



Duke Energy Gas Transmission

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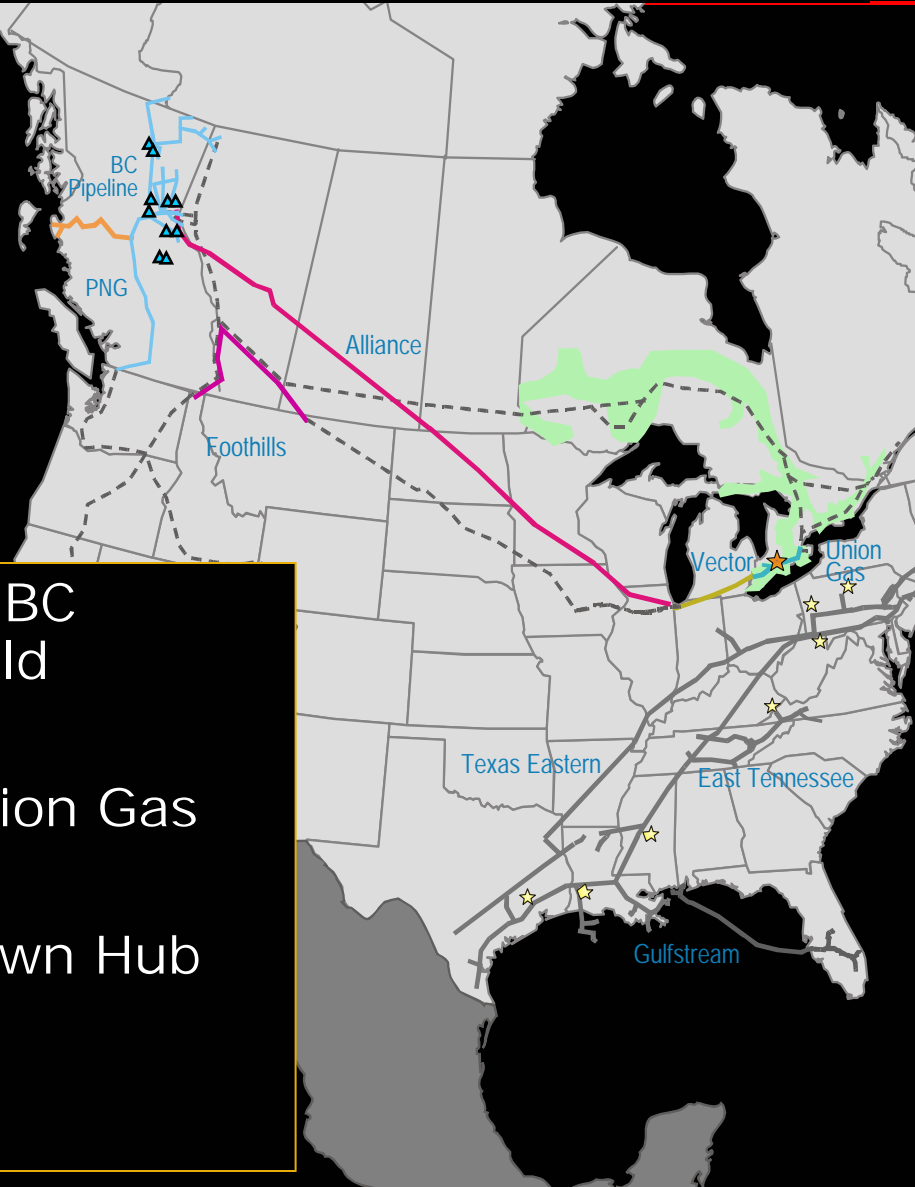
President, Canada



Duke Energy Gas Transmission Canada

Growth Opportunities

- Expansion of BC Pipeline & Field Services
- Growth of Union Gas distribution
- Growth of Dawn Hub
- Northern Gas development



<u>Pipelines</u>	<u>Miles</u>	<u>Bcf/d</u>
BC Pipeline	3400	1.9
Dawn Trafalgar	500	5.4
Foothills (50%)	600	3.3
Vector (30%)	350	1.0
Alliance (24%)	2300	1.3

<u>Union Gas</u>	
Miles of pipe	21,500
Deliveries (TCF)	1.3
Customers	1,100,000
Storage Capacity (BCF)	150

<u>Processing</u>	<u>Plants</u>	<u>Bcf/d</u>
BC Pipeline & Field Services	7	2.5

Combined BC Pipeline and Field Services

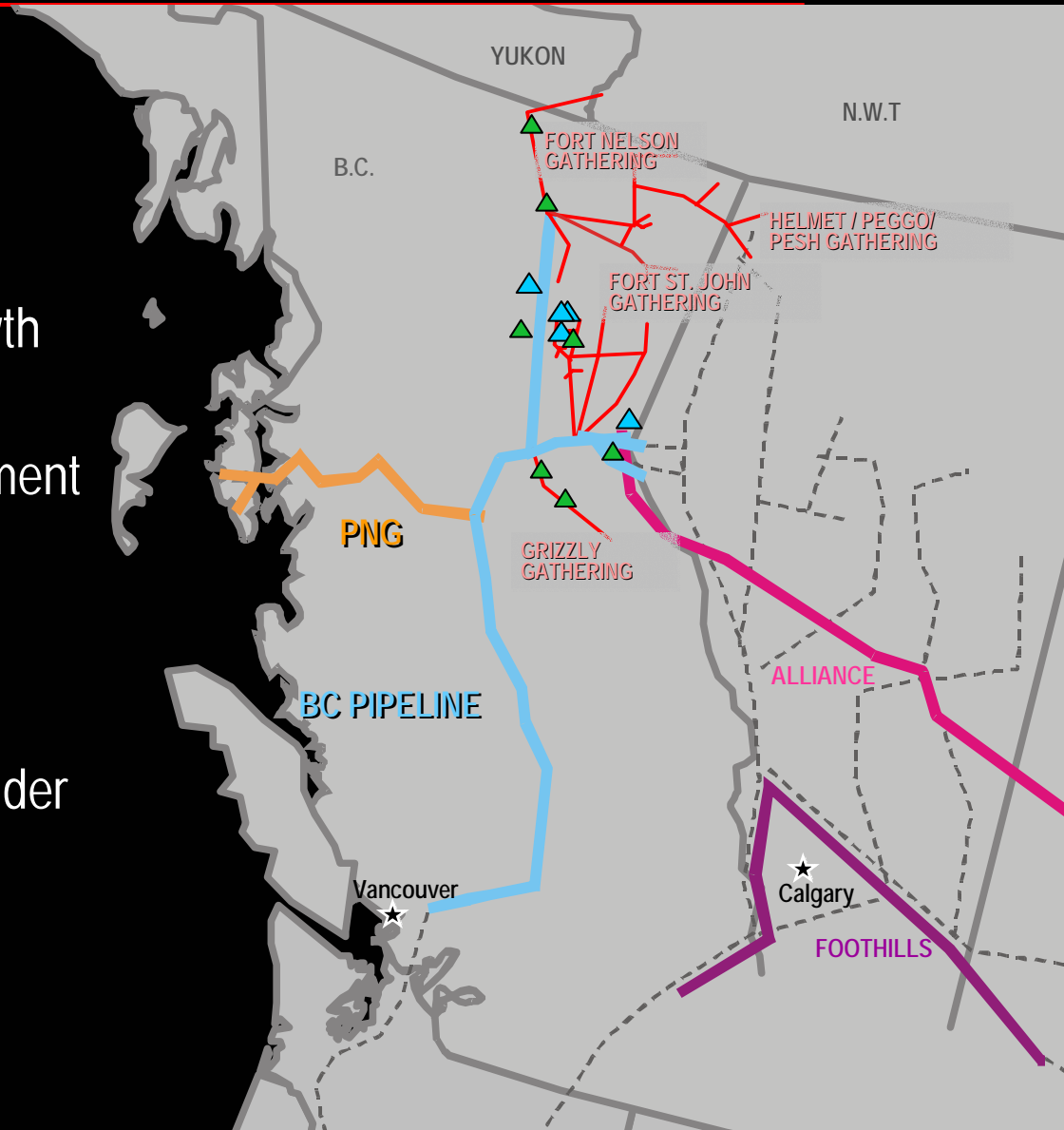


BC Pipeline

- Capacity: 2 Bcf/d
- Strong supply & demand growth
- Cost of service regulation
- Rates fixed in 02-03 by settlement

Field Services

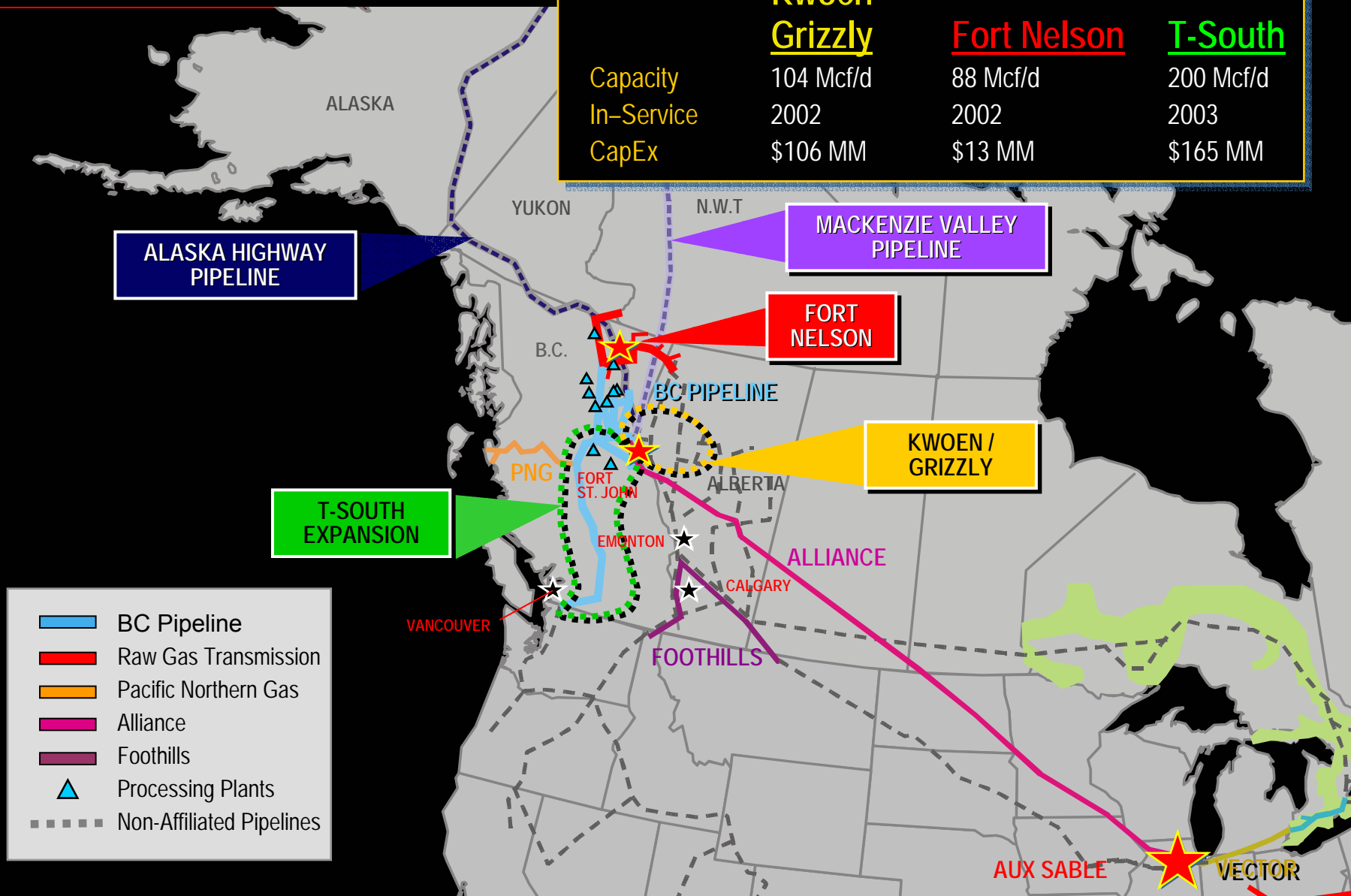
- Capacity: 2+ Bcf/d
- Negotiated fee based rates under light handed regulation
- Staggered contract terms
- Market share 65%



BC Pipeline and Field Services - Opportunities



	<u>Kwoen</u> <u>Grizzly</u>	<u>Fort Nelson</u>	<u>T-South</u>
Capacity	104 Mcf/d	88 Mcf/d	200 Mcf/d
In-Service	2002	2002	2003
CapEx	\$106 MM	\$13 MM	\$165 MM

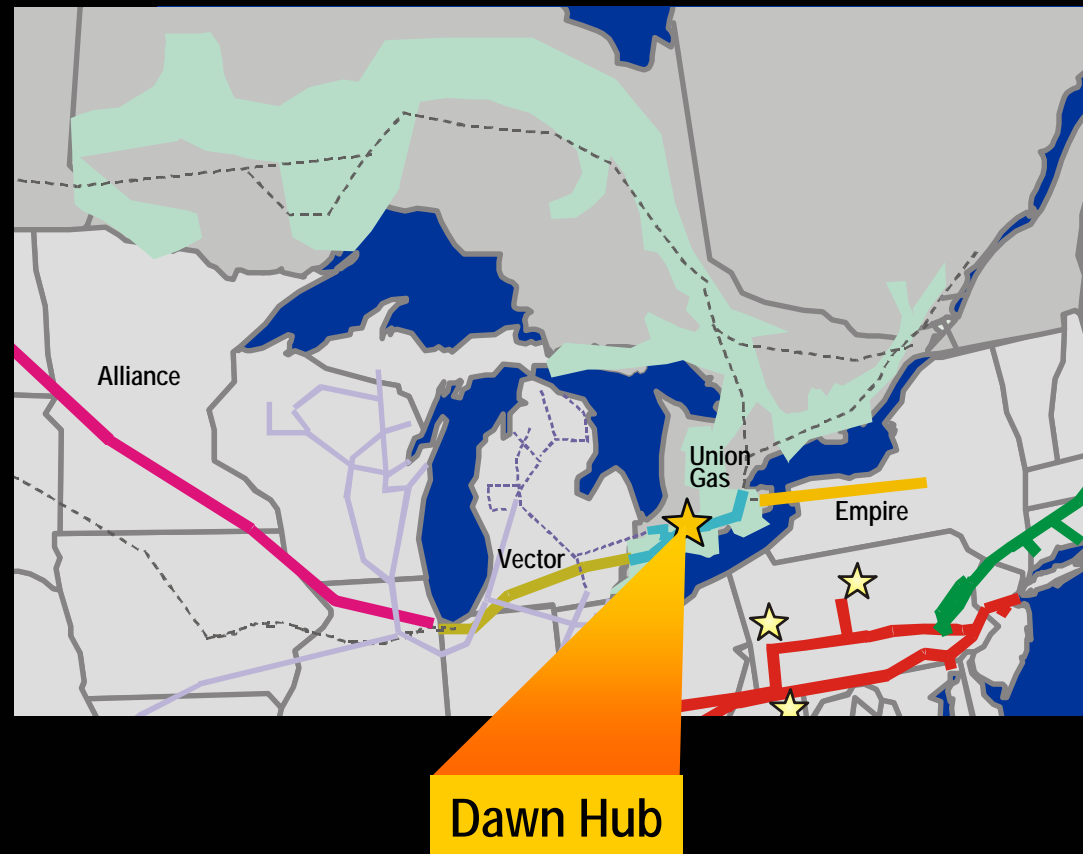


- BC Pipeline
- Raw Gas Transmission
- Pacific Northern Gas
- Alliance
- Foothills
- Processing Plants
- Non-Affiliated Pipelines

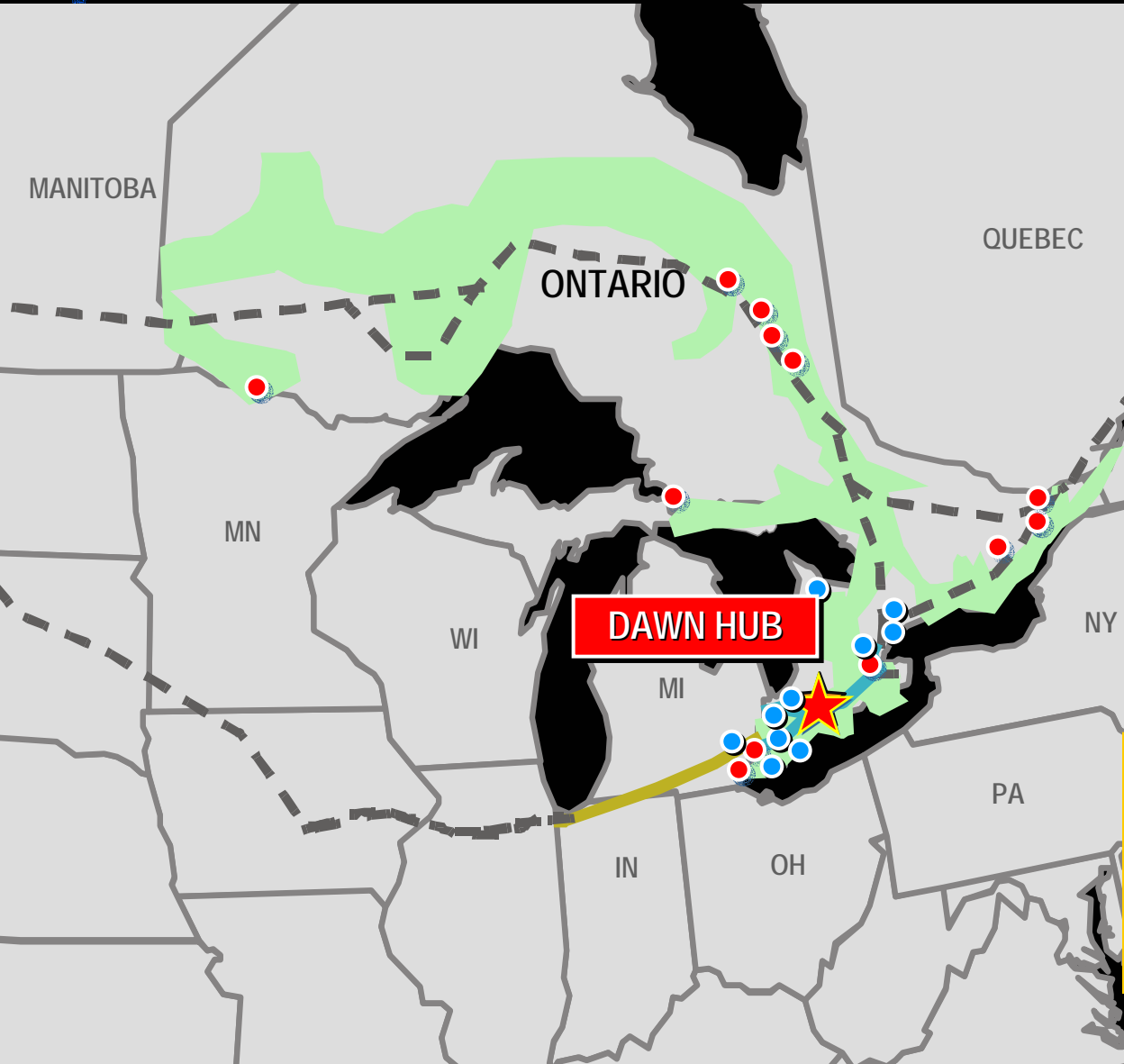
Union Gas

Storage & Transmission

- Integrated storage and distribution business
- First generation of Performance-Based Regulation (PBR) in place
- Price cap with earnings band



Union Gas Distribution – Growth Opportunities



Distribution

- Steady growth (20,000 new customers annually)
- Gas-fired generation potential

Storage & Transmission

- Dawn Hub well positioned to capture increase in gas demand

Gas-fired generation

- In-service
- Negotiating

2001 Net Income

	Ownership	Ownership In Rate Base U.S. \$MM	Equity Component	Allowed Return on Equity	2001 Net Income U.S. \$MM
BC Pipeline and Field Services	100%	1,444	35%	**	\$ 78
Union Gas	100%	1,968	35%	9.9%	68
Empire	100%	137	40%	12.5%	6
Pacific Northern Gas***	43%	107	36%	10.0%	1
M&NP – Cdn*	37.5%	207	25%	13.0%	7
M&NP – US*	37.5%	227	25%	14.0%	10
					<u>\$ 170</u>

* Incremental increase from Westcoast. DEGT total will be 75%.

** Westcoast operates under a framework for light-handed regulation for its gathering and processing facilities. Transmission services operate under a multi-year incentive-based toll settlement.

*** 100% of the voting shares

2001 Equity Earnings

	Ownership	Equity Component	Allowed Return on Equity	2001 Equity Earnings U.S. \$MM
Foothills	50%	30%	9.6%	\$ 3
Vector – US	30.0%	30%	14.0%	1
Alliance – Cdn	23.6%	30%	10.9%	13
Alliance – US	23.6%	30%	11.2%	13
				<u>\$ 30</u>

Estimated EBIT

	U.S. \$MM
Net Income	\$170
Equity Earnings	30
Total	<u>200</u>
Estimated Taxes	100
Estimated Interest	200
Estimated EBIT	<u><u>\$500</u></u>

Earnings Profile for Westcoast's Gas Assets

Percent of annual earnings



Debt Ratings

Unsecured debentures	Standard & Poors (S&P)	Dominion Bond Rating Service (DBRS)
WEI	A+	A (low)
Union	A+	A

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