

APPENDIX A to the Prepared Testimony of J. J. Reed

Description of Pipeline Projects Proposed or Under Construction

1 The following are brief descriptions of pipeline projects in the relevant market that could
2 impact the future natural gas delivery capability of New England, and thus the
3 competitive position of PNGTS in this market.

Rockies Express - Northeast Express

4 On October 29, 2007, Rockies Express Pipeline LLC launched an open season to solicit
5 market interest for the Northeast Express Project, a 375-mile extension of the Rockies
6 Express natural gas pipeline project, stretching the pipeline's route from its originally
7 planned Clarington, Ohio, endpoint to Princeton, N.J. Subject to regulatory approvals, the
8 pipeline extension could go into service in late 2010 and transport as much as 1.5
9 Bcf/day. The Rockies Express Pipeline partners believe that the pipeline extension
10 provides customers in the Northeast an alternate low cost delivery option, with the
11 additional benefit of access to natural gas storage fields in Pennsylvania. The expansion
12 capitalizes on the efficient design of the upstream pipeline and is expected to have low
13 cost fuel rates for delivering gas to the Northeast.

Northeast Passage

14 In December 2007, Equitable Resources ("Equitable") and Tennessee announced a joint
15 pipeline project that would deliver 1.1 Bcf/day of supplies from the REX terminus in
16 Clarington, Ohio to a new interconnection with Iroquois at Pleasant Valley, New York.
17 The 471-mile pipeline would be anchored by a capacity commitment from Equitable,
18 which has significant Appalachian supplies, for 300 MMcf/day, and thus the project
19 would provide access to both Rockies and Appalachian supplies. The project is proposed

1 to interconnect with Transco, TETCO, Algonquin and Millennium, and the sponsors have
2 indicated that the project would also include expanding Tennessee's existing pipeline
3 infrastructure (i.e., the 200 and 300 legs) to provide direct access to New England
4 markets. The sponsors conducted an open season for the pipeline capacity that closed in
5 mid-January 2008. The project is anticipated to be in-service in November 2011.

Northern Bridge/TIME III

6 Spectra has announced a pipeline project that would expand its existing TETCO system
7 from Clarington to the Oakford, Pennsylvania area through a combination of compression
8 and looping. The project as proposed would be capable of transporting 500 MMcf/day,
9 and TETCO has indicated that it received non-binding commitments in excess of the
10 proposed design capacity. Spectra held an open season for the project in September,
11 2007 and plans to file with the FERC in late 2008 or early 2009. Spectra anticipates that
12 the Northern Bridge facilities could be in-service in late 2009.

13 In addition, TETCO has also announced plans for the TIME III project, an expansion of
14 its system from Oakford, Pennsylvania to northeastern markets through additional
15 compression and looping. TETCO held a binding open season in November 2007 and
16 projects an in-service date of late 2010. The TIME III project would allow customers to
17 receive gas from Northern Bridge, TETCO's existing Oakford or Leidy storage facilities,
18 as well as the newly proposed Steckman Ridge facility (see description below).

Rockies Connector Project

19 Transco has announced a 325-mile pipeline project that would extend from Clarington to
20 interconnect with Transco's existing pipeline system in southwestern Pennsylvania (York
21 County). The project as proposed would be capable of transporting approximately 700

1 MMcf/day, and Transco has indicated that it received non-binding commitments in
2 excess of the proposed design capacity. Transco has indicated that it anticipates filing
3 with the FERC in 2008, with the project commencing operation in late 2009.

Dominion Hub III

4 In November 2007, Dominion announced a project to provide its existing firm
5 transportation customers with access to Rockies supplies provided by REX. As part of
6 the Dominion Hub I project, Dominion's system is projected to interconnect with REX at
7 Clarrington, and Dominion is seeking interest from its customers to move up to 300
8 MMcf/day of firm receipt point rights to Clarrington, and maintain their existing firm
9 delivery point rights.¹ Dominion reported in January 2008 that it received non-binding
10 interest for more than 570 MMcf/day for the project and will move towards binding
11 precedent agreements with its shippers.

Brunswick Pipeline

12 Brunswick Pipeline, owned by Emera Inc., is a 30-inch diameter, 145-km pipeline
13 proposed to connect the Canaport LNG facility in Saint John, to the existing M&NP
14 system near St. Stephen, New Brunswick. The pipeline is expected to be capable of
15 moving approximately 850 MMcf/day of regasified LNG and could be expanded with
16 additional compression. In May 2007, the National Energy Board ("NEB"), with Federal
17 Cabinet approval, issued a Certificate of Public Convenience and Necessity to Brunswick
18 Pipeline, approving the requested corridor for the project as well as the toll arrangement

¹ As part of the Dominion Hub I project, Dominion is seeking to transport 200 MMcf/day for BP Energy from an interconnection with REX to a new Dominion interconnection with TETCO. Dominion has stated that its Dominion Hub II project, which is still in development, is intended to interconnect Dominion's pipeline system at Leidy, Pennsylvania with the Millennium in New York.

1 negotiated with Repsol Energy Canada Ltd. Construction began in 2007 and the target
2 in-service date is November 2008.

M&NP Phase IV Expansion

3 In February 2007, the FERC approved M&NP's proposed Phase IV expansion project
4 that will increase the capacity from approximately 421,000 Dth/day to 833,000 Dth/day
5 in order to transport additional supplies to New England that are redelivered from
6 Brunswick Pipeline and have been sourced at the Canaport LNG terminal in Saint John,
7 New Brunswick. Phase IV includes the construction of five new compressor stations in
8 Maine, including two stations on the Joint Facilities. The facilities are scheduled to
9 become operational November 1, 2008 consistent with the timing of the upstream
10 facilities, i.e., Brunswick Pipeline and the Canaport LNG facility.

M&NP Phase V Expansion

11 M&NP is currently holding a binding open season for its proposed Phase V expansion.
12 Based on a non-binding open season held in June 2007, M&NP expects to increase the
13 capacity of its existing system in the U.S. by 170,000 Dth/day, and would utilize an
14 additional 30,000 Dth/day of existing unsubscribed winter capacity. The project is
15 anticipated to commence operation in late 2010.

Northeast Gateway Lateral (Completed)

16 Algonquin received approval from FERC in March 2007 to construct and operate a sub-
17 sea pipeline that transports 800 MMcf/day of LNG from Excelebrate Energy's Northeast
18 Gateway Energy Bridge deepwater LNG port to Algonquin's pipeline system. Excelebrate
19 has signed a 25-year contract with Algonquin for all 800 MMcf/day of capacity.

Description of Proposed LNG Projects

1 There have been numerous LNG import facilities proposed along the eastern coast of the
 2 United States and Eastern Canada that, if constructed, would have an impact on PNGTS’s
 3 future operations and market position. Below is a summary table including only those
 4 import LNG projects that are the furthest along in the development process and a more
 5 detailed description of each of the projects.

Name	Vaporization (MMcf/day)	On-Line Date	Interconnecting Pipeline(s)
Canaport LNG	1,000	late 2008	Brunswick/M&NP
Northeast Gateway	800	On-Line	Algonquin
Cacouna Energy	500	n/a	TQM/TCPL
Rabaska LNG	500	2012	TQM/TCPL
Neptune LNG	750	late 2009	Algonquin
Broadwater LNG	1,250	Delayed	Iroquois
Weaver's Cove	800	Delayed	Algonquin

Delayed = Estimated in-service date unknown due to project delays associated with litigation.

n/a = Project in doubt due to Gazprom’s cancellation of its Baltic LNG plant.

Canaport LNG (“Canaport”)

6 Canaport, which is a joint venture between Irving Oil and Repsol YPF (“Repsol”), is a
 7 \$750 million LNG import terminal in St. John, New Brunswick that will be capable of
 8 delivering 1 Bcf/day of vaporized LNG into the Brunswick Pipeline and then into the
 9 M&NP system. Canaport will have three 160,000 cubic meter storage tanks capable of
 10 storing approximately 11.5 Bcf in total. A Repsol affiliate has signed an agreement with
 11 Brunswick Pipeline and with M&NP for firm transportation service of 735,000 Dth/day,
 12 and both pipelines are currently under construction to meet these incremental volumes.

1 Repsol will acquire the LNG for the terminal and hold all the storage capacity, as well as
2 market the LNG to the United States and parts of Canada, while Irving will market the
3 LNG in Atlantic Canada. Canaport is currently at 65% completion, with a projected in-
4 service date at the end of 2008.

Neptune LNG and the Northeast Gateway Projects

5 These two projects are both offshore LNG projects that would re-gasify LNG from
6 specially designed ships from a deepwater mooring system and undersea pipeline lateral
7 into the Algonquin Hubline system. The two projects are both proposed to be located
8 approximately thirteen miles southeast of Gloucester, Massachusetts in Federal waters.
9 Northeast Gateway, which is being sponsored by Excelebrate Energy, has constructed a
10 deepwater port with average day vaporization capability of 400 MMcf/day and a peak
11 day vaporization of 800 MMcf/day. The project is anticipated to cost approximately
12 \$200 million. Algonquin has received its certificate authority to construct and operate the
13 16-mile, interconnecting pipeline to serve Northeast Gateway. Construction is complete
14 and Coast Guard commissioning has taken place. As of March 2008, it is authorized to
15 receive cargoes.

16 Similar to Northeast Gateway, the Neptune LNG facility would include both the
17 deepwater port and the interconnecting pipeline with Algonquin Hubline, and is
18 estimated to cost \$900 million (including the cost of constructing the specially designed
19 LNG tankers). Neptune LNG is sponsored by SUEZ LNG, and would be affiliated with
20 the existing DOMAC facility. Neptune LNG would have an average day vaporization
21 capability of 400 MMcf/day (peak day vaporization of 750 MMcf/day). In August 2007,

1 Neptune received its Deepwater Port License from the U.S. Maritimes Administration,
2 and the estimated in-service date for the facility is late 2009.

Broadwater LNG (“Broadwater”)

3 Broadwater, which is a joint venture between Royal Dutch Shell and TransCanada, is a
4 proposed LNG import facility that would be located in Long Island Sound approximately
5 9 miles off of the Long Island coast and 11 miles off of the Connecticut coast. The
6 facility would be a floating storage and re-gasification unit that could store up to 8 Bcf of
7 LNG in onboard tanks for subsequent vaporization at a rate of 1 Bcf/day (with peak day
8 rate of 1.25 Bcf/day). Broadwater anticipates receiving LNG cargoes every 2 to 3 days,
9 and vaporized LNG would flow to the interstate pipeline grid via a 30-inch diameter
10 undersea pipeline extending approximately 22 miles to an offshore connection with the
11 Iroquois system in Zone 2 just north of the South Commack delivery point. In January
12 2008, Broadwater received its final environmental impact statement from FERC, but is
13 still awaiting final state approvals. As with most of the proposed LNG facilities on the
14 eastern coast of the United States, Broadwater has faced significant political opposition to
15 the project. Subject to receiving all approvals, the project is projected to commence
16 service in late 2010 or early 2011.

Cacouna Energy (“Cacouna”)

17 Cacouna, which is a joint venture between TransCanada and Petro Canada, is a proposed
18 LNG import terminal located in Gros Cacouna, Quebec (northeast of Quebec City) on the
19 St. Lawrence River. TransCanada will operate the facility, while PetroCanada will
20 provide the LNG supplies. The facility would have a vaporization capability of 500
21 MMcf/day with storage capability of approximately 6.8 Bcf in two 160,000 cubic meter

1 tanks. A revised project schedule was filed in September 2007 that indicates the project
2 would commence construction in late 2008 or early 2009 and be in-service in 2012.
3 Petro Canada has previously signed a Memorandum of Understanding with Gazprom,
4 and has indicated that it is still in negotiation with various parties regarding supply for the
5 facility. As mentioned in the body of the testimony, Gazprom canceled its Baltic LNG
6 plant, which was expected to be the most desirable source of LNG for the Cacouna
7 Energy facility. This development disappointed the sponsors and caused them to initiate a
8 review of the project.

Rabaska LNG ("Rabaska")

9 Rabaska, which would be located near Quebec City at the far eastern end of the TQM
10 system, is being sponsored by Gaz Metropolitain, Gaz de France, and Enbridge. Similar
11 to Cacouna, Rabaska would have a vaporization capability of 500 MMcf/day with storage
12 capability of approximately 6.8 Bcf in two 160,000 cubic meter tanks. Gaz de France
13 will be responsible for the LNG supply, and like Cacouna, was in talks with GazProm for
14 supply. Rabaska has received approval from the Quebec government, but is still awaiting
15 final regulatory approvals, and has also faced opposition similar to the other proposed
16 LNG facilities in the U.S. and Canada. .

Weaver's Cove Energy

17 Weaver's Cove, which is being sponsored by Amerada Hess and Poten & Partners, is a
18 proposed import LNG terminal located in Fall River, Massachusetts. In December 2003,
19 Weaver's Cove filed with the FERC to construct the terminal that would have 4.4 Bcf of
20 storage capacity, a normal vaporization capability of 400 MMcf/day and a maximum
21 vaporization capability of 800 MMcf/day, and interconnect with Algonquin via two

1 laterals. In July 2005, Weaver's Cove received approval from the FERC to construct the
2 facility; however, the Coast Guard has subsequently denied authorization for the facility
3 – most recently in December 2007 when it denied the sponsors appeal of an earlier
4 rejection. The sponsors have indicated that they intend to further appeal the decision,
5 including in Federal Court if necessary.

Description of Proposed Storage Projects

6 There are a number of storage projects being proposed to the west of New England in
7 New York and Pennsylvania. They include:

Steckman Ridge

8 Spectra Energy and New Jersey Resources have proposed a new storage facility located
9 in Bedford County, PA. The project would have a working gas capacity of 12 Bcf and
10 would serve the northeast and Mid-Atlantic markets. The sponsors filed for certificate
11 approval from the FERC in November 2007. The project is scheduled to be in service by
12 April 2009.

Dominion Storage Factory Project

13 In June 2007, Dominion announced a project to expand its working gas capacity by 50
14 Bcf through additional storage in Tioga County, Pennsylvania. The Storage Factory
15 Project would utilize the high deliverability of salt dome storage with the large capacity
16 of depleted reservoir storage to serve customers in the Northeast and Mid-Atlantic market
17 areas. The project is scheduled in phases, with the first phase to add 11.2 Bcf of new
18 natural gas storage from two salt caverns, capable of between 186 MMcf/day and 250
19 MMcf/day of deliverability, depending on the level of service requested. The Tioga

1 County site is expected to provide Dominion with up to 50 Bcf of total capacity to be
2 developed over the next twenty years. Dominion anticipates that initial construction of
3 the facilities for the first phase would begin in 2009 with an in-service date of April 2014.
4 Dominion has initiated FERC's pre-filing process for the project and anticipates filing its
5 certificate application in March 2008.

Junction Natural Gas Storage

6 In December 2007, Chestnut Ridge, a joint venture between eCorp and Tenaska, filed
7 with the FERC for approval to construct a new natural gas storage facility near
8 Uniontown, Pennsylvania. When fully operational, Junction Storage will have a working
9 gas capacity of 25 Bcf, and a maximum injection capability and maximum withdrawal
10 capability of 500 MMcf/day.

Thomas Corners

11 Inergy, L.P., which recently purchased the membership rights to Arlington Storage
12 Company, the owner and operator of the Steuben Gas Storage facility, also announced
13 that it intended to develop two additional storage facilities in the near future in upstate
14 New York, i.e., the Thomas Corners and Bath facilities. Specifically, the Thomas
15 Corners facility is projected to have 5.7 Bcf of working gas capacity and 100 MMcf/day
16 of deliverability, and the Bath storage facility is projected to have 4.0 Bcf of working gas
17 capacity and 150 MMcf/day of deliverability.