Majority Senate Policy Committee
Senator Edwin Erikson, Chairman
Williamsport, Pennsylvania
May 11, 2010

Stanley G. Chapman, III
VP, Marketing, Development & Asset Optimization
Tennessee Gas Pipeline Company

Interstate Pipelines | Exploration & Production

El Paso Corporation Overview

El Paso Corporation provides natural gas and related energy products in a safe, efficient, and dependable manner.

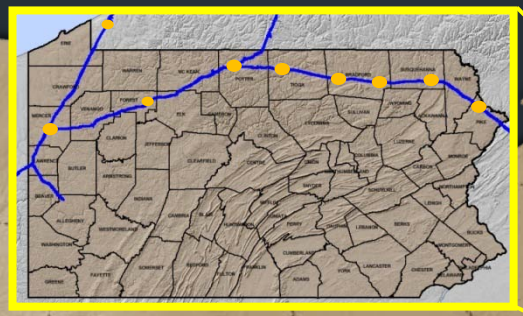
Pipelines

Exploration & Production

Midstream

- Tennessee Gas Pipeline, an El Paso company — **TGP**
- Southern Natural Gas, an El Paso company — **SNG**
- Colorado Interstate Gas, an El Paso company — **CIG/WIC**
- El Paso Natural Gas — **EPNG**

Tennessee Gas Pipeline Overview



Pipeline
Compressor Station

Serving Pennsylvania

- Pipe capacity of ~700 MMcf/d
  - Capable of serving 3.5 million households
- 42 active delivery meters
  - Serve 8 local distribution companies in PA
- 33 active receipt meters
  - Growing monthly

Tennessee Gas Pipeline System

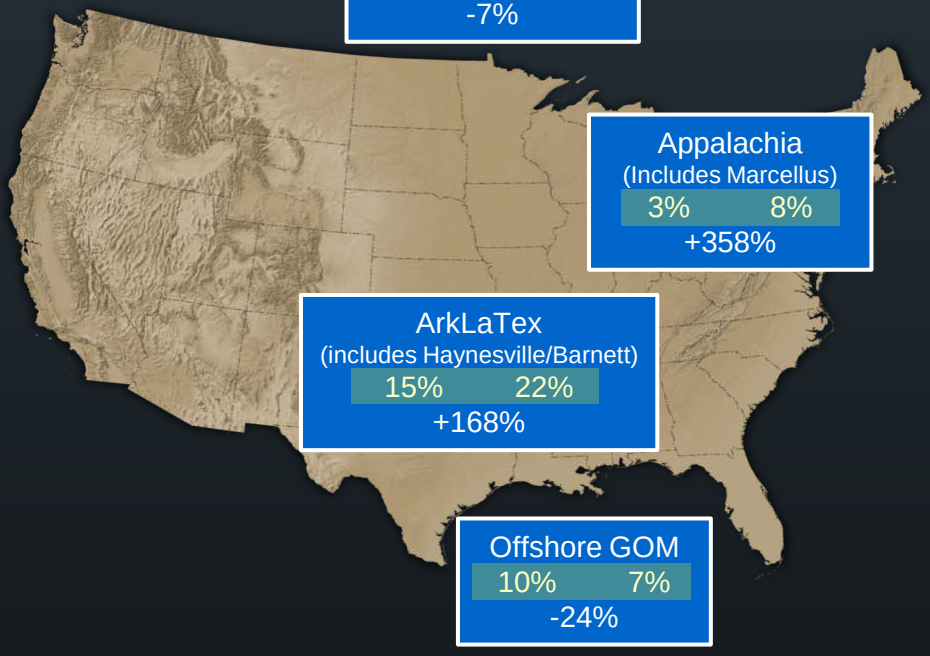
- Began service in 1944
- Spans from Mexico to Canada
- 13,700 miles of pipeline
- 1.4 million certificated horsepower
- Design capacity of ~ 7.2 Bcf/d
  - Capable of serving 35 million households
- On-going inspection programs
- Transport gas for ~ 500 customers

Regulatory Oversight

- Federal Energy Regulatory Commission
- U.S. Department of Transportation
  - Office of Pipeline Safety
- U.S. Environmental Protection Agency
- State environmental statutes

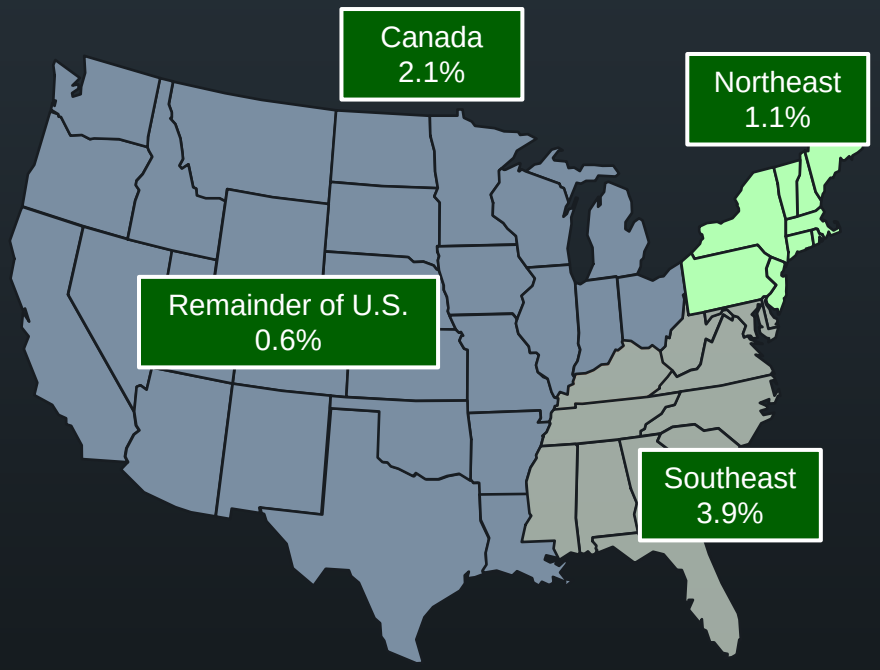
Natural Gas Macro Forecast Trends

Gas Supply



% of U.S./Canada Production
2008 2018
Region Supply Growth 2008-2018

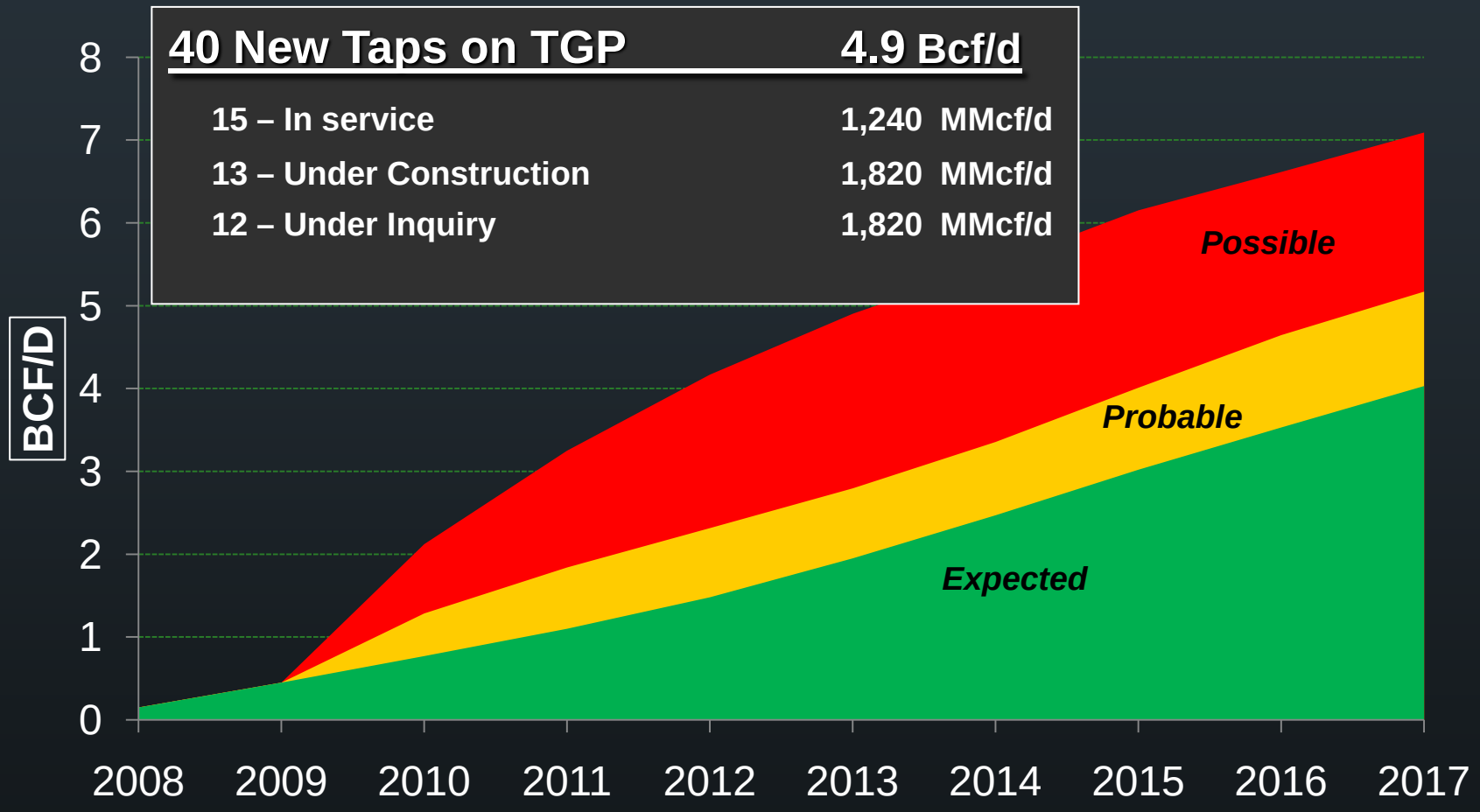
Gas Demand



Gas Demand
CAGR 2008-2018
Total U.S./Canada = 1.4%

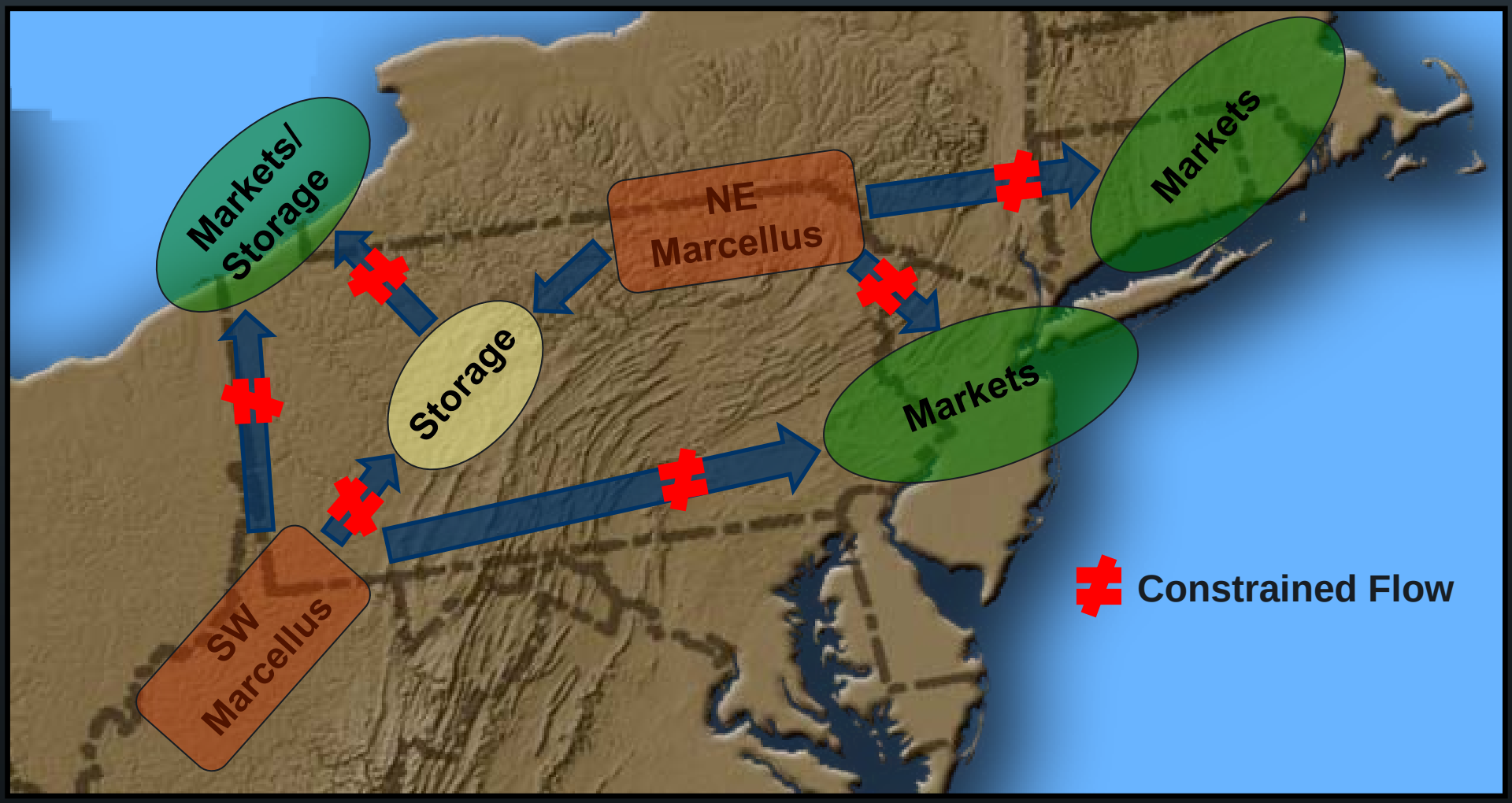
Source: El Paso April 2010 Macro Forecast

Rapid Marcellus Growth Anticipated

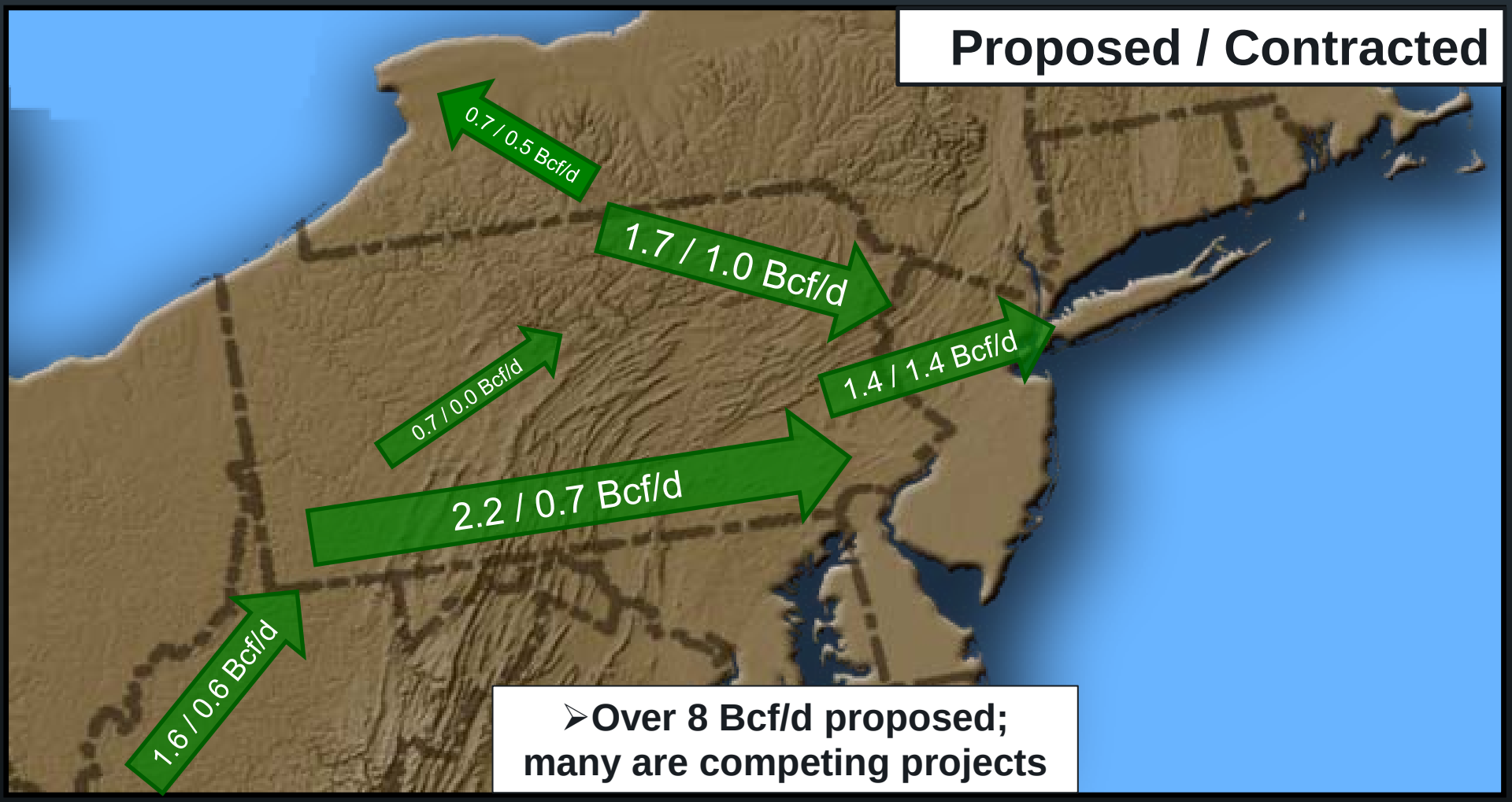


Projected Marcellus production based on analysis of consultant forecasts.

Pipeline Capacity Needed to Relieve Constraints



Major Pipeline Expansion Projects



Tennessee Gas Pipeline Expansion Projects

- 2 binding expansion projects recently announced
  - Capital investment of $1 billion
  - Creates 1 Bcf/d of new pipeline capacity
  - Pipeline construction along existing ROW
- New projects to deliver Marcellus gas to New England, Niagara and Leidy to be announced soon

Pipeline Expansions

Challenges	Rewards
Permitting Process	Lower Gas Prices
Environmental Issues	Increased Reliability
Eminent Domain Concerns	Job Growth
	Local Economic Impacts

Expansion Process
Pre-Filing Application & Stakeholder Outreach
File FERC Application
Environmental Impact Statement Issued
FERC Certificate Issued
Construction Activities
Facility Placed In Service

Summary - Fundamental Themes

- Growing supply
  - Unconventional production: Shale plays ⬆, Canada ⬇, GoM ⬇
- Growing long-term demand
  - Economy ➡ Electricity ➡ Gas
- Changing flows and supply/demand patterns
  - Volatility ➡ Infrastructure requirements
- Tennessee Gas Pipeline is well positioned to provide transportation alternatives in a safe, efficient and dependable manner.

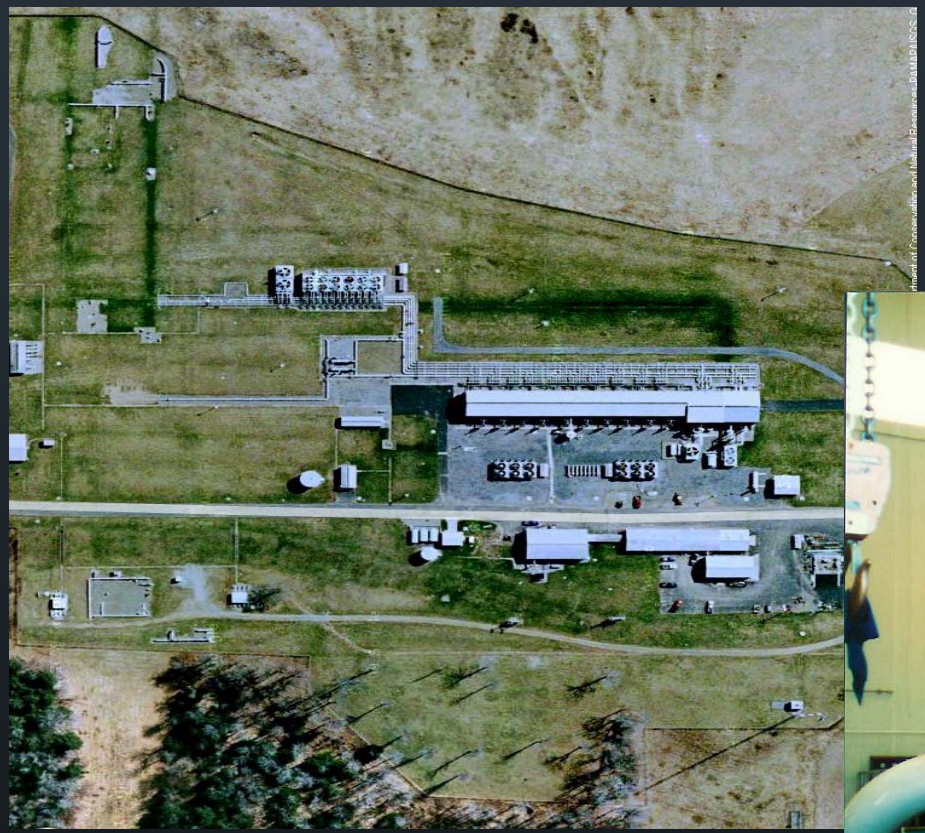
Cautionary Statement Regarding Forward-looking Statements

This presentation includes certain forward-looking statements and projections. 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, our ability to obtain necessary governmental approvals for proposed pipeline projects and our ability to successfully construct and operate such projects on time within budget; the risks associated with recontracting of transportation commitments by our pipelines; regulatory uncertainties associated with pipeline rate cases; changes in commodity prices and basis differentials for oil, natural gas, and power; general economic and weather conditions in geographic regions or markets served by the company and its affiliates, or where operations of the company and its affiliates are located, including the risk of a global recession and negative impact on natural gas demand; the uncertainties associated with governmental regulation; competition; and other factors described in the company's (and its affiliates') SEC 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.

Appendix

Right of Way and Compressor Building at Ellisburg

Compression Station at Coudersport and Gas Turbine at Wellsboro



Typical Pipeline Construction & Restoration