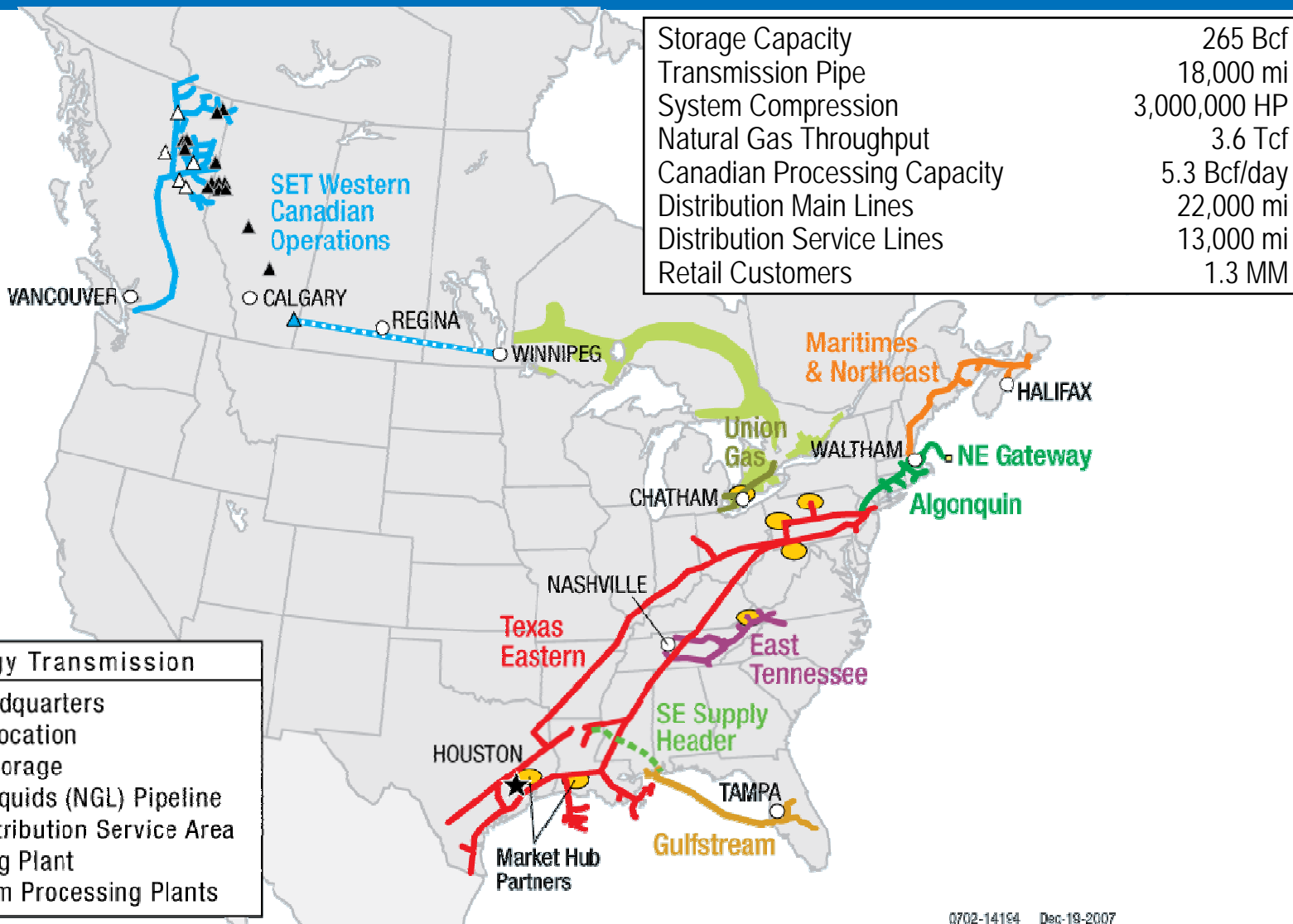


INGAA Foundation Spring Meeting

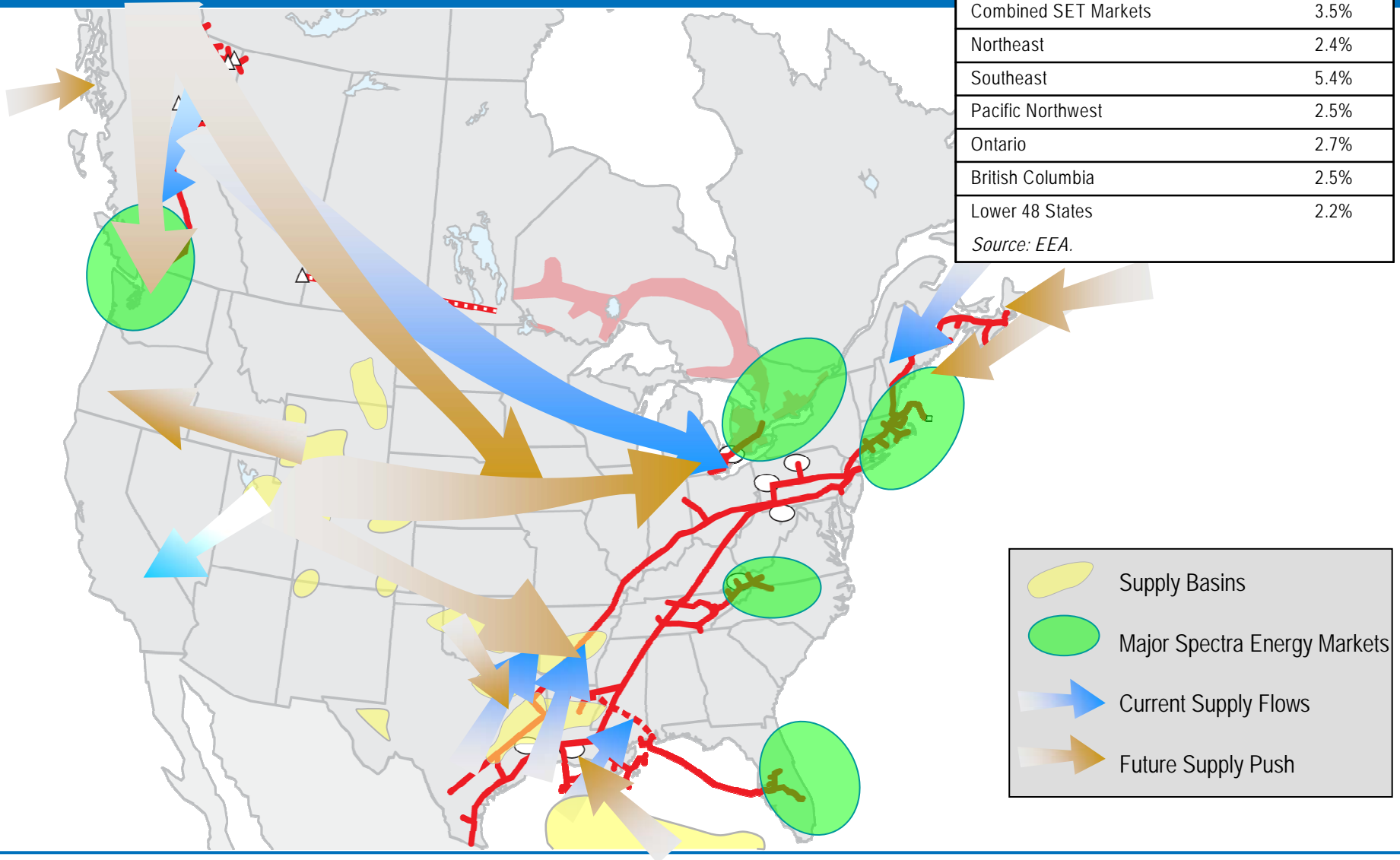
April 18, 2008

Spectra Energy Transmission System



Natural Gas Flows: Shifting Sources, Growing Demand

Demand Volume CAGR 2005 – 2015:	
Combined SET Markets	3.5%
Northeast	2.4%
Southeast	5.4%
Pacific Northwest	2.5%
Ontario	2.7%
British Columbia	2.5%
Lower 48 States	2.2%
<i>Source: EEA.</i>	



- Supply Basins
- Major Spectra Energy Markets
- Current Supply Flows
- Future Supply Push

Well-Positioned for Growth Expansion Opportunities



2007 Projects In-Service

- **Major Projects In-Service in 2007:**
 - Northeast Gateway - \$215 million
 - TIME II (Phase I) - \$125 million
 - Cape Cod Extension - \$20 million
 - Dawn-Trafalgar – Phase II - \$130 million
 - St. Clair Pool - \$10 million
 - Invenergy - \$10 million
 - Moss Bluff & Egan Storage - \$60 million
 - Aiken Creek Crossover - \$10 million
 - Pine River Phase II - \$30 million
 - South Peace Phase I - \$20 million

Lessons Learned – Critical Issues

- Focus on setting the projects up for success
- Cannot “recover” a project during construction
- Understand the project risk profile and mitigation strategies early
- Plan for realistic project costs
- Ensure adequate project resources
- Outside stakeholders, contractors, vendors and other service providers are also stretched to the limit
- Improve communications at all levels
- Drive towards successful and repeatable execution
- Conduct lessons learned real time

Fundamentals for Success

- **Project Development**

- Negotiate commercial flexibility
- Staff the project team appropriately
- Establish a realistic project schedule
- Develop a reasonable project estimate

- **Project Execution**

- Owner and contractor must be seen as partners in safety
- Quality Control / Quality Assurance
- Constantly look to improve communications and relationships with agencies and landowners
- Identify ROW and environmental concerns early in the development phase

Safety – SESH Incident Site



Estimating – SESH MS River HDD



Schedule Delay Impact - SESH Stringing and Welding



Planning – SESH Lowering and Backfill



Planning – Pipe Yard



Planning – SESH Gopher Tortoise



Planning – Gopher Tortoise



Estimating – Gopher Tortoise



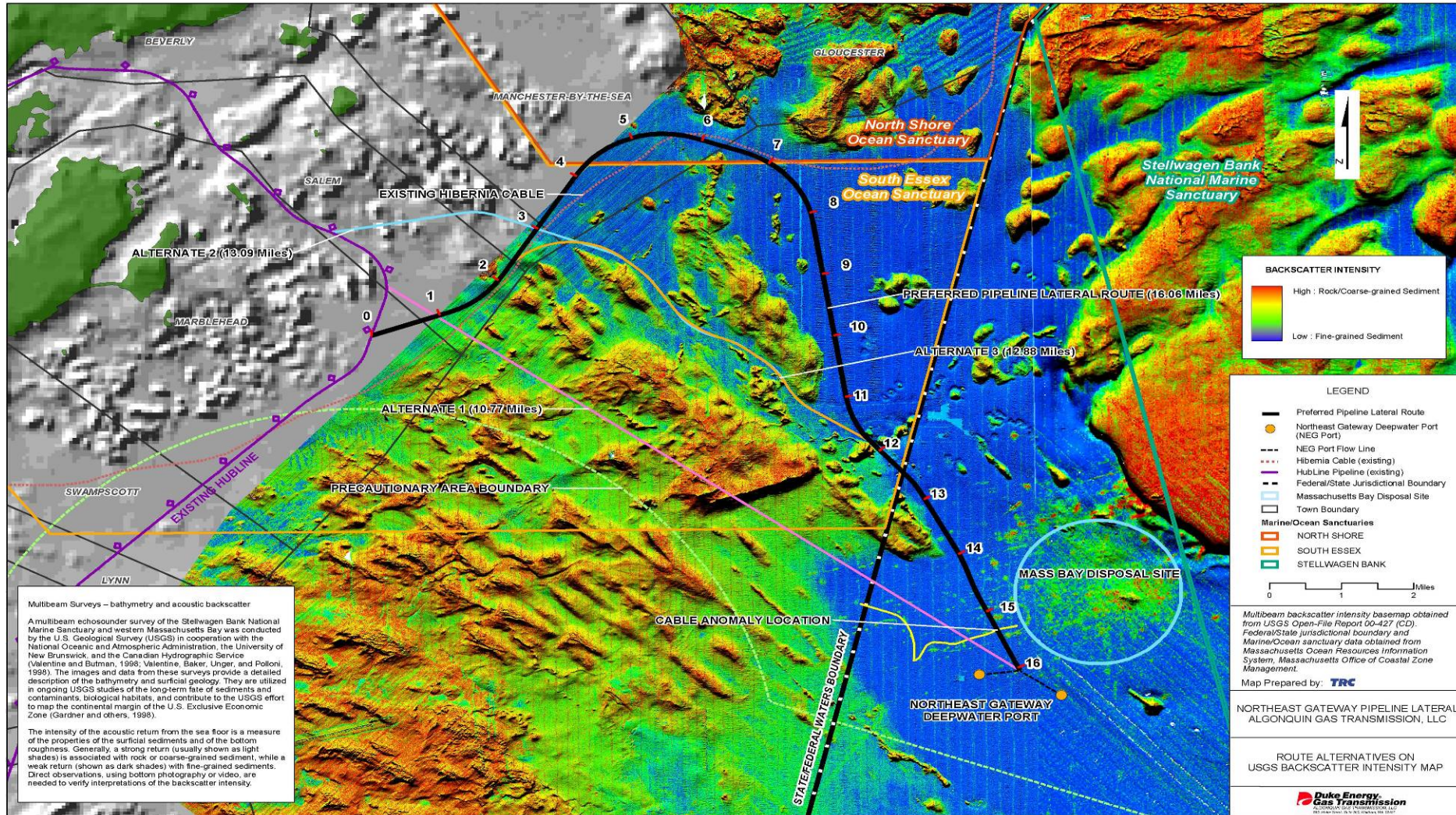
Portfolio Planning - TIME II Texas Eastern – Time II



Lessons Learned – Summary

- Planning – Planning – Planning
- Identify stakeholder requirements on the front end of the project
- Early identification of resources including necessary dollars for pre-work
- Establish reasonable estimates based on realistic schedules
- Close coordination with all service providers
- Safety planning and focus
- Communicate – Communicate - Communicate

Planning - Northeast Gateway Route



Planning – Northeast Gateway Lay Barge



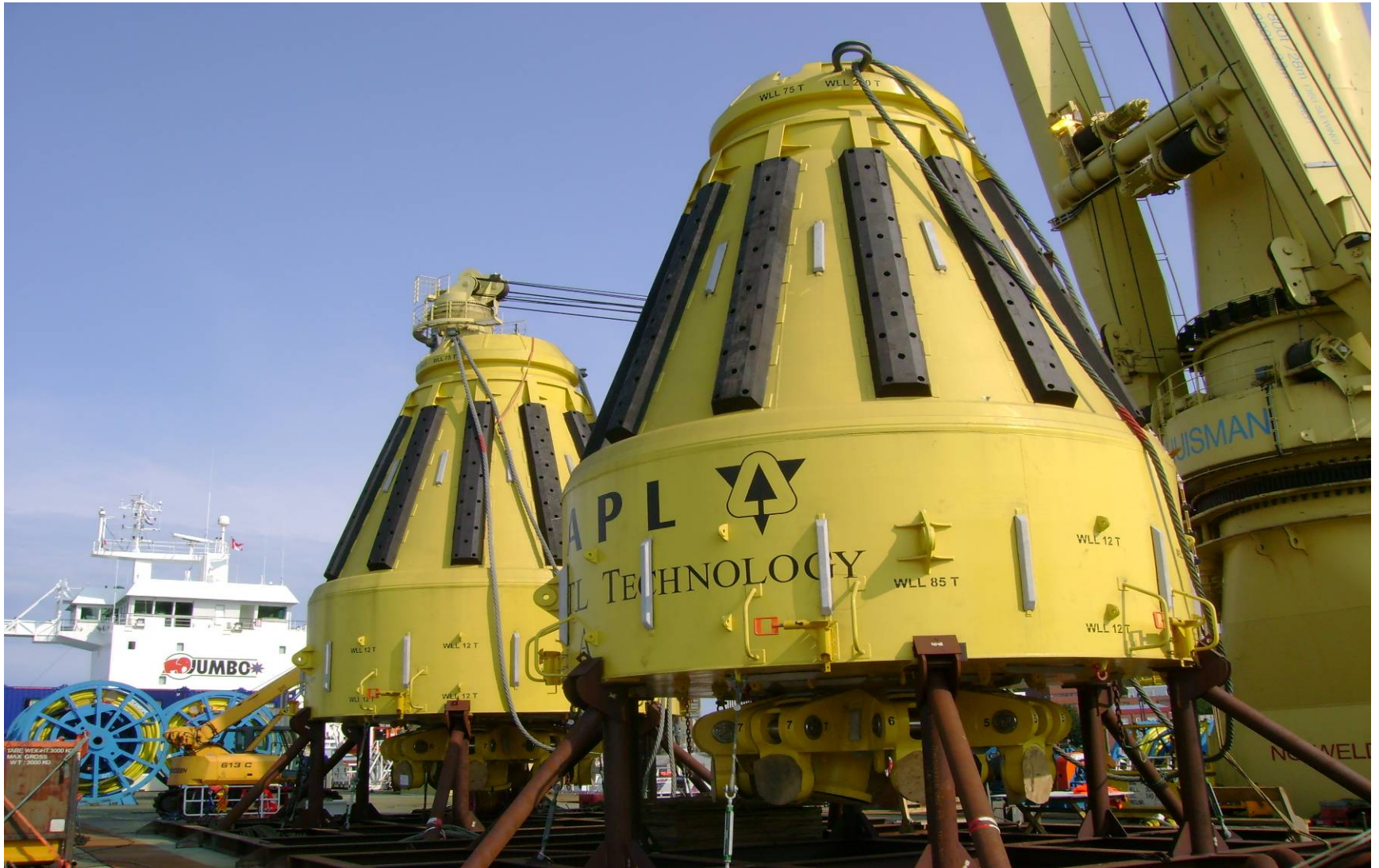
Planning - Northeast Gateway Plow



Energy Bridge Shipboard Regasification System



Northeast Gateway - Buoy



Northeast Gateway - Buoy



Northeast Gateway – Flexible Riser

