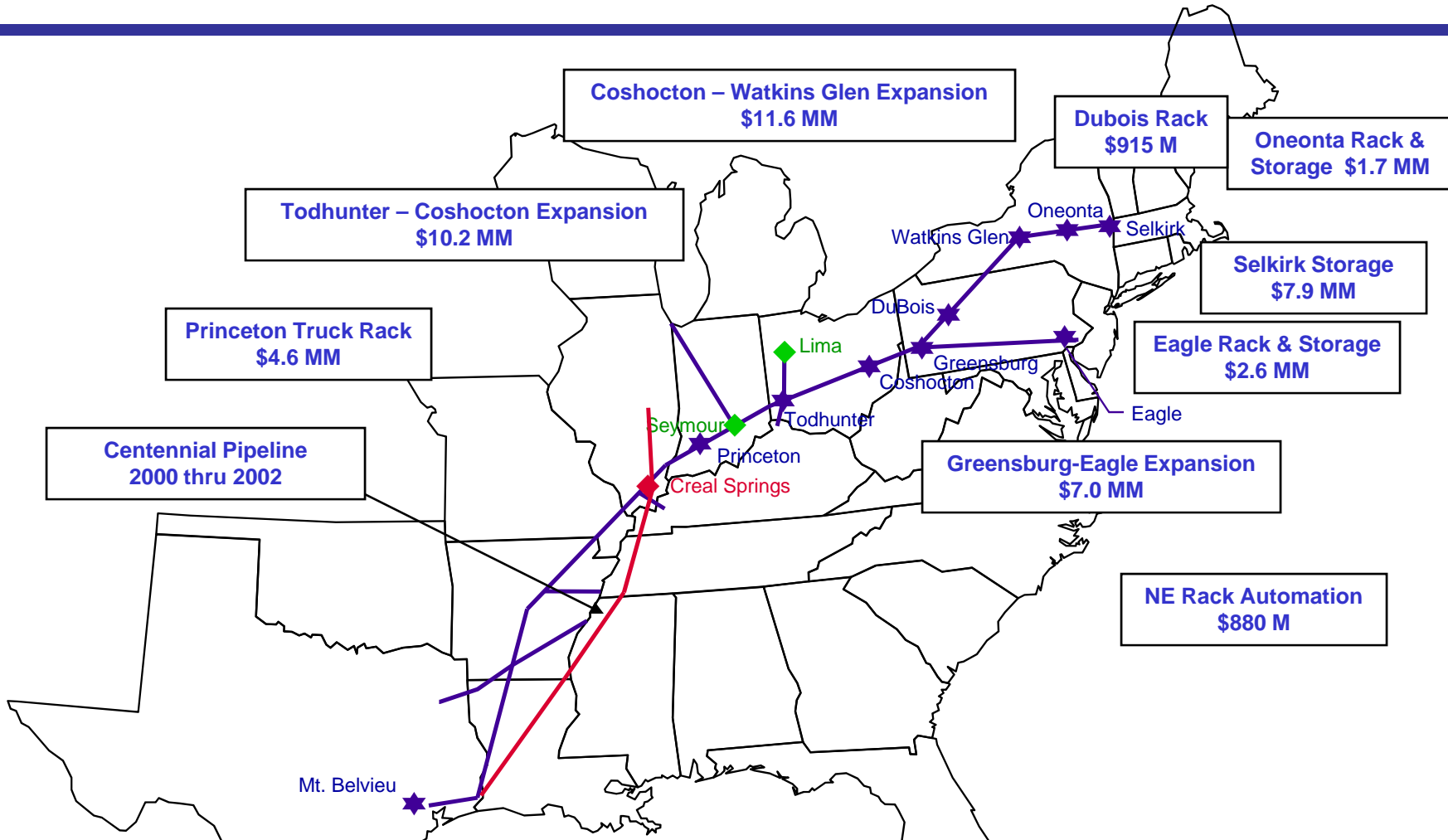


Winter Fuels Outlook
Oct. 6, 2009

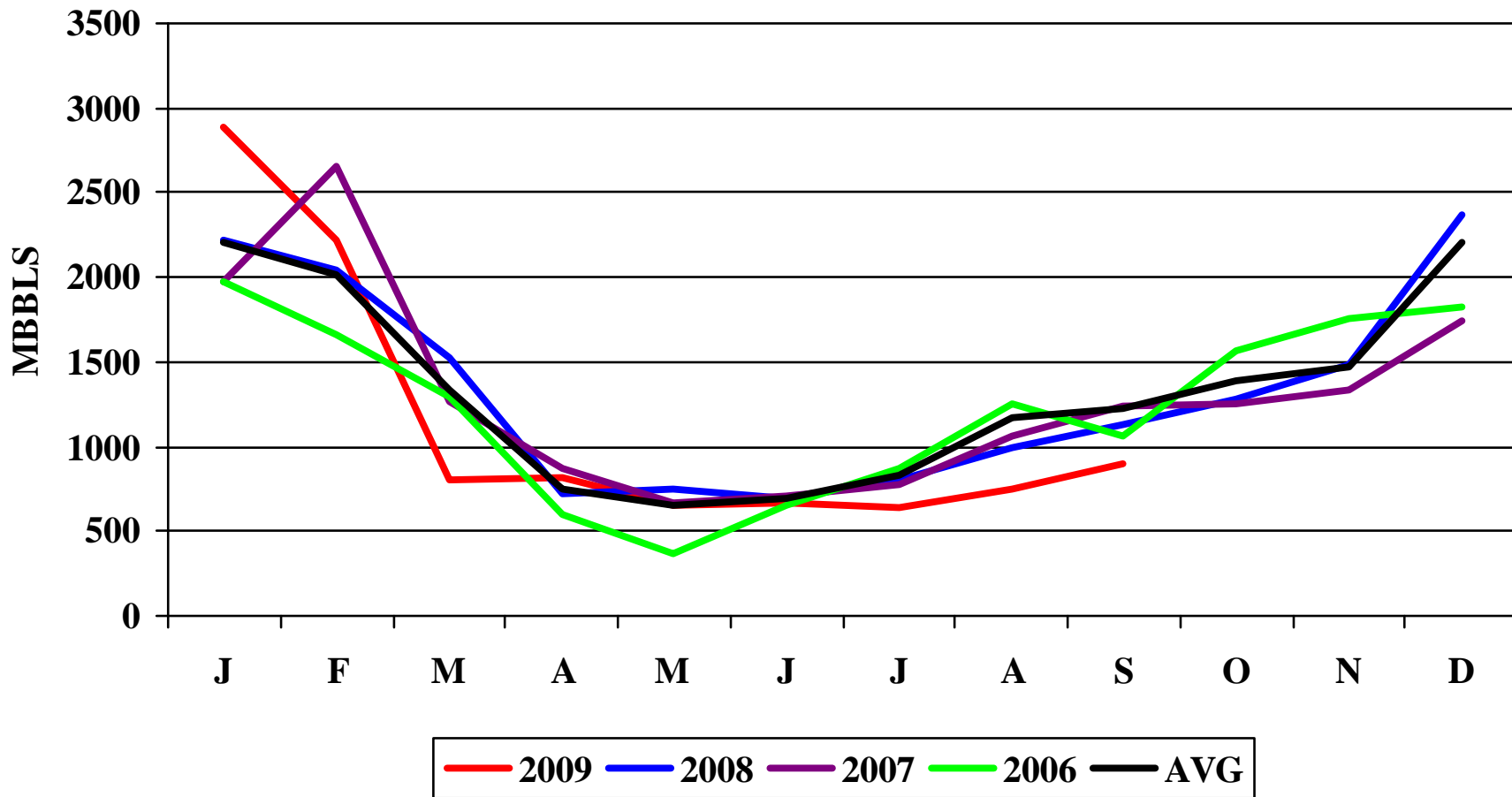
- TEPPCO System Overview
- TEPPCO Deliveries
- Issues that Affected Last Winter
- Improved Infrastructure Utilization

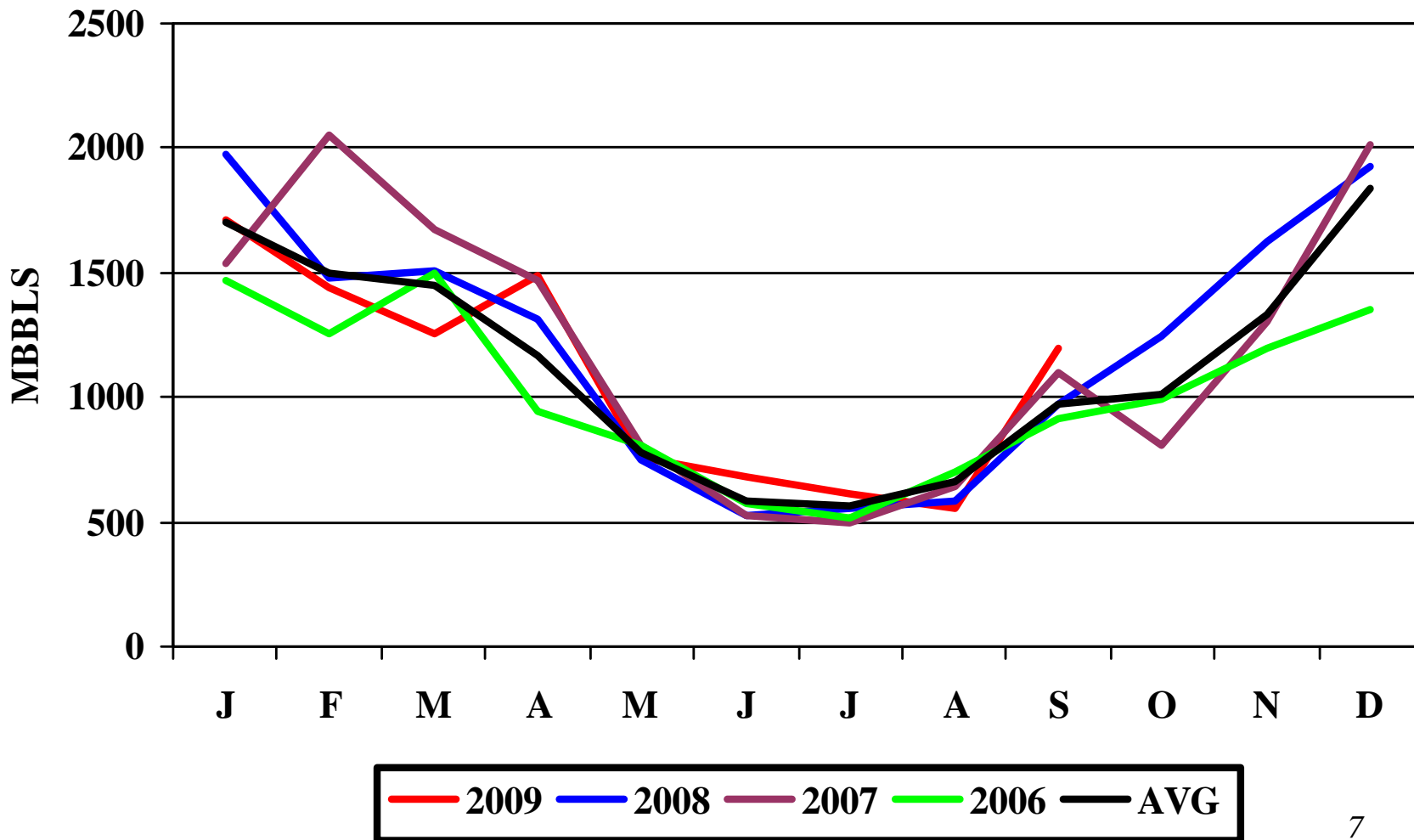
- **Nominations**
 - for Mainline Cycles due on the 5th day of prior month
 - Must also nominate to appropriate injecting facility
 - Each cycle must be in shipper's account in TEPPCO at least three days before cycle starts
- **Open Stock System**
 - Provides Flexibility For Typical Variability In Demand
- **Allocation**
 - Implemented To Manage System Capacity Issues

System Improvements Since 2000



**Investments In System De-Bottlenecking, Optimization, Reliability
And Improved Deliverability**







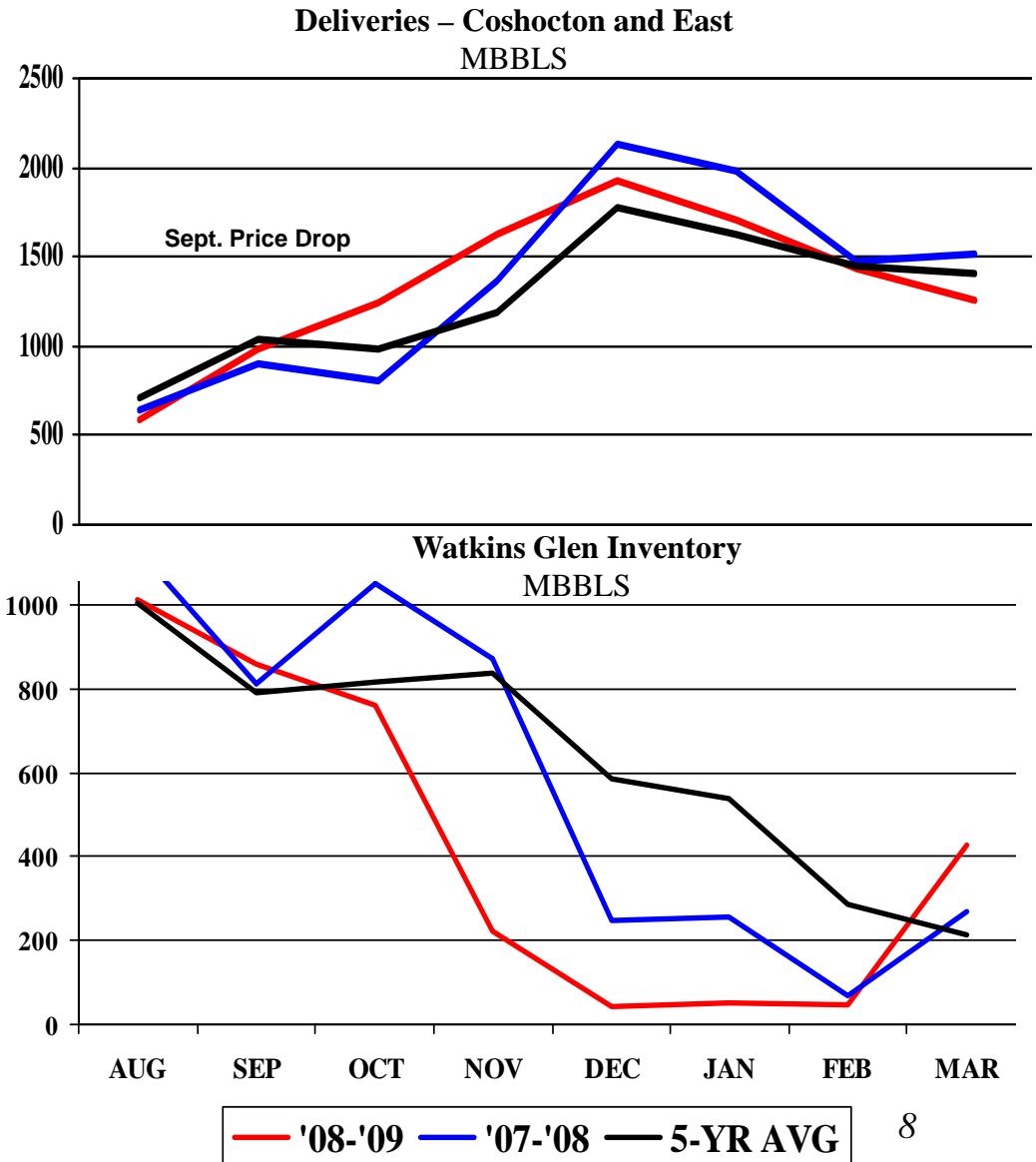
Impact of Events on TEPPCO NE Inventory and Deliveries

• Inventory

- Early season full
- Late Tertiary Fill
- Continued strong Winter deliveries resulted;
 - Inability to refill inventory
 - Pipeline only supply
 - System Allocation
- Late Winter resolution of non-pipeline issues resulted in:
 - Removal of Allocation
 - Inventory build

• Deliveries

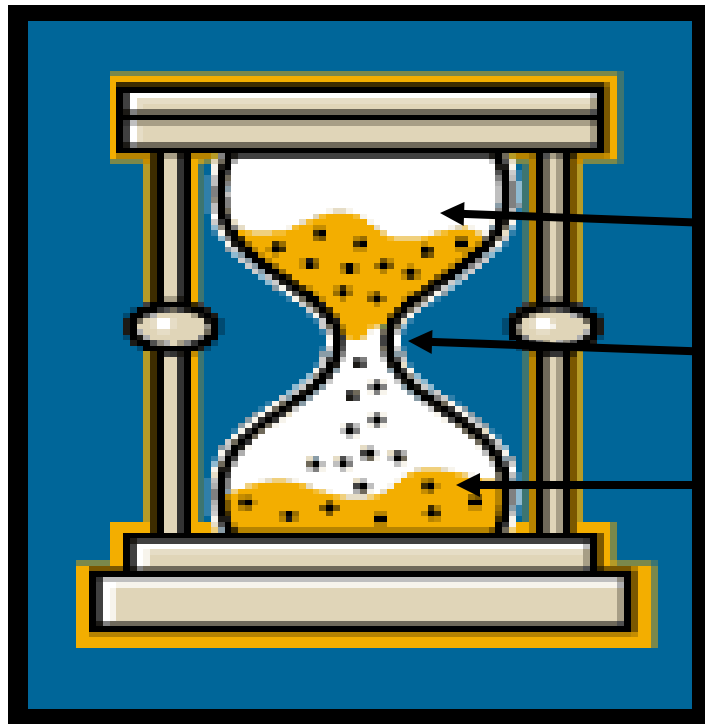
- 900MBD more than pre expansion capability



- Inventory
 - Watkins Glen
 - 9/30/09 – 1,148 MB
 - 9/30/08 – 859 MB
 - Todhunter
 - 9/30/09 – 966 MB
 - 9/30/08 – 524 MB
- Deliveries (Apr-Sep) – Coshocton East
 - 2009 – 5,280 MB
 - 2008 – 4,900 MB
 - 260 MB of the increase on the 6” line to Eagle

Are we setting ourselves up for a repeat of last year?

Tertiary Storage needs to be filled going into heating season and be kept full during the season in order to optimize logistic infrastructure



Estimated Storage Capacities*

Primary Storage – 124 MMB

Secondary Storage – 23 MMB

Tertiary Storage – 140 MMB