

Open Season Update

Expansion Opportunities & New Services



Capacity

Reliability • Supply Diversity • Information • Support

**DELIVERING
VALUE**

Topics of Discussion



- Scope of Open Season
- Customer Interest
- Project Identification Process
- Benefits of Potential Projects
- Potential New Service
- Project Timelines
- Next Steps

Scope of Open Season

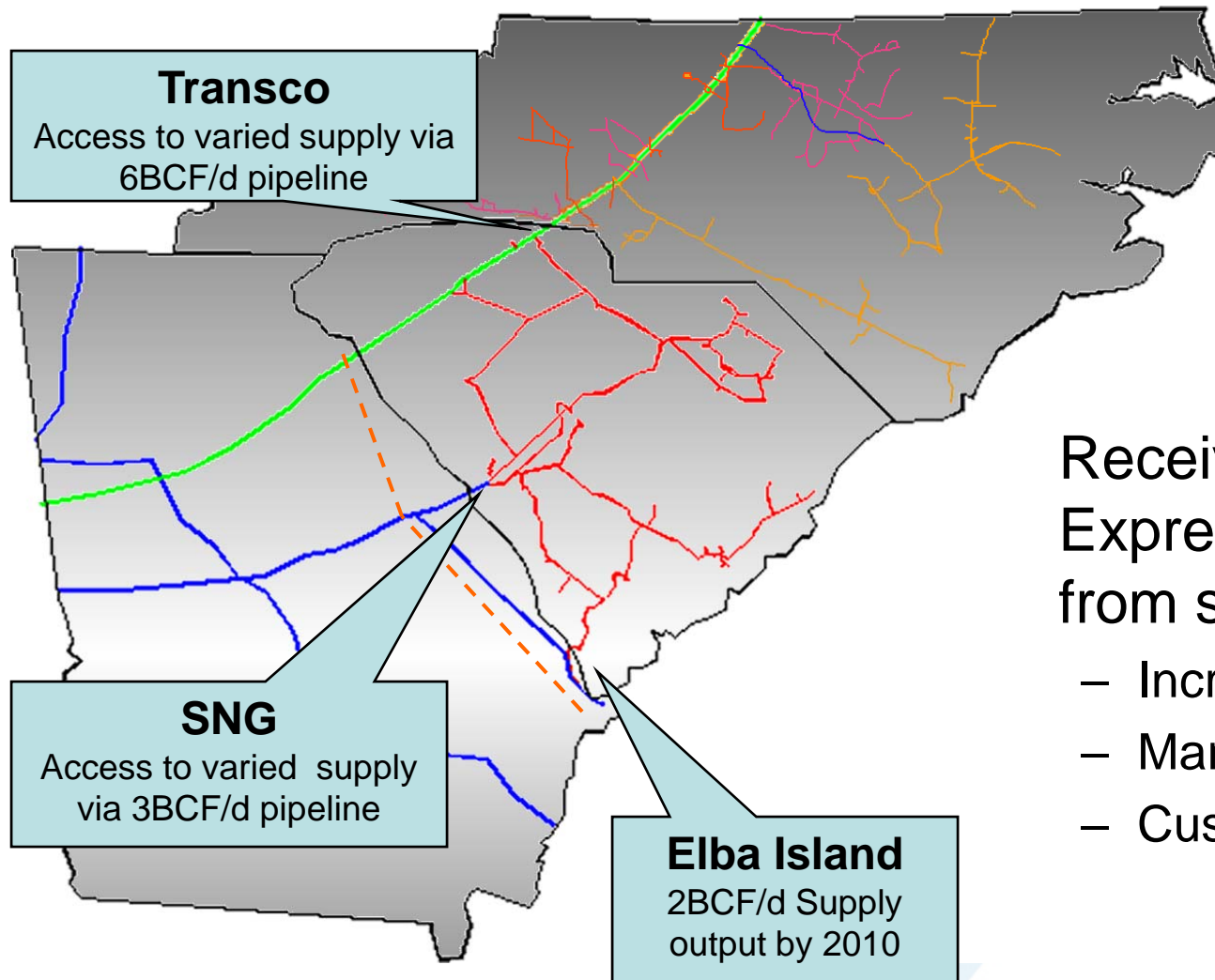


Announcement focused on three areas

- Existing system expansion needs
 - Residential growth in northern and coastal areas of state
 - Industrial growth for existing and prospective customers
- Supply Diversity Expansion
 - Increase access to Elba supply
- New Market Expansion
 - Interest from new customers in SC and surrounding regions
 - CGT is a viable option to serve both existing load and future growth

Non-Binding Request Forms were due April 30, 2007

Customer Interest



Received Non-Binding Expressions of Interest from several parties

- Increase supply access
- Market growth
- Customer expansions

Project Identification Process



- Review each request
- Plot areas of interest
- Model required facilities from receipt to delivery
- Follow-up discussions with potential anchor customers
- Identify economical combinations
- Develop combination of facilities for project(s) that meet customer needs and objectives
- Target rates, project costs, and necessary billing determinants all key factors
- Develop proposals for anchor customers
- Follow-up with binding open season for actual project to include any other customers that could benefit from project

Benefits of Potential Projects



- Projects under consideration could provide benefits to CGT customers
 - Potential for increased access to Elba supply
 - Increased receipt capacity at Transco-Grover, SNG-Aiken, and SNG-Port Wentworth
- Participating customers will receive increased delivery capacity
- Possible LNG storage project could provide new services

Potential New Service



CGT Considering LNG Storage Facility

- Multiple locations under consideration
- Considering a site that would be directly connected to CGT system
 - Would maximize value of existing CGT capacity
 - Opportunity to serve upstream markets via displacement
- LNG service could meet the peaking needs of many customers
- LNG project could reduce the need for upstream capacity
- Would position customers to take advantage of Elba supply and dips in commodity pricing
- Provides security against hurricane and other supply disruption
- Preliminary pricing looks favorable
- Timing for project would likely be 2012

Timing of Projects



- Pipeline transmission infrastructure projects under FERC process can take 2 ½ to 3 years
 - Depending on scope, smaller projects may have shorter timeline
- LNG Storage Facilities can take 4 to 4 ½ years
 - For Spring 2012 service, process needs to commence soon

Next Steps



Pipeline Projects

- Seek commitment from anchor customers
- Negotiate precedent agreements
- Initiate binding open season
- Begin FERC process

LNG Storage Project

- Solicit discussions with interested parties
- Identify appropriate size of tanks, liquefaction, and vaporization
- Develop proposals for anchor customers
- Negotiate precedent agreements
- Initiate binding open season for project

Questions?

If interested in further discussions contact:

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