



ENERGY TRANSFER PARTNERS

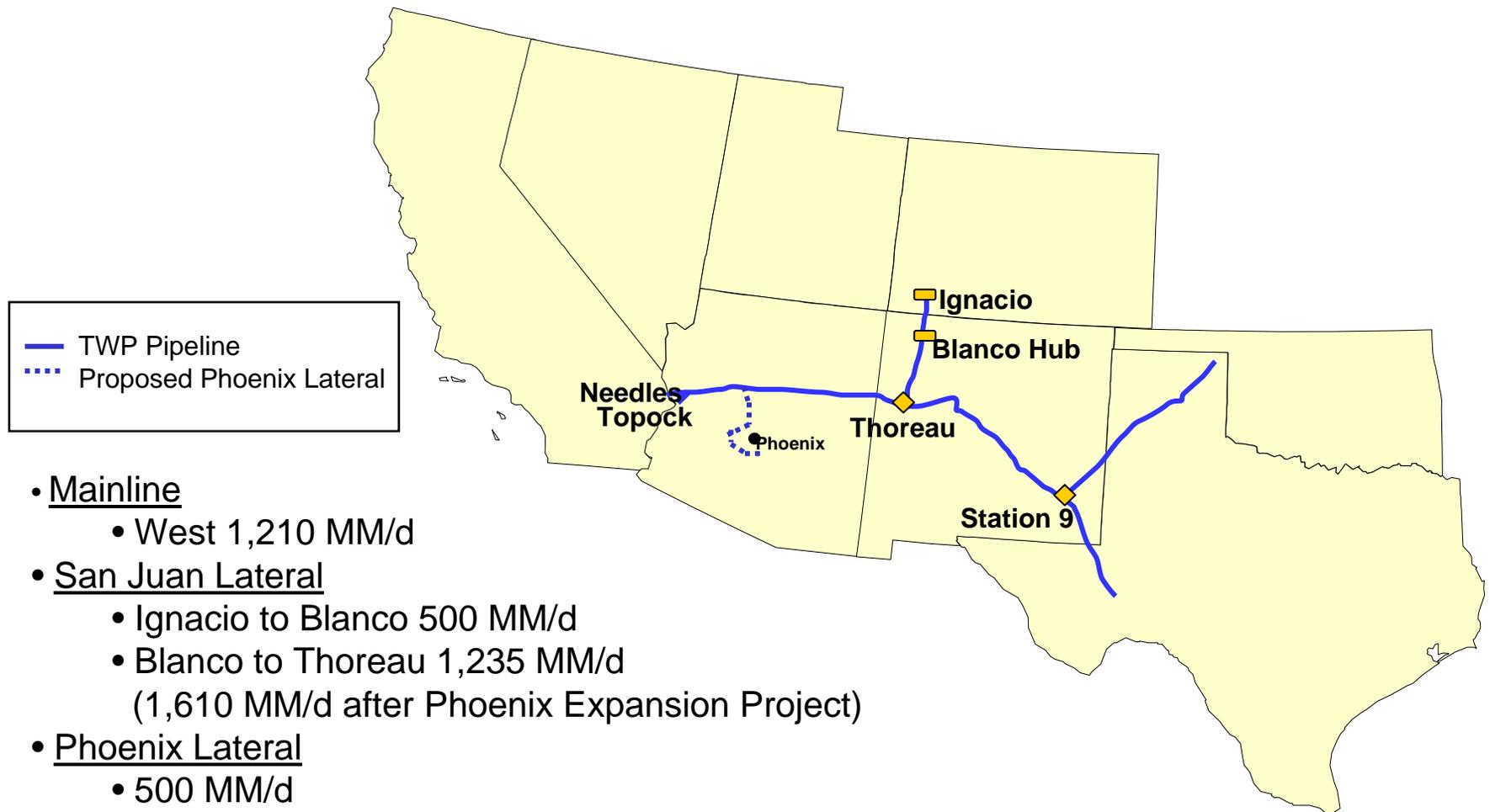
Transwestern Pipeline Company

Phoenix Expansion Project Update

Arizona Corporation Commission

October 30, 2007

Transwestern Pipeline System



Project Milestones

- Federal Energy Regulatory Commission (FERC) Application filed September 15, 2006 (CP06-459)
- April 27, 2007 FERC issued favorable Draft Environmental Impact Statement (EIS)
- September 21, 2007 FERC issued Final EIS
- Over 50% of pipe has been received by the manufacturer at the Port of Houston
- ~ 61% of private ROW tracts have been acquired

Upcoming Project Milestones

- FERC Certificate expected in November 2007
- Expect the issuance of the Arizona State Lands, Forest Service and BLM permits in November, 2007
- Construction - release contractors prior to the end of the year
 - San Juan Lateral: 36" looping
 - Ash Fork to MP 165: 42"/36" pipeline
 - MP 165 to terminus: 36" pipeline

Proposed In-Service Dates

- Still on Schedule:
 - Ash Fork to Milepost 165 (Redhawk) July 2008
 - Milepost 165 to terminus (EVL) October 2008
 - Things that could impact in-service dates:
 - Local Permits
 - Land Purchases/condemnation

Commercial Status

- Only 20 MMcf/day of summer lateral capacity available
- Winter Lateral capacity available. Timing key to matching available winter lateral capacity with mainline space becoming available.
- Next Expansions - 2011/2012
 - 250 MMcf/d
 - Mainline - 250-500 MMcf/day incremental expansion (\$200-300 MM)

Transwestern Rate Case Update

Rate Case Settlement Approved (RP06-614)

- Rate and fuel certainty for all customers
- Effective Date April 1, 2007
- Must file next rate case no later than October 1, 2011
- Lower San Juan to Phoenix fuel = 2.35% (vs. estimated 2.5% in Phoenix Expansion Agreements)
- Lower West commodity rate = \$0.0111 (vs. \$0.0163 at time of expansion agreements)
- No service changes:
 - Monthly Balancing with Operators
 - No Scheduling, Daily or Hourly Penalties