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Ruby and Supply Update

Wyoming Pipeline Authority



El Paso Western Pipeline

April 20, 2010

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Ruby Update

Ruby Pipeline Map



- 675 miles of 42-inch Opal to Malin
- 1,440 psig MAOP
- Four receipt and four delivery points
- Receipts from the major Rocky Mountain producing basins
- Estimated Cost \$3 Billion

Ruby Stats

- ⤴ 1.1 Bcf/d of firm transportation service agreements with customers
- ⤴ Initial capacity will be 1.5 Bcf/d
 - Planning to install all four compressor stations
- ⤴ \$1.5 billion of project financing commitments secured

Ownership Structure

- ▲ Project financed pipeline
- ▲ 50/50 between Global Infrastructure Partners and El Paso

Overview of Global Infrastructure Partners

Global Infrastructure Partners portfolio



(1) Illustration.

GIP Overview

- GIP is a committed equity partner with a unique combination of experience, focus and resource
- \$5.64 billion fund founded by GIP Managers, Credit Suisse and General Electric
- Independent Manager led by industry experts
 - 8 Partners, 22 experienced Investment / Operating Principals with over 200 years of relevant experience and collective team investment of approximately \$65 million
- Expertise in focused sectors and sub-sectors with target geographies in OECD and select emerging market countries Energy, Transportation and Waste / Water
- Targets control / control-oriented investments
- 76% of the fund or \$4.3 billion invested / committed in 10 companies

Ruby Pipeline Milestones

| | |
|--------------------------------|-------------------------|
| CPUC Approves PG&E Contract | November 2008 |
| Draft EIS | June 2009 |
| Partnership with GIP Announced | July 2009 |
| Preliminary Determination | September 2009 |
| Final EIS | January 2010 |
| FERC Certificate | April 2010 |
| Financial Closing | April / May 2010 |
| BLM Record of Decision | April / May 2010 |
| Start Construction | May / June 2010 |
| In-Service | March 1, 2011 |

FERC Certificate Docket No. CP09-54

Website: www.rubypipeline.com

Certificate Highlights

^ Authorization conditional on Ruby:

- contracting and placing in-service Facilities described in Order within 2 years (April 5, 2012)
- execution of FTSA's reporting levels and terms of service in PA

^ FERC granted rehearing and approved the following:

- voluntary Greenhouse Gas Cost recovery per the tariff
- 50% sharing of IT and short term after Ruby is sold out (unless neg rate shipper does not have that in their contract)
- usage charge based upon a 90% load factor (no change in filed rates)
- inclusion allowance for funds used during construction (AFUDC) in filed rates (no change to rates as filed and no impact on neg rate shippers)

^ FERC denied the following:

- mandatory GHG cost recovery (without prejudice to future proposal if Ruby incurs such costs)
- recourse rates based on less than 100% of capacity (Ruby's filed recourse rate will drop as a result)
- proposed separate cost and revenue true up recovery provisions for Fuel imbalances and gas balancing.

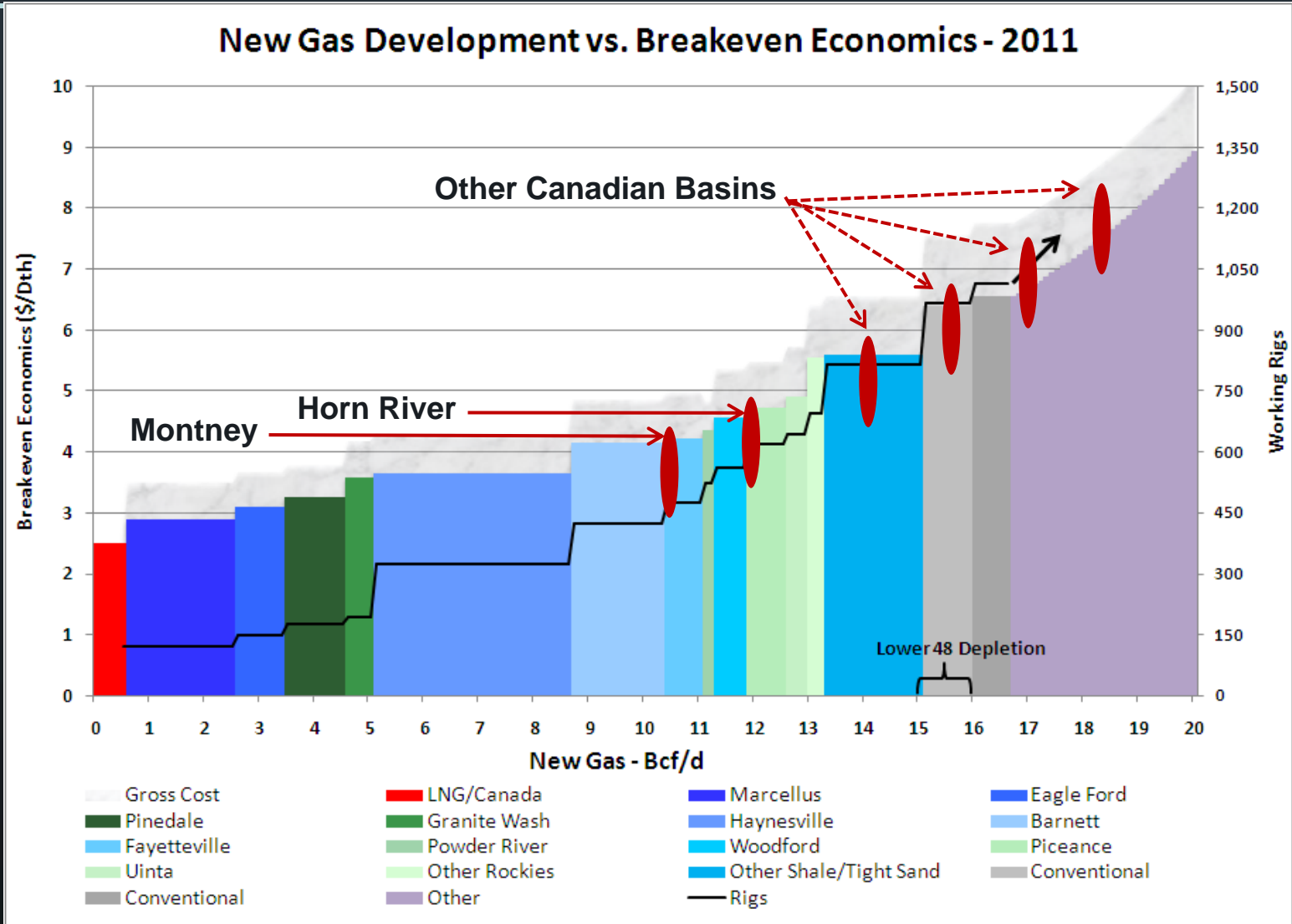
Construction Highlights

- ^ Pipe and compression equipment purchased
- ^ High quality Pipeline contractor teams under contract and ready to mobilize
 - U.S. Pipeline, Precision Pipeline, Associated Pipeline and Rockford Corporation
- ^ Compressor Station bids being awarded
- ^ 90% of ROW acquired
- ^ Aggressive public and NGO outreach continues
- ^ Anticipate Notice to Proceed and commencement of construction by end of June

Supply Update

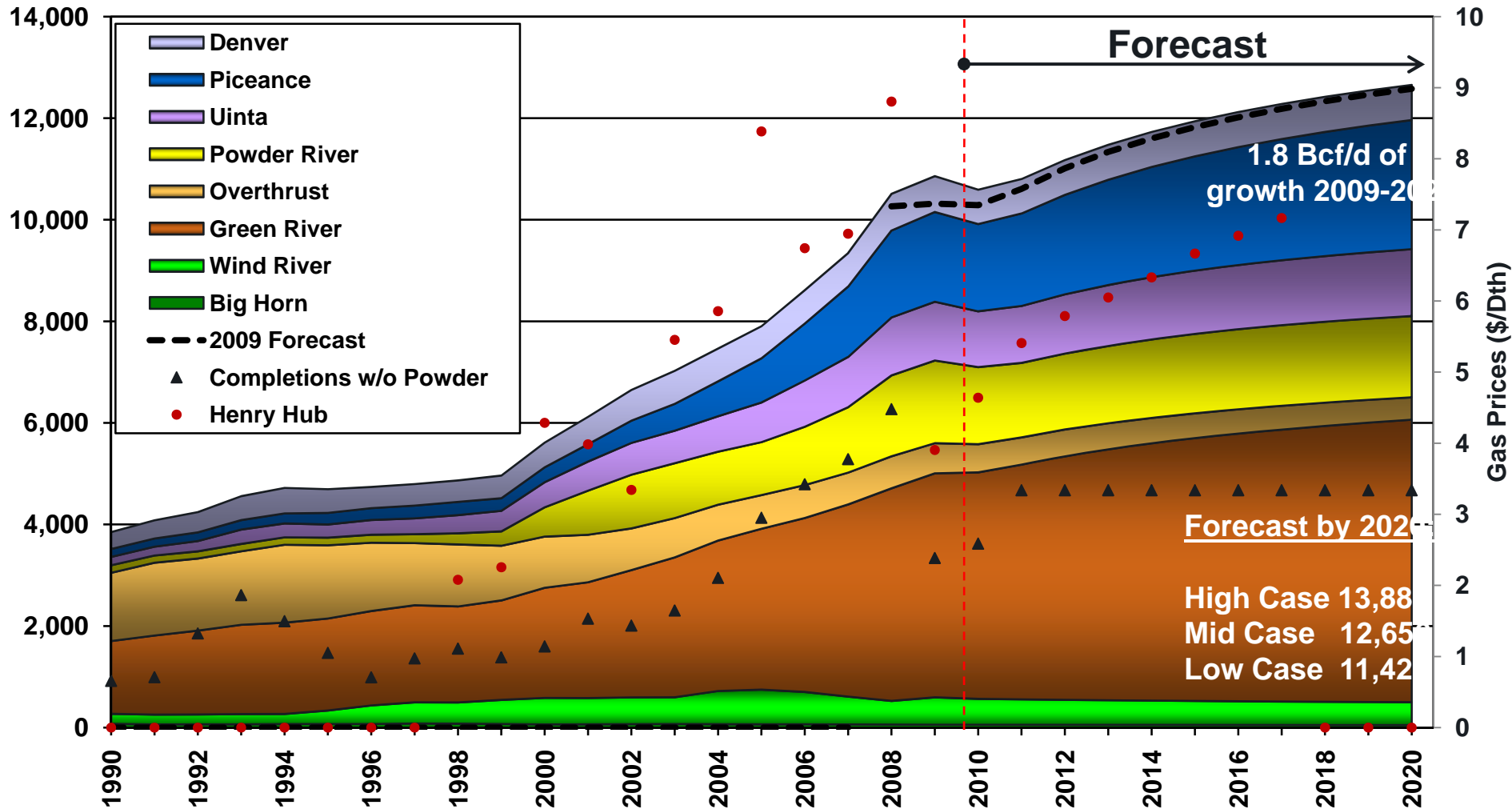
New Gas Development - 2011

Henry Hub Prices – 10% IRR – Excludes Sunk Costs (Land, Seismic, etc.)



Rocky Mountain Production

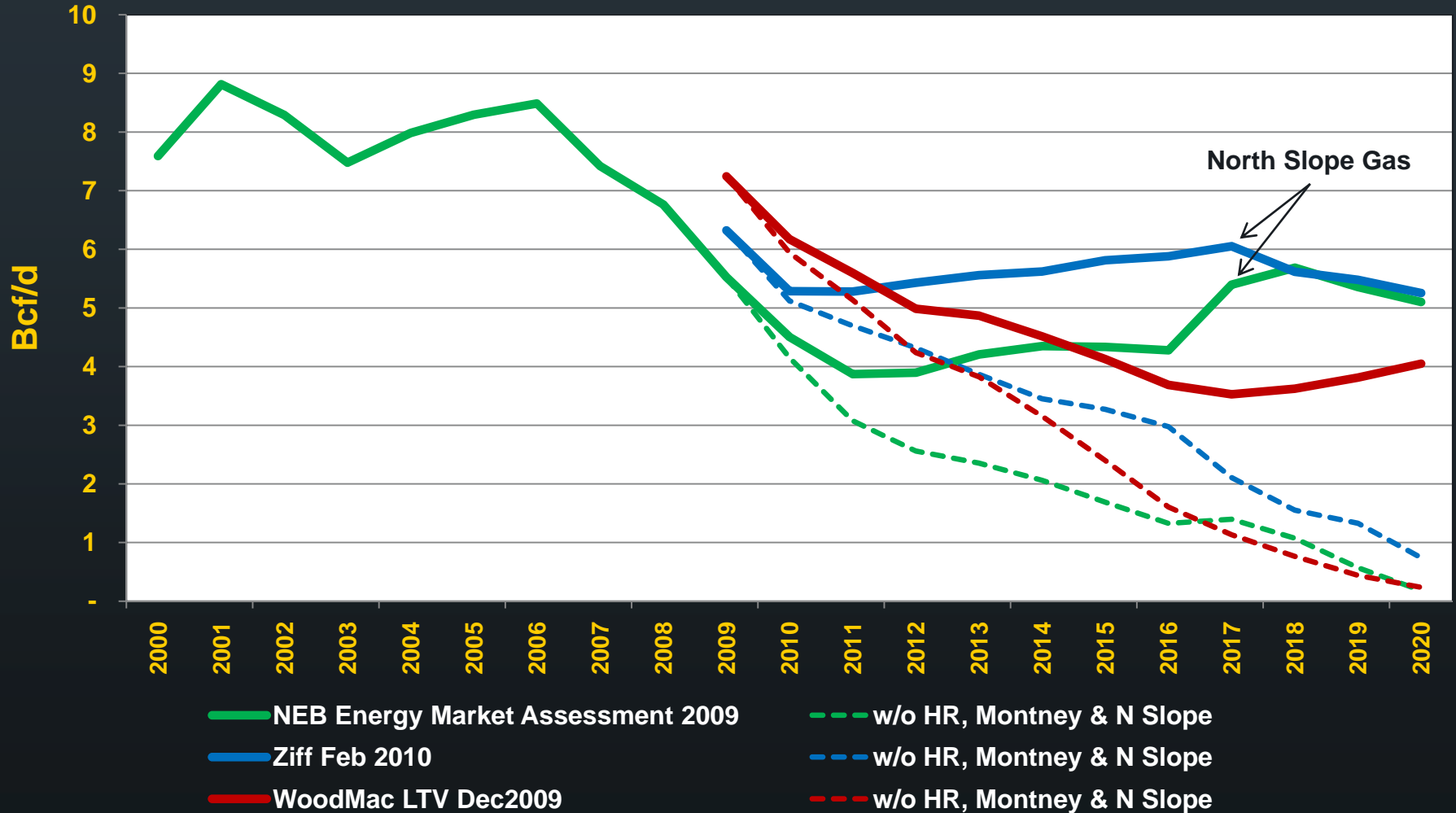
(Volumes are Wellhead – Measured in MMcfd)



1990-2008: Wellhead total data from IHS database

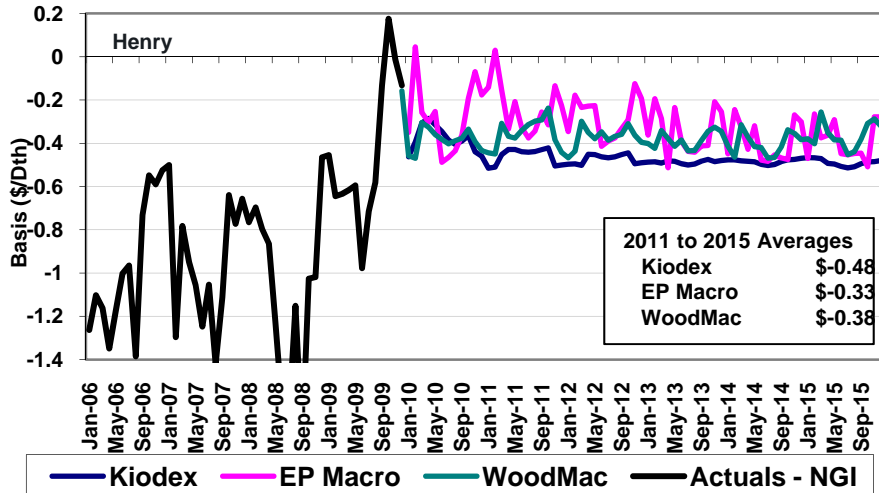
2009-2020: El Paso forecast

Canadian Net Exports

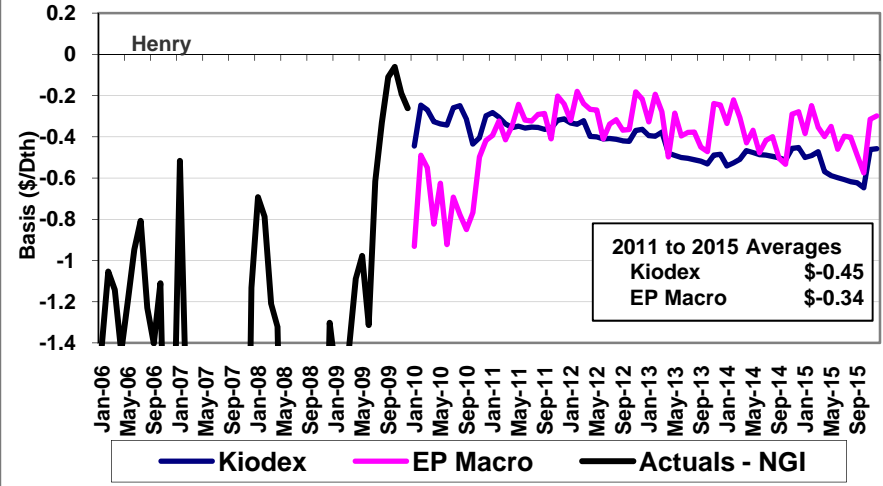


AECO and Rockies Basis to Henry

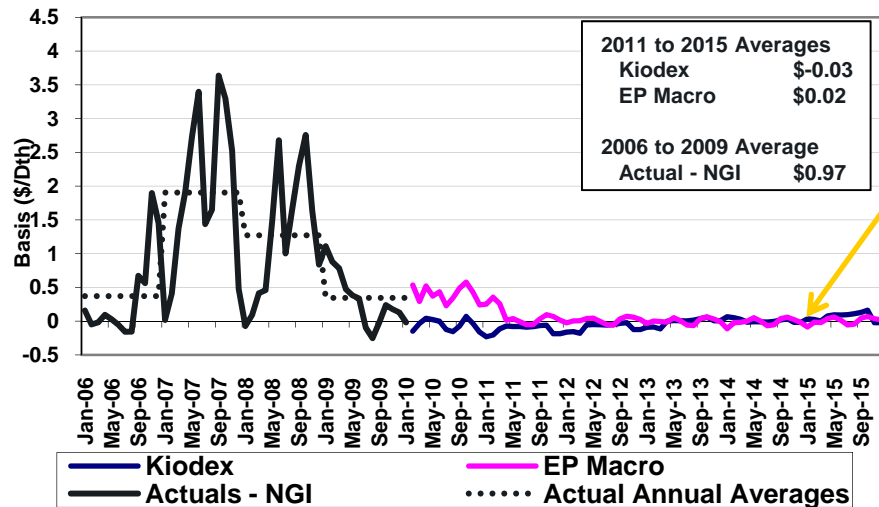
AECO Basis to Henry



Opal Basis to Henry



AECO Basis to Opal



Forward curves reflect Ruby effect of bringing Opal and AECO prices together

Economic Pricing Assumptions:

- Horn River: wellhead to Henry = \$-1.25/Dth
- Montney: wellhead to Henry = \$-1.00/Dth
- AECO to Henry = \$-0.40/Dth
- Opal to Henry = \$-0.40/Dth