

## Capacity Release Market Activity Growing Despite Lower Gas Prices and Demand Destruction

**Boston MA. September 22, 2009.** In its latest benchmarking report, Capacity Center ([www.capacitycenter.com](http://www.capacitycenter.com)) indicates that all aspects of the interstate pipeline capacity release markets have grown in the first 8 months of 2009 compared to the same period of 2008. “The more than 50 pipelines that we track are experiencing a bumper year in terms of capacity release activity”, stated Greg Lander, President of Capacity Center. Lander further indicates, “the significant increases in activity, as well as the shifting dynamics of particular pipelines is most likely caused by a couple key factors, such as the elimination of price caps last year, demand destruction’s impact and storage market dynamics. These factors are creating new players, different profit making opportunities and a lot of scrambling”.

Capacity release deal volume has dramatically increased due to dynamic market shifts in 2009. The two most significant shifts are deal volumes done outside of bid week and activity level increases on particular pipelines. According to Capacity Center more than a third of all deals are now taking place outside of bid week, an increase of nearly 50% percent compared to years past.

The following chart depicts overall capacity release figures for all interstate pipelines.

### Pipeline Capacity Release Market Figures

Statistical Category – (all pipes)	Jan – Aug 2008	Jan – Aug 2009	Pct Change
Daily Capacity Traded	8,771,045 Dth/d	10,964,866 Dth/d	+ 25%
Deal Count	15,360 Deals	17,972 Deals	+ 17%
Number of Releasing Shippers	524	581	+ 11%
Number of Acquiring Shippers	421	457	+ 9%

Deal activity across pipelines shifted dramatically in 2009 versus 2008. Among the notable changes are, Texas Eastern which jumped from outside of the top 20 to number 3, NGPL moved up 7 spots to number 11 and Iroquois made the top 20 for the first time with an increase in traded volume of 187%. Deal volume and capacity traded increased across the board within the top 20. According to Lander, “We are seeing several key new entrants buying and trading capacity release and believe this will continue to drive the shift in market trends for the rest of the year and beyond.”

## Capacity Release Pipeline Rankings

Pipeline	(Daily Volume)		2009 Daily Equiv Capacity Traded	2008 to 2009 Rank Change	2008 to 2009 Daily Equiv Change	(Deal Count)	
	2009 Rank	2008 Rank				2009 Rank	% Change over 2008
Transcontinental	1	1	1,768,411	N/C	129%	1	113%
Tennessee	2	2	1,215,978	N/C	145%	2	122%
Texas Eastern	3	25	720,535	+22	743%	3	753%
Southern Natural	4	7	718,296	+3	172%	8	94%
Algonquin	5	3	600,586	-2	102%	5	130%
Columbia Gas	6	4	554,022	-2	103%	4	118%
Dominion	7	5	425,991	-2	95%	7	113%
Northwest Pipeline	8	6	380,002	-2	87%	16	70%
Columbia Gulf	9	8	320,383	-1	91%	10	112%
Panhandle Eastern	10	15	317,734	+5	169%	6	118%
Natural Gas Pipeline	11	18	315,369	+7	239%	17	245%
Northern Natural	12	9	301,467	-3	91%	12	106%
Questar Pipeline	13	16	273,872	+3	152%	40	42%
Florida Gas	14	17	271,617	+3	156%	9	98%
ANR Pipeline	15	13	230,426	-2	108%	14	96%
Southern Star Central	16	14	225,368	-2	108%	8	94%
Trunkline	17	10	214,789	-7	83%	15	123%
Iroquois	18	24	205,392	+6	187%	23	156%
Gulf South	19	26	194,490	+7	217%	26	95%
Great Lakes	20	20	164,048	N/C	135%	18	30%
All Others			1,546,090		109%		107%

The capacity release benchmarking report utilized Capacity Center's database of all the capacity release deals done on every interstate pipeline.

For more information contact Greg Lander, [glander@skippingstone.com](mailto:glander@skippingstone.com) or (978) 717-6140

CapacityCenter.com operates the only 24/7/365 natural gas interstate pipeline data center covering all the US pipelines. Its automated services monitor capacity release offers, system notices and deal awards information and streams transaction details as they occur to its customers via email for trading, risk and regulatory compliance as well as deal origination and valuation purposes.

Visit [www.capacitycenter.com](http://www.capacitycenter.com) for more information.