

# Sunstone Pipeline LLC



California Natural Gas Stakeholders  
Working Group Meeting, June 5, 2008

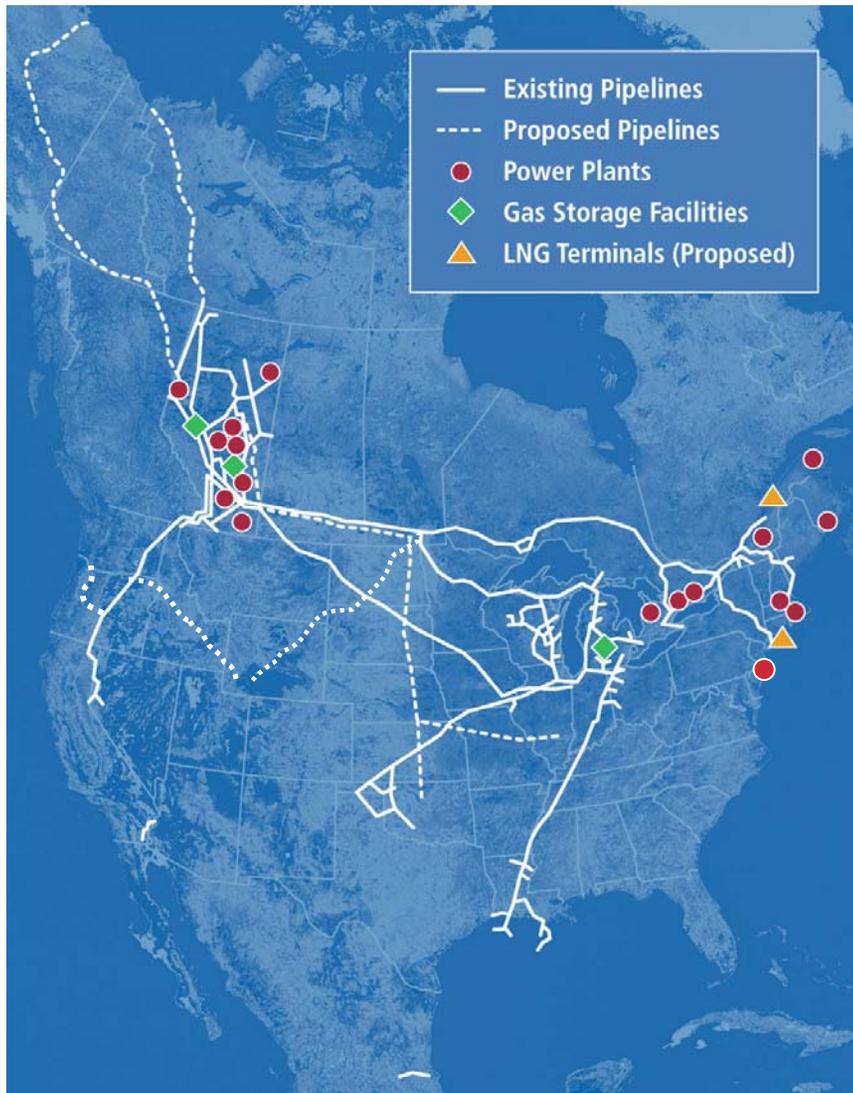


# Agenda

- TransCanada Assets
- Williams Assets
- Sunstone Project
- Route Details
- Capital Costs
- Project Schedule



# TransCanada Assets



- 59,000 km (36,500 mi) of wholly owned pipeline
- Interests in an additional 7,800 km (4,800 mi) of pipeline
- 15 Bcf/d
- 360 Bcf of natural gas storage capacity
- 17 power plants
- 7,700 megawatts
- Proposed crude oil pipeline and two LNG terminals

# Gas Transmission Northwest



# Williams Assets



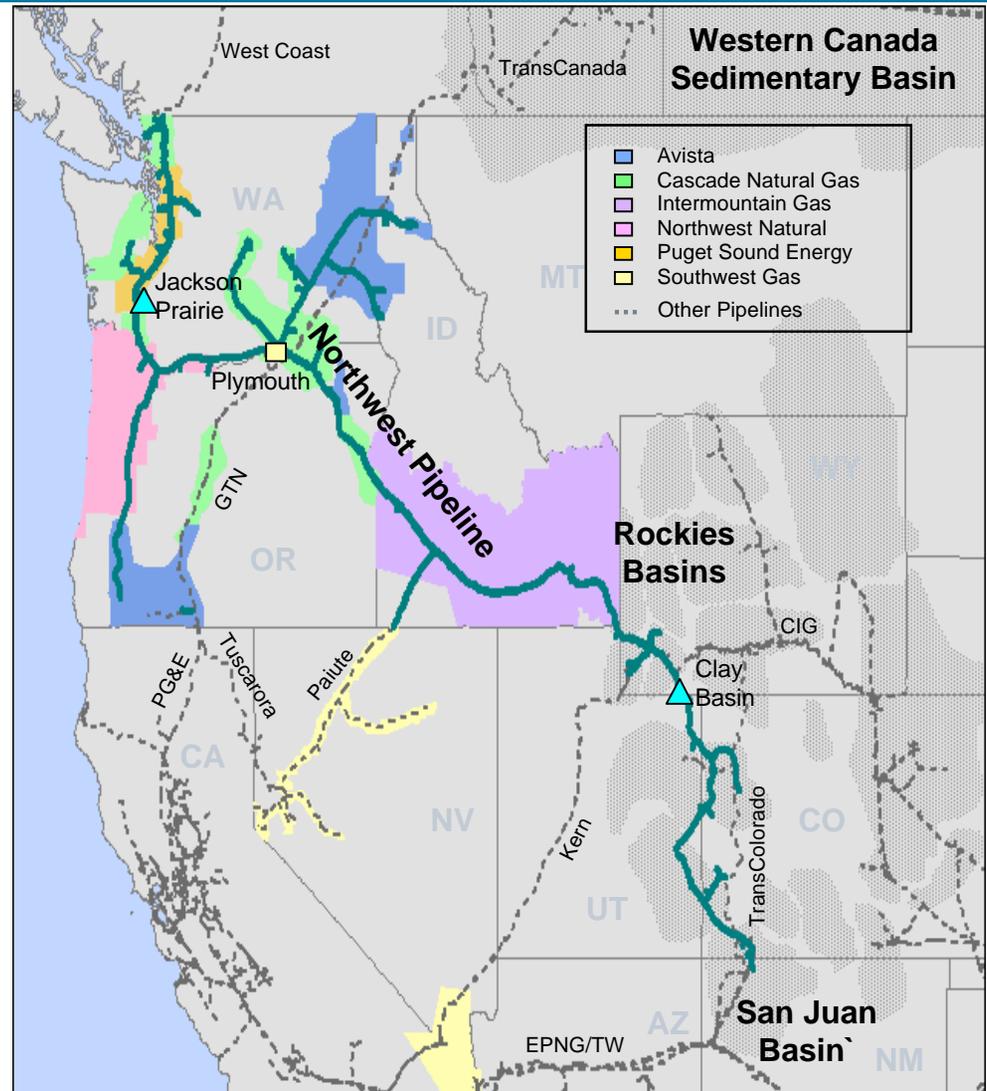
# Williams in Wyoming

- Over 50 years in Wyoming
- Powder River Basin
  - One of the largest producers of coalbed methane gas
- Gas Processing including Opal
  - Combined plant capacity 3.1 Bcf/d
- Northwest Pipeline
- More than 250 employees in Wyoming
- Generating Revenue for Wyoming
  - \$16 million in ad valorem production and personal property taxes
  - \$16 million in severance, conservation and franchise taxes
  - \$28 million in royalties for federal and state lands
  - \$27 million for royalties for private lands

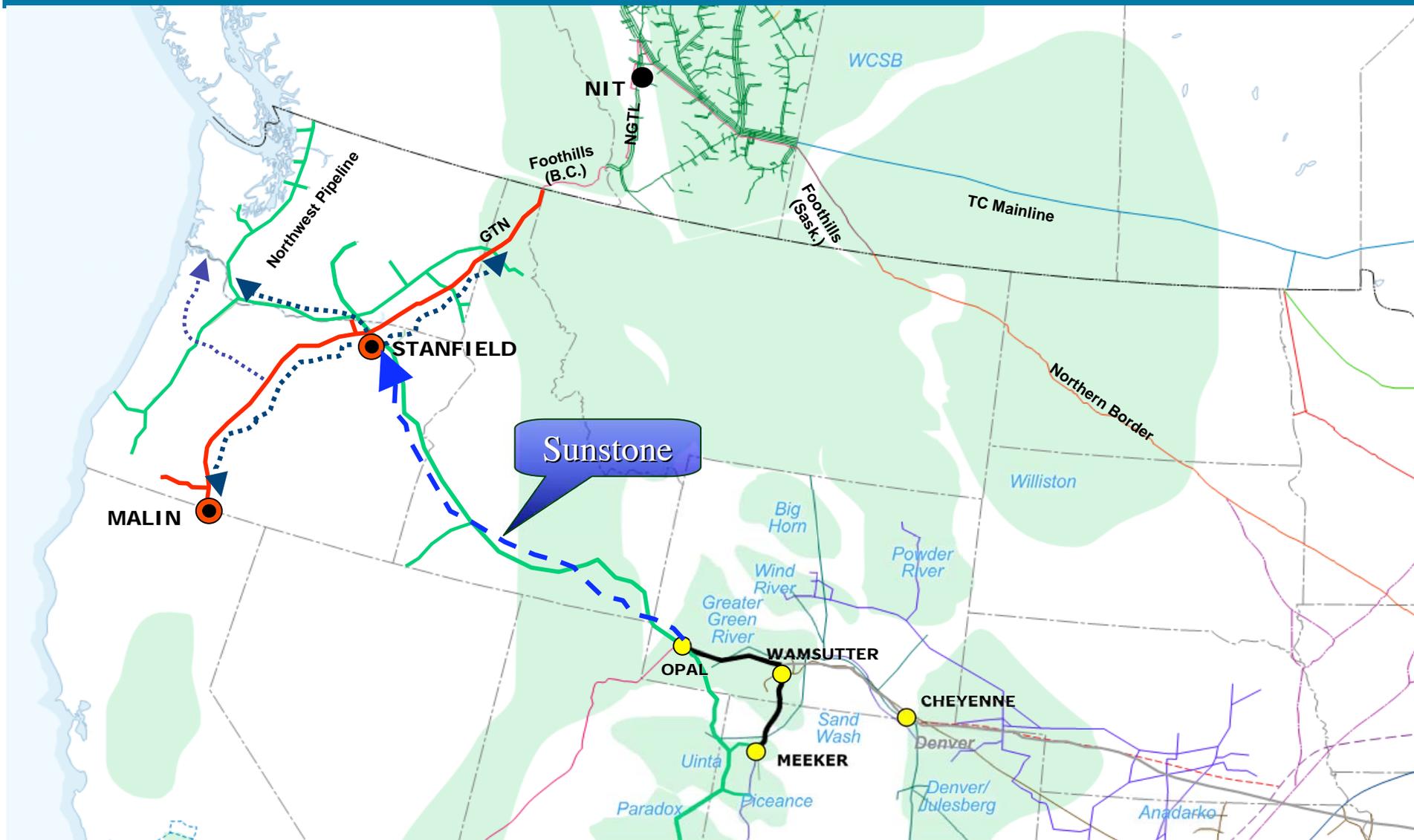


# Northwest Pipeline

- Connected to Major Markets throughout the Northwest
- Off-system opportunities to serve other states
- Peak design capacity of 3.4 Bcf/d
- Seasonal storage capacity of 12.6 Bcf and 608 Mdth of firm withdrawal capability
- Current north-flow capacity from Rockies (655 MDth/d)
- Current south-flow capacity from Rockies (348 Mdth/d)
- 51% of gas transported on NWP is Rockies gas



# Sunstone Pipeline – Williams and TransCanada



# Sunstone Pipeline

- JV Partnership between Williams Gas Pipeline Company, LLC and TransCanada Pipeline USA, Ltd.
- Reaches the broadest market
  - Pacific Northwest
  - California
  - Northern Nevada
- Relatively lower-risk
  - Existing corridors, existing infrastructure, existing operators
  - Lower miles
  - Reasonable cost estimate
- Downward rate pressure on GTN



# Sunstone Pipeline Configuration

- 1.2 Bcf/d of Capacity
- 585 miles of 42-inch pipeline
  - 1,440 MAOP
- 55,800 hp of compression (site rated)
  - 43,800 hp electric compression at Opal
  - 12,000 hp of gas compression at Mid-point
  - Fuel rate of 0.83%
- Pipeline largely parallels existing NWP system and existing utility corridors
  - maximizes the use of recognized BLM utility corridors
  - avoids a significant amount of agricultural and Native American land
  - saves more than \$150 MM by reducing the overall length by approximately 33 miles
  - Over 80% in existing utility corridors



# Project Costs (\$Millions)

Engineering, Design & Project Management	15.3
Line Pipe	746.3
Other Materials	68.2
Pipeline Construction	980.8
Other Construction	72.5
Land	49.1
Environmental	28.7
Line Pack and Commissioning	30.0
Compression	<u>201.4</u>
Total Direct Costs	2,192.3
AFUDC and A&G	<u>152.4</u>
<b>Total Project Costs</b>	<b>2,344.7</b>
Previous 618-mile Route Estimate	<u>2,512.4</u>
Reduction in Cost Estimate	(167.7)

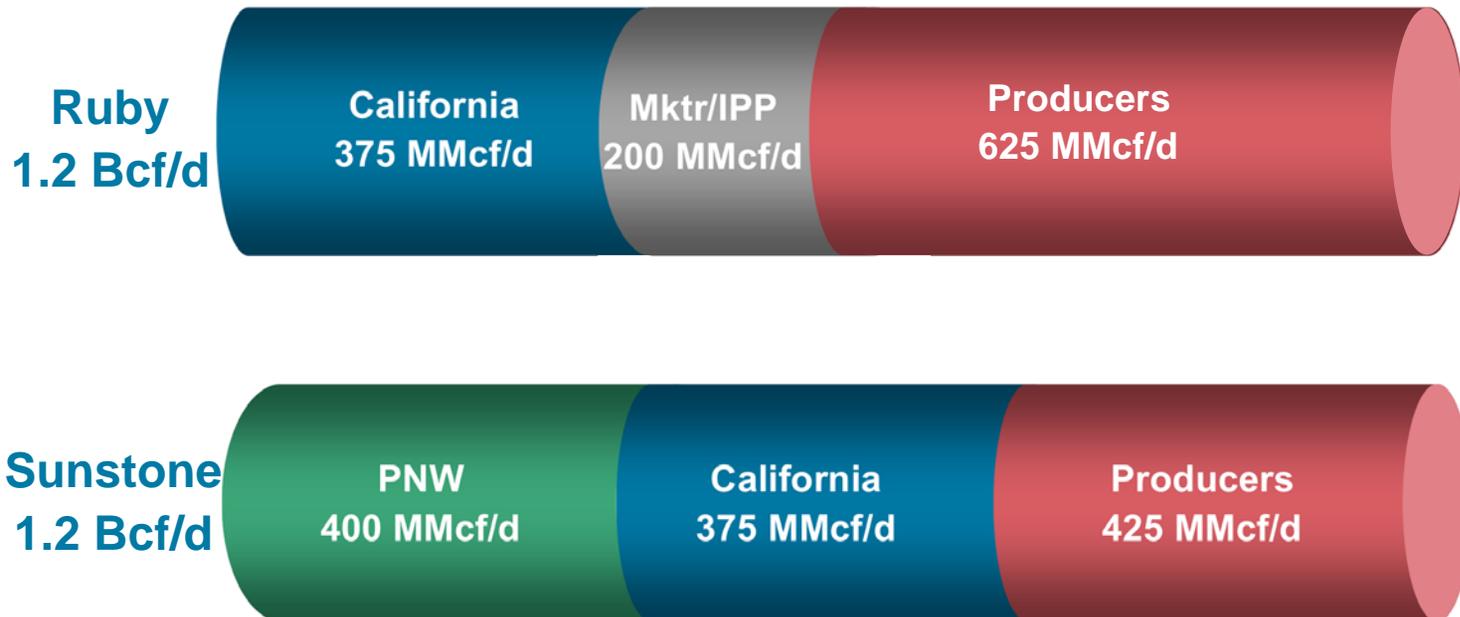


# Stanfield-to-Malin Capacity

- Stanfield-to-Malin Option
  - Utilize existing contracted and uncontracted capacity
    - LTF capacity currently available equals 329 MDth/d at Malin and 405 MDth/d at Kingsgate
    - Additional capacity up for renewal before November 2011 equals 637 MDth/d at Malin and 740 MDth/d at Kingsgate
      - 324 MDth/d at Malin and 371 MDth/d Kingsgate does not have renewal rights
  - Fuel rate 0.93% (monthly average of past 3 years)



# Sharing the Load



# Schedule

- Conduct Open Season – March 17 – May 30, 2008
- Perform Biological and Cultural Surveys – Summer/Fall 2008
- Sponsor Announces Planned Commencement Date – June 30, 2008
- Shipper Board Out – July 31, 2008
- NEPA Pre-Filing with FERC – August 1, 2008
- Sunstone Board Out – September 22, 2008
- Shipper Regulatory Approval Out – October 31, 2008
- Place Pipe and Materials Order – May 15, 2009
- FERC filing – May 31, 2009
- FERC Certificate – May 31, 2010
- Construction Start – July 2010
- In-Service Date – November 1, 2011

\*Shippers have the option to bid for a June 2011 in-service date.



# Sunstone Mantras

- Existing corridor
- Fewer miles
- Realistic cost
- Market diversity
- No stranded costs



# Sunstone Pipeline LLC



Thank you

