



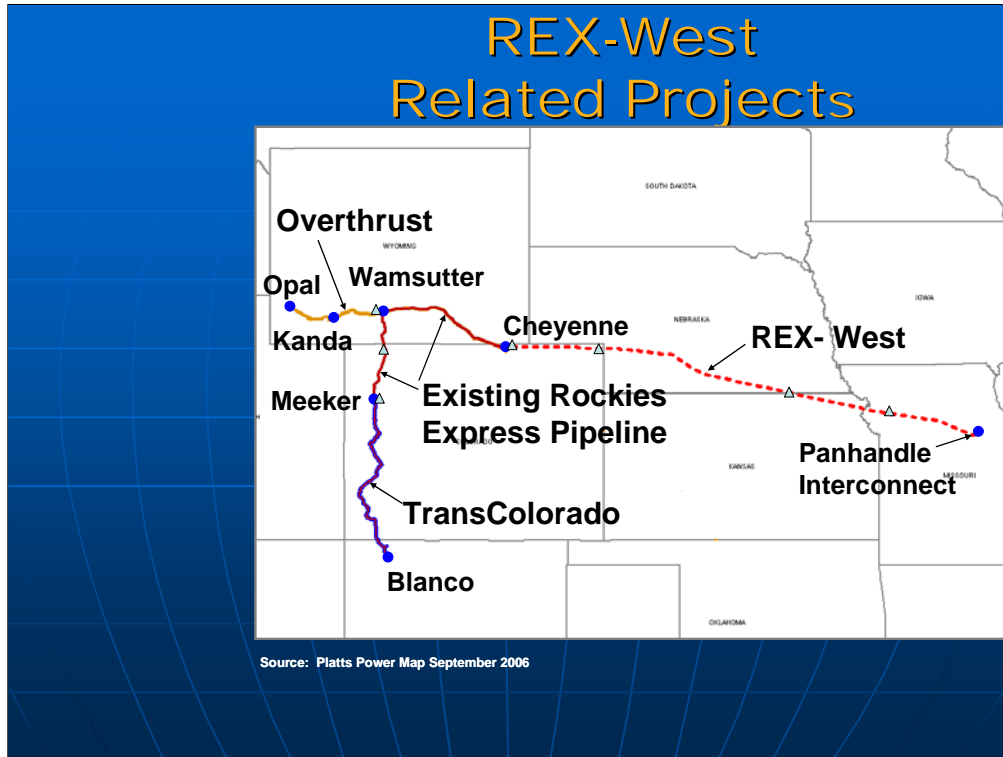
REX-West Related Projects

Item No.: C-1
April 19, 2007

The draft order in C-1 finds it is in the public convenience and necessity for Rockies Express Pipeline LLC, Questar Overthrust Pipeline Company, and TransColorado Gas Transmission Company to construct and operate their related expansion projects, together referred to as the REX-West Related Projects, which, when combined, will transport up to 1.5 million Dth per day of Rocky Mountain supplies to major markets in the United States.

Specifically, the three projects (Rockies Express' Project, Overthrust's Wamsutter Expansion Project, and TransColorado's Blanco-Meeker Expansion Project) consist of approximately 796 miles of new pipeline and 237,320 horsepower of compression at a total estimated cost of almost \$2 Billion. The in-service date is projected to be January 1, 2008.

REX-West Related Projects



The map shows Rockies Express' existing pipeline facilities as a solid red line and its proposed REX-West expansion facilities as a dashed red line. Rockies Express' REX-West Project is a 1.5 million Dth per day project that includes 713 miles of new natural gas transmission facilities extending from Rockies Express' existing system terminus at the Cheyenne Hub in Colorado to an interconnection with Panhandle Eastern Pipe Line Company in Missouri. Rockies Express also proposes to construct approximately 177,000 horsepower of additional compression at five new compressor stations and two currently certificated compressor stations. In addition, Rockies Express proposes to lease 625,000 Dth per day of capacity on Overthruster's system.

Overthruster, whose portion of the overall project is shown in yellow, proposes to construct 77 miles of new pipeline to interconnect its existing facilities, which terminate at Kanda, with those of Rockies Express at Wamsutter. Overthruster's Wamsutter Expansion Project includes 45,000 horsepower of compression to be constructed at two new compressor stations. The Wamsutter Expansion facilities will provide 750,000 Dth per day of capacity from Opal to Kanda and 625,000 Dth per day of capacity from Kanda to Wamsutter.

TransColorado's piece, in blue, would involve the construction of approximately 15,000 horsepower of compression at two new compressor stations and one certificated compressor station for its 250,000 Dth per day Blanco-Meeker Expansion Project.

REX-West Project September 21 Order

The September 21, 2006 order made a preliminary determination that:

- approved recourse rates for Zones 1 and 2;
- authorized incremental rates for the Overthrust Lease, and hub facilities;
- granted a request to roll-in certain costs associated with the existing facilities; and
- rejected gas quality provisions that favor original shippers over future shippers.

The Commission, in the September 21, 2006 order on non-environmental issues, made a preliminary determination that certification of Rockies Express' REX-West Project would be in the public convenience and necessity. The Commission also made a preliminary determination establishing two rate zones and approving Rockies Express' proposed recourse rates. Zone 1 consists of about the first 350 miles of Rockies Express' system located west of Cheyenne Hub, and Zone 2 consists of the 713 miles of proposed facilities located east of Cheyenne Hub. Further, three additional incremental recourse rates were approved to cover the use of certain specifically defined facilities, namely, the Overthrust Lease Facilities, the Meeker Hub Facilities, and the Cheyenne Hub Facilities. Rockies Express' request for a predetermination that it can roll-in the costs of certain additions to its currently certificated facilities into its Zone 1 rates was also granted.

In addition, the Commission rejected, as unduly discriminatory, Rockies Express' proposed tariff provisions to accept from original shippers gas that does not meet the tariff's gas quality provisions before accepting similar quality gas from shippers who contract for service after the in-service date of REX-West. Rehearing of this last issue was requested by Yates Petroleum Corporation, a Rockies Express shipper.

Order on REX-West Related Projects

The Draft Order finds that:

- approvals of the 3 projects are required by the PC&N;
- Rockies Express is authorized to lease 625,000 Dth per Day of Overthrust Capacity;
- Overthrust is required to recalculate its initial rates;
- TransColorado is granted rolled-in rate Treatment; and
- Yates' request for rehearing is denied.

The draft order finds that the REX-West Project, Wamsutter Expansion Project, and Blanco-Meeker Expansion Project are required by the public convenience and necessity. Further, Overthrust is permitted to abandon and Rockies Express is authorized to acquire by lease 625,000 Dth per day of capacity in Overthrust's system.

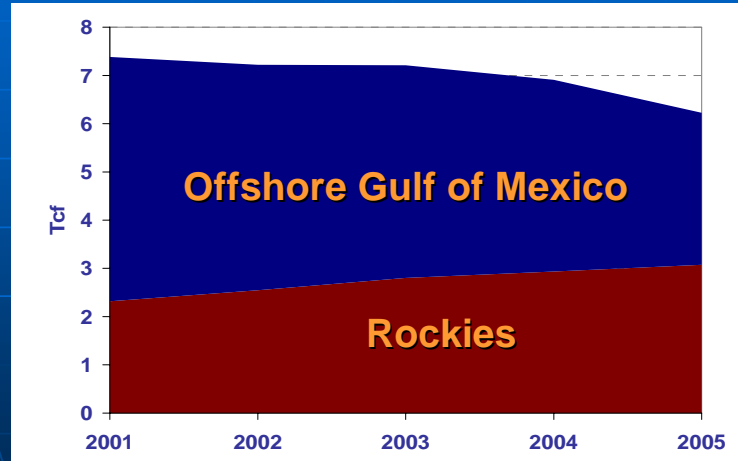
The draft order also requires Overthrust to recalculate its initial firm transportation recourse rates to reflect appropriate accounting for lease revenues, and grants TransColorado's request for a predetermination of rolled-in rate treatment.

In addition, the draft order denies Yates' request for rehearing, finding that providing a different quality of firm service to original shippers at the potential expense of future shippers is not justified in this situation.

This concludes my presentation on the REX-West Related Projects.

Now, Jeff Wright will briefly describe production and reserve trends in the Rockies, as well as recent developments in pipeline infrastructure.

Rockies Production Will Help Offset Gulf Decline

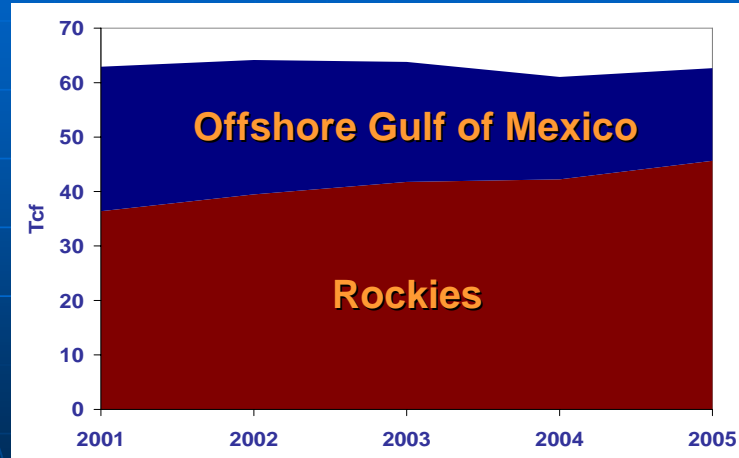


Source: Based on data from EIA Natural Gas Annual 2001 - 2005

The Rocky Mountain region, which for the purposes of this presentation is comprised of the states of Colorado, Wyoming, Utah and Montana, has show tremendous growth in production from the end of 2001 until the end of 2005, the last year for which detailed data is available from the Energy Information Administration of the Department of Energy. This slide shows that production in the Rocky Mountains has increased by almost 33% (an annual rate of increase of about 7.4%) over the time period in question, from 2.3 Tcf to about 3.1 Tcf while production in the offshore Gulf of Mexico has declined by about 38% (or 8.4% annually), from 5.1 Tcf to 3.1 Tcf.

As components of total U.S production, the change is dramatic. In 2001, the Gulf comprised just over one-quarter of U.S. production while the Rockies accounted for just less than 12% of U.S. production. By the end of 2005, each region accounted for approximately 17% of U.S. production.

Rising Rockies Reserves Will Support Future Production



Source: Based on data from EIA U.S. Crude Oil, Natural Gas, and Natural Gas Liquids Reserves 2001-2005 Annual Reports

It is somewhat axiomatic that to produce gas, one must have reserves. In this slide, we see that while the Rocky Mountain region has always been an important component of the proven natural gas reserves in the U.S., its importance has only increased in recent years.

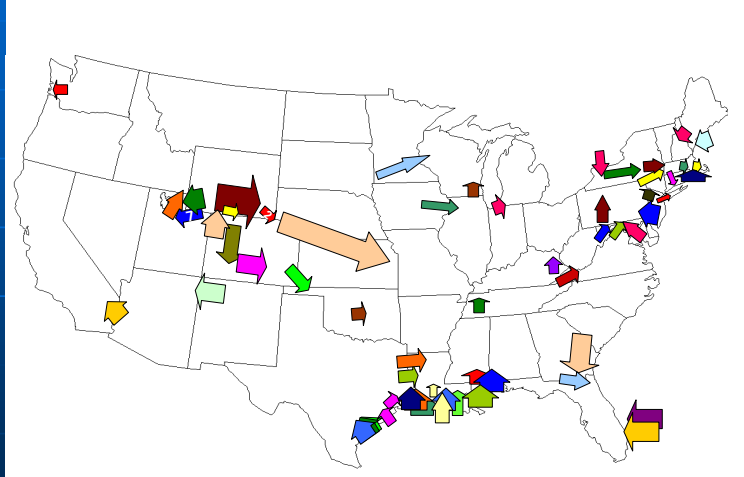
In 2001, the Rockies and the Gulf accounted for 19.8% and 14.4%, respectively, of the U.S. proven reserves. By the end of 2005, proven reserves in the Rockies increased by over 25% and now account for about 22.3% of total U.S. proven reserves. Over this same time period, Gulf reserves declined by almost 36%, now accounting for 8.3% of U.S. proven reserves.

Given this reserve picture, the REX West project should help to further increase Rockies production for shipment to markets east of the Rocky Mountain region.

Major Pipeline Projects Certificated (MMcf/d)

January 2004 to April 2007

- 41.1 Bcf/d
- 2,747 Miles
- 625,137 HP
- \$7.3 Billion



In this final slide, I'd like to show how hard the Commission has been working to approve pipeline infrastructure to enable gas to get to the end user.

This map, albeit a bit busy and a little more legible in hard copy, is designed to give one a quick impression as to where in the U.S. pipeline infrastructure has been approved, the general direction of the flow of the project and the relative size of the project as indicated by the widths of the arrows. The projects represented here are those approved by the Commission from the beginning of 2004 up to, but not including, this agenda.

In sum, we can see that in a little over three years, the Commission has approved over 40 billion cubic feet per day of pipeline capacity, over 2700 miles of pipeline, over 625,000 horsepower of compression, all at an estimated cost of \$7.3 billion. This averages out to an annual approval of roughly 13 billion cubic feet per day and 900 miles of pipeline.

A large proportion of the projects in and around the Gulf of Mexico and the Northeast Atlantic coast are associated with liquefied natural gas projects. There has been some activity in the Rocky Mountain region, notably the Cheyenne Plains project which was approved in 2004 and went into service at year-end 2004.

Continued on next page

Continuation from previous page

The REX West project – in terms of capacity and length – is the largest “greenfield” pipeline that the Commission has approved in recent years. It also represents a change in the focus of the projects that have come before the Commission in recent years – from those projects designed to haul regasified LNG to the pipeline grid to a major project to transport domestic production to market. And, in the not too distant future, the Commission can expect to see more projects designed to transport domestic production as the industry develops the shale deposits in Texas, Oklahoma and Arkansas.

That concludes our presentation. We will be happy to answer any questions that you may have.