



Welcome

2011 Summer Customer Meeting

Columbia Country Club
Blythewood, SC

July 21, 2011



Topics of Discussion



- Welcome
- Comments from our President
- CGT Overview & Industry Update
- CGT Capacity Considerations
- Customer Feedback Session
- Wrap-up & Questions



Paul V. Fant
President & Chief Operating Officer





Key Points for today



- CGT is committed to customer satisfaction
- CGT available capacity is tightening
- Throughput continues to increase
- New rates go into effect November 1
- OFO Changes under consideration

CGT Overview

Key Strengths



- **Safe and Reliable Operations**
 - Continued emphasis on safe operations
 - Positive track record on PHMSA Audits
 - Reliability
 - Operate pipeline to ensure ability to meet firm capacity obligations
 - Highly rated in “Reliability of Firm Transportation”
 - Proactive communications with customers on pipeline integrity and maintenance programs to minimize customer impact and assure reliability
- **Customer Service**
 - Since its conversion to interstate in November 2006, CGT has been among the industry leaders in customer satisfaction
 - Strive to be the best through the eyes of our customers
- **Hub-like nature benefits customers**
 - Connections with SNG, Elba Island, and Transco
 - Enhances supply options and reliability



CGT Overview

Throughput and Supply

- CGT transports over 100 billion cubic feet of natural gas annually on behalf of our customers
- Customers have access to global sources of supply through connections with Southern Natural Gas, Elba Island, and Transco



CGT Supply Source Mix

	2008	2009	2010	2011 (thru June)
SNG	46%	36%	43%	37%
Southern LNG (Elba Island)	37%	48%	31%	45%
Transco	17%	16%	26%	18%

CGT Overview

Winter 2010-2011 & Throughput History



- December 2010 was second coldest December in the past 55 years
- Summary of OFO (Operational Flow Orders) history

Winter of	# OFOs Issued	# OFO Days
06-07	4	6
07-08	2	4
08-09	2	4
09-10	2	14
10-11	7	23

- 2010 Throughput highest in CGT history

Year	Throughput (Dt)
2007	108,625,640
2008	107,946,690
2009	111,287,462
2010	125,283,166

CGT Overview

2010 & 2011 Throughput by Customer Type



2010 Throughput up 12% versus 2009

Industrial	Municipal/LDC	Power Generation
Up 17%	Up 13%	Up 8%

- Cold winter
- Average summer temperatures hottest on record
- Industrial business recovering

2011 YTD Up 9% versus 2010 YTD

(Throughput as of June 30)

Industrial	Municipal/LDC	Power Generation
Up 9%	Down 8%	Up 49%

- Industrial increase driven by new customers, plants returning to service, and conversions from alternate fuel
- Power generation increase impacted by early 2010 maintenance of large plant
- 48 straight days in excess of 90 degrees in Columbia area (2nd longest in history)



OFO Changes under Consideration



- Historically, OFOs have been issued systemwide based on daily imbalance
- Considering change to regional/area or delivery point OFOs
- Could be more effective tool for maintaining linepack in critical areas of our system
- Objective is to ensure we continue to meet and serve our firm obligations
- Option is currently available under CGT tariff

Industry Update (per EIA)



- Short term forecast
- Natural Gas Usage
- Sector information: Nationwide v. SC
 - Industrial
 - Power Generation
 - Residential
 - Commercial

Short-Term Forecast (per EIA)



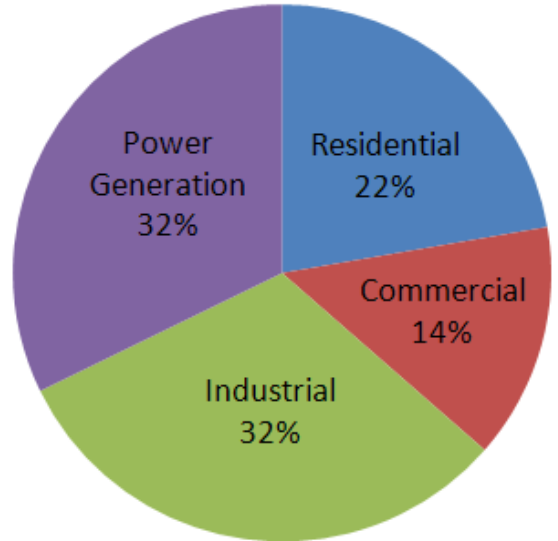
- U.S. natural gas consumption expected to grow by 2.0 percent to 67.4 billion cubic feet per day (Bcf/d) in 2011
 - Industrial usage expected to rise 3.3 % to 18.7 Bcf/d
 - Power Gen usage expected to rise 2.1% to 20.6 Bcf/d
- 2012 consumption drops slightly in 2012 to 67.3 Bcf/d,
 - Continued growth expected in the industrial and power generation sectors
 - Decline in residential and commercial consumption due to a forecast decline in heating degree-days in the Midwest and West.

Natural Gas Annual Usage Profile

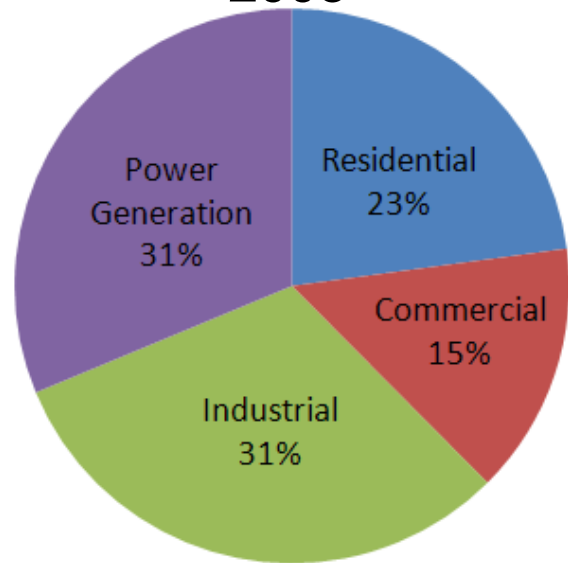
Nationwide – per EIA



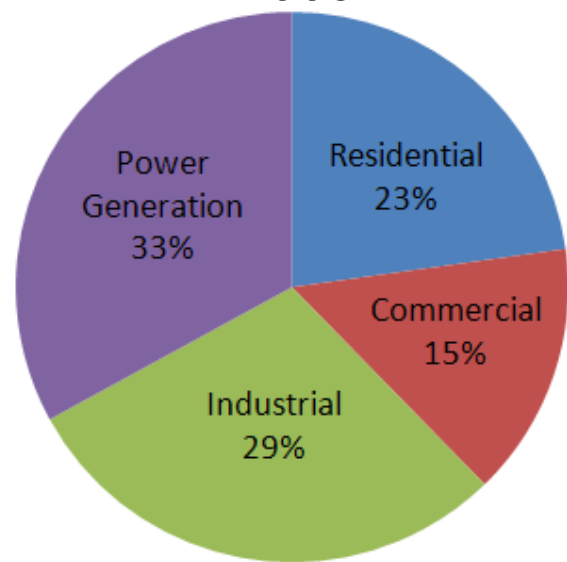
2007



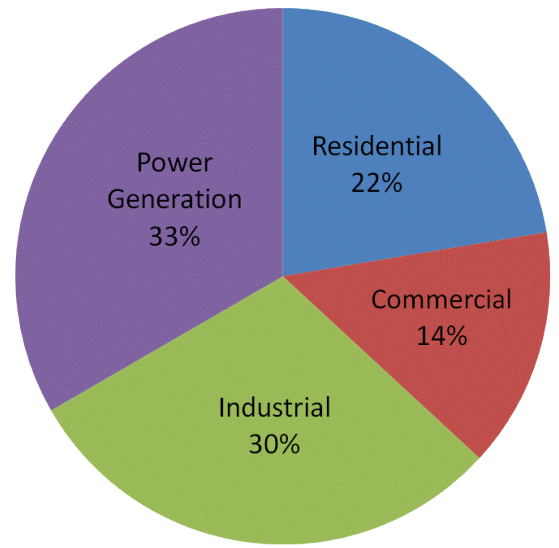
2008



2009

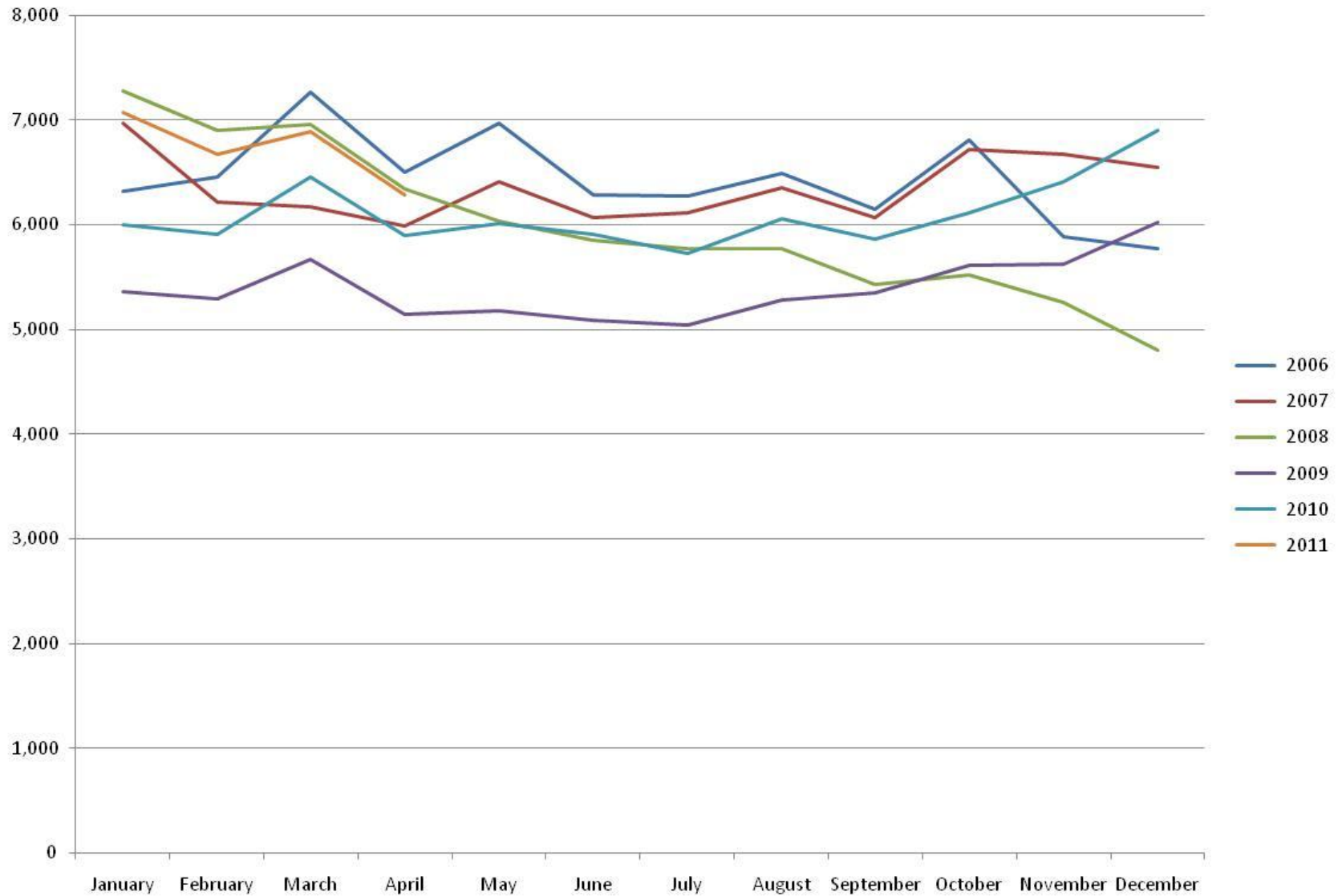


2010



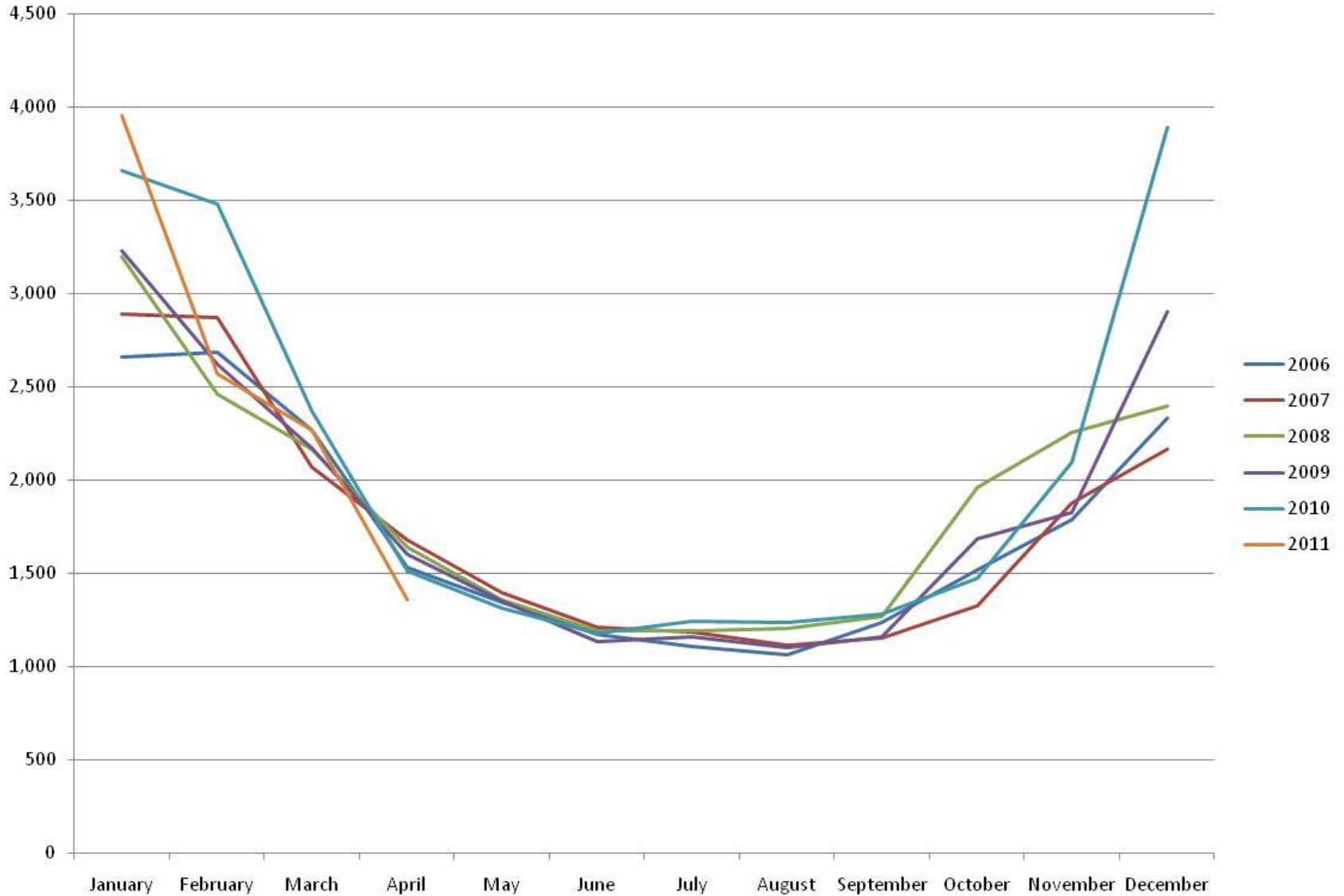
EIA: SC Industrial Gas Deliveries

Monthly Natural Gas Deliveries to SC Industrial Customers (MMcf)



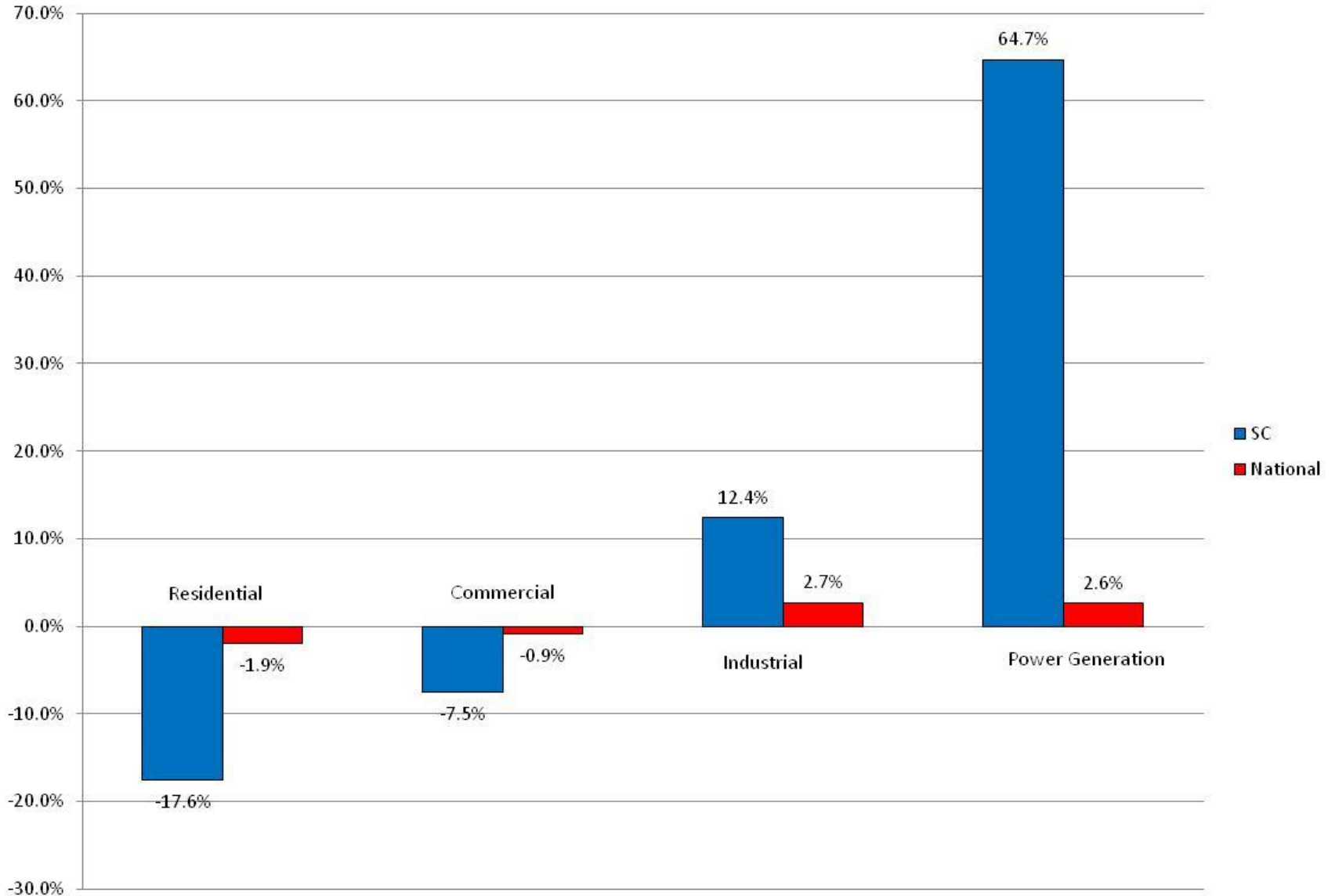
EIA: SC Commercial Gas Deliveries

Monthly Natural Gas Usage for Commercial Customers in SC (MCF)



EIA: Natural Gas Consumption

1Q2010 v. 1Q2011 Growth Percentages (by Sector)



CGT Overview

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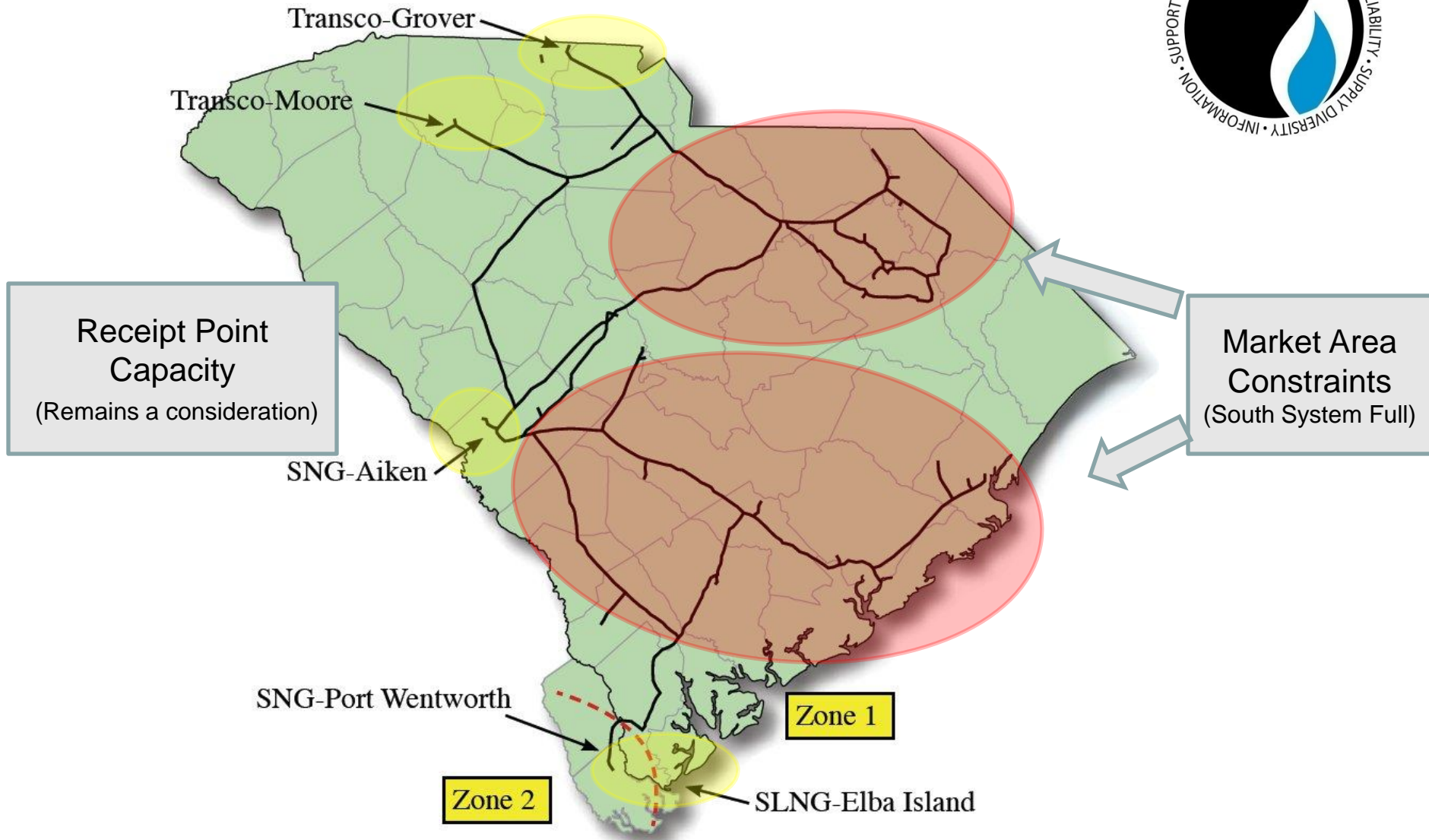
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CGT Capacity Picture Tightening

CGT Capacity Considerations



CGT System Fully Subscribed (Notice 1351)

Due to the reticulated nature of the CGT system, CGT's ability to serve prospective firm transportation customers depends upon the location and volume of receipts and deliveries of existing firm Shippers throughout the CGT system.

Based on current contractual commitments on CGT's reticulated system, CGT hereby provides notice that the CGT system is fully subscribed for service to the following delivery points on the southern portion of the CGT system:

3V, Inc.
AG South Carolina
Air Liquide Large Industries US, LP
Alumax of South Carolina, Inc.
Bamberg, City of
BP Amoco Corporation
Columbia Energy LLC
DAK Americas, LLC
Eastman Chemical Company
Giant Cement Company
Holcim (US) Inc.
International Paper Company
ISG Georgetown, Inc.
JW Aluminum Company

Lafarge North America Inc.
Nucor – Berkeley
Orangeburg DPU
SC Department of Corrections
SCE&G - Allendale Area Point
SCE&G - Charleston Area Point
SCE&G - Columbia Area Point
Salley, Perry, Wagner
Swansea
Gaston
Highway 21 South
St. Matthews Lateral
Old State Road
Cope

SCE&G - Georgetown Area Point
Port Wentworth
Jasper County
Showa Denko Carbon, Inc.
Joint Base Charleston
Williams Technology, Inc.

If you have any questions or have a need for new or incremental firm service to any delivery point listed, please contact your Account Manager or Gary Alexander at 803-217-2131. CGT will evaluate any request for new or incremental service to the above listed delivery points and what additional facilities may be required to accommodate such request. Please be aware that depending on the scope of facilities required, the timeline for providing such service could be from 6 months to 36 months.

- ▶ Capacity
- ▶ Gas Quality
- ▶ Index of Customers
- ▼ Notices
 - ▶ Critical
 - ▶ Non-Critical
 - ▶ Planned Service Outage
 - ▶ Waste Heat
 - ▶ Archived Notices
- ▶ Posted Imbalances
- ▶ Standards of Conduct
- ▶ Tariff
- ▶ Transactional Reporting
- ▶ Online Forms
- ▶ Downloads
- ▶ Search
- ▶ Customer Activities
- ▶ Site Map

Notice Details

Critical Desc: Critical notice

Notice ID: 133 Subject: Operational Notice

Notice Type Desc:	Other	Post D/T:	2/5/2007 7:50:00 AM CCT
Notice Eff D/T:	2/2/2007 2:35:20 PM CCT	Notice End D/T:	4/1/2007 2:35:00 PM CCT
Notice Stat Desc:	Initiate (a situation is being noticed)		
Reqrd Rsp Desc:	No response required	TSP Name:	Carolina Gas Transmission
TSP:	13-713-9213		

Notice Text:

Effective for the February 1, 2007 Gas Day, in order to comply with D.O.T. regulations regarding class location line operating pressure, CGT has reduced operating pressure in two sixteen inch lines in the South System. Both lines, Line 1 and Line 2, have been operated at 857 psig and now will be operated at 719 psig and 813 psig, respectively.

Under certain circumstances, this reduction in line operating pressure may affect the amount of interruptible transportation or secondary firm transportation that CGT will be able to schedule on the South System.

If you have any questions, please call your Account Manager or Operations Planning at 866-401-5CGT.

Operations Planning

Attachments:

No Attachments

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Central Time (CCT):
7/18/2011 12:58:39 PM

- ▶ Capacity
- ▶ Gas Quality
- ▶ Index of Customers
- ▼ Notices
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Notice Details

Critical Desc: Critical notice

Notice ID: 1395 Subject: Operational Notice

Notice Type Desc:	Other	Post D/T:	4/1/2011 1:53:00 PM CCT
Notice Eff D/T:	4/1/2011 1:53:00 PM CCT	Notice End D/T:	7/1/2011 9:00:00 AM CCT
Notice Stat Desc:	Initiate (a situation is being noticed)		
Reqrd Rsp Desc:	No response required		
TSP:	13-713-9213	TSP Name:	Carolina Gas Transmission

Notice Text:

Effective for the April 1, 2011 Gas Day, in order to comply with D.O.T. regulations regarding class location line operating pressure, CGT has reduced operating pressure in a segment of its sixteen inch Line 1 in the South System. This segment of Line 1 has been operated at 812 psig and now will be operated at 787 psig.

Under certain circumstances, this reduction in line operating pressure may affect the amount of interruptible transportation or secondary firm transportation that CGT will be able to schedule on the South System. No impact on firm service is expected.

If you have any questions, please call your Account Manager or Operations Planning at 866-401-5CGT.

Operations Planning

Attachments:

No Attachments

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Central Time (CCT):
7/18/2011 1:00:26 PM

TSP Name/TSP: Carolina Gas Transmission/13-713-9213

- Nominations
- Flowing Gas
- Invoicing
- Capacity Release
- Contracts
- Reporting
- Manage Profile
- Feature Requests
- Logout
- Informational Postings
- Site Map

Notice Details

Critical Desc: Critical notice

Notice ID: 1462 Subject: Update - Aiken County, SC Main Line Work

Notice Type Desc: Maintenance
Notice Eff D/T: 7/19/2011 8:55:00 PM CCT
Notice Stat Desc: Supersede (a previous situation is being amended/updated)
Reqrd Rsp Desc: No response required
TSP: 13-713-9213

Post D/T: 7/19/2011 8:55:00 PM CCT
Notice End D/T: 7/26/2011 4:00:00 PM CCT
Prior Notice: 1459

TSP Name: Carolina Gas Transmission

Notice Text:

As previously noticed, Carolina Gas Transmission (CGT) has been performing pipeline work between main line valve stations 220450 and 220500 in Aiken County, SC. This section of pipe is between Montmorenci Road and Kitching Mill Road in Aiken County, SC. This work began on July 19, 2011 and is now expected to go into the July 20, 2011 Gas Day. This work will involve controlled releases of natural gas during this timeframe.

CGT does not anticipate any impact to primary firm transportation. However, at this time, CGT will not be scheduling interruptible transportation on the Evening Cycle to delivery points downstream of Montmorenci (CGT South System). Interruptible Shippers may continue to nominate gas on the intraday cycles and CGT will evaluate operating conditions during the July 20 Gas Day and schedule interruptible deliveries, if any, based on those operating conditions.

If you have any questions, please call your Account Manager or Operations Planning at 866-401-5CGT.

Attachments:

No Attachments

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Central Time (CCT):
7/20/2011 2:40:53 PM

CGT Capacity Considerations (fyi...)



- CGT system is designed and operated to ensure ability to meet firm obligations
- CGT posts unsubscribed capacity on its Electronic Bulletin Board (internet website)
- Capacity availability is a snapshot in time – requests are generally filled on a first come, first served basis
- Depending on quantity and location, requests for new capacity may not be immediately available
- CGT can expand its system to meet the future needs of customers
- Construction &/or modification to existing facilities can take up to 3 years depending on scope

Capacity Update - if you may need service...

CGT Capacity Considerations



- Contact CGT to discuss potential service needs
- Location, volume, pressure and timing are all key data points
- In many cases, CGT can construct facilities with no upfront capital costs if supported by firm service agreement
- **Key Point: Commitment to firm pipeline capacity does not obligate customer to firm gas purchases**
- CGT capacity ensures capacity is available to deliver gas when operational or economic conditions warrant

CGT Rate Update



- CGT received approval from FERC on its Petition for approval of a Stipulation and Agreement (“Settlement”) concerning transportation rates
- The Settlement filing was the culmination of substantial discussions between CGT, its customers, and other interested parties
- First change in tariff rates since CGT’s inception in November 2006
- Rates go into effect November 1, 2011
- Settlement includes rate moratorium until May 1, 2014, subject to certain exceptions

CGT Rate Update

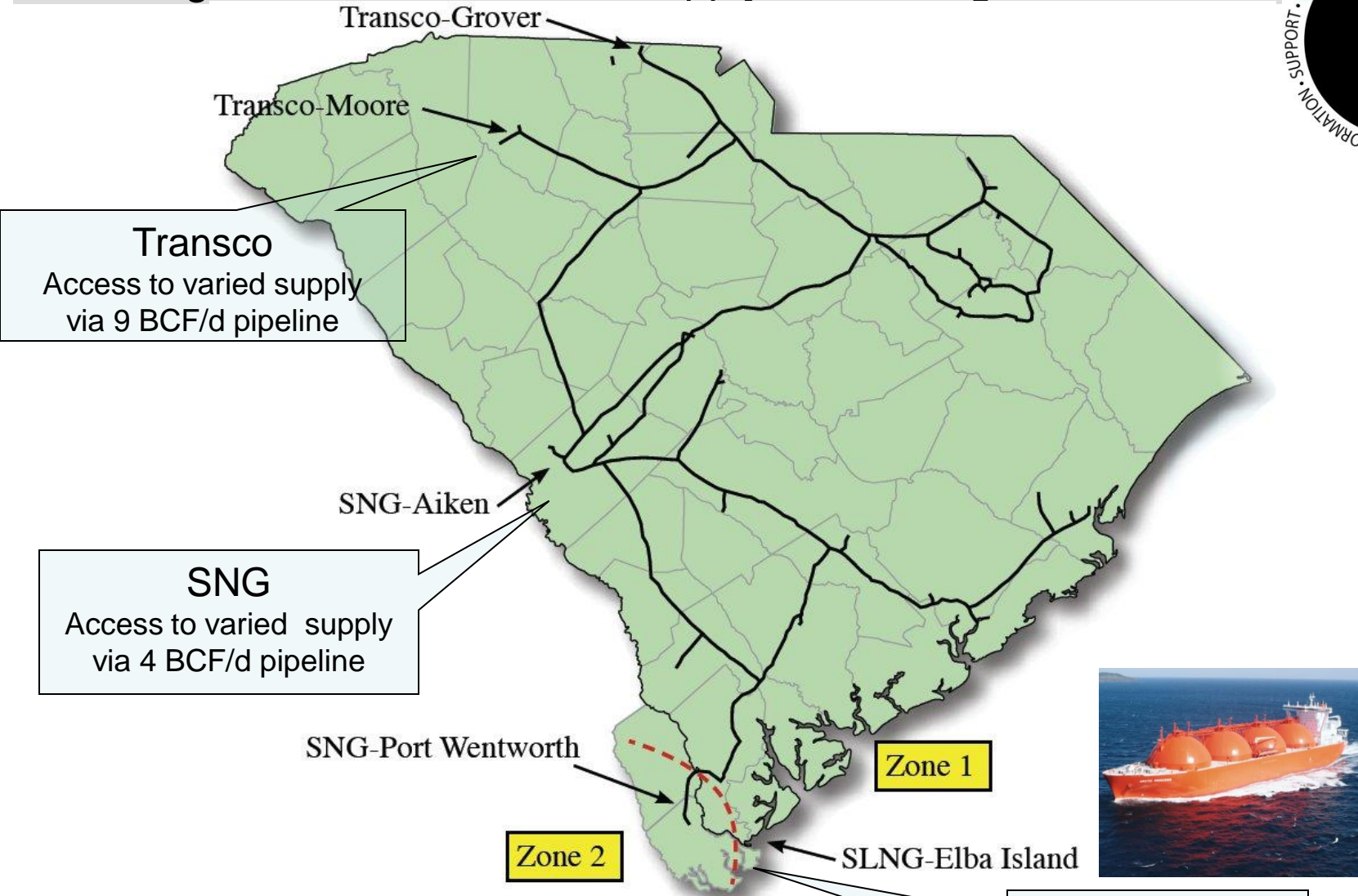
Key Rate Changes effective Nov 1, 2011



	Current Rate	November 1 Rate
Monthly FT Demand Zone 1	\$7.4287/Dt	\$8.4387/Dt
FT Usage Rate (Zone 1)	\$0.0036/Dt	\$0.0075/Dt
Monthly FT Demand Zone 2	\$3.4696/Dt	\$3.9414/Dt
FT Usage Rate (Zone 2)	\$0.0009/Dt	\$0.0019/Dt
Interruptible Transportation Rate Zone 1	\$0.2479/Dt	\$0.2849/Dt
Interruptible Transportation Rate Zone 2	\$0.1149/Dt	\$0.1315/Dt

CGT System Map

Providing access to the world's supply of natural gas



Transco
Access to varied supply
via 9 BCF/d pipeline

SNG
Access to varied supply
via 4 BCF/d pipeline

Elba Island
2 BCF/d sendout
capability by 2013



CGT Capacity Empowers Customers



CGT FT (per Dt)



- At 100% load factor, firm transportation cost less than 29 cents per Dt
- FT ensures pipeline capacity is available to transport gas safely and reliably when needed
- Provides customers access to a global source of wholesale natural gas supply through CGT's pipeline interconnects

Commodity



- Commodity is where price volatility resides
- ***EIA: spot price estimates (Henry Hub):***
 - **Average \$4.26/Dt in 2011**
 - **Average \$4.54/Dt in 2012**
- CGT customers are able to manage their gas purchases to meet their individual risk profile

Supply: CGT Provides Options



- Things that are unknown
 - How future supply picture will look
 - 5 years ago, LNG was to be plentiful and shale gas didn't exist
- Things we know
 - CGT hub-like nature positions customers for whatever options develop on supply front
 - Multiple interconnects create opportunities for savings on both commodity and upstream capacity
 - If offshore exploration occurs, CGT infrastructure could provide customers even further benefit

Customer Satisfaction Survey



- Mastio & Associates are the “JD Power” of the natural gas pipeline industry
- Surveyed customers of 57 pipelines in North America
- Companies rated in 28 individual categories
- Results were favorable, but ratings dipped slightly in most areas
- CGT is strives for excellence in customer service
- Need your feedback to enhance customer satisfaction

Customer Satisfaction Results



Ten Highest Rated Attributes*

- Communicates in an honest and forthright manner
- Effectiveness of contract negotiations
- Representatives who listen well
- Representatives understand client needs and challenges
- Expertise of representatives to solve client needs
- Representatives are accessible when needed
- Solution creativity and innovation
- Competitive rates and discounts
- Management of pipeline initiated restrictions
- Quality of pipeline initiated communications

** based on industry rankings*



Customer Satisfaction Results



10 lowest rated attributes*

- Ample access to diverse supply
- Access to available storage
- Effectiveness of nominating & reporting
- Provides effective online transactional training
- Effective after hours support
- Flexibility of gas pooling and aggregation services
- Accurate operational information is readily available
- Accuracy of Invoices
- Accuracy of scheduled & metered volumes (tie)
- Effectiveness of capacity release system & procedures (tie)

** based on industry ranking*



Customer Satisfaction is Critical



- Consistent effort to understand customer needs and expectations
- Continual improvement mindset
- Continually solicit feedback on performance, via meetings, forums, focus groups, visits, & surveys
- Transparent with our customers on issues and action items
- Transparent with results of action items along with measures of success
- Consistent message, deliver consistent results
- ***Credibility check at every customer meeting***



Customer Feedback Period



Break Time

15 minutes

Feedback Review Session



Ensure we understand and capture the key areas on which we need to focus our efforts.

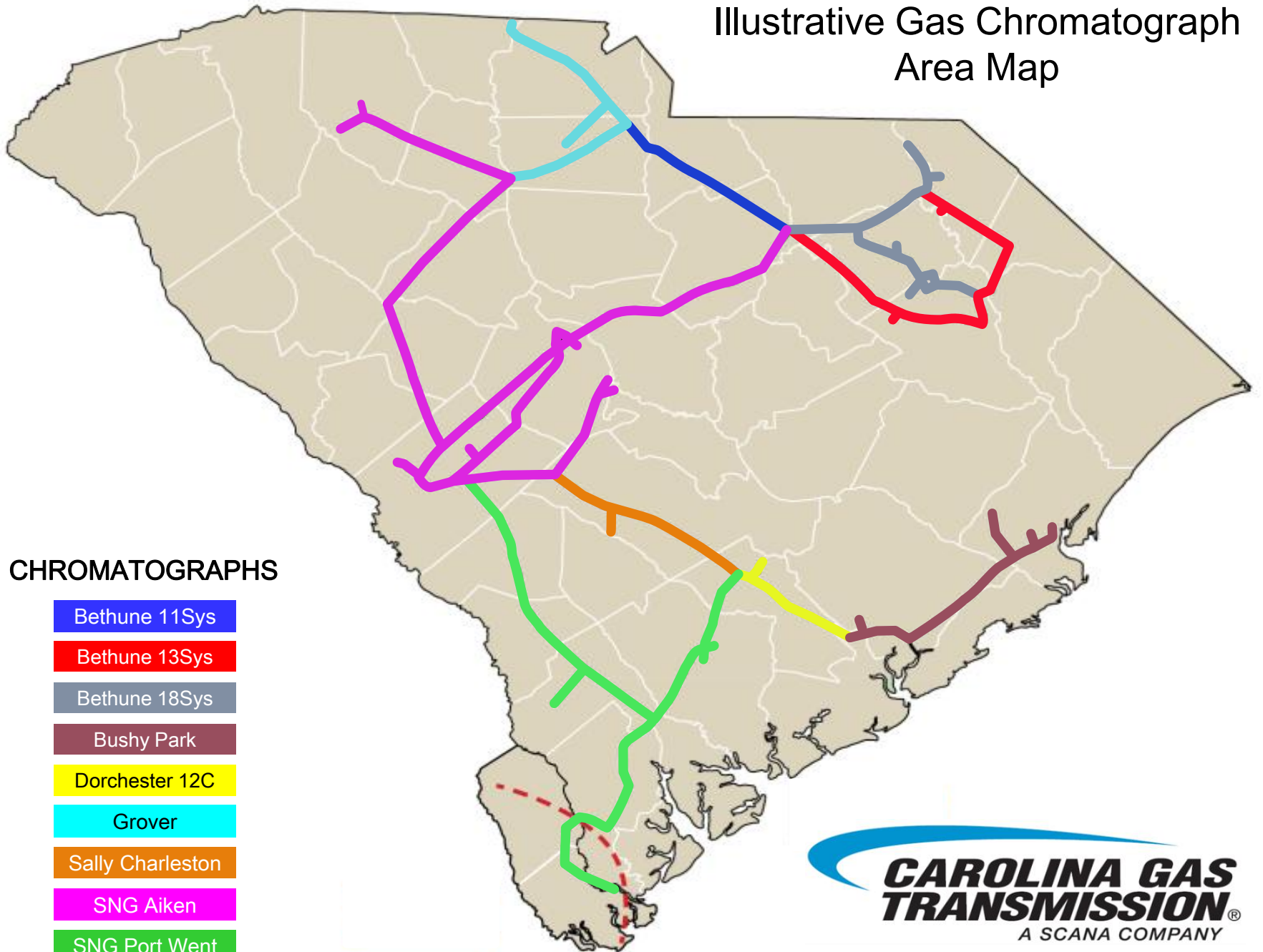
Thank you for helping us improve!

Gas Quality Information



- Gas Chromatograph data is available on the front screen of the EBB
- FG040 Report can provide historical information on all CGT Gas Chromatographs for user specified date ranges

Illustrative Gas Chromatograph Area Map



CHROMATOGRAPHS

- Bethune 11Sys
- Bethune 13Sys
- Bethune 18Sys
- Bushy Park
- Dorchester 12C
- Grover
- Sally Charleston
- SNG Aiken
- SNG Port Went

Gas Measurement Update



- Completed Factory and Site Acceptance Testing for new Gas Measurement System
- Next steps are Point to Point verification and moving system to production
- Will provide for more automated auditing of measurement data
- Should help us identify anomalies quicker and reduce billing adjustments

Gas Measurement Update



- No change to EBB
- Timing and accessibility of measurement data timing will stay the same
- Target implementation date of September 1
- Objective
 - Reliable, Accurate and Timely measurement data

EBB Enhancements



- Latest release (7/19)
 - Online feature request
 - Customers can now request EBB enhancements through an online form
 - Enhanced OPV option for PDA's
 - Point Operators can now enter OPV values directly into the EBB
 - EBB notice details are now “printer friendly”
 - Redesign of report selection page
 - Custom notifications
 - EBB users can now set their profiles up to receive alerts and/or notifications for nomination summary, confirmation details, scheduled quantities, shipper imbalances, measurement detail, maximization analysis, cycle delays, etc.
 - Based on the user's preferences, the EBB will email the information automatically
 - New PAL analysis report

2011 SC Department of Commerce Announcements

Representative list from multiple sources



<i>Company</i>	<i>Location</i>	<i>Jobs</i>	<i>Investment</i>
Au'some LLC	Sumter County	120	\$6,000,000
Southeast Renewable Energy	Dorchester County	20	\$50,000,000
Daniel Defense Inc	Jasper County	100	\$5,300,000
Carolina AAC	Marlboro County	50	\$16,000,000
Le Creuset	Hampton County	25	\$3,600,000
Michelin	Lexington County	270	\$200,000,000
Showa Denko Carbon Inc	Dorchester County	100	\$250,000,000
Boysen USA	Cherokee County	15	\$6,000,000
ECAPS Corp	Marlboro County	150	\$3,400,000
3V Incorporated	Georgetown County	30	\$15,000,000
Guardian Industries Corp	Chester County	50	\$45,000,000
Be Green Packaging LLC	Jasper County	175	\$7,300,000
Apex Tool Group LLC	Sumter County	33	\$1,400,000
Tire International	Berkeley County	150	\$25,000,000
Interstate Container	Lexington County	60	\$13,000,000
		1,348	\$647,000,000



Customer Service Philosophy



- Continued focus on customer service
- Proactive communications with customers
- Understand customer needs
- Help our customers be as successful as possible
- CGT will grow as our customers grow

Deliver value



Wrap-Up & Door Prizes



- Feedback form is entry for \$50 Gift Cards
- Be sure to get your gift!
- Enjoy the Golf Tournament if you are playing!
 - Shotgun start at 12:30
 - Golf carts are labeled
 - Stay hydrated!



Thank you for your attendance!

We appreciate your business!



Lunch is served!