



Arizona Corporation Commission Winter Preparedness Workshop

October 28, 2010

Presented by Bud Wilcox
Director, Gas Control



Our Purpose

Providing natural gas and related energy products in a safe, dependable, and efficient manner

Winter Preparedness Agenda

- System Overview and Reliability
- Operational Coordination
- Deliveries to AZ and Throughput Trends
- Asset Utilization
- Conclusion
- Supplement - Maintenance

EPNG Provides Reliable Service to Arizona

Delivery Meters

214 Southwest Gas

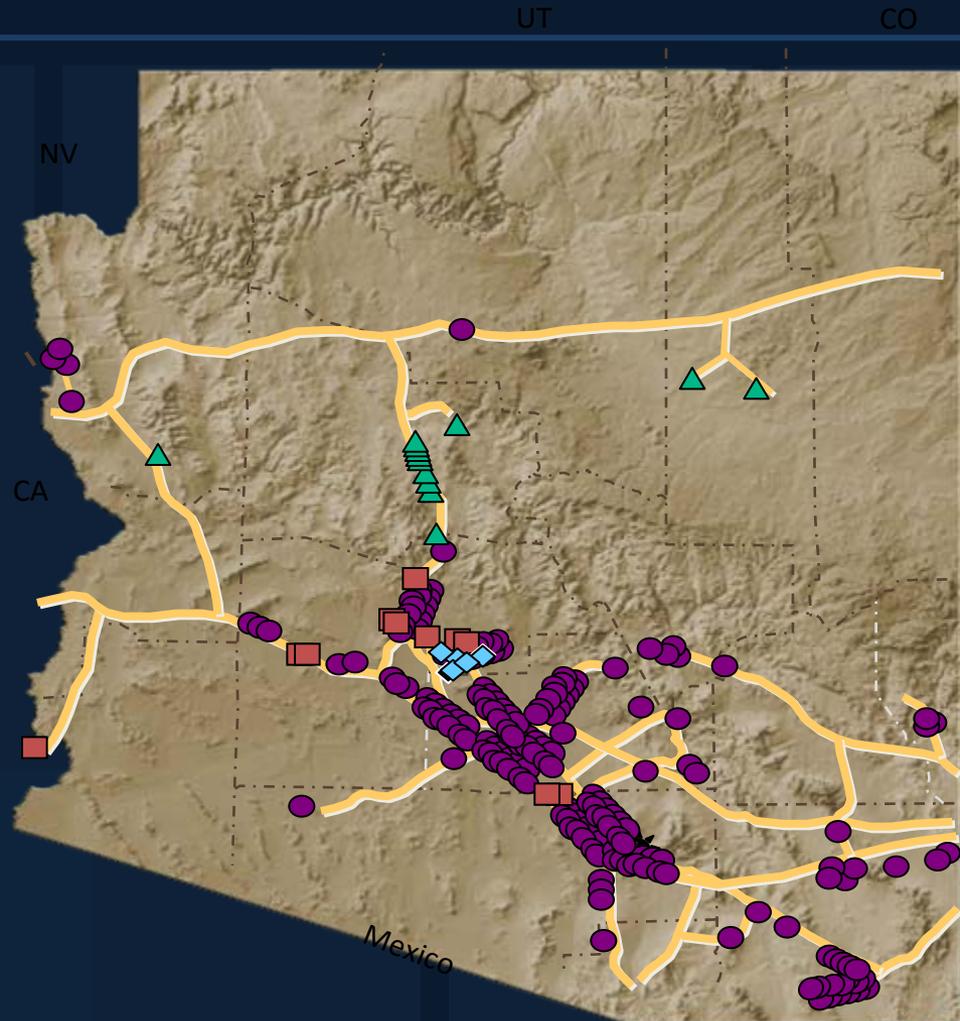
43 UNS

10 APS

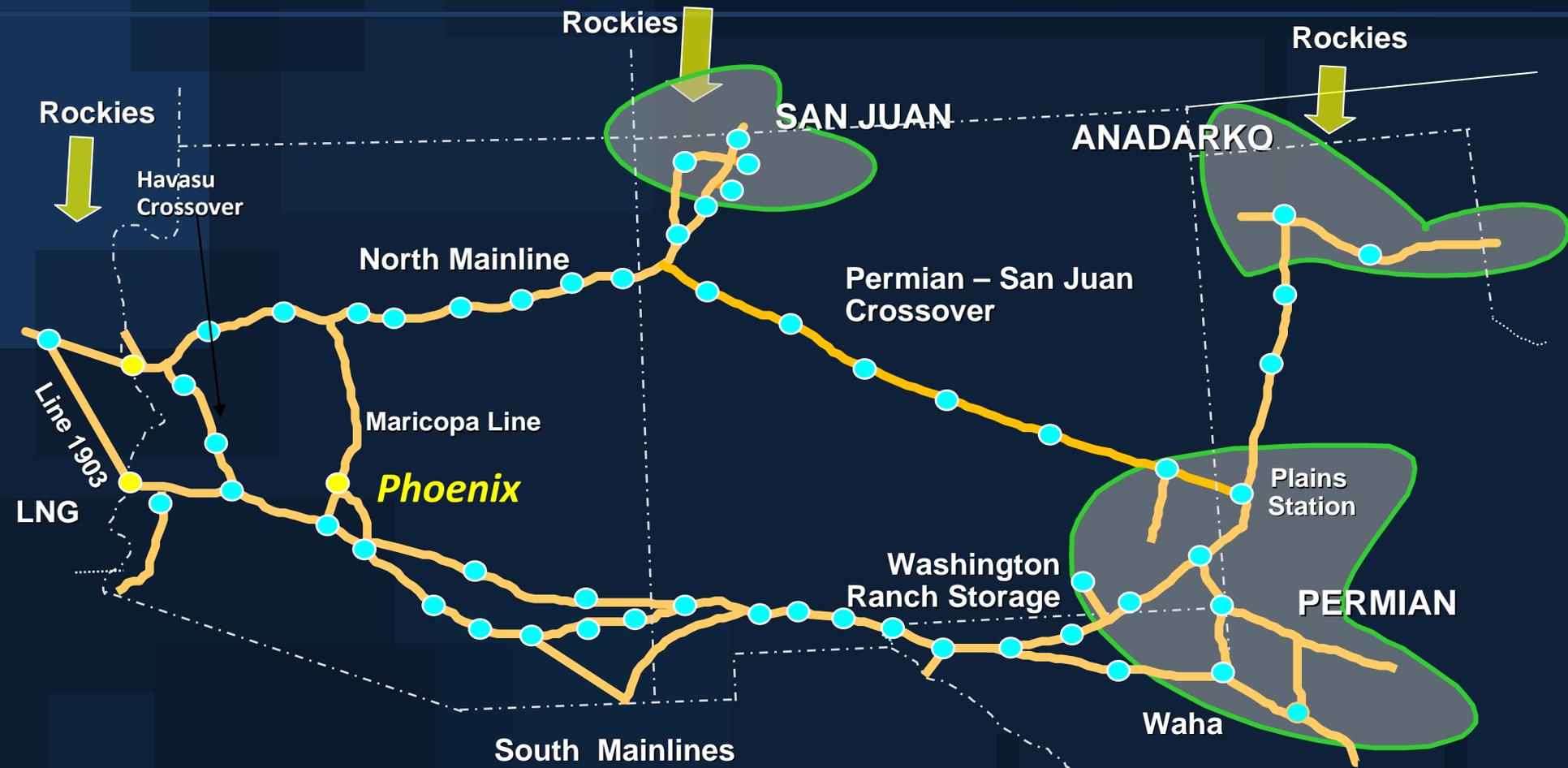
7 SRP

71 All Others

345



Current Supply Diversity Increases Reliability and Pricing Options

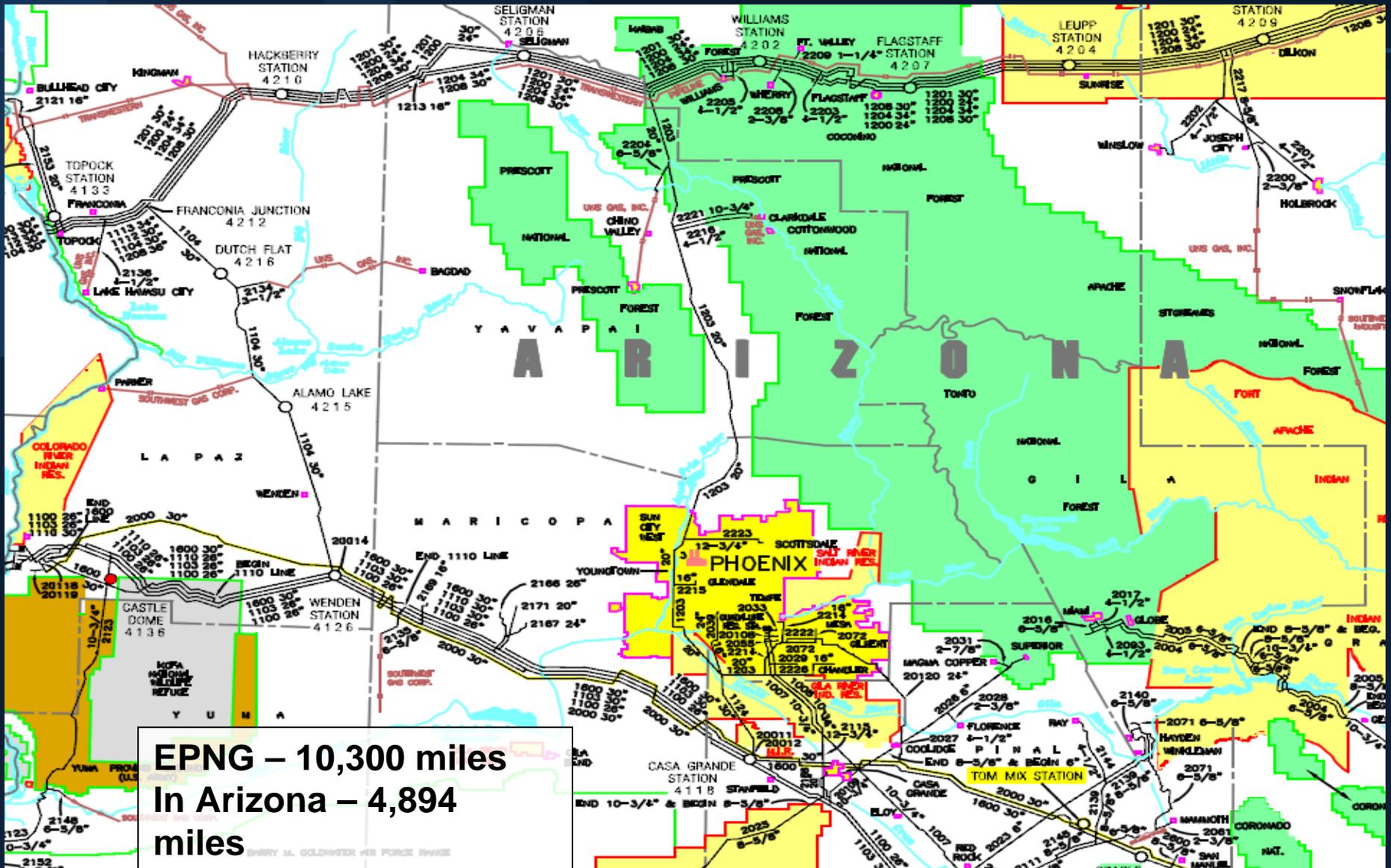


● Compressor Stations

Multiple Flow Paths Increase Reliability



Multiple Lines Increase Reliability



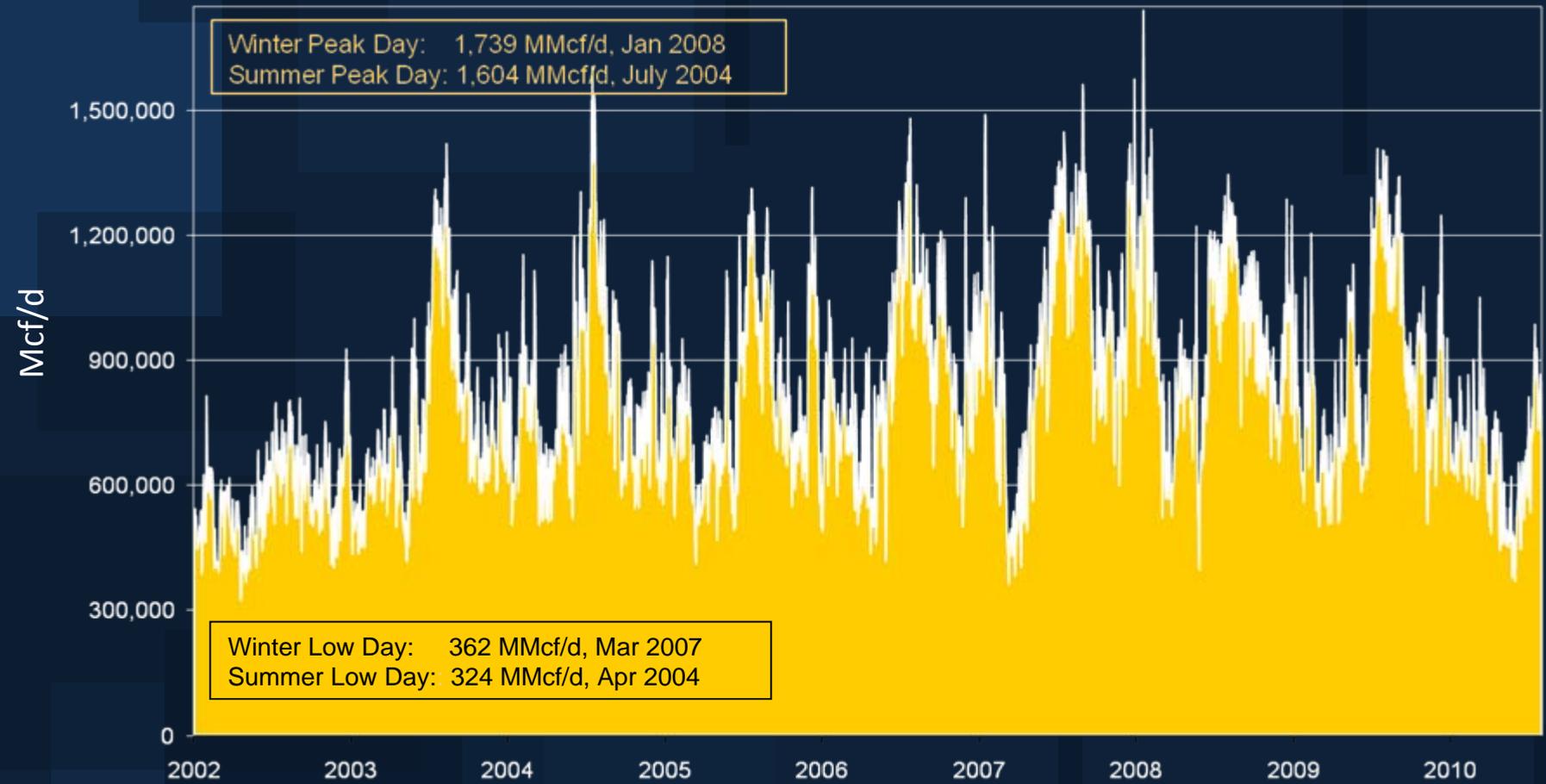
Winter Preparation

- Facility review for improvements, e.g.,
 - Replacing auxiliary generators
 - Enhancing security at smaller sites to protect meter stations and valves from vandalism
 - Upgrading pressure regulators
- Routine preparation, e.g.,
 - Inspect valves and electronics for proper operation
 - Ensure correct orifice plates for winter flow
 - Check for moisture in tubes to avoid freeze-ups
 - Validate communication systems for SCADA feeds
 - Prepare vehicles for winter
 - Communicate with customers on known load changes
 - Review emergency preparedness plans

Operational Coordination

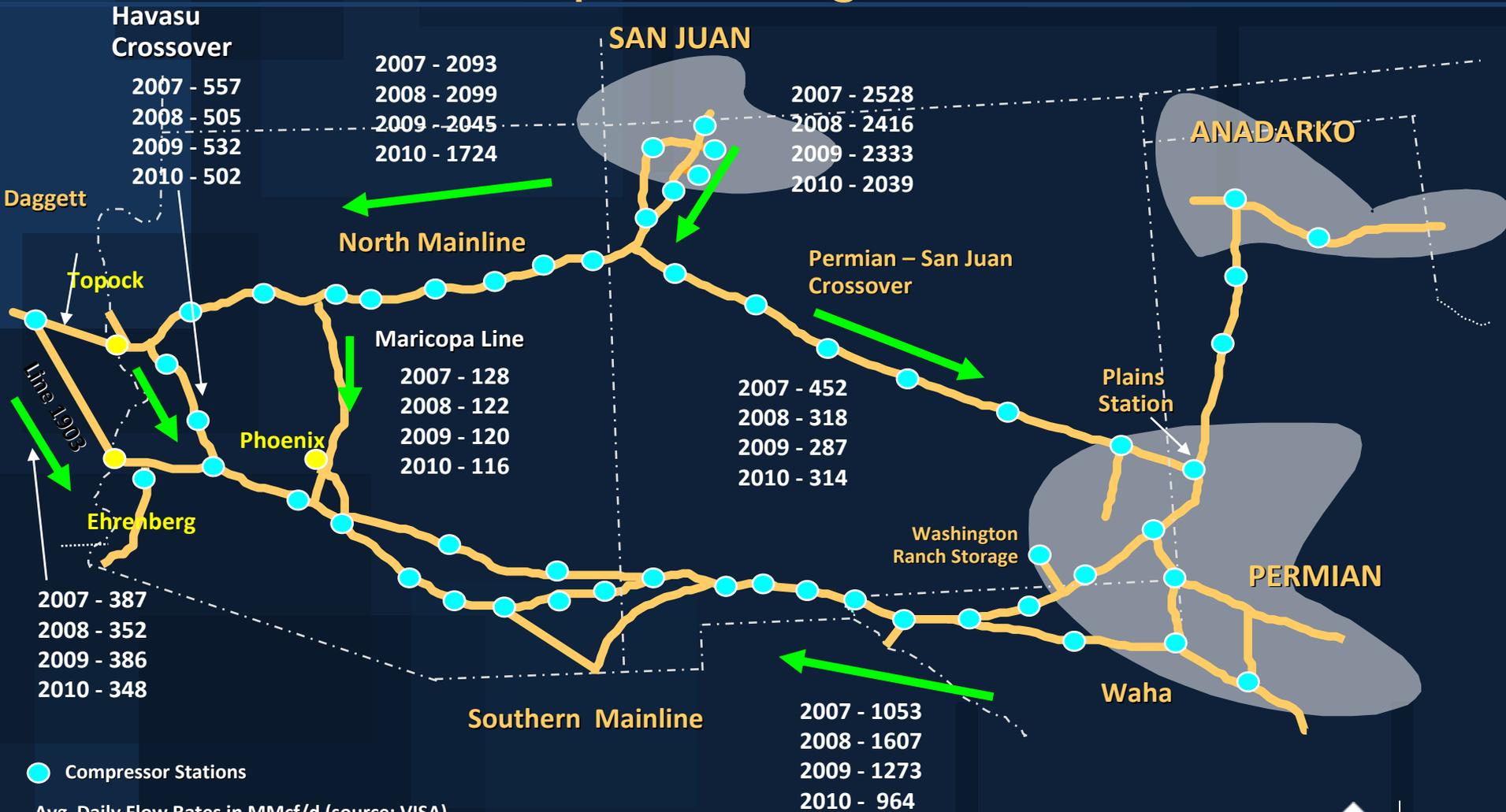
- Focus on safety and reliability
 - Gas Control is 24x365
 - Operations personnel are on site or on call
- Maintenance planning coordinated with customers and operators
- Continuing cooperative effort on daily operations
 - Pipeline ↔ Customers/ Operators
 - Increased communication has improved service reliability

EPNG Daily Deliveries to AZ



Throughput Trends

Pipeline Segments and Locations



Avg Daily Flow Rates in MMcf/d (source: VISA)

2010 YTD through Sep 2010



Asset Utilization

Permanent and Limited-Term Abandonments

- EPNG filed to permanently abandon 2 compressors at Tucson and Deming on 9/28/10
 - Compressors no longer needed to support current contract portfolio and throughput
 - Avoids upcoming environmental capital costs
- Plan to file for limited-term abandonment of additional compressors
 - Not needed to support current contract portfolio and demand
 - Other information
 - Will move to Gas Plant Held for Future Use (Acct 105)
 - Will return to service in four years, or sooner if economic firm service is requested
 - Savings and locations will be identified in the application

Conclusion

- Robust capabilities
 - Supply diversity
 - Transportation diversity
 - Operational flexibility
- System integrity: safety and reliability
 - Safety and reliability programs
 - Maintenance program
 - Winter preparedness activities

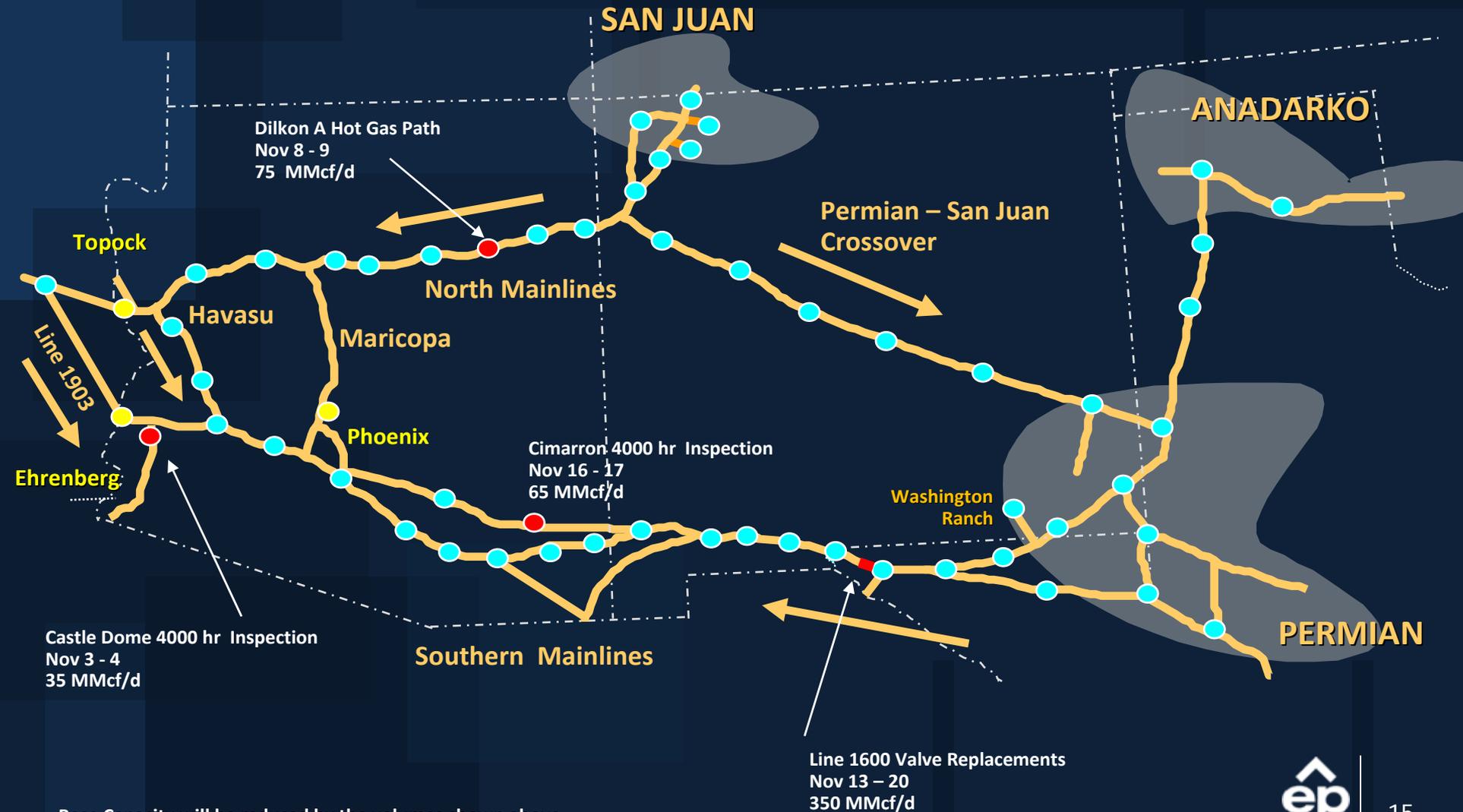
Supplemental Material

Maintenance Program and Process



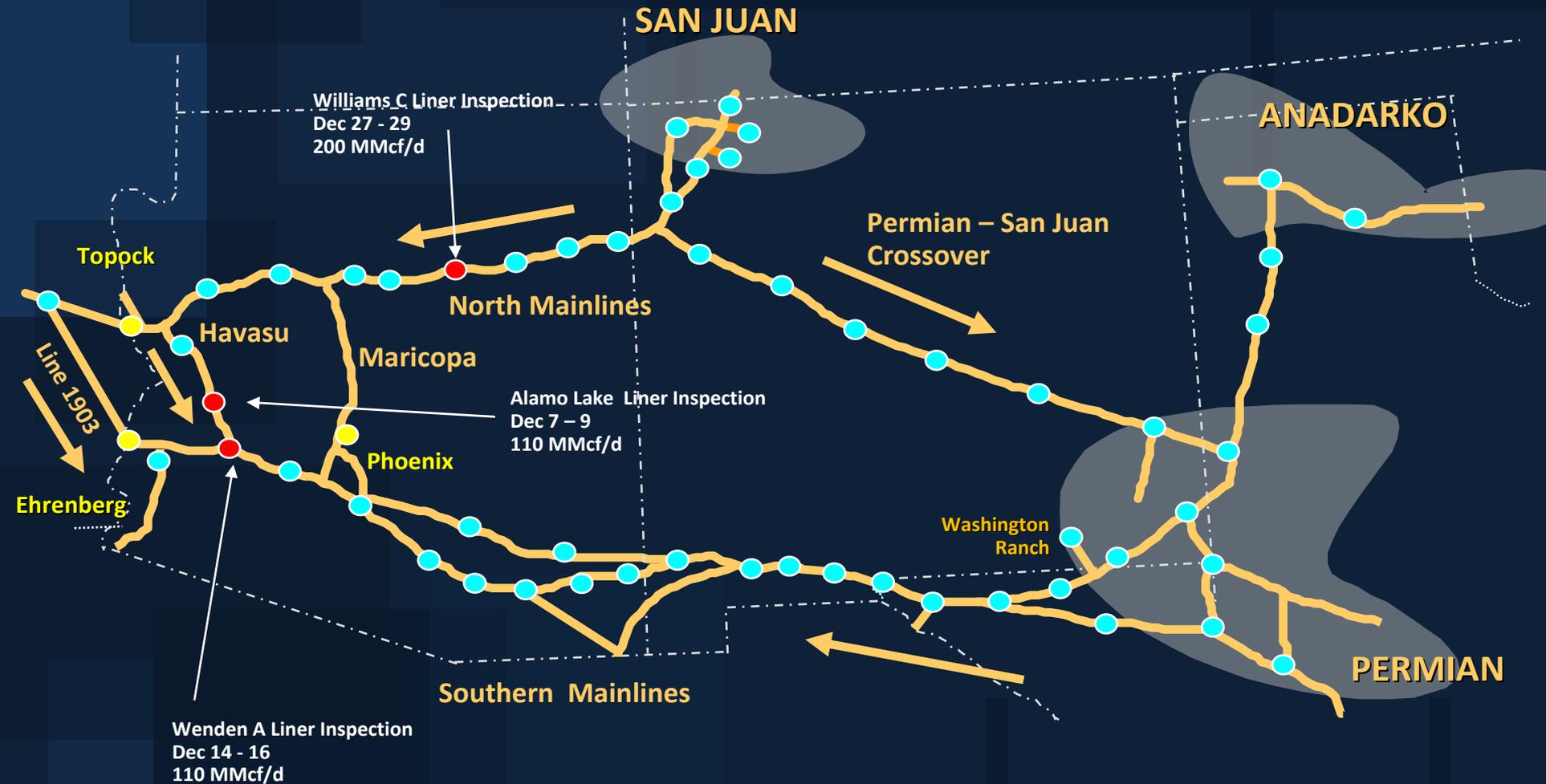
November Maintenance Highlights

Major Projects (Preliminary)



December Maintenance Highlights

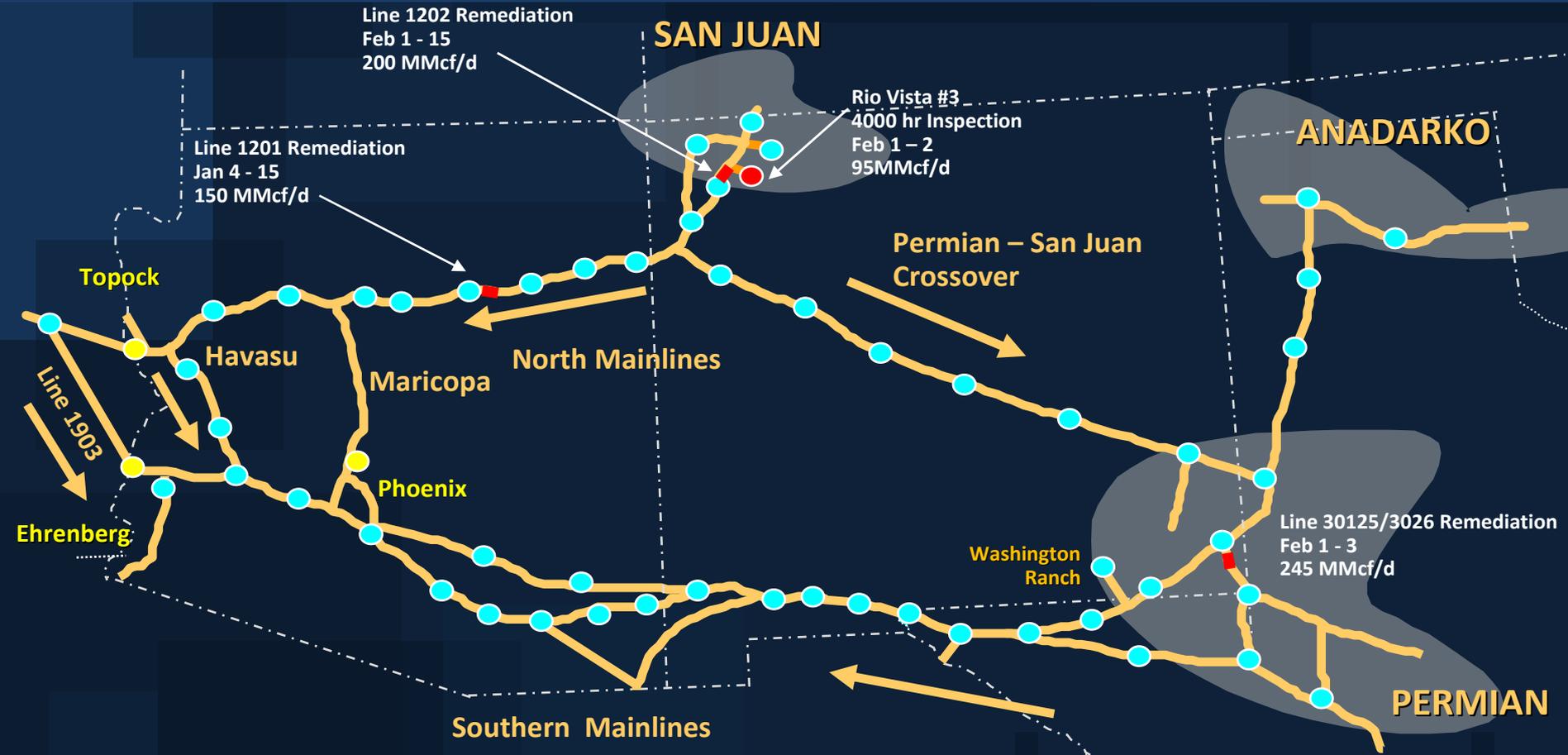
Major Projects (Preliminary)



Base Capacity will be reduced by the volumes shown above

January/February Maintenance Highlights

Major Projects (Preliminary)



Base Capacity will be reduced by the volumes shown above



2011 Maintenance Planning

- Develop 2011 Maintenance Plan
 - Publish initial annual schedule 4th Qtr 2010
 - Finalize annual plan with operators and other pipelines by Feb 2011
 - Present 2011 final plan Mar 2011 to Customers via presentations in Houston, Phoenix and via WebEx
 - Monthly maintenance schedule is also posted 9 business days before each month