Transportation Flexibility

Carriage Share of total Delivered for Market (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>17</td>
</tr>
<tr>
<td>1986</td>
<td>37</td>
</tr>
<tr>
<td>1987</td>
<td>56</td>
</tr>
<tr>
<td>1988</td>
<td>63</td>
</tr>
<tr>
<td>1989</td>
<td>71</td>
</tr>
<tr>
<td>1990</td>
<td>79</td>
</tr>
<tr>
<td>1991</td>
<td>85</td>
</tr>
</tbody>
</table>

Major “Open” Pipelines

- 1985: None
- 1986: None
- 1987: CNG
- 1988: ANR, Colorado Interstate, El Paso, Natural Gas Pipeline, Northwest, Southern Natural Gas, Texas Gas, Transco, Transwestern, United, Williams
- 1989: Algonquin, Arkla, Columbia, Mississippi River
- 1990: Florida Gas, Pacific Gas Transmission
- 1991: Trailblazer

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New York Area Pipeline Network

- Texas Eastern
- Transco
- Tennessee
- New Jersey Facilities Grid
- New York
- Long Island
- New York

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<table>
<thead>
<tr>
<th>Company</th>
<th>1981</th>
<th>1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enron</td>
<td>A+</td>
<td>BBB</td>
</tr>
<tr>
<td>Coastal Corporation</td>
<td>A</td>
<td>BB+</td>
</tr>
<tr>
<td>Columbia Gas System</td>
<td>A</td>
<td>D</td>
</tr>
<tr>
<td>Panhandle Eastern</td>
<td>A</td>
<td>BBB-</td>
</tr>
<tr>
<td>Sonat Inc.</td>
<td>A</td>
<td>BBB</td>
</tr>
<tr>
<td>Transco</td>
<td>BBB</td>
<td>B</td>
</tr>
<tr>
<td>United Gas Pipeline</td>
<td>BBB</td>
<td>N/R</td>
</tr>
</tbody>
</table>

Source: S&P Coastal - Michigan Wisconsin Pipeline
Ratings as of 12/31/80
Gas Transmission Profitability

ROE (%)


Enron
Sonat Inc.
Transco
Panhandle Eastern
Texas Eastern
United
Prices Paid to Producers for Natural Gas by Major Interstate Pipelines

$/MMBtu


55% of Crude Btu

Gas Purchase Price

Source: EIA

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Regulatory Initiatives - Transportation

1938 - Natural Gas Act: Federal Control Over Interstate Transportation

1984 - FERC Order 380: Elimination of Minimum Bills

1985 - FERC Order 436: Open Access Rules; Prohibition of Discrimination Against Shippers

1987 - FERC Order 500: Continues Push Toward Non-Discriminatory Transportation

1992 - FERC Order 636: Rulemaking On Comparability of Service Between Transportation and “System Sales”