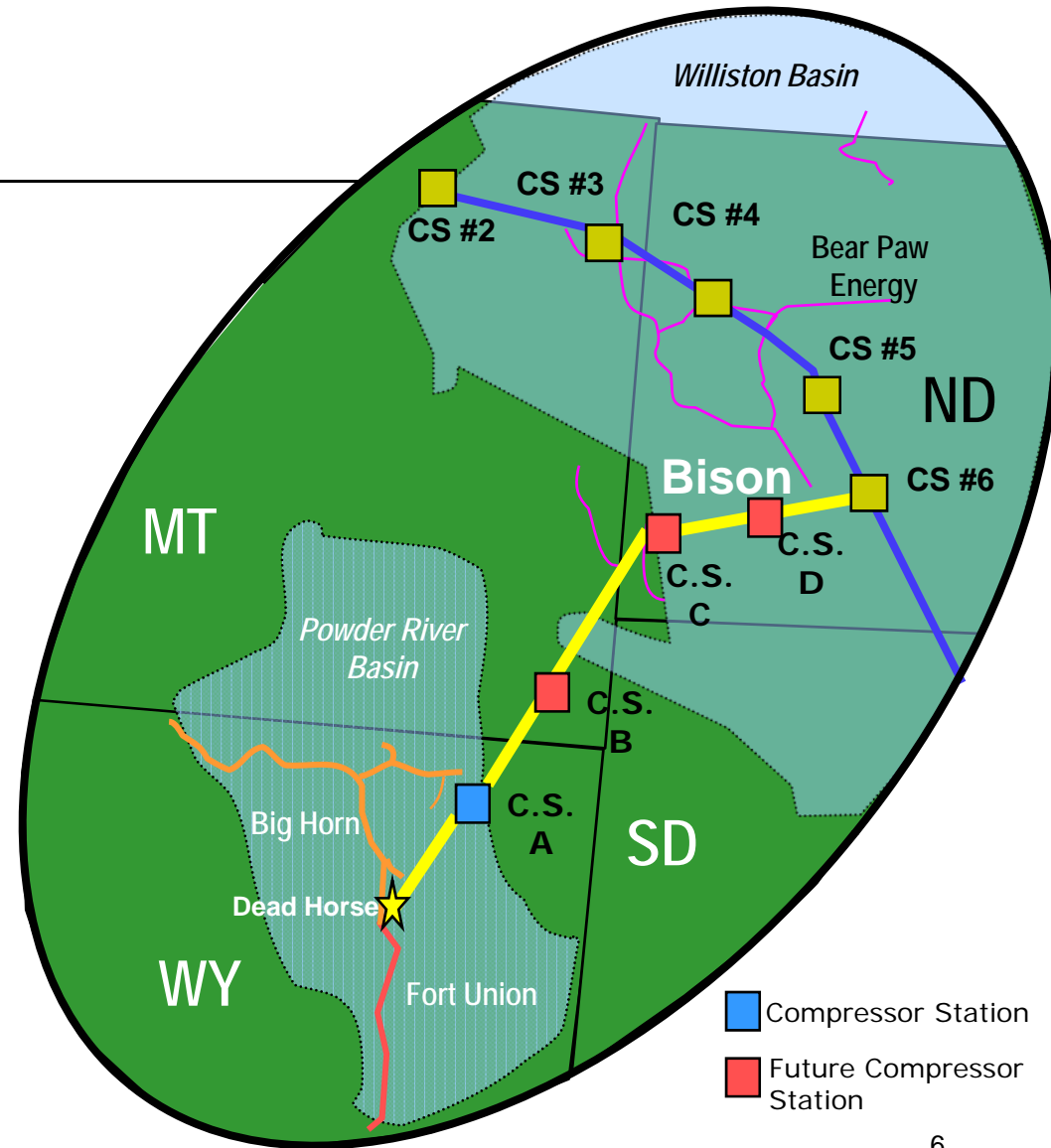
Additional Northern Natural Gas Demand

- Northern Lights expansion project in Northern Natural Gas's market area is expected to increase demand by:
 - 358,000 on November 2007
 - 494,000 by November 2008
 - 604,000 by November 2009
 - 668,000 by November 2010
- Northern Natural Gas has 8 Bcf of additional storage coming on line June 1
- Additional on system ethanol load of 40 MMcf/d

Source: NNG website

Bison Overview

- 289 Miles
- 24" Pipeline
- Capacity 406 MMcf/d
 - 13,000 HP
 - Fuel .62%
 - Capital \$498 Million
- Max. Capacity 660 MMcf/d
- In-Service date:
November 15, 2010



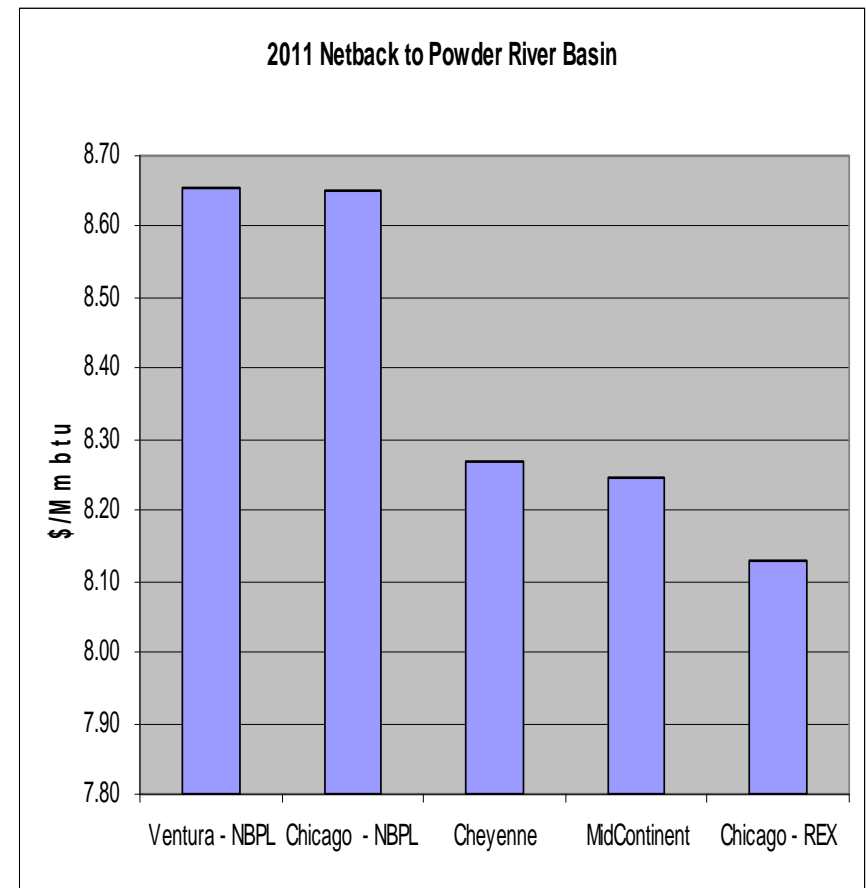
Bison Assumptions & Terms

- Rate Summary
 - Bison
 - \$.55 reservation rate – Deadhorse to CS6
 - Fuel estimated at .62%
 - Northern Border Pipeline
 - \$.23 reservation rate – POM to Ventura
 - Fuel Average CS6 to Ventura at 1.29%
- 10-Year Term
- Receipt Pressure 1400 psig

Bison Netback Comparison to Deadhorse, WY

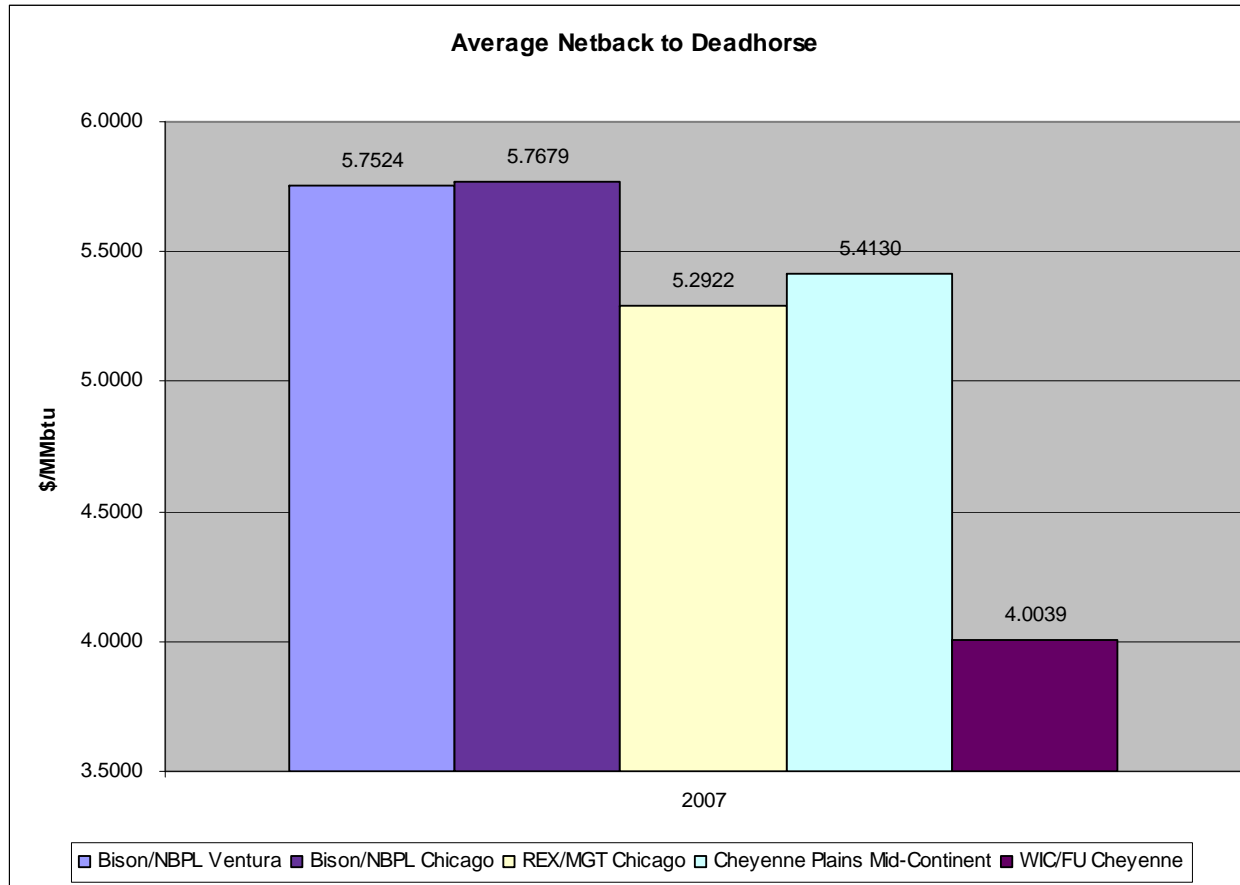
May 14, 2008

<i>Path</i>	<i>FW 2011 Netback to PRB</i>
Vent/NBPL-Bison	\$8.66
Chicago/NBPL-Bison	\$8.65
Cheyenne/WIC-Ft. Union	\$8.26
Mid Cont/Cheyenne- WIC-Ft. Union	\$8.24
Chicago/MGT-REX-Ft. Union	\$8.13



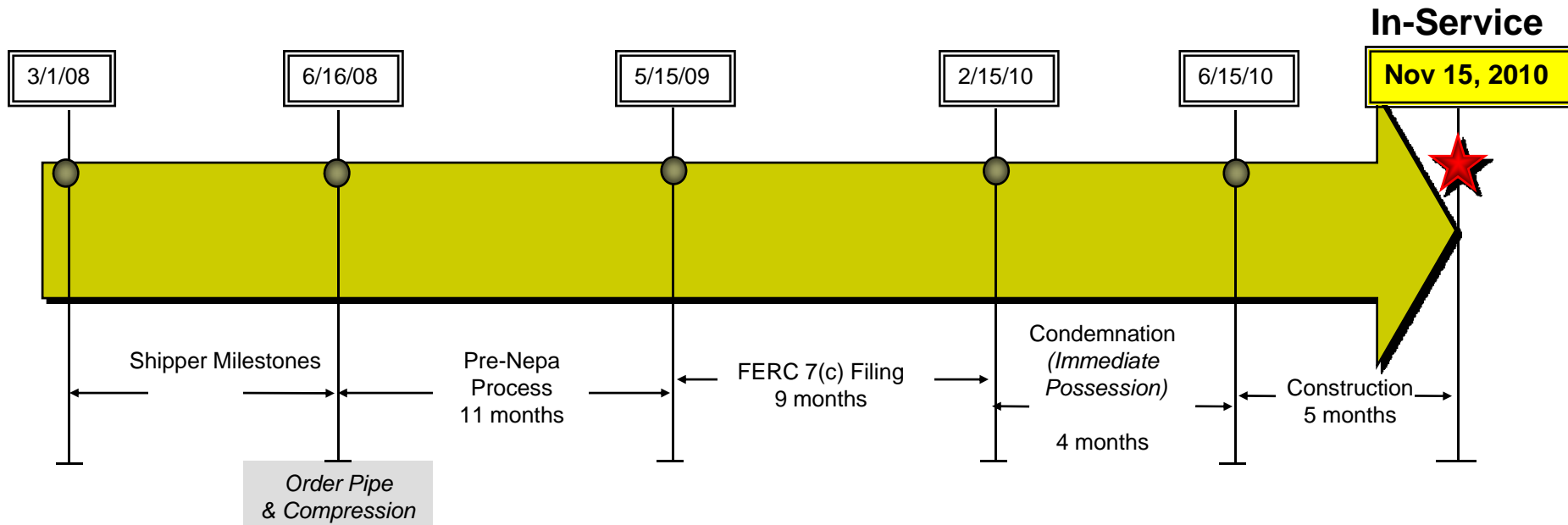
Bison Netback Comparison to Deadhorse, WY

Historical 2007

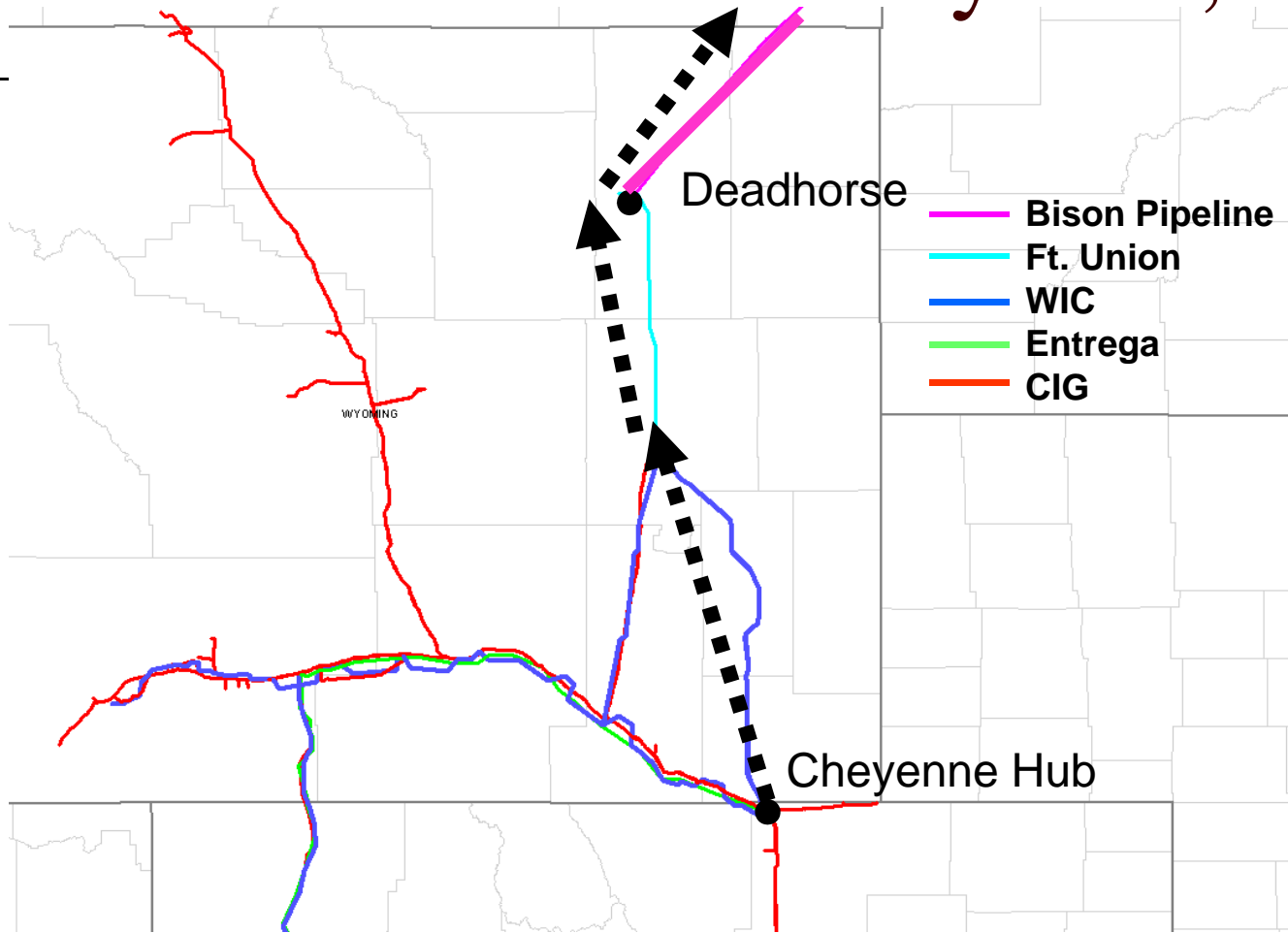


Source: *Platts Gas Daily prices and internal analysis*

Bison Milestones & Timeline



Bison Backhaul from Cheyenne, WY





Bison Shipper Benefits - Summary

- ❑ Competitive netback pricing
- ❑ Provides transportation and pricing diversity for Powder River Basin Pipeline grid
- ❑ Efficiently utilizes existing downstream assets to attractive markets
- ❑ Minimal impact on downstream pricing due to displacement of Canadian production
- ❑ North outlet enhances existing gathering capability and value
- ❑ Seamless transportation (one nom, one bill) from PRB to Market
- ❑ Incremental export capacity to benefit overall Rockies, in particular eastern constraints



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