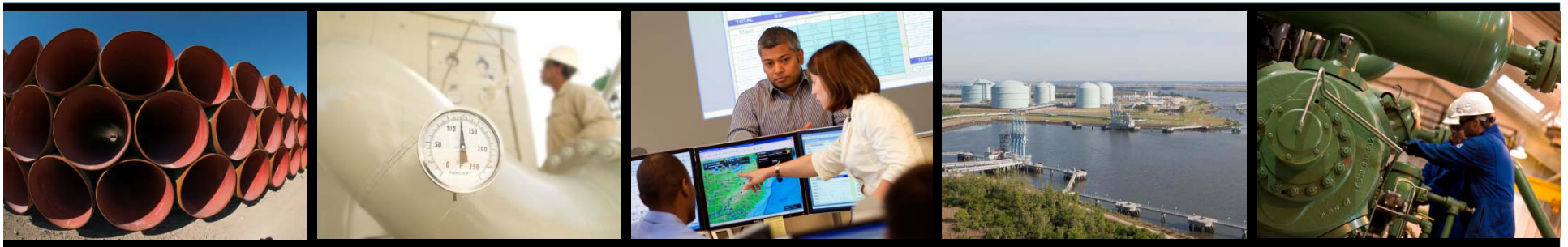


NY Electric / Gas Coordination Working Group

March 5, 2012



D E P E N D A B L E N A T U R A L G A S

Cautionary Statement Regarding Forward-looking Statements

This presentation includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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, the successful implementation of the 2003 operational and financial plan; the successful implementation of the settlement related to the western energy crisis; actions by the credit rating agencies; the successful close of financing transactions; our ability to successfully exit the energy trading business; our ability to divest of certain non-core assets; changes in commodity prices for oil, natural gas, and power; general economic and weather conditions in geographic regions or markets served by El Paso Corporation and its affiliates, or where operations of the company and its affiliates are located; the uncertainties associated with governmental regulation; the uncertainties associated with the outcome of governmental investigations; political and currency risks associated with international operations of the company and its affiliates; inability to realize anticipated synergies and cost savings associated with restructurings and divestitures on a timely basis; difficulty in integration of the operations of previously acquired companies, competition, and other factors described in the company's (and its affiliates') Securities and Exchange Commission 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.

➤ Agenda

- General Pipeline Facts
- Power Generation Directly Connected
- Basics of Transacting on Tennessee
- Power Generation Challenges
- Upcoming Expansion Projects

Tennessee Gas Pipeline Company, L.L.C.

13,800 miles

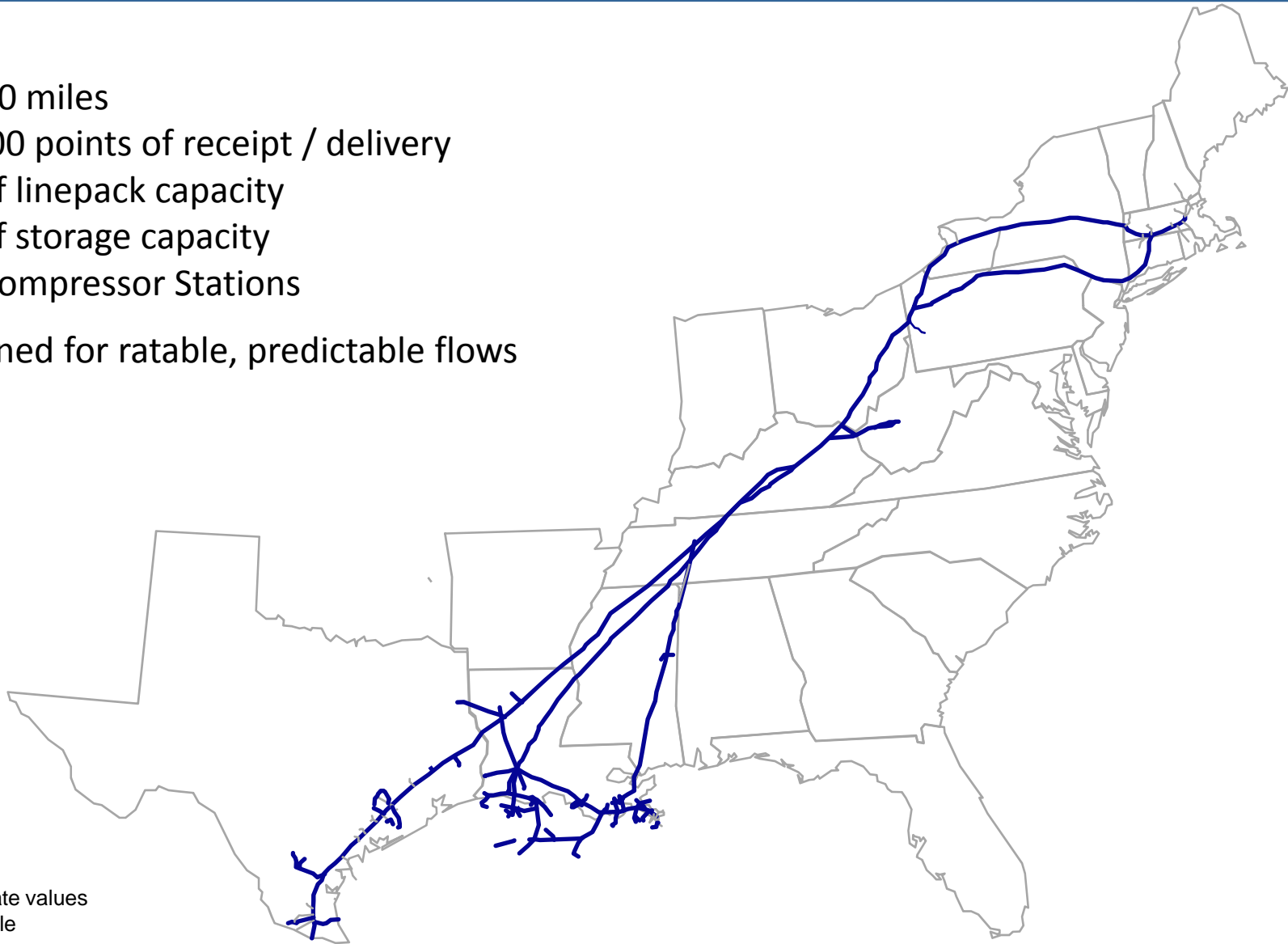
> 1,000 points of receipt / delivery

12 Bcf linepack capacity

90 Bcf storage capacity

>70 Compressor Stations

Designed for ratable, predictable flows



Approximate values
Not to Scale

General Pipeline Facts

- **TGP safely and reliably transports and stores natural gas on behalf of its customers (Shippers) and in accordance with:**
 - Its FERC Gas Tariff;
 - Specific service contracts held by Shippers (Transportation, Storage, Firm, Interruptible);
 - Tariff-compliant requests of Shippers (daily nominations, confirmations);
 - Various Types of Service as approved by FERC (FTA, FTG, IT, FS, PAL, AO, ES, etc.)
- **TGP does not:**
 - Have legal title to natural gas in its facilities
 - Second guess / forecast Shippers' daily needs
 - Provide services not specifically contracted for and FERC-approved
 - Provide guaranteed hourly firm contractual service
 - Own / operated facilities not specifically certified by FERC
 - Own / operate significant redundant facilities

General Pipeline Facts

Common Terms:

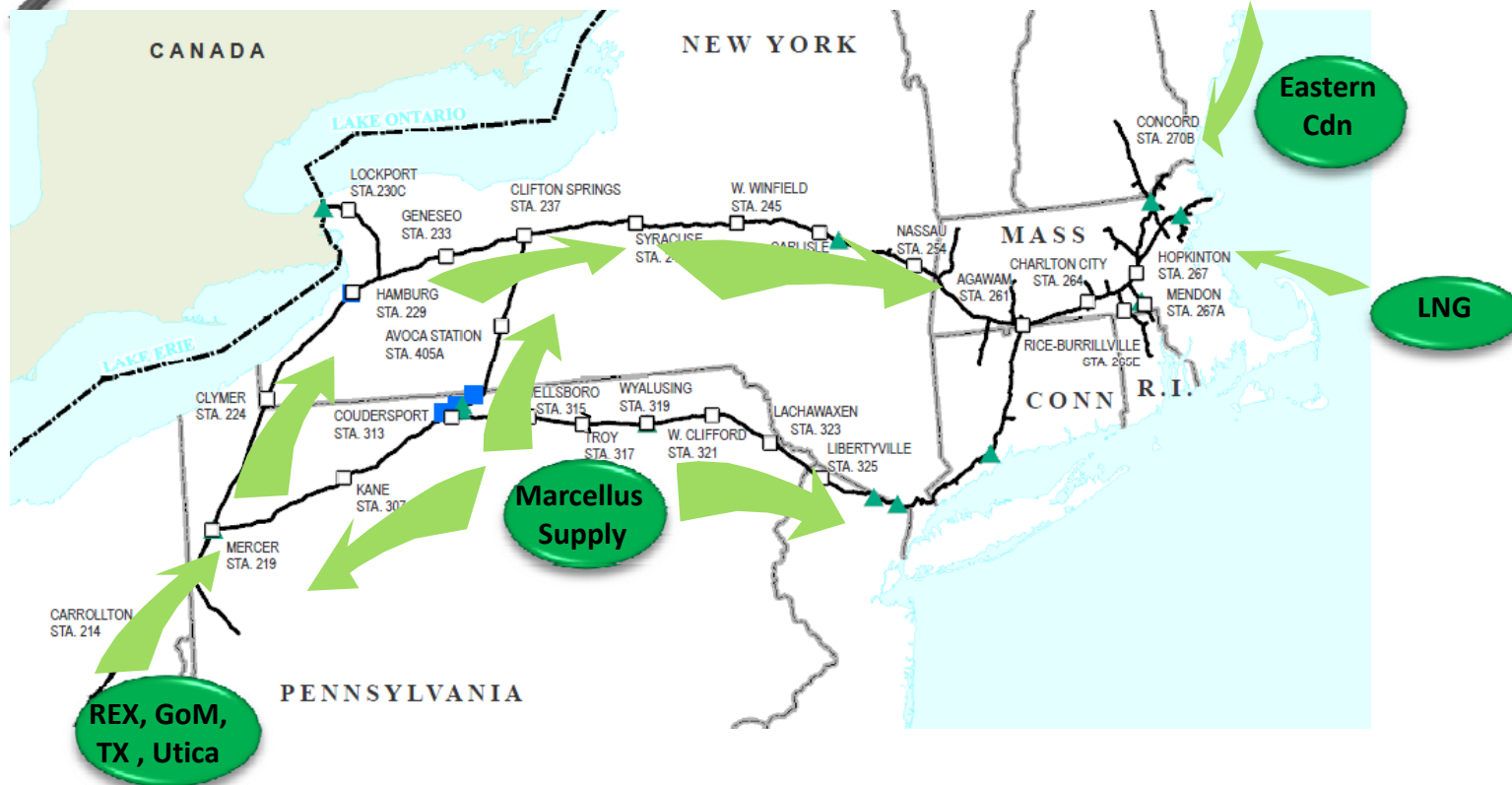
- Linepack: how much Shippers' gas, physically, in the pipe at any given location.
Linepack ↑ Pressure ↑
- Maximum Allowable Operating Pressure (MAOP): by law, can never exceed at any location.
- Operational Flow Order (OFO): specific public warnings issued to alleviate conditions which threaten or could threaten safety, integrity, efficiency, or reliability. Financial penalties.
 - TGP has broad authority to take actions necessary to protect the operational integrity of its interstate pipeline system as conditions warrant.
- Flow Control: a pipeline's ability to forcefully control the rate of natural gas flow at a specific receipt or delivery location.

General Pipeline Facts

Services:

- Firm Service(s): transportation (or storage) service for which TGP facilities have been specifically designed. Per contract, obligates TGP to receive at Primary points of receipt and deliver at Primary points of delivery natural gas for Shipper's account up to a specific TQ. Sole "guaranteed" service.
 - Secondary Firm (as applicable): firm service, though interruptible, from points of receipt and/or delivery other than Primary.
 - Secondary In Path, Secondary Out of Path
- Interruptible Service(s): transportation (or storage) services for which TGP facilities have NOT been specifically designed. Interruptible services occur, by definition, in part to the extent Firm services are not utilized and therefore are not guaranteed up front.
- Note: **merely** constructing an asset, physically connecting to a pipeline, and holding a transportation contract does not entitle a party to any natural gas. Nominate, Confirm, and Schedule daily in accordance with the Tariff.

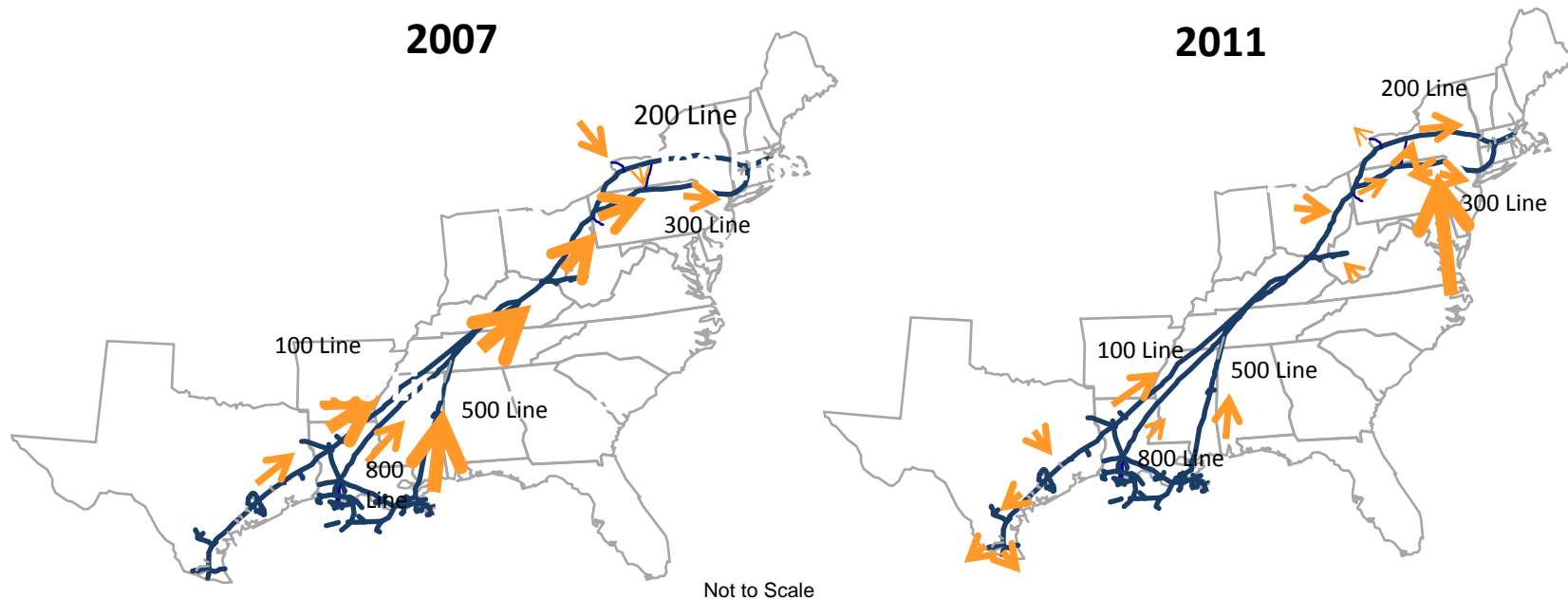
Northeast Market Area



NY LDC Shippers:

National Fuel Distribution, Consolidated Edison, Orange & Rockland, National Grid, Central Hudson G&E, NYSEG, Rochester G&E, Niagara Mohawk, Corning Nat Gas

Tennessee Gas Pipeline Flow Changes



Designed to deliver TX-LA gas even-hourly over a 24 hour day

Maintenance performed May – Oct

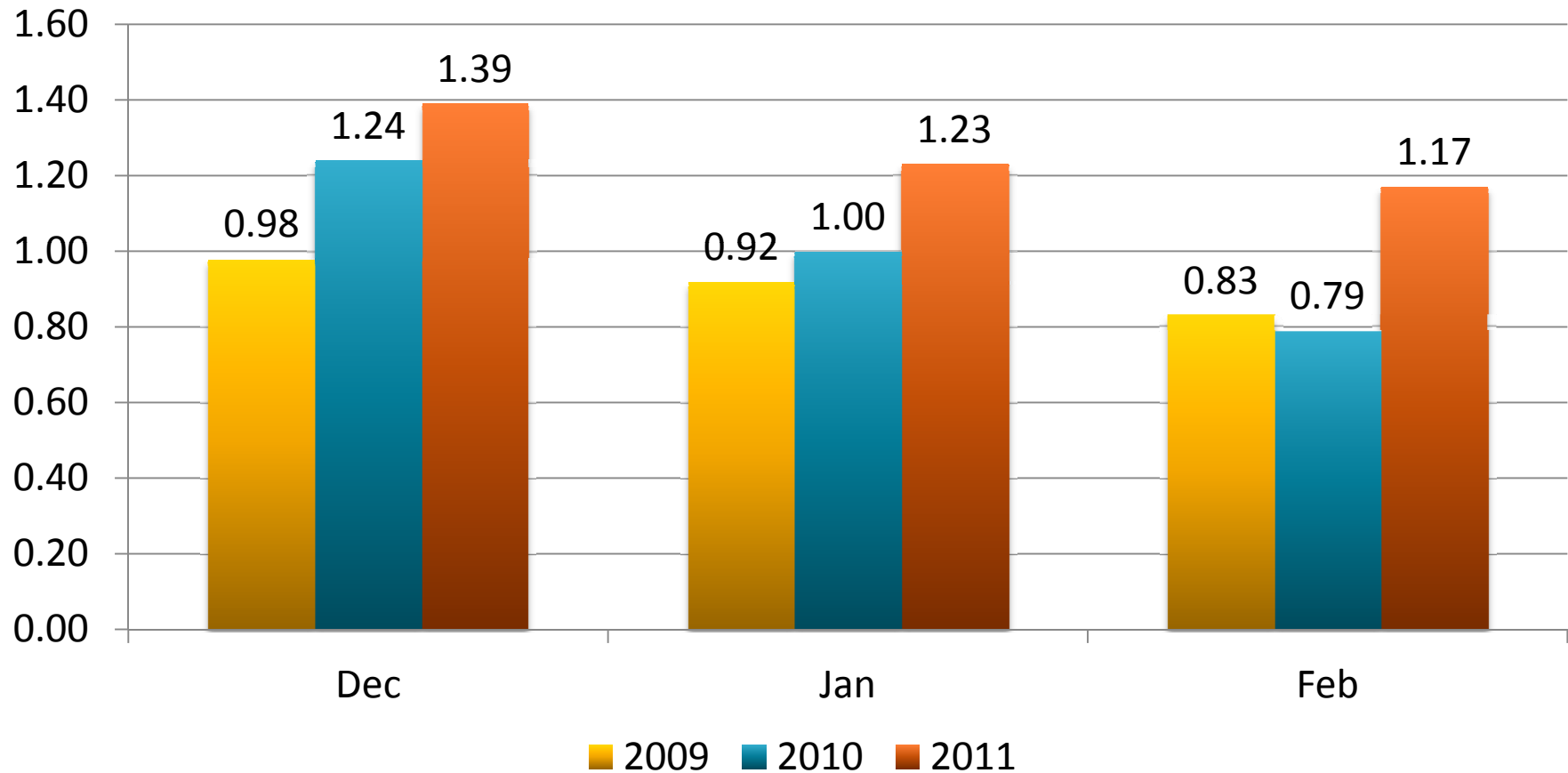
Heavy Utilization of TX, GOM lines

Massive Marcellus Receipts > 2.0 Bcf/d

Maintenance performed whenever possible

Northeast near capacity most every day
TX, GOM sources less

TGP System Power Plant Demand Dec, Jan, Feb, Avg Bcf/d



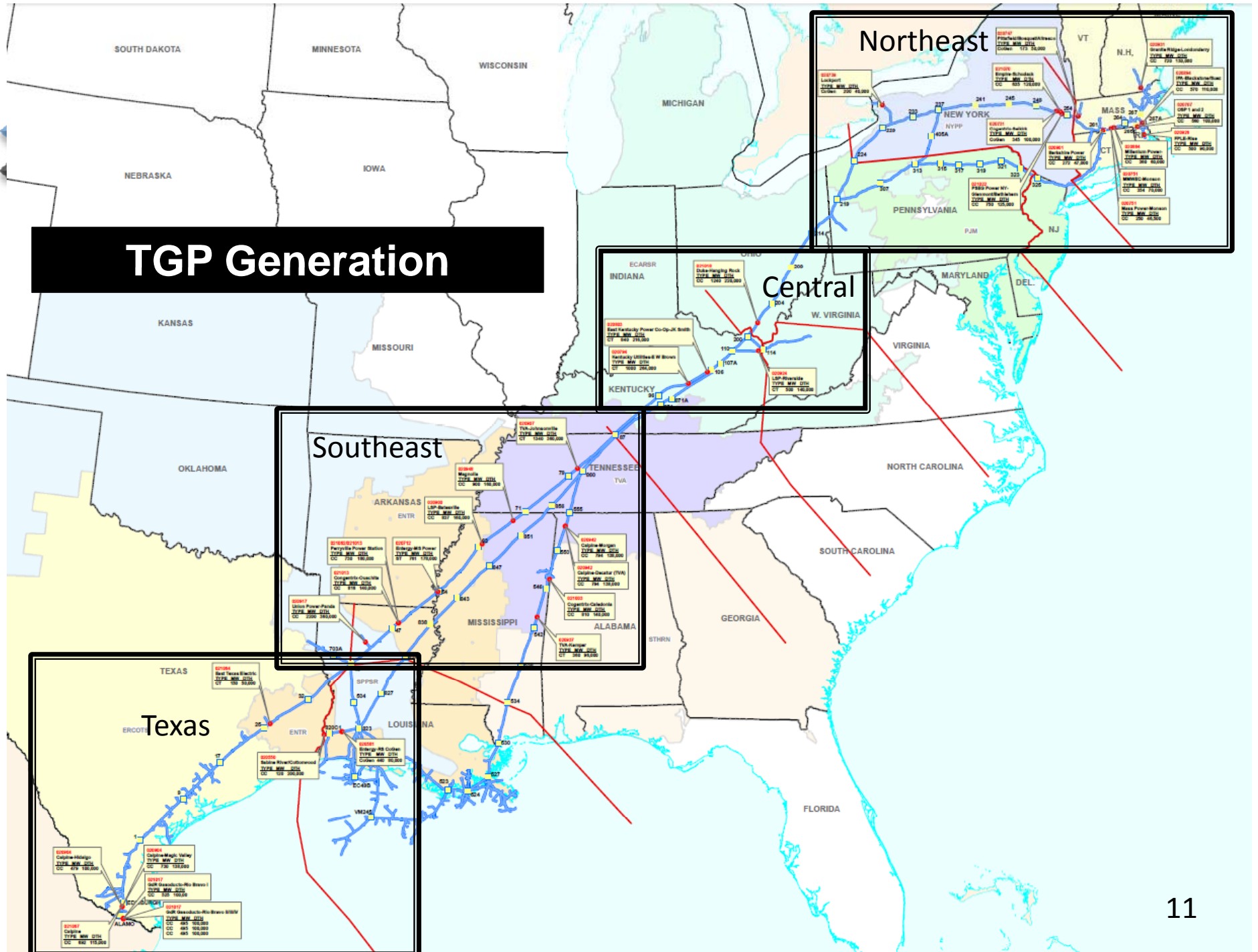
TGP Generation

Northeast

Central

Southeast

Texas

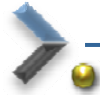


Transacting on TGP

Other Common Terms:

- Nomination: in accordance with contract and Tariff, *where, when, and how much* gas Shippers request to be transported (or stored) by TGP. Shippers' responsibility.
- Confirmation: process by which parties who operate actual points of receipt or points of delivery approve of the flow of gas into / out of TGP. Operators' responsibility
- Scheduled Quantity: natural gas that is nominated by a Shipper, confirmed by an operator, and scheduled by TGP. TGP's responsibility.
 - Note: TGP stores and transports gas each day that has been *Scheduled*.
- Transportation Quantity (TQ): the maximum daily quantity of gas TGP agrees to transport each day during the term of a Shipper's contract.
- Capacity Path: primary receipt point(s) to primary delivery point(s)

Transacting on TGP



Getting Your Gas: Nominating, Confirming, Scheduling:

- Gas Day: 9:00 am – 9:00 am

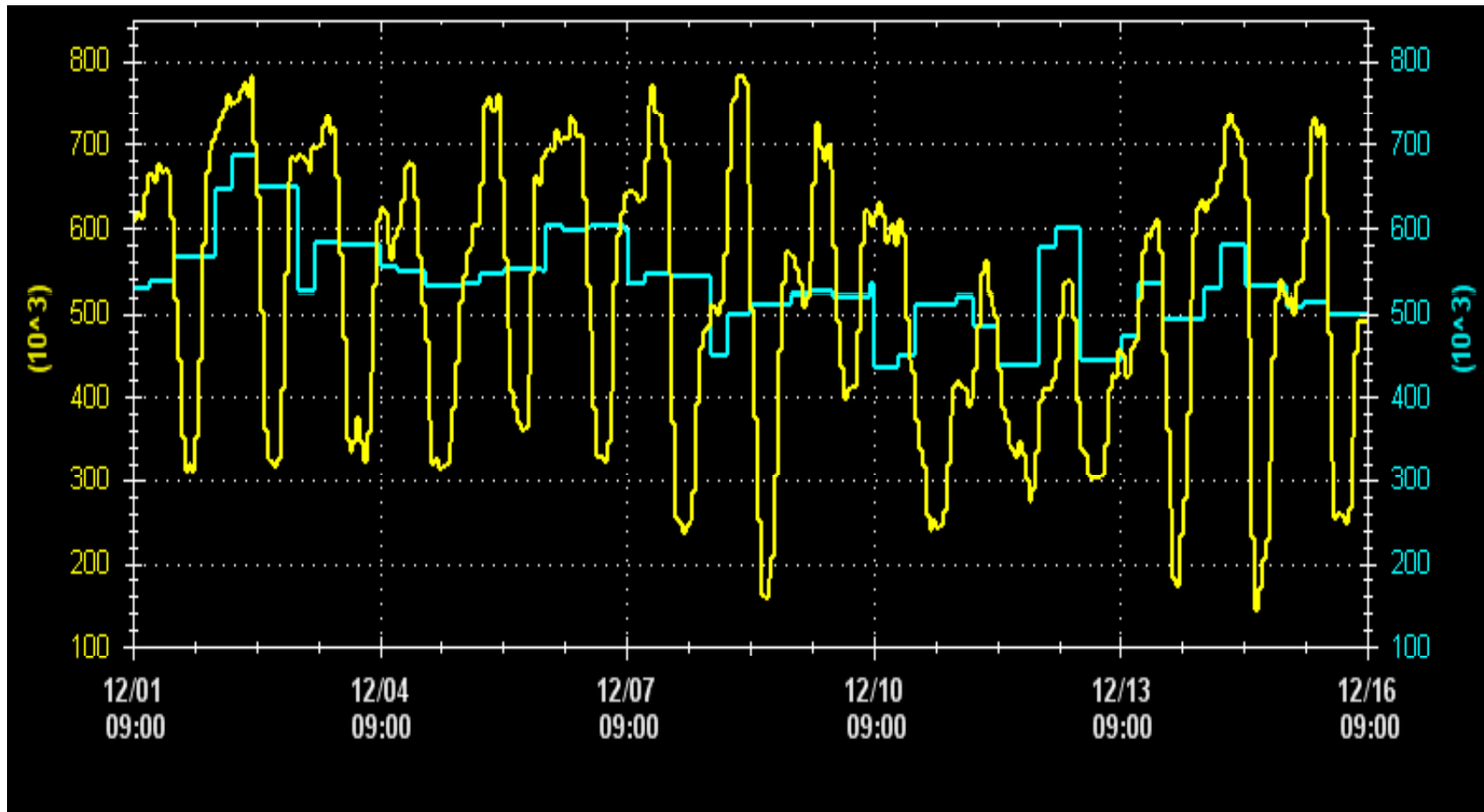
All times Central Clock Time	Timely Cycle (start of Gas Day)	Evening	Intra-day Cycle 1	Intra-day Cycle 2
Nomination Deadline	11:30 am	6:00 pm	10:00 am	5:00 pm
Confirmation Deadline	3:30 pm	9:00 pm	1:00 pm	8:00 pm
Scheduled Volumes Available	4:30 pm	10:00 pm	2:00 pm	9:00 pm
Effective Time	9:00 am next day	9:00 am next day	5:00 pm current day	9:00 pm current day

Industry standards

Hourly nomination modifications available 10:00 pm – 8:00 am

All volumes stated in daily quantities.

North East Power Plants – Typical Heavy Period Volumes Scheduled (blue) Pvs Actual Hourly Flow (yellow)

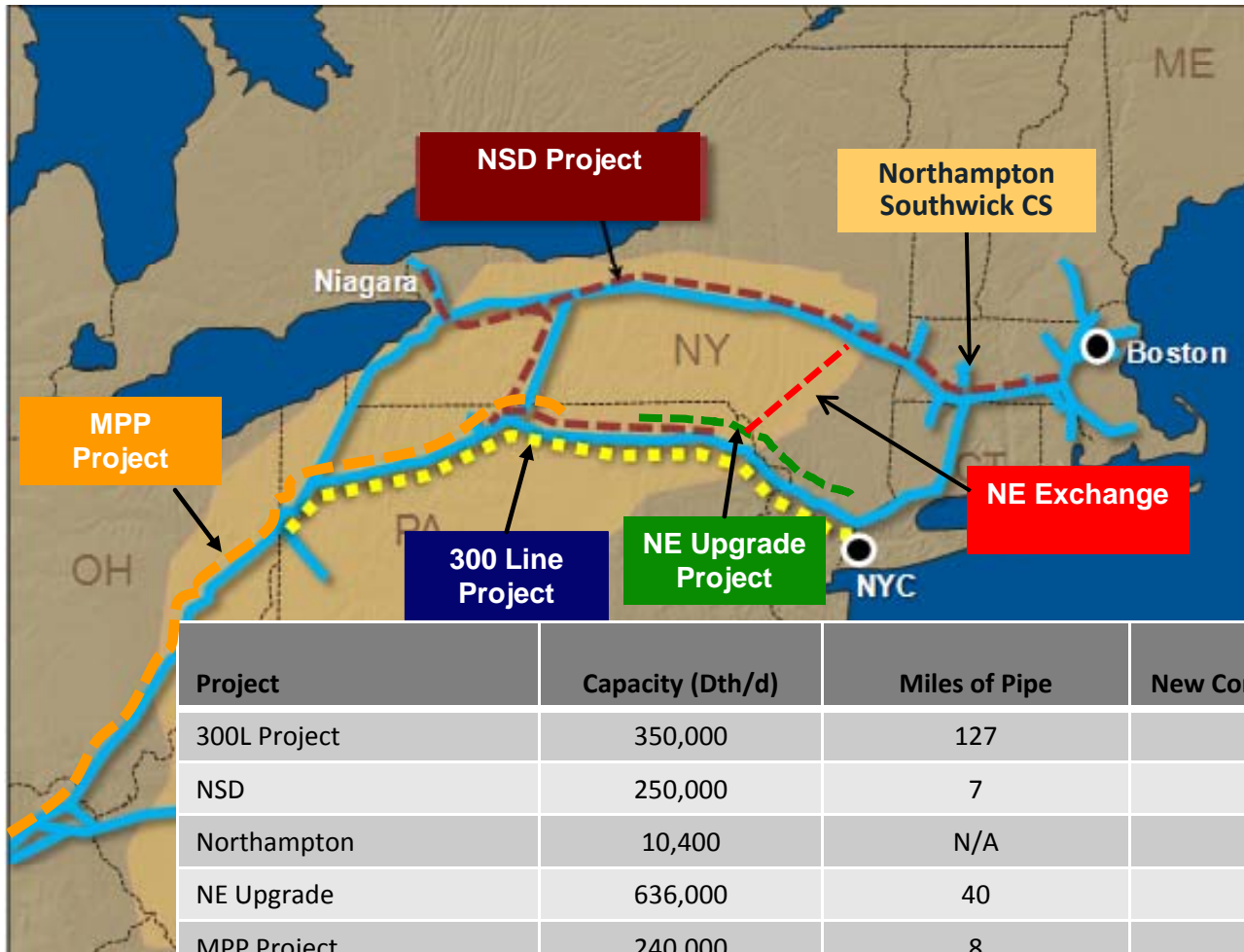


Hourly flexibility is provided on a best efforts basis. Never guaranteed, and never at the expense of Primary Firm shippers in operational compliance.

Conclusion

- Rights of Primary Firm Shippers and Tariff-compliant operators must be protected.
- Operational integrity and safety can never be jeopardized.
- Firm peak natural gas supplies must be contracted for
- Existing facilities do not allow for No Notice Hourly Service
- TGP will design, build, contract, and operate to meet the Firm market's needs.

Marcellus Supply Drives Expansions



Expansions shown increase Marcellus takeaway but do not increase direct deliveries in the northeast

Project	Capacity (Dth/d)	Miles of Pipe	New Compression (Hp)	In-Service
300L Project	350,000	127	55,000	Nov 1, 2011
NSD	250,000	7	N/A	Nov 1, 2012
Northampton	10,400	N/A	2,000	Nov 1, 2012
NE Upgrade	636,000	40	22,310	Nov 1, 2013
MPP Project	240,000	8	N/A	Nov 1, 2013
NE Exchange	Up to 700,000	~ 120	~ 40,000	In development





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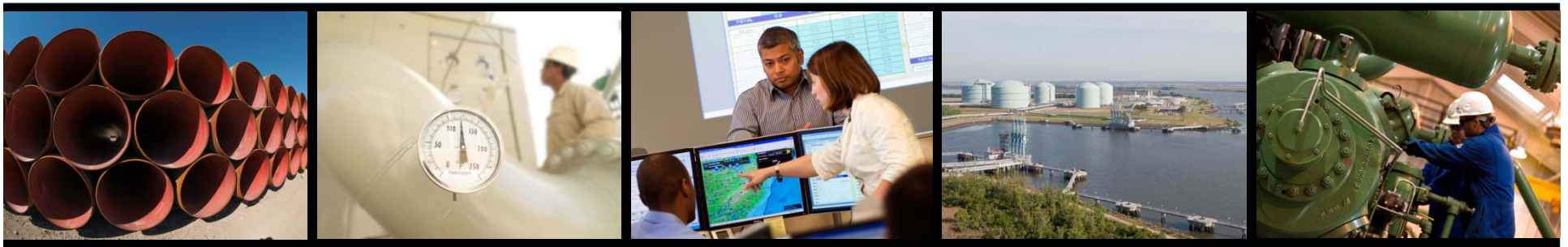
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Q & A



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