Natural Gas Transmission Perspective

Unconventional Gas and the North American Energy Market: Transformational or Wishful Thinking

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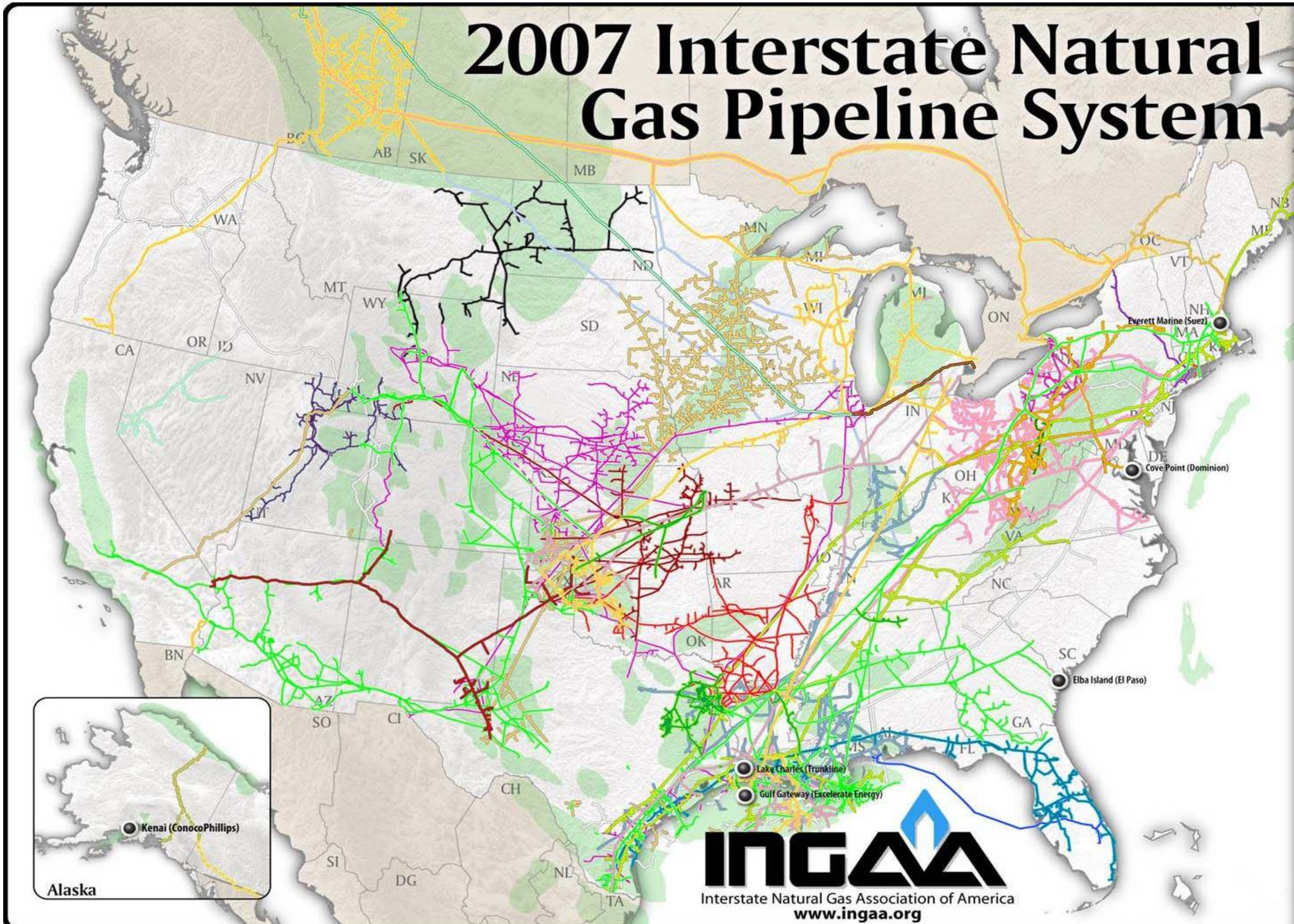
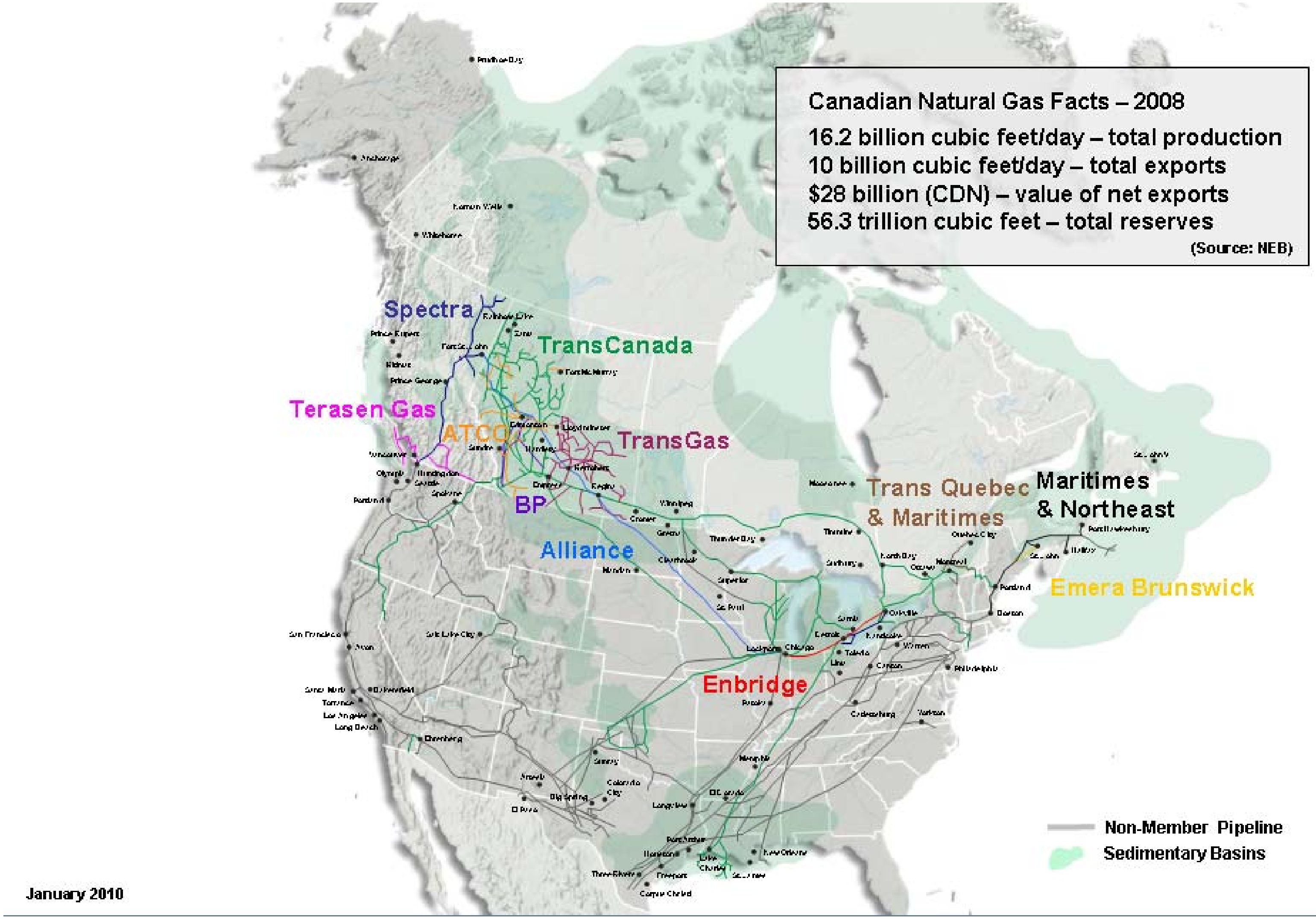
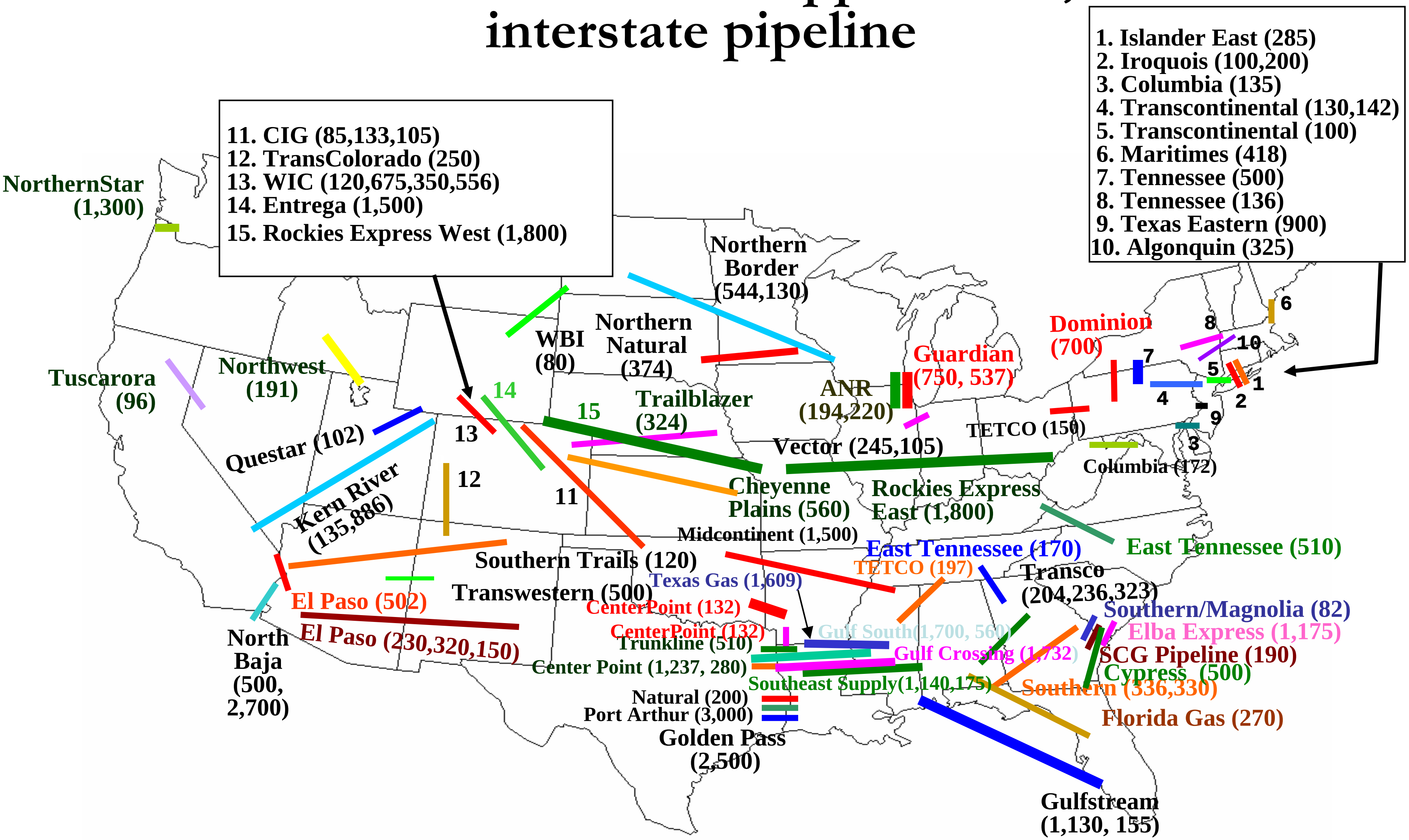

2007 Interstate Natural Gas Pipeline System
Everett Marine (Suez)
Cove Point (Dominion)
Elba Island (El Paso)
Lake Charles (Trunkline)
Gulf Gateway (Excelerate Energy)
Kenai (ConocoPhillips)
Alaska
INGAA
Interstate Natural Gas Association of America
www.ingaa.org

CEPA Members – Natural Gas Pipelines



Source: CEPA (Canadian Energy Pipeline Association)

Between 2000 and 2009 FERC approved 15,000 miles of interstate pipeline

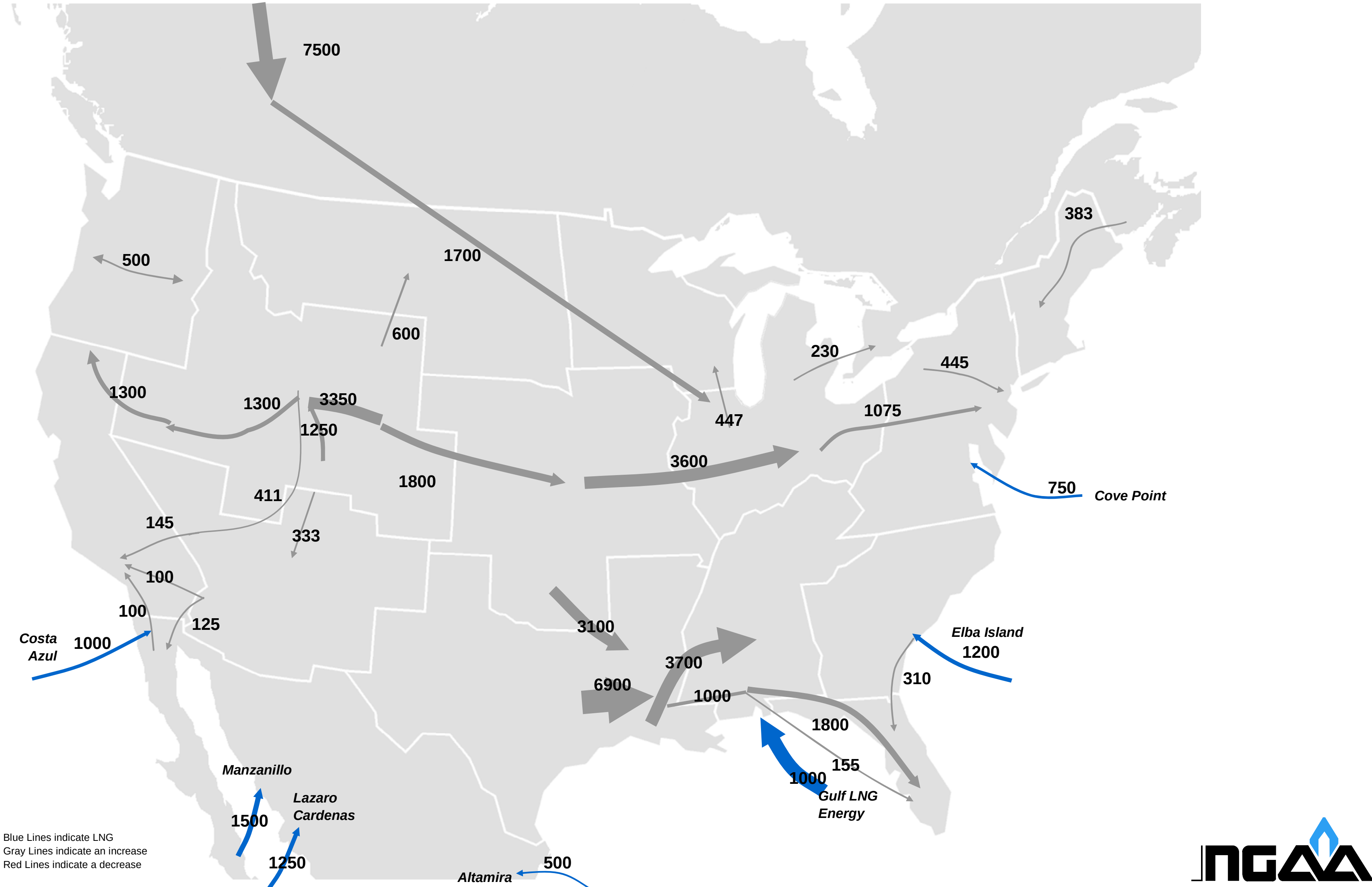


Source: FERC

U.S. Legal and Regulatory Framework Supports Interstate Natural Gas Infrastructure

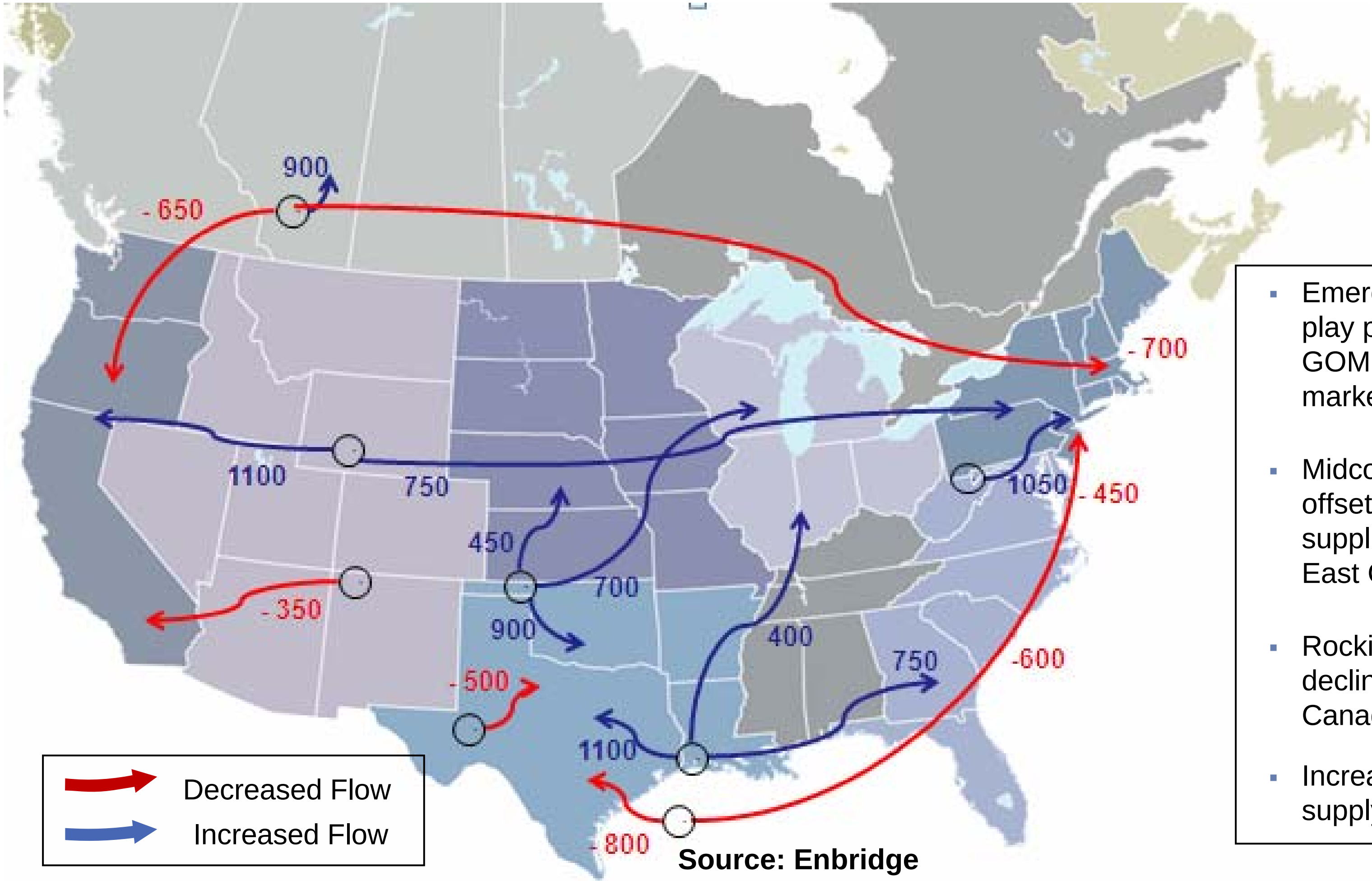
- Federal siting law that recognizes the inherent interstate character of the natural gas industry.
- Stable economic regulatory regime gives investors confidence.

Projected Increase in U.S. and Canadian Interregional Pipeline Capacity, Base Case, 2008 to 2030 (MMcf per Day)



Gas flow patterns will change, as shale gas takes prominence over traditional sources

Net Changes in Regional Flows 2009 – 2015. (Only flows > 300 Mmcf/d shown).



Source: Enbridge

- Emerging Marcellus shale play pushes back Canadian & GOM supplies in Northeast market
- Midcontinent/Gulf Onshore offsets declining Offshore supplies in Southeast and East Coast
- Rockies gas replaces declining Southwest and Canadian supplies.
- Increased levels of shale supply limit LNG imports

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