
NGT&S Appalachian Basin Kentucky Oil & Gas Association

June 17, 2010

Louisville, Kentucky



**NiSource Gas
Transmission & Storage**

Disclosure Statement

All information presented and discussed is for discussion purposes only and should not be construed as a commitment or obligation by NGT&S. All scenarios are estimates only and subject to change. Rates presented are illustrative only.



Agenda

- ◆ **NGT&S Supply and Origination Strategy**

- ◆ **Current project overview**

 - Marcellus Overview**

 - Line 1711 and New Penn**

 - Majorsville**

 - Line 1570**

 - Smithfield**

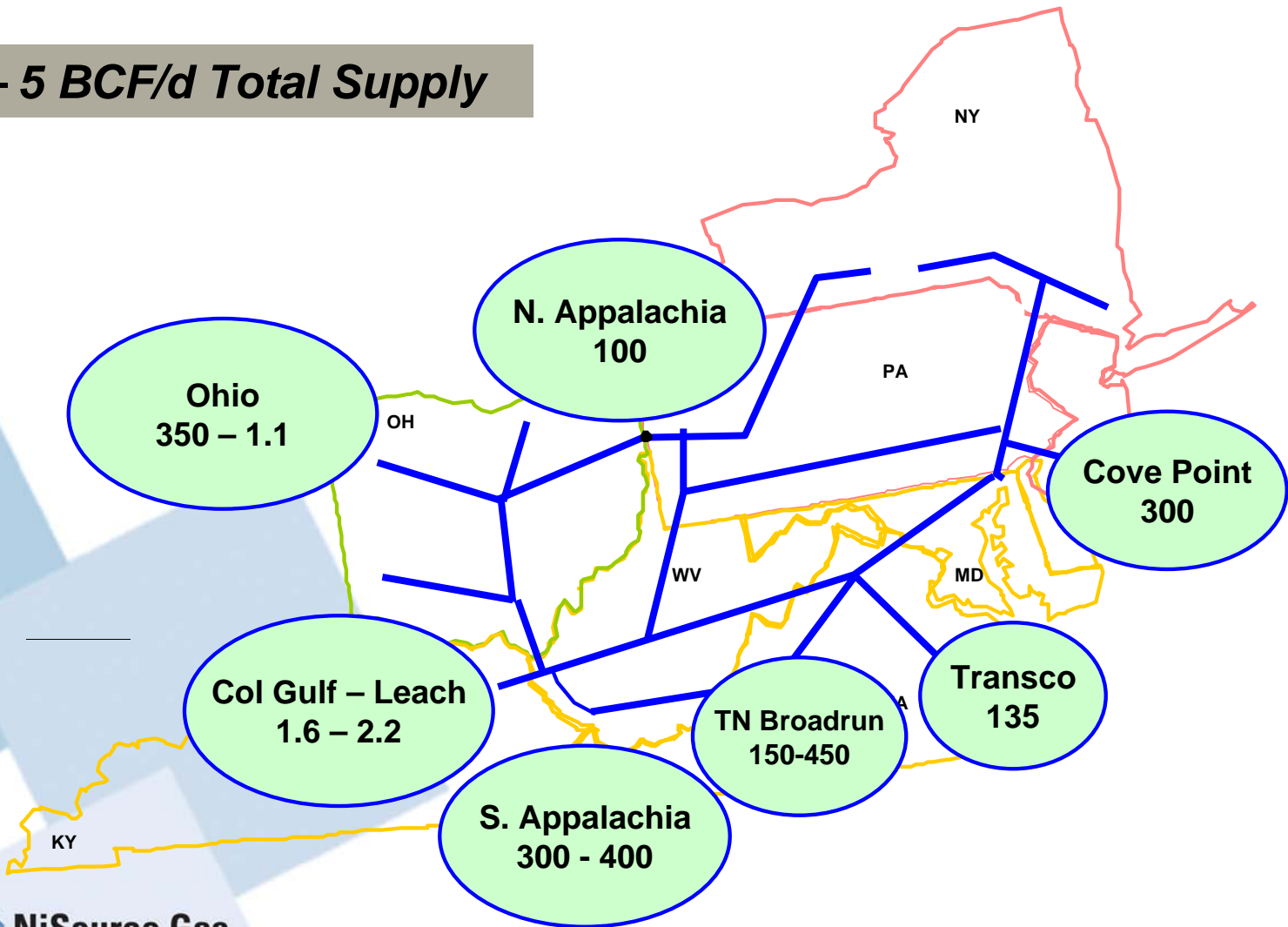
 - Cobb**

 - Southern Appalachian Expansion (SOAP)**



Major Sources of TCO Supply

2 – 5 BCF/d Total Supply



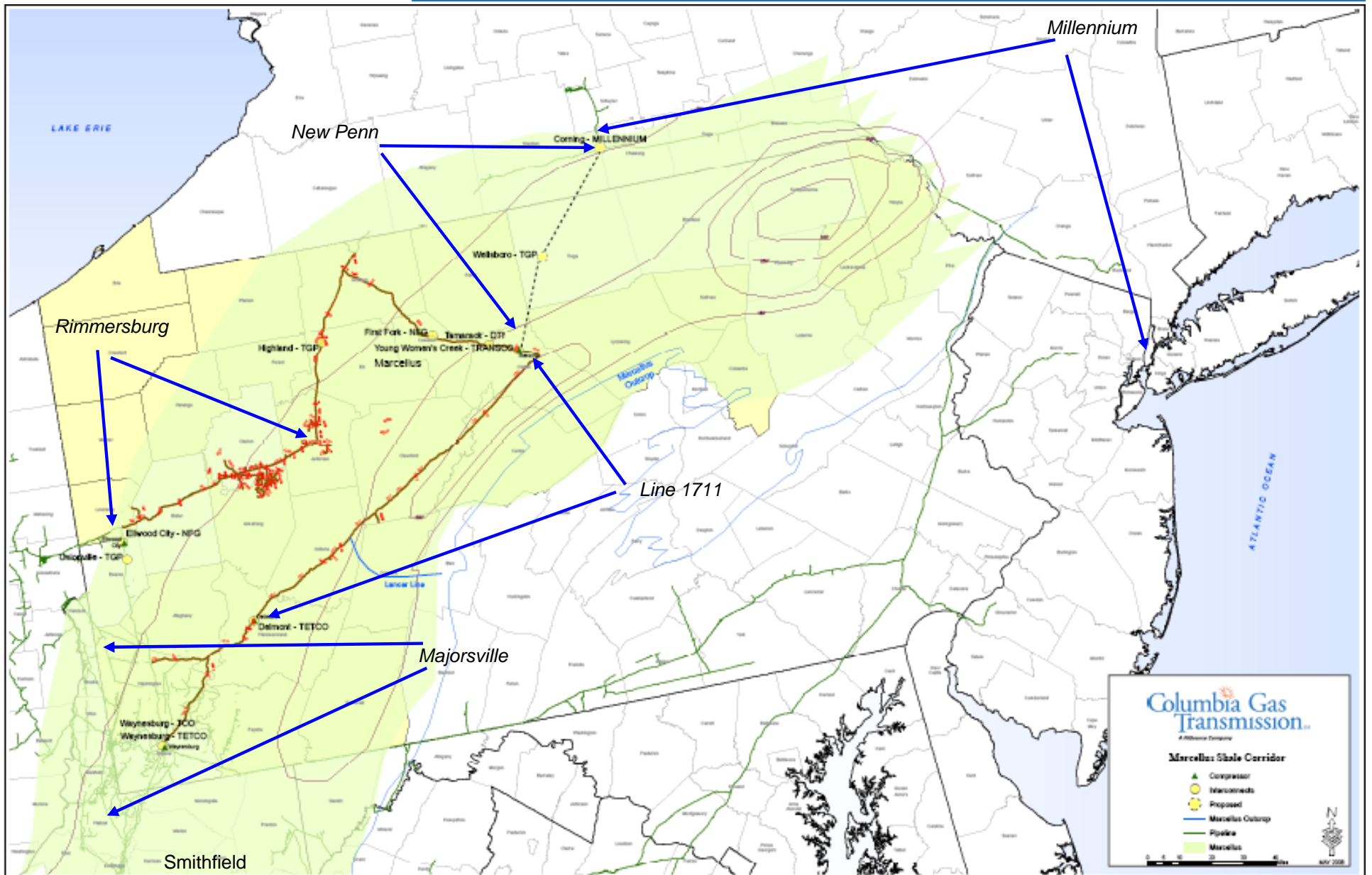
Supply and Origination Strategy

- 1. Restore and expand underutilized transmission and gathering assets to address changing flow requirements**
- 2. Displace Appalachian production into interconnects yielding greatest producer netbacks**
- 3. Refunctionalize assets as necessary to promote speed to market and suitability of service**
- 4. Anchor regulated storage and transmission projects with Appalachian supply to meet market demands**
- 5. Provide reliable service in a value-added manner with superior customer service support**

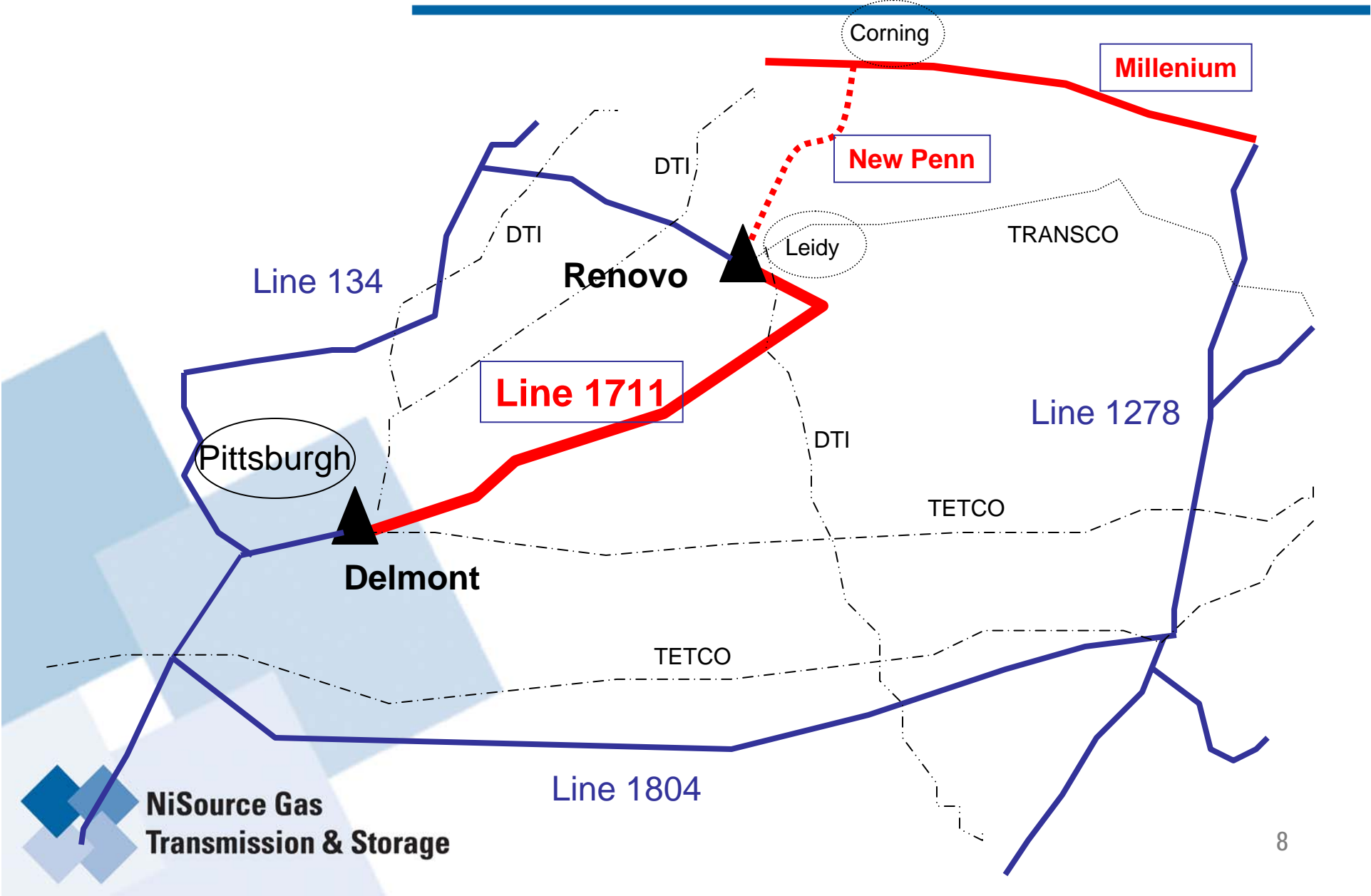
Typical Western Marcellus Composition

Component	Mol%	GPM
Methane	74.22	
Ethane	15.62	4.17
Propane	5.46	1.50
Iso Butane	0.655	0.21
Normal Butane	1.437	0.45
Iso Pentane	0.48	0.17
Normal Pentane	0.54	0.19
Hexanes+	1.06	0.46
Inerts(N ₂ , O ₂ , CO ₂)	0.52	
Total	100	7.15

Marcellus Corridor



Line 1711 Project Map

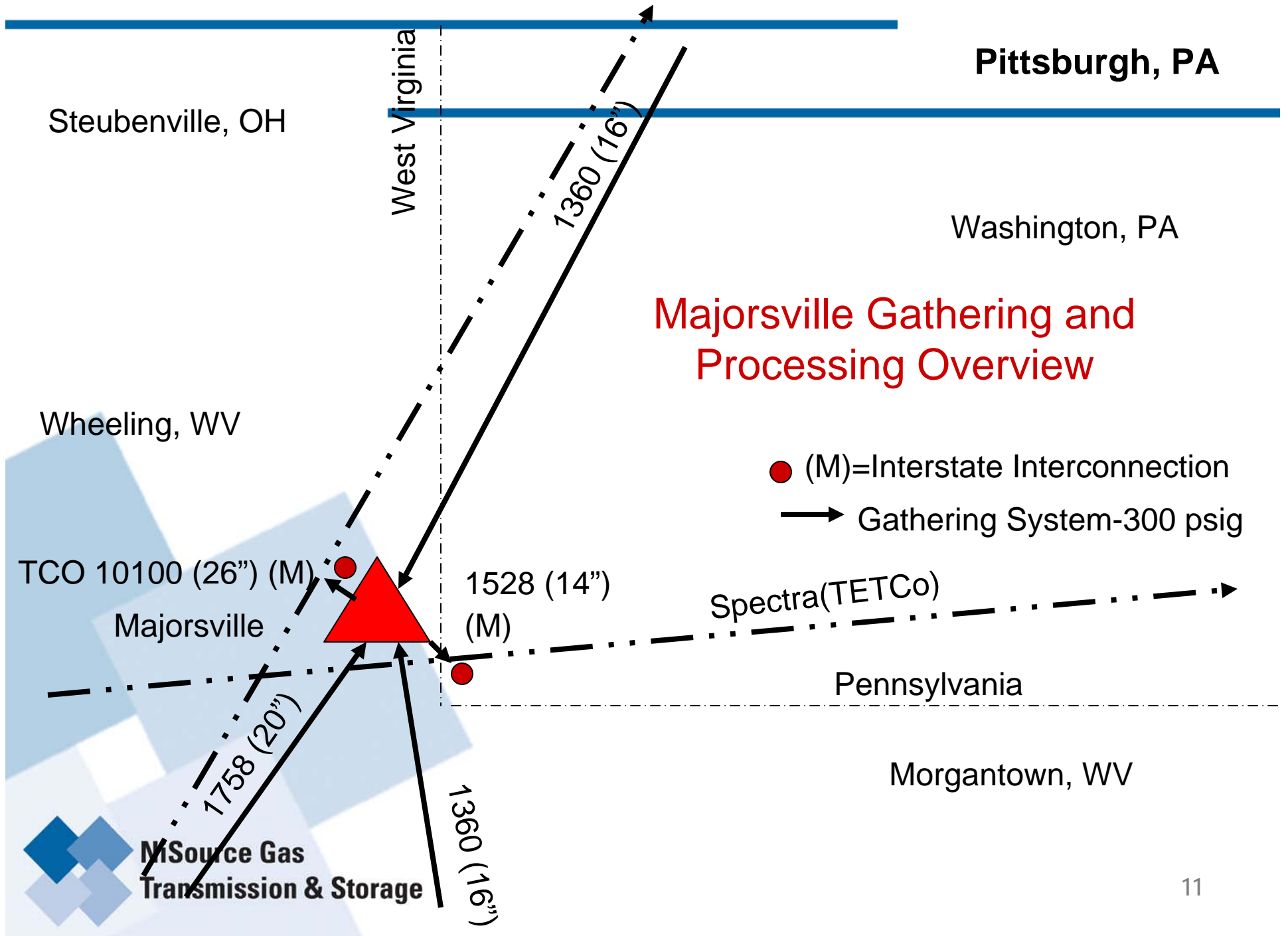


1711 (Renovo-Delmont) Commercial Info

- ◆ **In Service: February 2009 ; July 2009**
- ◆ **Phase I: 48 MMCFD (To Renovo) – 11K-2/1/09, 36K-7/1/09**
- ◆ **Phase II: 53 MMCFD (To Delmont)- July 2009**
- ◆ **Primary Delivery Points: Transco (Renovo) and TETCO (Delmont)**
- ◆ **Rates: Recourse = \$0.21/Dth**
- ◆ **Term: 5 years**
- ◆ **Regulatory Requirements: None-Operating Mode Change**
- ◆ **Open Season Closed: 10/13/08**
- ◆ **Currently Available Capacity**
 - Renovo: 0
 - Delmont: Approximately 30Mdh/d

1711 Renovo-Delmont Long Range Plan

	In Service Date	Renovo Total Mdth/d	Delmont Total-Mdth/d	System Total-Mdth/d	Required HP	Miles of Pipe
Phase I	1Q09	18		18		
Phase II	3Q09		65	83		
Phase III	4Q09	10	31	124	3400	
Phase IV	2Q10	52	15	191	5600	
Phase V	4Q10	34	31	256	4400	19
Phase VI	4Q11	53	97	406	4400	35
Phase VII	4Q12	336	380	1122	9400	27
Total		503	619	1122	27200	81



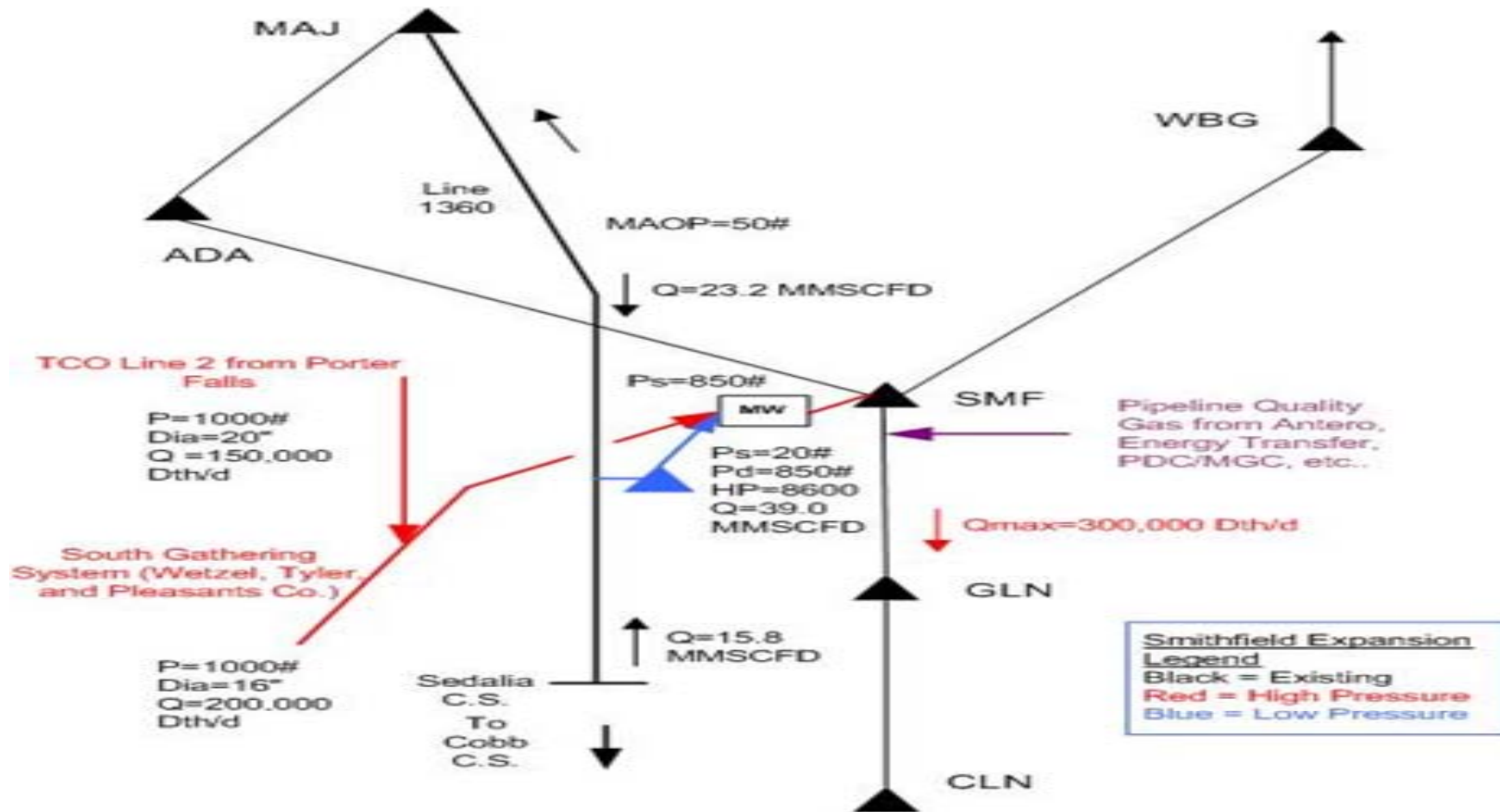
Majorsville Gathering and Processing Commercial Info

- ◆ **Partnership with Markwest Hydrocarbons, LLC**
- ◆ **Markwest: fee based dew point processing**
- ◆ **Nisource Midstream Services: firm gathering service**
- ◆ **In Service: 08/01/10**
- ◆ **Initial Processing Capacity: 120 MMCFD**
- ◆ **Incremental Expansion: 150 MMCFD by 04/01/11**
- ◆ **Primary Delivery Points: TCO (MA35) and TETCo (M-2)**
- ◆ **Firm Gathering Rate: Negotiated-\$0.07 to \$0.24/Dth**
- ◆ **Term: 12 Years**
- ◆ **Regulatory Requirements: Reactivation of Facilities using FERC Section 7 and BPN**

Line-1570
Commercial Info

- ◆ **Service: Firm Transmission Service (FTS)**
- ◆ **Phase I Capacity: 40,000 Dth/day (10/01/08) – Sold Out**
- ◆ **Phase II Capacity: 100,000 Dth/day 01/01/10-Sold Out**
- ◆ **Phase III Capacity: 150,000 Dth/day 07/01/10-Sold Out**
- ◆ **Primary Delivery Points: Various Intra-Op Area 8 (Pitt)**
- ◆ **Firm Transportation Rate: \$0.21/Dth**
- ◆ **Term: 10 Years**
- ◆ **Regulatory Requirements: Prior Notice**

Smithfield, West Virginia

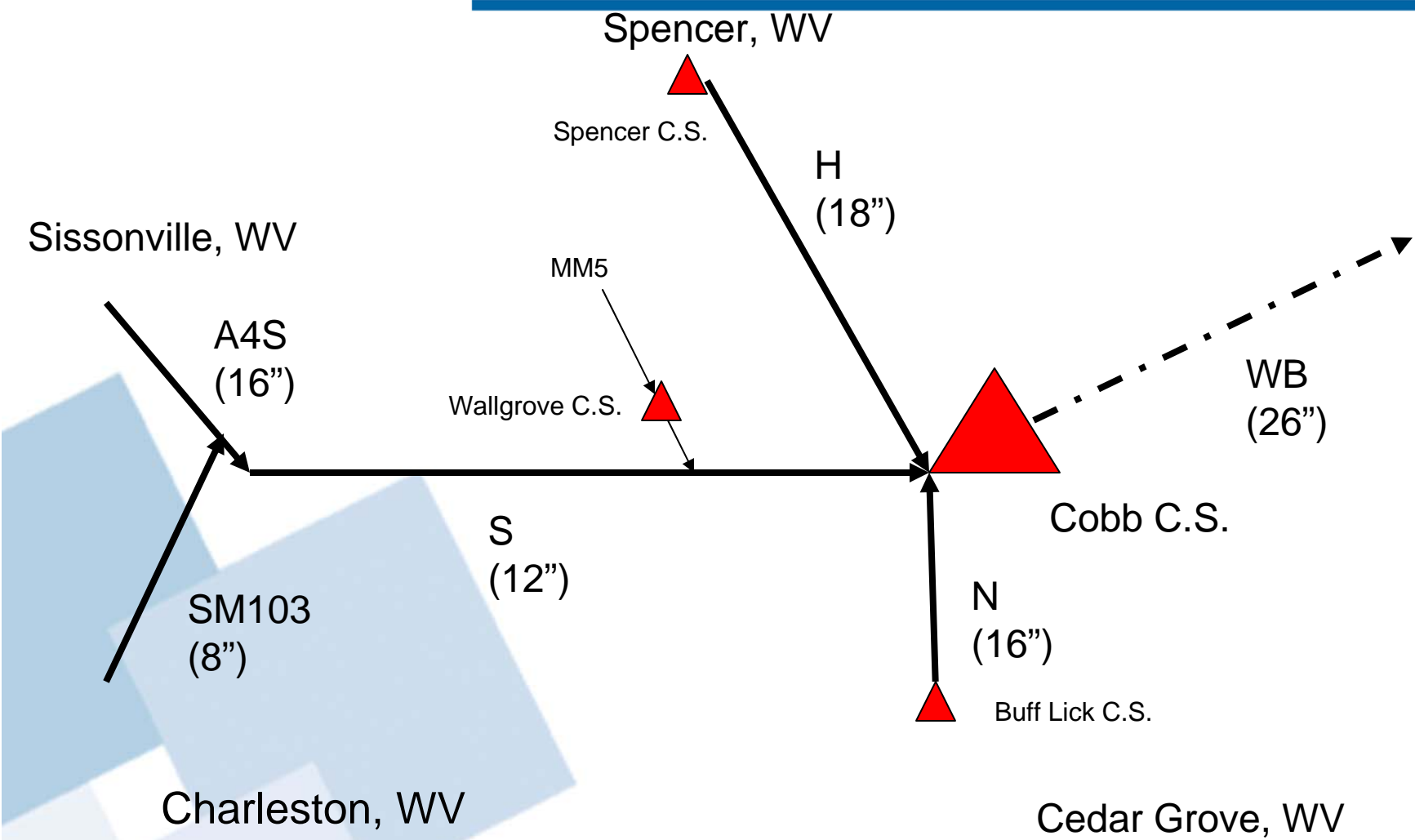


Smithfield Expansion Legend
 Black = Existing
 Red = High Pressure
 Blue = Low Pressure

Smithfield
Commercial Info

- ◆ **Service: Firm Transmission Service (FTS)**
- ◆ **Phase I Capacity: 150,000 Dth/day- 11/01/10**
- ◆ **Phase II Capacity: 150,000 Dth/day- 04/01/11**
- ◆ **Primary Delivery Points: MA-19, Leach, Kentucky**
- ◆ **Firm Transportation Rate: \$0.21/Dth**
- ◆ **Term: 10 Years**
- ◆ **Regulatory Requirements: Blanket Prior Notice**

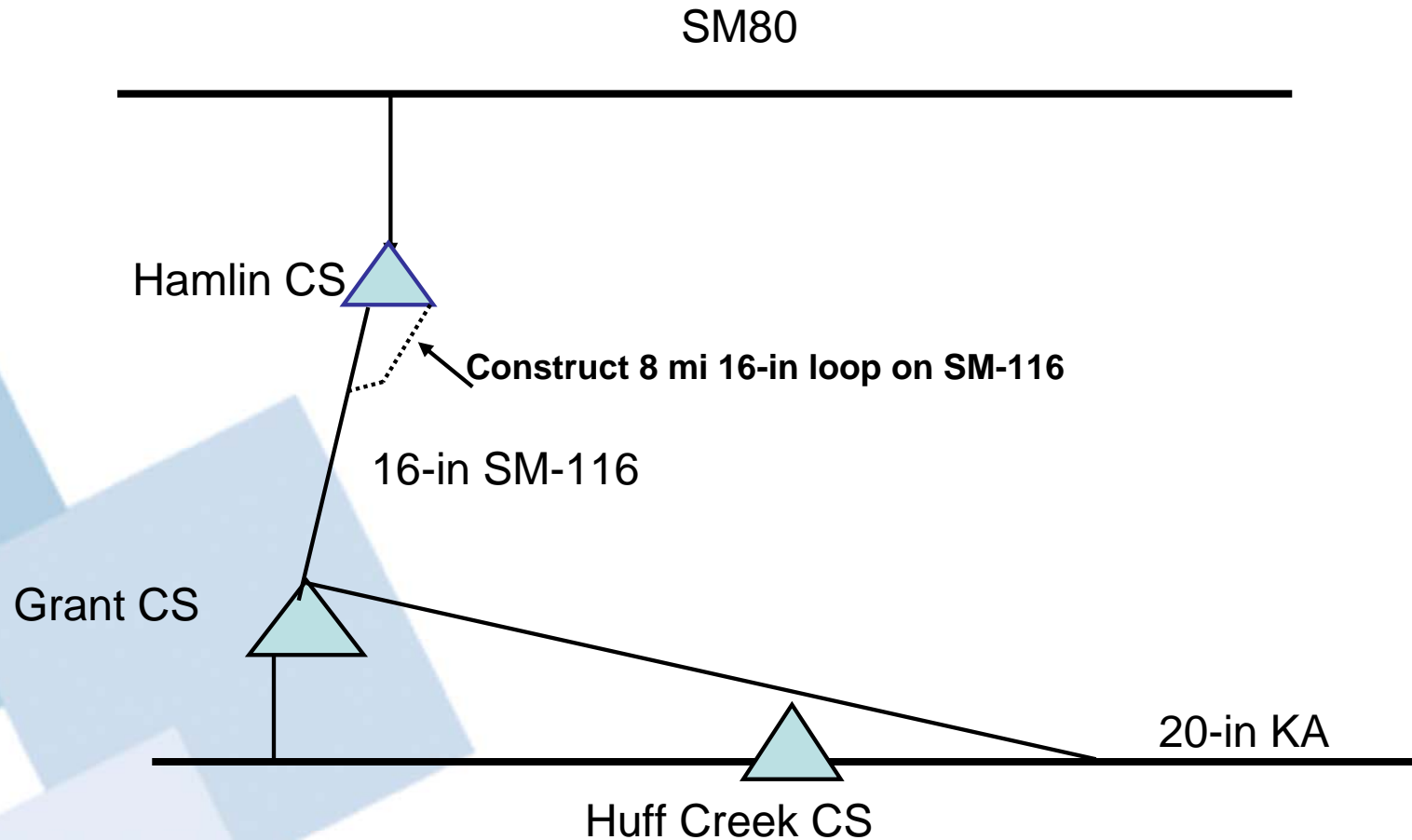
Cobb Expansion Project



Cobb Expansion Project

- ◆ **Expansion Capacity =32,000 Dth/d**
- ◆ **Processing: Keep Whole w/Markwest Hydrocarbons**
- ◆ **MarkWest Processing Fee: \$0.04 to \$0.07 / Mcf**
- ◆ **Shrink: 1% and MarkWest Keeps Frac Spread**
- ◆ **Phase I Expansion: 7,000 Dth/d in service 3Q09**
- ◆ **Phase II Expansion: 25,000 Dth/d in service 2Q10**
- ◆ **Rate: Anchor Shipper \$0.59/Dth – Volume 25,000 Dth with 10 yr Term**
- ◆ **Non-Anchor \$0.21/Dth-Volume 5000 Dth with 25 Year Term**
- ◆ **Fuel: 2.2%**
- ◆ **Primary Delivery Point: Columbia Transmission @ Leach**
- ◆ **Regulatory Requirements: FERC Blanket Prior Notice (BPN)**

Southern Appalachian Expansion (SOAP)



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