

Welcome!

1st Annual LDC Customer Meeting



Capacity

• Reliability • Supply Diversity • Information • Support

**DELIVERING
VALUE**

Topics of Discussion



- Welcome & Introductions
- Purpose of the Meeting
- Review of CGT Performance to Date
- Service Enhancements
- Winter Operations Review
- Expansion Issues & Updates
- Contract Renewal Process
- *Break*
- Natural Gas Marketing Opportunities
- Common Public Awareness Requirements
- Customer Issues/Round Table Discussion

Purpose of Meeting

Slide from Shipper Meeting



Service Improvement Efforts

- Understanding Customer Needs
- EBB Enhancements
- Measurement Enhancements
- Tariff Filing
- Open Season

Purpose of Meeting

Slide from Shipper Meeting



Understanding Customer Needs

- Increased Customer Visits
 - FT customers
 - Point operators
 - Marketers & Agents
- Targeted Customer Meetings
 - Municipal Customers
 - Industrial Customers
 - Power generators (future)
- Distributed Customer Survey
 - Measure performance through eyes of the customer
 - Use results to improve service
 - Perform annually to measure progress

CGT Performance to Date

Since November 2006



- Processed over 40,000 nominations
- Over 2000 nomination cycles
- Transported over 150 BCF
 - Approximately \$1.2 billion of commodity transported by CGT
 - Price volatility could move this +/- \$200 million
 - Customers employed purchasing strategies to meet specific needs and manage price risk
- Awarded approximately 140 Capacity Release transactions
- Continued EBB enhancements
 - Approximately 16 releases
 - Over 250 system enhancements
 - 15 of 18 customer request either implemented or planned
 - EBB user forum was established in October 2007

Service Enhancements



Key points of concern at last year's meeting

- Imbalances
- OFO's
- EBB

So what have we done about it?

Service Improvement Efforts



Tariff Filing

- Filing made to improve flexibility to meet customer needs (Effective August 6, 2007)
- Tools to better manage imbalances
 - 5th nomination cycle after gas day (ID2+)
 - Ability to modify PDA up to 48 hours after the gas day
- Ability to reserve capacity for future use
 - Provides flexibility to meet customer growth
 - Helps attract new industrial customers
- Other minor administrative changes

Service Improvement Efforts



Overall Imbalances reduced 83% in last year

Nov 06 – Feb 07 98,083 Dt (Net Long)
Nov 07 – Feb 08 16,950 Dt (Net Long)

Reasons?

- Customers have a full year of experience on CGT system
- Tariff changes provide more flexibility in managing imbalances

Service Improvement Efforts



Number of OFO's reduced 50% in past year

4 OFO's in winter '06 – '07

2 OFO's in winter '07 – '08

- Collaborative effort between CGT and Customers
- Tariff Changes help minimize accumulation of imbalances

Service Improvement Efforts



EBB Improvements

- 15 releases have occurred
- Over 250 unique “fixes” or enhancements
- Received 18 suggestions from customers
 - 15 are either completed or planned
 - Remaining 3 under review or on hold
- EBB User Forum established

The EBB is a success story for CGT

Winter Operations Review



- OFO's
 - 2 Standard OFO's issued this winter, compared to 4 last winter
 - 1st OFO issued January 2nd – released January 4th
 - 2nd OFO issued January 19th – released January 21st
- Capacity Allocations
 - 2 gas days required capacity allocations
 - January 2nd
 - January 21st

OFO's v. Capacity Allocation

They are different!



OFO	Capacity Allocation
Usually imbalance related	Operationally driven
Nominated supply varies from forecasted demand	Caused by physical operational constraints (i.e.-Receipt point capacity exceeded due to IT and secondary FT nominations)
Purpose is to ensure CGT can meet firm obligations	Purpose is to ensure CGT can meet firm obligations

Capacity Issues

Receipt Point Capacity



- Three primary receipt points
 - SNG Aiken
 - Transco Grover
 - Elba/Port Wentworth
- Transco Grover and Elba are fully subscribed
- There have been periods this winter when all receipt points were fully subscribed
- Increased access will require new facilities or modifications to existing facilities

Expansion Update



- Several projects are under consideration
- Working on Precedent Agreements for potential anchor customers
- Any system expansion will include a Binding Open Season to solicit interest from any other parties
- LNG Storage Project still under consideration for interested parties – commit today and you can be the anchor customer!

Expansion Issues & Challenges



- Access to cost effective supply is a key feature of CGT that benefits customers
- Elba Island is both a benefit and a challenge
 - We will work to increase access
 - Maximize hub-like nature of CGT
- Must serve existing customers well
 - To achieve growth, we must keep the customers we have
 - Become an ally in their business success
- Focus on Delivering Value each day

Expansion Issues & Challenges

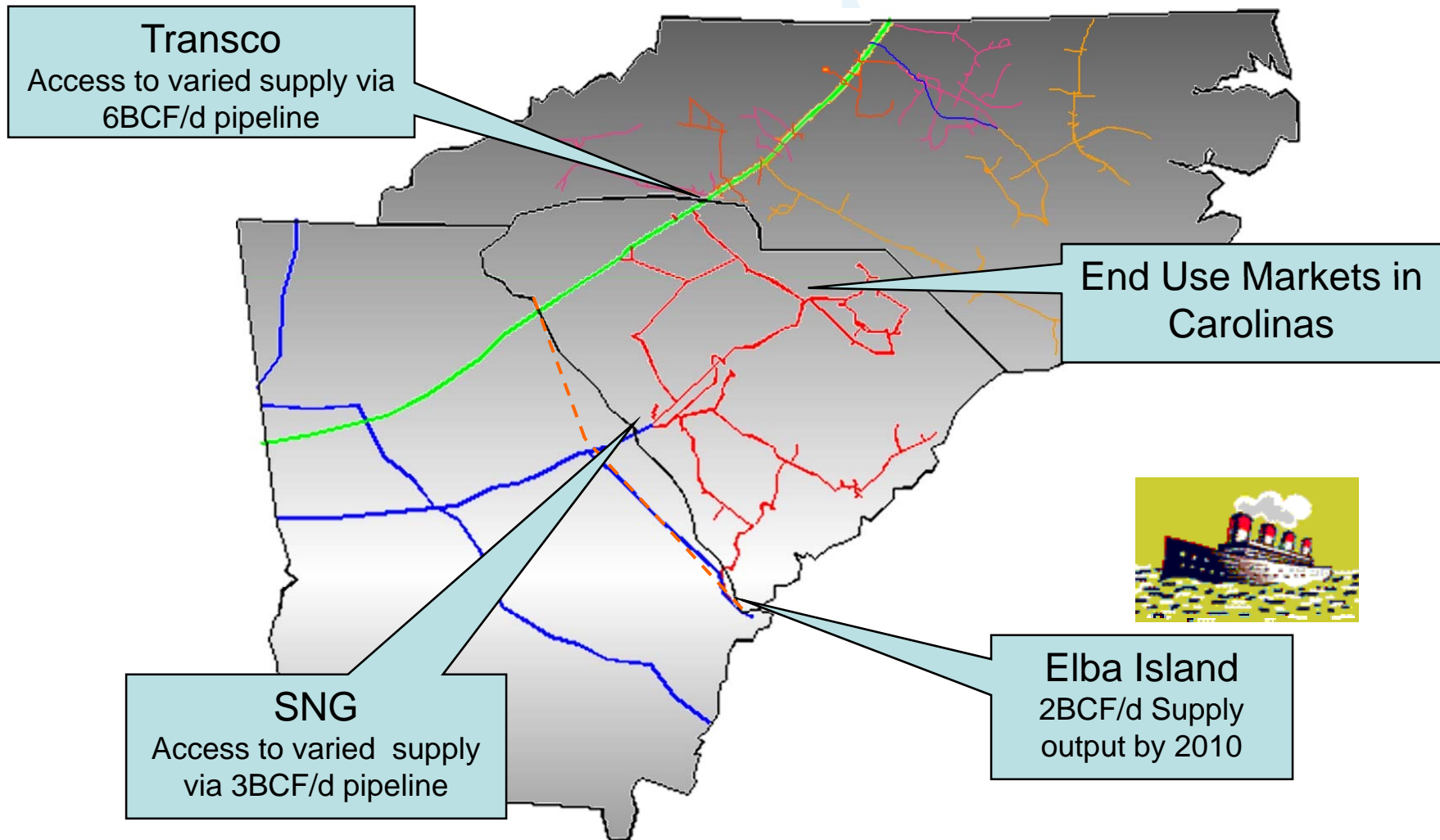


Elba Island Issues

- Global Market for LNG
 - Suppliers chase highest yielding markets
 - Liquid markets and storage make US market of last resort
- Suppliers sometimes unwilling to do long term deals
- Hub like nature of CGT provides flexibility to customers and suppliers

CGT Hub-like Nature

Maximize Benefits of Elba with upstream Pipelines



Anticipated Future Growth Drivers



- Power Generation
 - Significant growth in power demand
 - New Nuclear still out in the future
 - Purchased Power scarce
 - Drought issues limit hydroelectric and coal
 - Coal less desirable due to environmental
 - Climate Change Legislation will be impactful
 - All scenarios likely produce more gas fired generation
- Residential Growth
 - Coastal areas and upstate still growing

Contract Renewal Process



- Approximately 60% of long term capacity has a contract expiration date of October 31, 2009
- Tariff governs the process
- We will be communicating this message at all customer meetings

Contract Renewal Process

Tariff Driven Process



Timeline	Activity
9 months to 1 year prior to contract expiration	CGT posts notice on EBB and sends email to Shipper re: Expiration date of contract
Within 60 days after CGT posts notice	Shipper must provide written notice to CGT if Shipper wishes to terminate all or a portion of its capacity, or request a lesser term. If no such notice provided to CGT within 60 days, contract automatically extends for 5 years
Within 30 days after CGT receives written notice from Shipper	CGT either accepts offer from Shipper or posts expiring capacity for bidding
At least 180 days prior contract expiration	CGT posts expiring capacity for bidding
After bidding period ends	Shipper has right of first refusal to match the best bid to retain the capacity

Contract Renewal Process

Key Customer Considerations



- Capacity that is turned back may be consumed by an expansion
- Future capacity request may require an expansion and could be more expensive
- Once fully subscribed, requests for new capacity may not be immediately available
- Construction &/or modification to existing facilities can take up to 3 years depending on scope

Our objective is to share information to enable customers to make informed decisions

Break Time!

We will start again in 15 minutes



Natural Gas Marketing



- Neal Reynolds (APGA) – (404) 943-1588
- Website for creating gas marketing materials
 - <http://naturalgasmarketingcenter.com/>
- Tools for creating:
 - Ads
 - Bill Stuffers
 - Brochures
 - Campaigns
 - Direct Mail
 - Radio Spots
 - Etc.

Common Public Awareness Requirements

Laura Comstock



Summary of the Rule



- API RP1162 provides a standard framework for all Operators to comply with requirements of
 - 192.614 Damage Prevention
 - 192.615 Emergency Responder Liaison Activities
 - 192.616 Public Education
- A proper Public Awareness program that should help the public understand the steps that the public can take to prevent and respond to pipeline emergencies.

Summary of Rule (continued)



- Targeted audiences for communication
 - The affected public
 - Local public officials
 - Emergency officials
 - Excavators
- Baseline messaging is defined by rule
- Supplemental messaging defined by Operator

Required Communications



Targeted Audience	Transmission	Distribution
Residents along the system	✓	✓
Places of congregation	✓	
Residents near major facilities	✓	
Customers		✓
Emergency officials	✓	✓
Public officials	✓	✓
Excavators/contractors	✓	✓
One-Call centers	✓	✓

Opportunity for Joint Meeting?



Targeted Audience	Transmission	Distribution
Residents along the system	✓	✓
Places of congregation	✓	
Residents near major facilities	✓	
Customers		✓
Emergency officials	✓	✓
Public officials	✓	✓
Excavators/contractors	✓	✓
One-Call centers	✓	✓

Current Emergency Responder



- CGT currently conducts emergency responder seminars at strategic points throughout the state to share the baseline messaging required by RP1162
 - Have been conducting these seminars in their current format for 6 years
- As a benefit to our customers, we are open to hosting joint emergency responder seminars with municipalities
 - Could provide cost savings to customers

CGT Emergency Response Seminars



- Weeknight meeting
 - Send out invitations well in advance/RSVP
 - Provide small gift to attendees
 - Buffet dinner
 - Conduct brief presentation to provide required messaging
 - Also discuss any problems or current issues with the agencies
 - Door prize drawings
- Meetings typically last less than two hours

CGT Emergency Response Seminars



- Costs for facility, dinner, gifts and door prizes typically cost ~ \$30 per attendee
 - Meetings have ranged in participation from 12 to 150 attendees
- Documentation consists of sign-in sheets, copies of materials presented at the seminar, effectiveness survey results

Logistics of Joint Meetings



CGT	Municipality or LDC
Develop and mail invitations	Secure a local facility for the meeting
Provide brochures	Provide contact person for RSVPs
Provide RP1162 compliant presentation material	Provide invitation list
Provide presenter	Arrange for meal
Provide gifts	Provide door prizes
Bear ½ cost	Bear ½ cost

Benefits of Coordination



CGT	Municipality or LDC
Greater reach for communication efforts	Meeting format that has been proven successful
Coordination with other utilities	CGT can relieve burden of developing and presenting meeting material
Value added service to customers	Consistent message with other utilities
Sign in sheet and effectiveness survey to document successful contact	Sign in sheet and effectiveness survey to document successful contact
Cost sharing	Cost sharing

Future Joint Opportunities?



Targeted Audience	Transmission	Distribution
Residents along the system	✓	✓
Places of congregation	✓	
Residents near major facilities	✓	
Customers		✓
Emergency officials	✓	✓
Public officials	✓	✓
Excavators/contractors	✓	✓
One-Call centers	✓	✓



Questions?