



**Craig R. Coombs**  
Director, Business Development

# Ruby and Supply Update

**Wyoming Pipeline Authority**



El Paso Western Pipeline

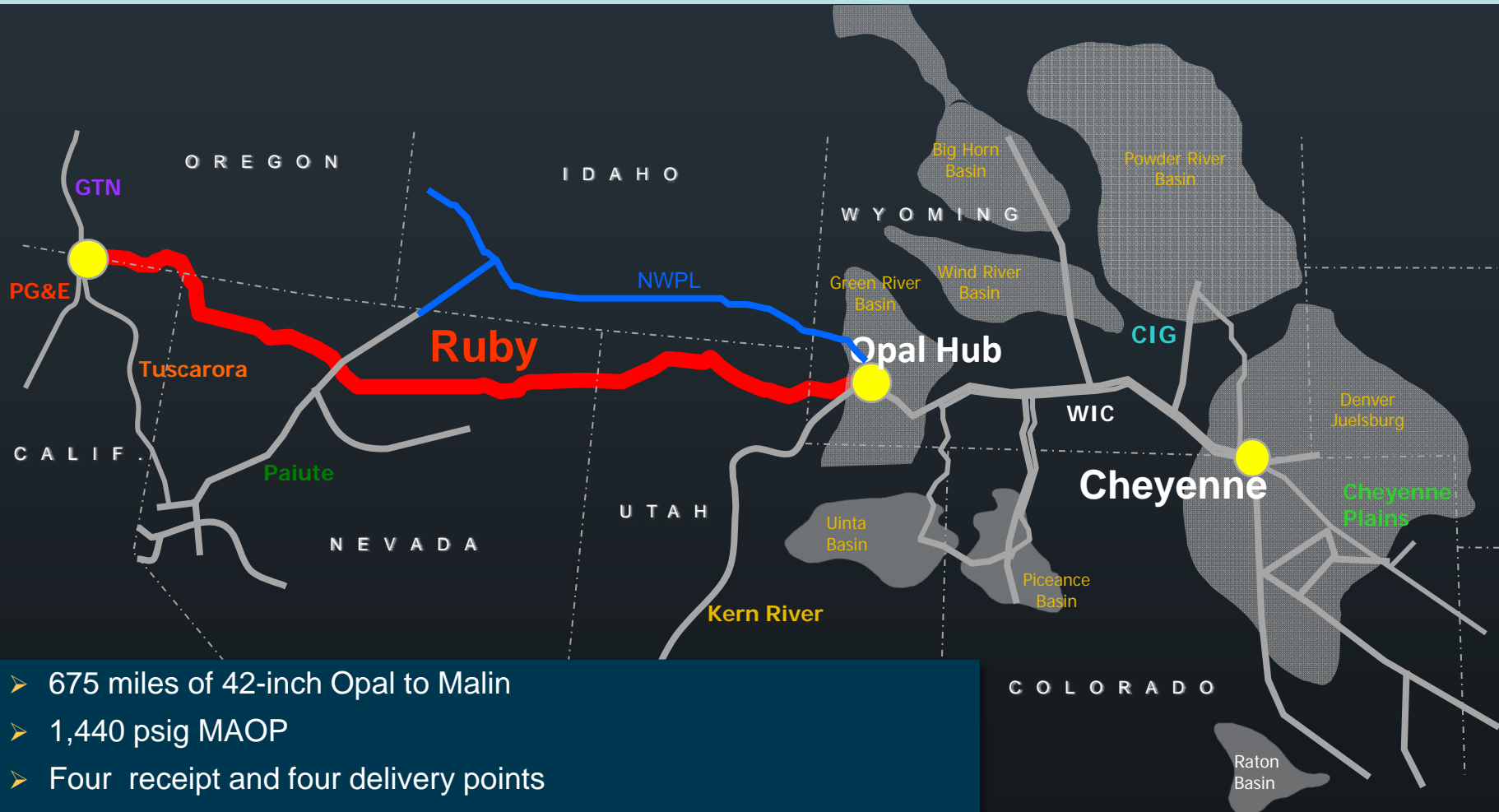
April 20, 2010

# Cautionary Statement Regarding Forward-looking Statements

This presentation includes certain forward-looking statements and projections. The company has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this presentation, including, without limitation, our ability to close the project financing for Ruby, including our ability to satisfy various conditions precedent such as the execution of definitive loan agreements, receipt of regulatory approvals for the project, execution of transportation agreements and associated credit support arrangements with our customers and completion of due diligence by the lenders; our ability to obtain necessary governmental approvals and our ability to successfully construct and operate Ruby on time and within budget; changes in commodity prices and basis differentials for oil, natural gas, and power; general economic and weather conditions in geographic regions or markets served by the company and its affiliates, or where operations of the company and its affiliates are located; the uncertainties associated with governmental regulation; competition; and other factors described in the company's (and its affiliates') Securities and Exchange Commission (SEC) filings. While the company makes these statements and projections in good faith, neither the company nor its management can guarantee that anticipated future results will be achieved. Reference must be made to those filings for additional important factors that may affect actual results. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

# 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

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

# Overview of Global Infrastructure Partners

## Global Infrastructure Partners portfolio

Gatwick Airport (2009)



Terra-Gen Power Holdings (2009)



Chesapeake Midstream (2009)



Ruby Pipeline (2009) <sup>(1)</sup>



Channelview Cogeneration (2008)



International Trade Logistics (2008)



Biffa Limited (2008)



East India Petroleum Ltd. (2007)



Great Yarmouth Port (2007)



London City Airport (2006)



(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
<b>Financial Closing</b>	<b>April / May 2010</b>
<b>BLM Record of Decision</b>	<b>April / May 2010</b>
<b>Start Construction</b>	<b>May / June 2010</b>
<b>In-Service</b>	<b>March 1, 2011</b>

FERC Certificate Docket No. CP09-54

Website: [www.rubypipeline.com](http://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.

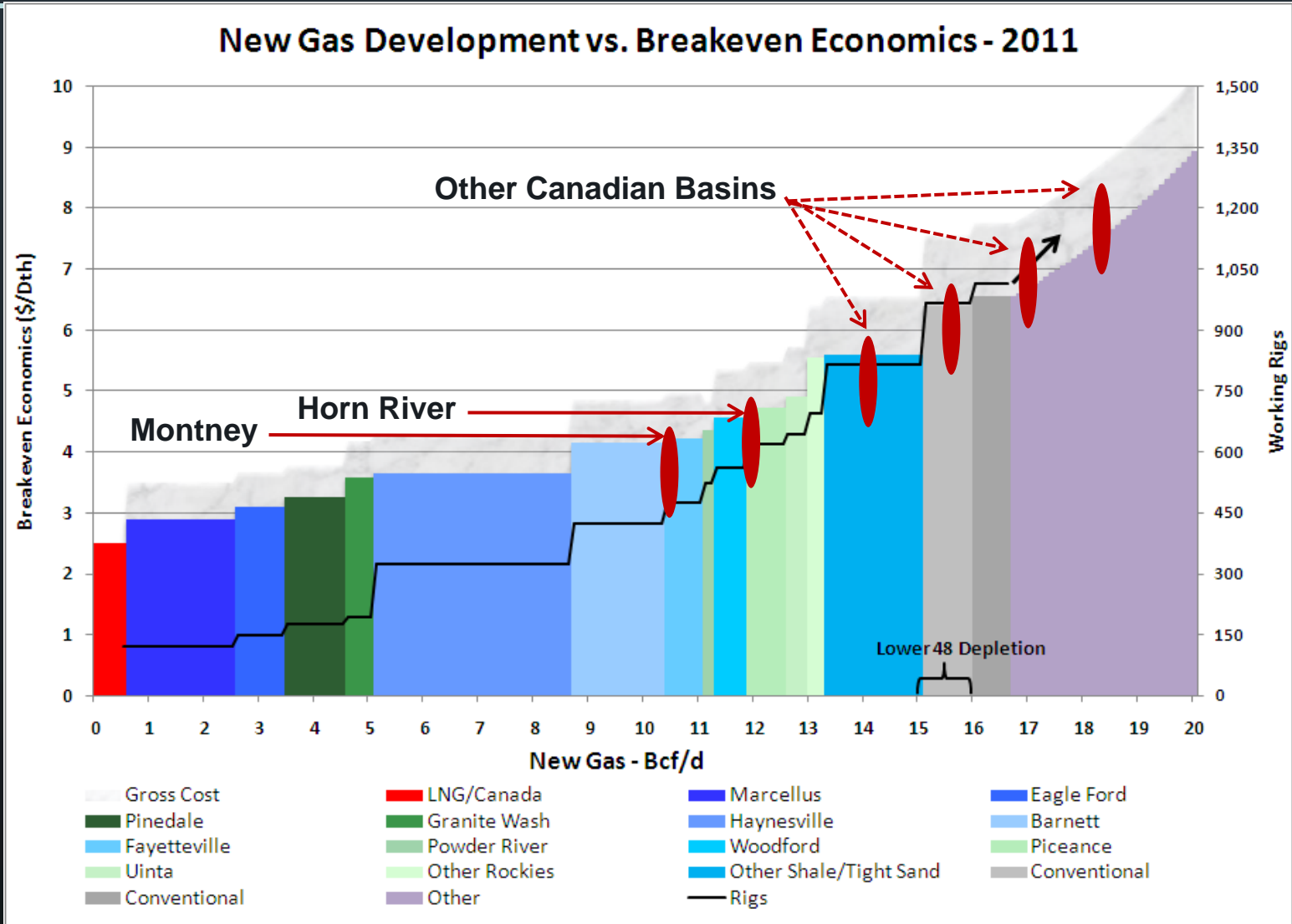
# Construction Highlights

- ^ 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

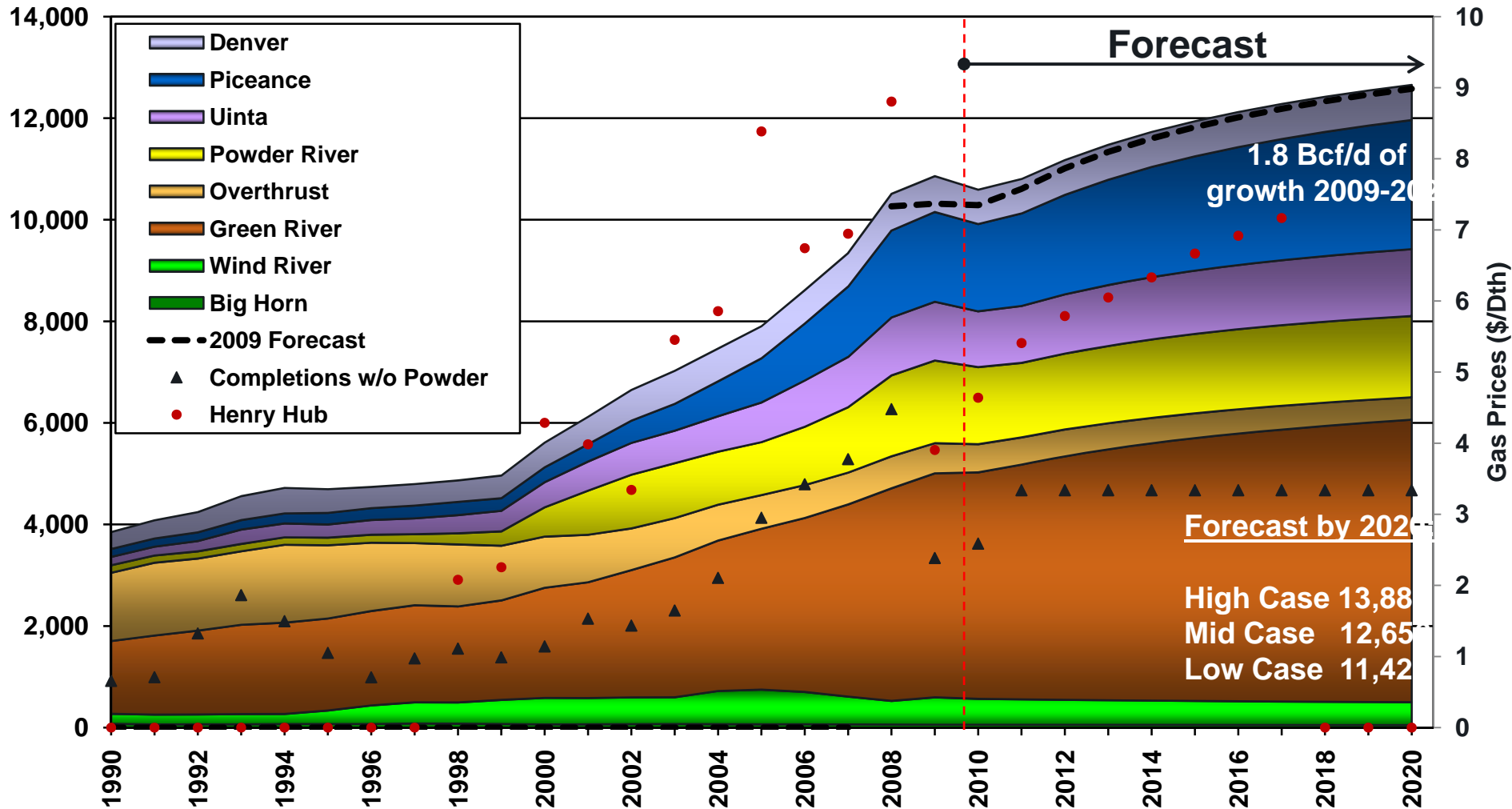
# New Gas Development - 2011

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



# Rocky Mountain Production

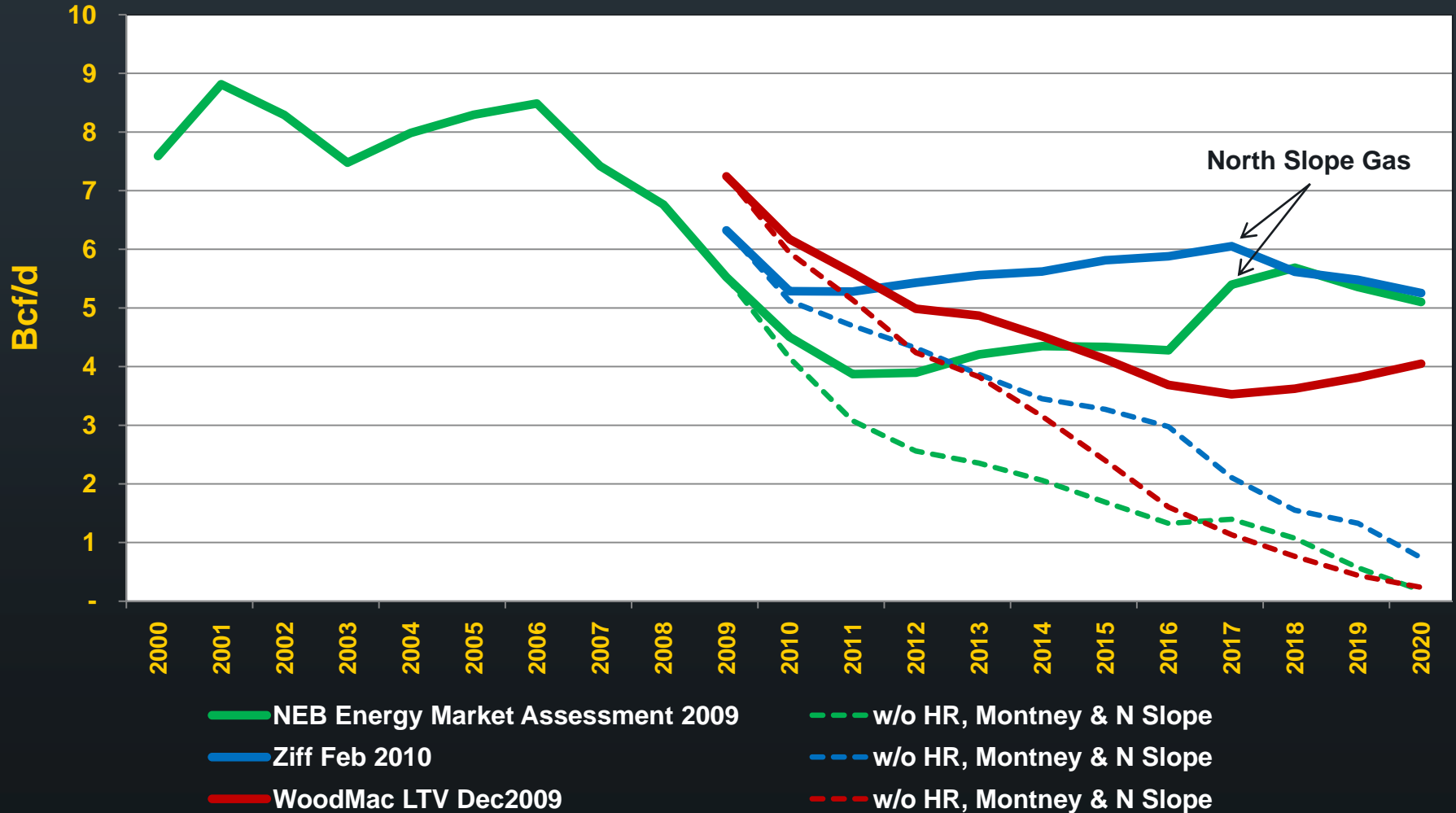
(Volumes are Wellhead – Measured in MMcfd)



1990-2008: Wellhead total data from IHS database

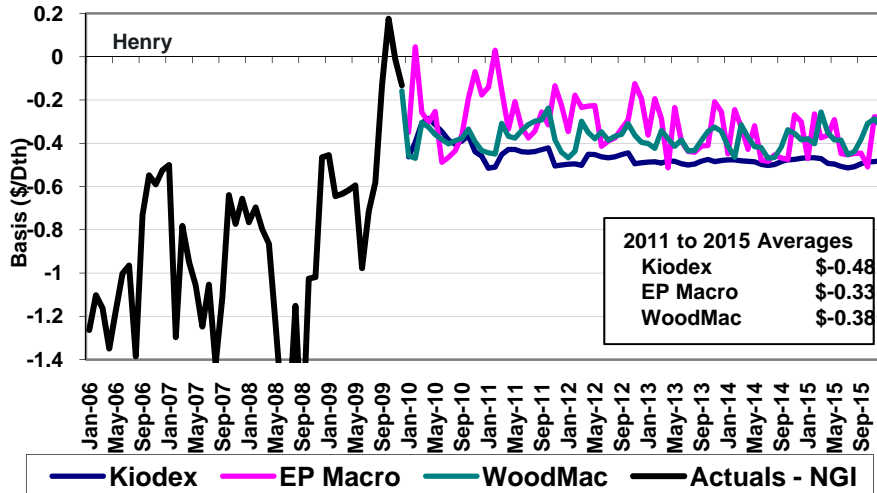
2009-2020: El Paso forecast

# Canadian Net Exports

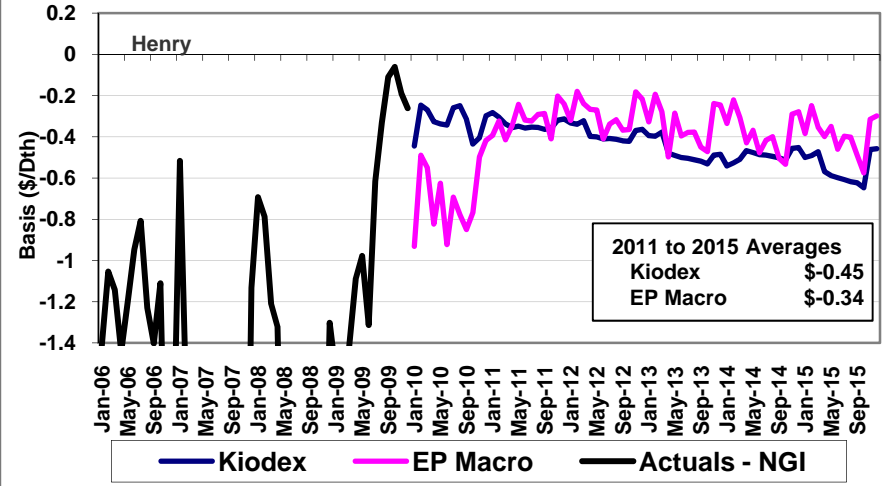


# AECO and Rockies Basis to Henry

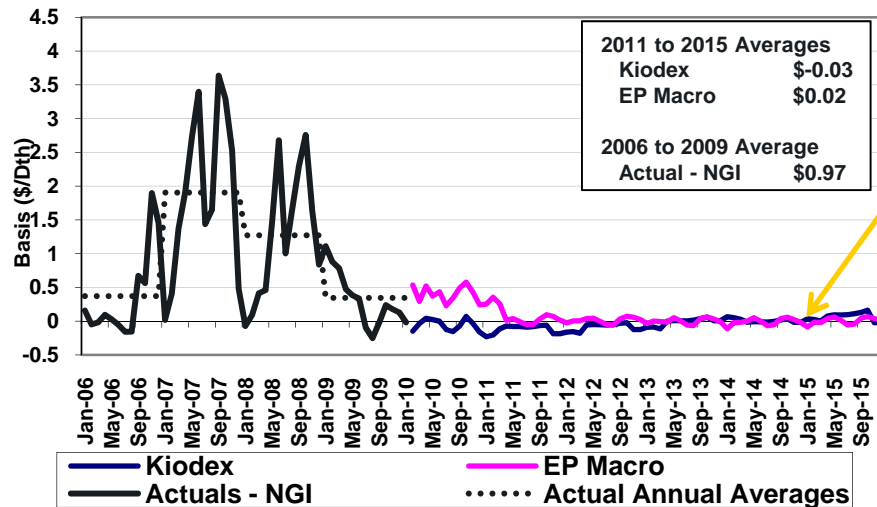
## AECO Basis to Henry



## 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