

Recent Authorized Equity Returns on New Construction: U.S. and Canada

| | <u>Pipeline</u> | <u>Docket</u> | <u>Miles</u> | <u>Size-inches</u> | <u>Cost</u> <u>(millions)</u> | <u>Debt/Equity</u> | <u>ROE</u> | <u>Year</u> <u>Authorized</u> | <u>Comment</u> | |
|----|--|--------------------------|---|--------------------|----------------------------------|--------------------|------------|----------------------------------|--|---|
| | <u>US</u> | | | | | | | | | |
| 1 | REX-West | CP06-354 | 713 | 42 | \$ 1,609 | 45/55 | 13% | 2007 | | |
| 2 | Cheniere Corpus Christi | CP04-44 | 23 | 48 | \$ 95 | 50/50 | 14% | 2005 | | |
| 3 | Cameron Pipeline | CP05-119 | 35 | 36 | - | 50/50 | 14% | 2006 | | |
| 4 | Golden Pass Pipeline | CP04-400 | 77 | Dual 36 | \$ 327 | 70/30 | 13% | 2005 | | |
| 5 | Southeast Energy | CP07-44 | 270 | 36-42 | \$ 842 | 50/50 | 13.5% | 2007 | | |
| 6 | North Baja Pipeline | CP06-61 | 80 | 42-48 loop | - | 70/30 | 14% | 2006 | Loop existing system | |
| 7 | Kinder Morgan La. PL | CP06-449 | 132 | 42 | \$ 517 | 60/40 | 14% | 2007 | | |
| 8 | San Patricio | CP05-13 | 26 | 26 | \$ 53 | 50/50 | 14% | 2005 | | |
| 9 | Millennium Pipeline | CP98-150 | 182 | 30 | \$ 664 | 70/30 | 14% | 2006 | | |
| | <u>Canada</u> | | | | | | | | | |
| 10 | Alliance Pipeline | GH-3-97 | 970 | 36-42 | \$ 2,000 | 70/30 | 12% | 2001 | 12% base, as adjusted. Current 11.25% | |
| 11 | M&NE | | 353 | 30 | - | 75/25 | 13% | 1999 | | |
| 12 | Brunswick Pipeline | GH-1-2006 | 90 | 30 | \$ 350 | Not Stated | 11-14% | 2007 | Negotiated rate. ROE range stated in NEB Decision. | |
| 13 | NEB Benchmark Return on Common Equity (1) | RH-2-94 | Benchmark return for Group 1 pipelines for 2008 is 8.71%. | | | | | | Adjusted Annually | Implied Equity Risk Premium of 4.16% |
| 14 | Mackenzie Valley PL (2) | GH-1-2004 Application | 760 | - | \$ 4,500 | 70/30 | 10.92% | Application | Applicant request NEB benchmark return plus 2.21%. ROE was 11.77% at 2004 benchmark | |

Prepared by John Neri, Benjamin Schlesinger Associates. April 2008.

(1) Applied to Group 1 companies that operate extensive pipeline systems.

(2) As requested, pending authorization.