

LNG

*Fuel Alternative for
Heavy Duty Transportation*

Southeast LNG

who

Joint venture between
AGL Resources and **El Paso**

what

Full-service company providing
LNG to **HD transportation market**

where

Serving the **southeastern U.S.**

why

LNG is **cleanest alternative** to diesel
25% of HD truck traffic in southeast

A Strong Partnership



- Largest natural gas distribution company on the east coast
- 45,000 miles of distribution lines
- #1 safety record in peer group



- Largest LNG terminal operator in the U.S.
- 42,000 miles of interstate natural gas pipeline (*North America's largest system*)

LNG: Liquefied Natural Gas

- Natural gas vapor cooled to -260°F
- Converts from vapor to a liquid (LNG)

**1 cubic foot
of LNG = 600 cubic feet of
natural gas vapor**

LNG Advantages for Heavy Duty Transportation

Economic

Fuel savings **up to \$1 gallon**

Tax credits can offset **50-80%** of new vehicle cost

Environment

Reduces **greenhouse gas emissions by 20%**

Safety

Lighter than air • **Non toxic** • Evaporates quickly

Higher ignition point than liquid fuels (600°C vs 200°C)

Service Territory



- 25% HD trucking occurs in southeast United States

Target Markets



Economic Case LNG Truck @ 75,000 MPY

Cost Savings Analysis	2009 Diesel	2010 Diesel	LNG	Differential
Fuel Cost - per Diesel Gallon Equivalent	\$ 2.979	\$ 2.979	\$ 2.229	\$ 0.750
2010 ISL G Fuel Consumption (MPG)	6.10	5.80	5.49	0.30
Fuel Cost per Mile	\$ 0.488	\$ 0.514	\$ 0.406	\$ 0.108
Vehicle's Annual Mileage	75,000	75,000	75,000	-
2010 Annual Fuel Cost per Truck	\$ 36,627.05	\$ 38,554.79	\$ 30,450.82	\$ 8,103.97
Maintenance Cost Differential	\$ -	\$ (1,200.00)	\$ 1,200.00	\$ 2,400.00
Annual Savings				\$ 10,503.97

Assumptions

U.S. diesel prices from August 2010 EIA data. 2009 vs. 2010 diesel fuel consumption and maintenance data projected from industry sources. LNG fuel consumption and maintenance data from a Sterling truck operating at the Port of Los Angeles, CA. LNG fuel cost includes the construction of a fueling station. Analysis is for a Cummins/Westport 8.9L ISL natural gas engine and does not include any federal tax incentives.



William Peeples

Vice President, Sales & Marketing

404-584-3110

william.peeples@southeastlng.com

southeastlng.com