



NYSE: SUG

Investor Meetings

October 19, 2005



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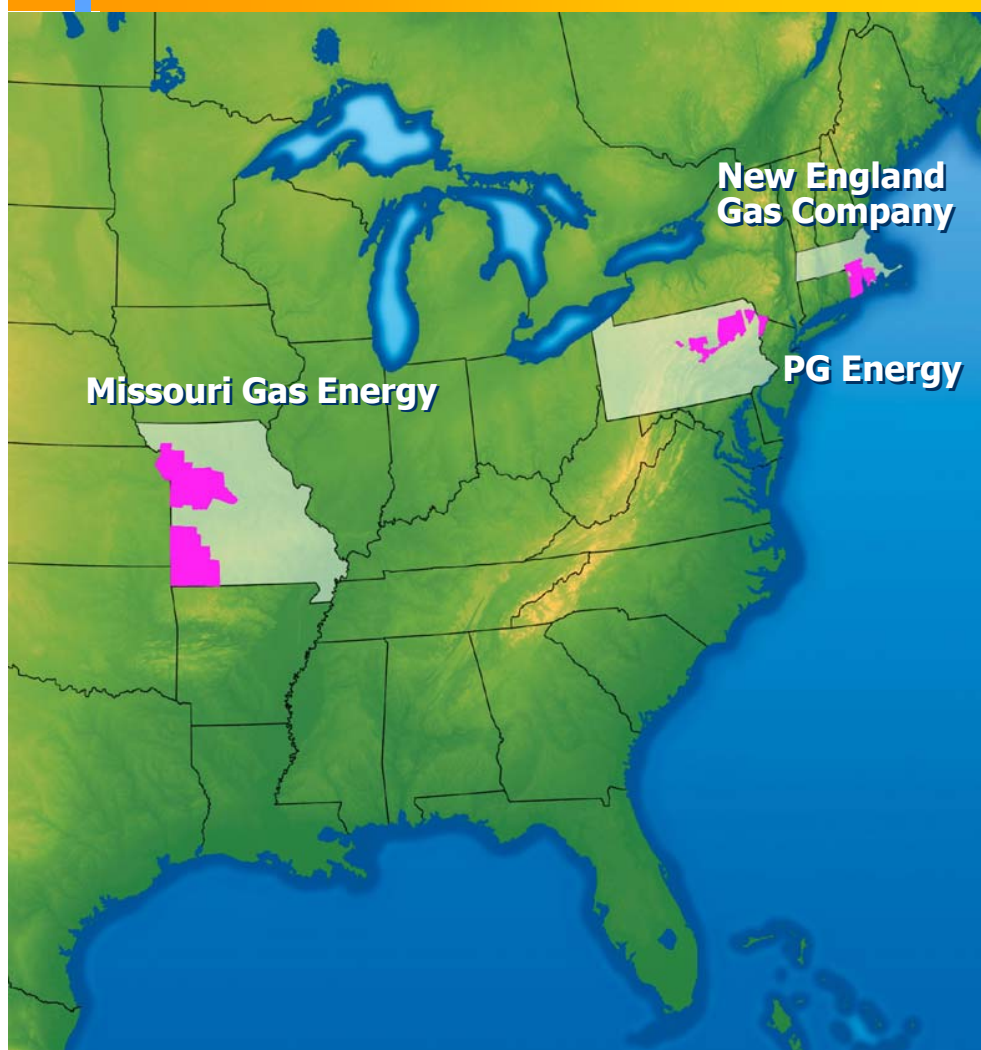
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Widespread Asset Base



Natural Gas Distribution Assets Overview



- Limited commodity price risk
- History of constructive rate-making, sharing and recovery mechanisms
 - Weather normalization in Rhode Island
- Highlights:
 - Nearly one million customers
 - Retail sales: 112 Bcf
 - Transportation volumes: 61 Bcf
- Evaluating 2006 rate case filings in:
 - Missouri
 - Pennsylvania
 - Massachusetts

Geographic Diversification Unified by Strong Operations



Missouri Gas Energy



- Headquartered in Kansas City, MO
- Serves approximately 500,000 customers
- Serves 34 counties throughout MO
- Regulated by the Missouri Public Service Commission
- MGE received a \$22.5 million rate increase effective October 2004
- SUG appealed ROE and Capitalization

PG Energy



- Headquartered in Wilkes-Barre, PA
- Serves approximately 160,000 customers
- Serves 13 counties in northeastern and central PA
- Regulated by the Pennsylvania Public Utility Commission

New England Gas Co.



- Headquartered in Providence, RI
- Serves approximately 300,000 customers
- Serves the state of Rhode Island and southeastern Massachusetts
- Regulated by the RI Public Utilities Commission and the Massachusetts Department of Telecommunications & Energy



Panhandle Assets

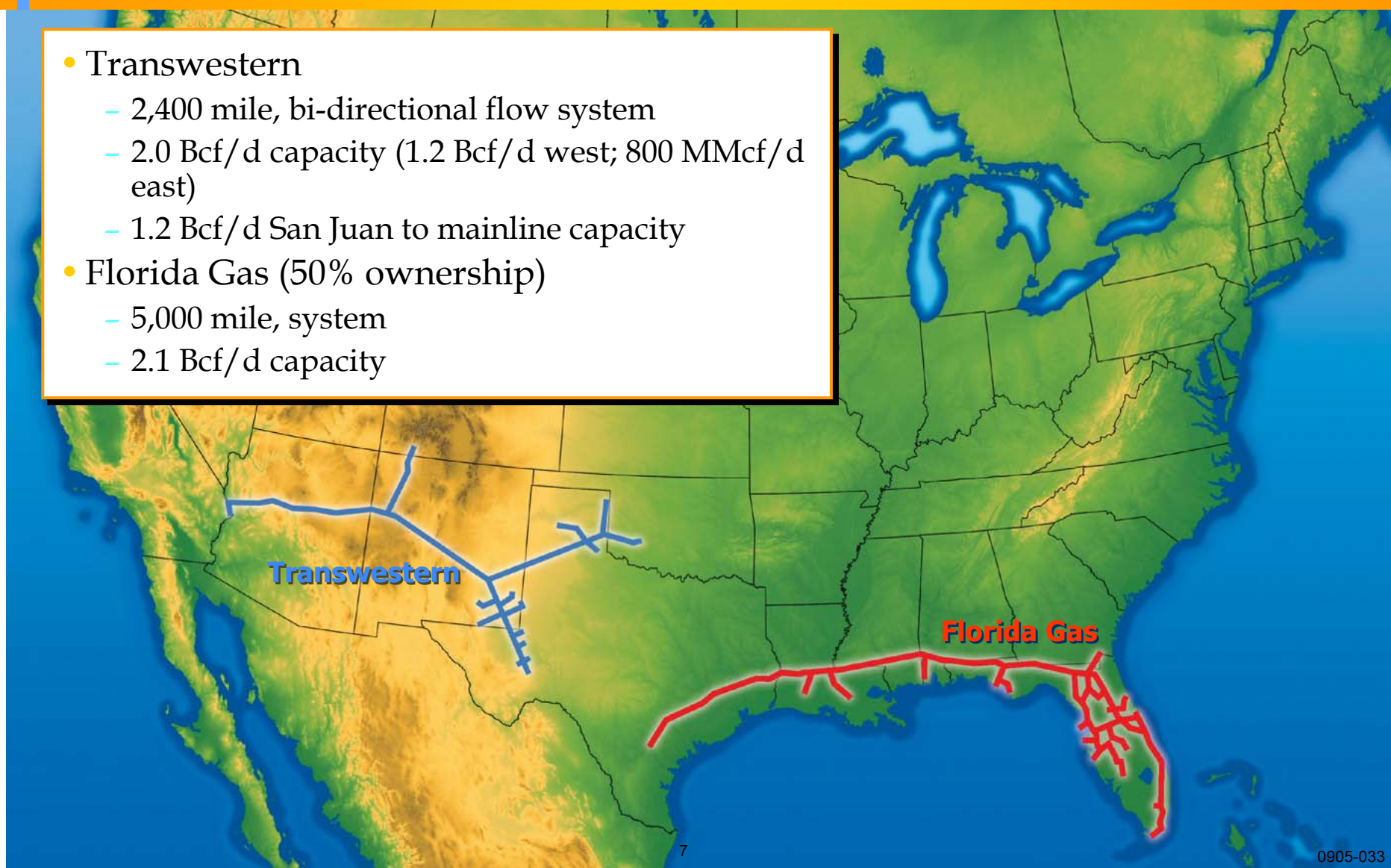
- Panhandle Eastern Pipe Line (PEPL)
 - 6,340 mile, 4-line system
 - 2.8 Bcf/d capacity
- Trunkline Gas (TGC)
 - 3,578 mile, 2-line system
 - 1.5 Bcf/d capacity
- Sea Robin
 - 432 mile offshore system
 - 1.0 Bcf/d capacity
- Trunkline LNG
 - 6.3 Bcf equivalent of storage
 - Sustainable sendout capability of 630 MMcf/d





CrossCountry Assets

- Transwestern
 - 2,400 mile, bi-directional flow system
 - 2.0 Bcf/d capacity (1.2 Bcf/d west; 800 MMcf/d east)
 - 1.2 Bcf/d San Juan to mainline capacity
- Florida Gas (50% ownership)
 - 5,000 mile, system
 - 2.1 Bcf/d capacity





Growth Opportunities



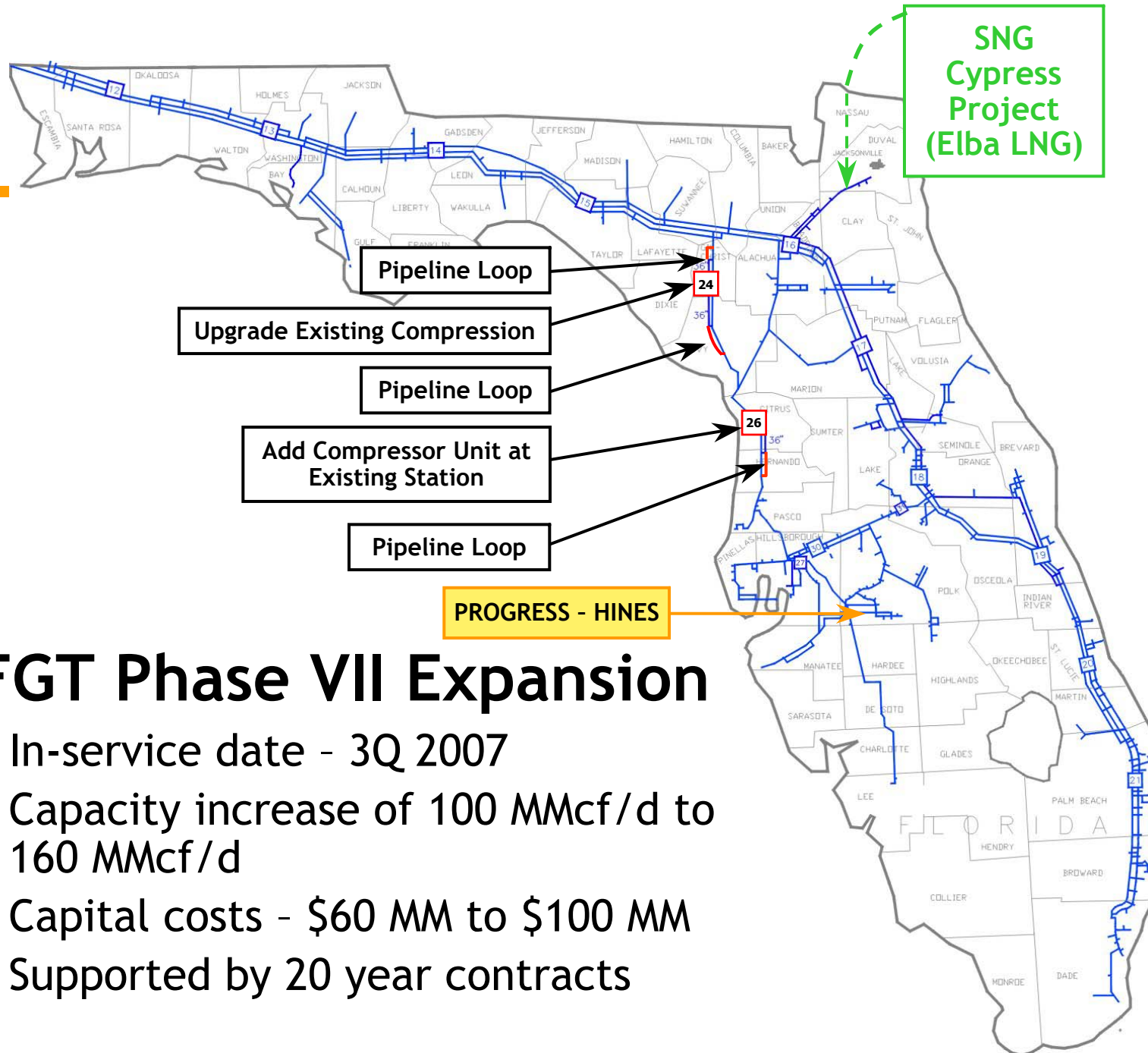
LNG Expansion Projects

Overview

- Project costs of approx. \$264 million; \$200 million spent to date, \$64 million remaining
- All expansion capacity and sendout fully contracted to BG through 2023
- Projects to generate approx. \$80 million in annual revenues with a significant portion falling to EBITDA
- Projects will begin contributing to earnings in CY 2005 and will have full-year earnings impact in CY 2007

Progress

- Phase I - \$137MM
 - Construction underway
 - Double sendout capacity to 1.2 Bcf/d
 - Increase storage capacity to 9.0 Bcf
- Phase II - \$77MM
 - FERC approved September 2004
 - Increase sendout capacity to 1.8 Bcf/d, with peak of 2.1 Bcf/d
 - Completion by mid-calendar 2006
- Trunkline Loop - \$50MM
 - FERC approved September 2004
 - Increase takeaway capacity to accommodate expansions
 - Completed July 2005

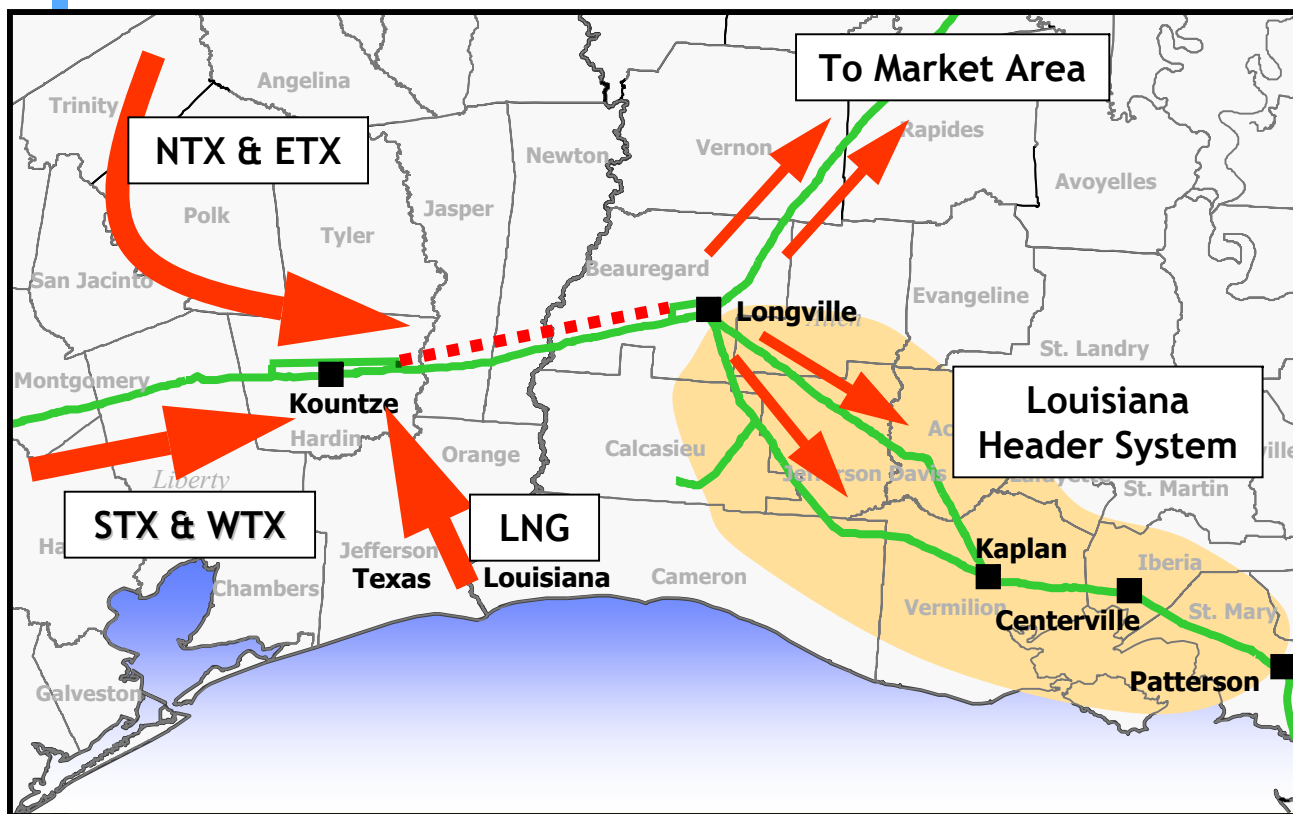


FGT Phase VII Expansion

- In-service date - 3Q 2007
- Capacity increase of 100 MMcf/d to 160 MMcf/d
- Capital costs - \$60 MM to \$100 MM
- Supported by 20 year contracts



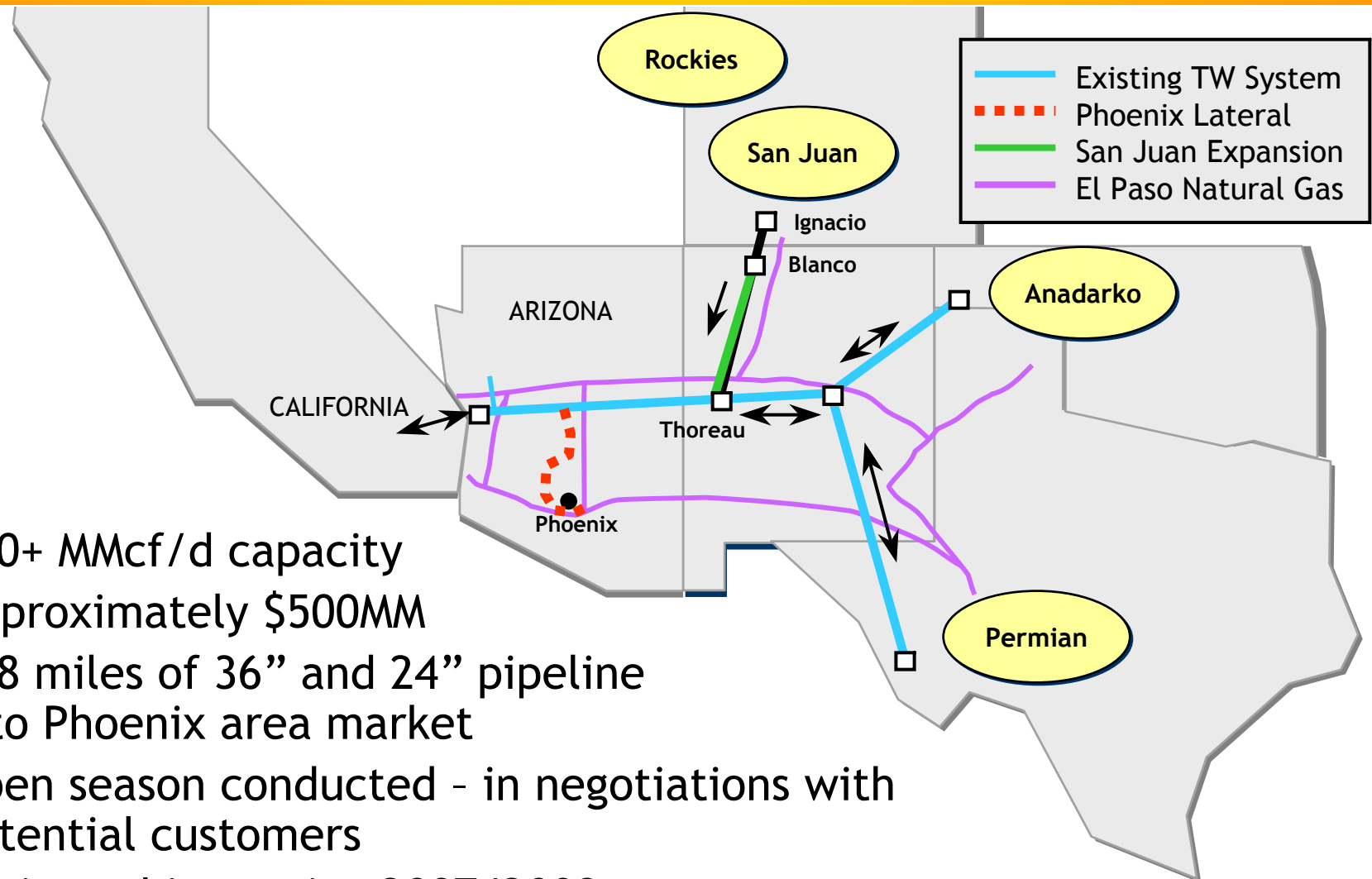
Trunkline Texas Expansion



- Up to 41 miles of 30"/36" pipeline
- Capital cost of \$60MM to \$100MM
- Up to 400 MMcf/d of new capacity
- Access to ETX and NTX supply (short-term) and SETX LNG (long-term)
- Began FERC pre-filing process
- In service mid 2007

The North Texas expansion will allow Trunkline to receive incremental Texas production and Texas Gulf Coast LNG via existing or proposed intrastate pipeline connections.

Transwestern Pipeline Phoenix Lateral



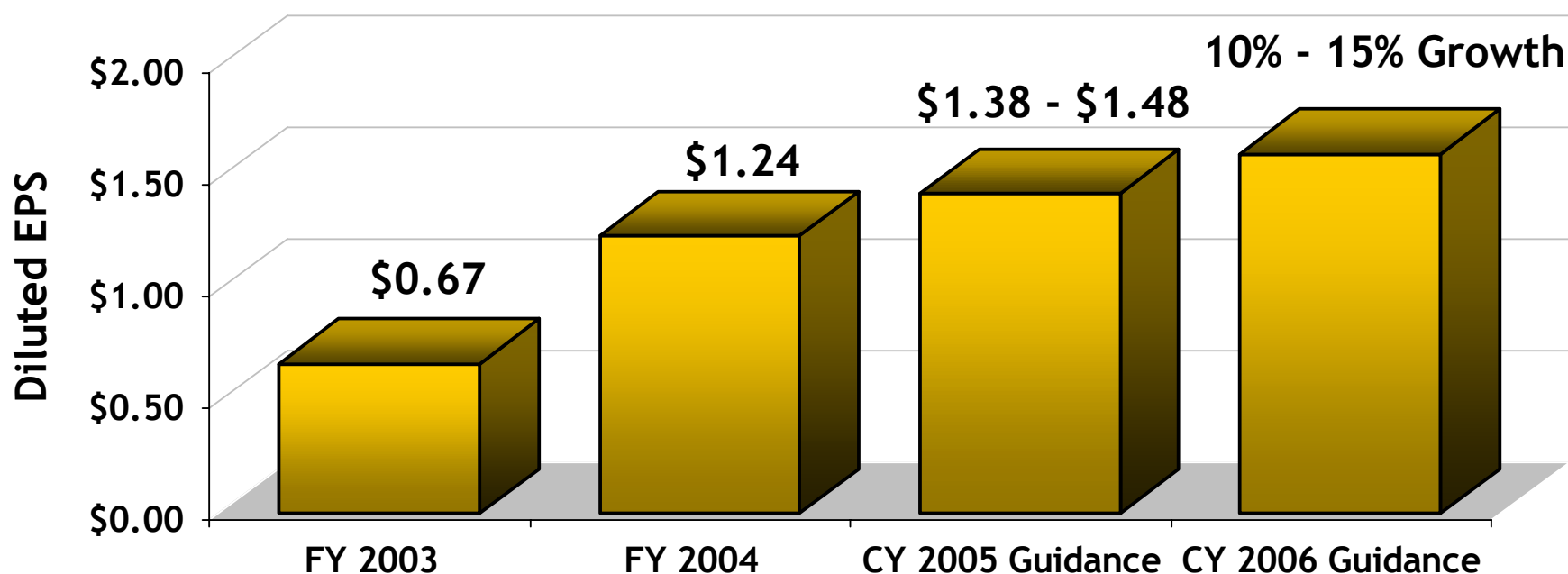
- 500+ MMcf/d capacity
- Approximately \$500MM
- 258 miles of 36" and 24" pipeline into Phoenix area market
- Open season conducted - in negotiations with potential customers
- Projected in-service 2007/2008



Financial Highlights



EPS Growth Profile



Note: All current and prior year EPS amounts have been adjusted to reflect the 5% stock dividend paid to shareholders on September 1, 2005.

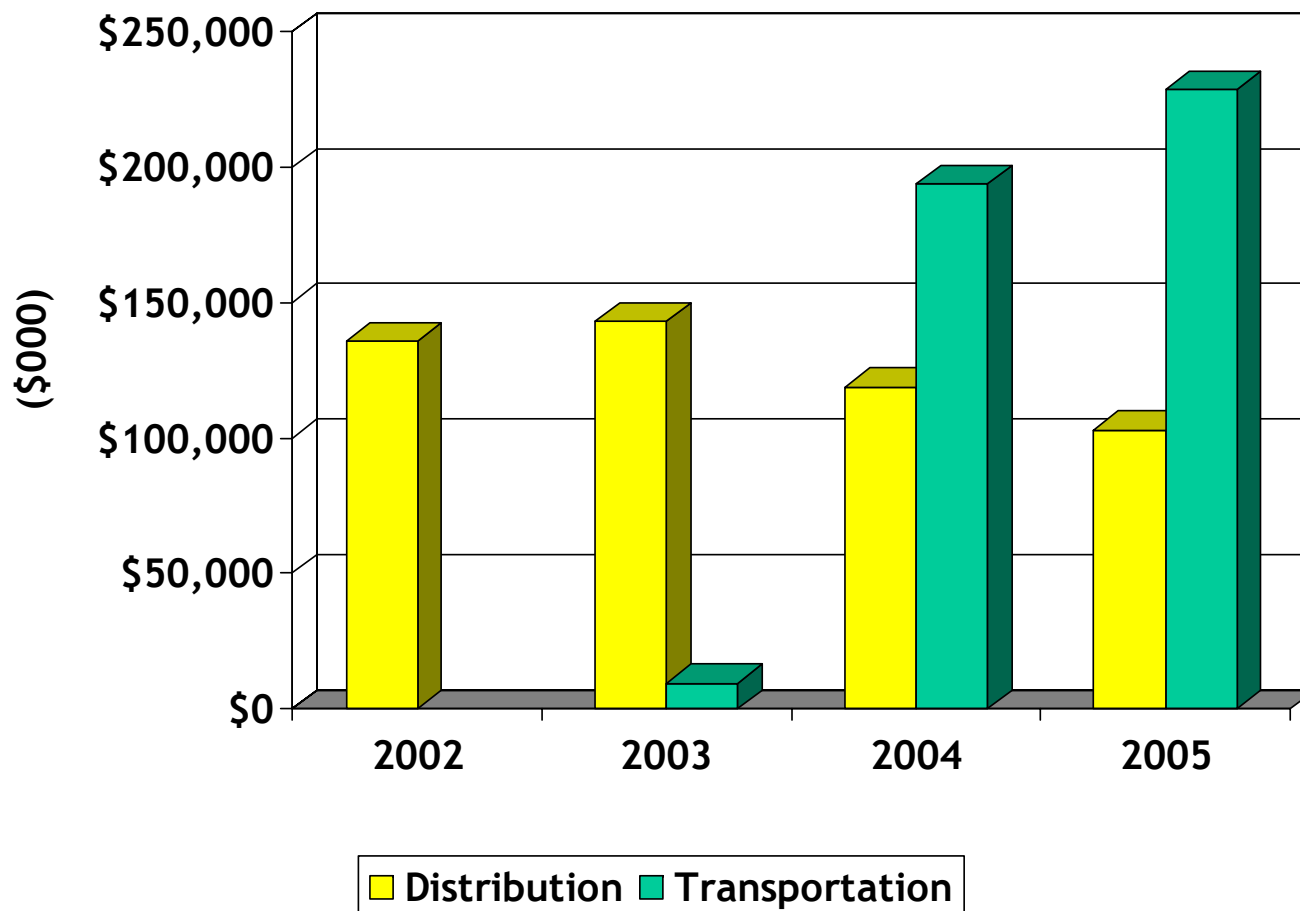


Strong Earnings Potential

- Drivers for Calendar 2005
 - CCE Holdings investment for full year - \$45 MM to \$50 MM after tax
 - \$17.5 MM of synergies split between SUG and CCEH
 - Full year of \$22.5 MM MGE rate case
- Drivers for Calendar 2006
 - LNG expansions
 - Remainder of synergies
 - Full year San Juan expansion



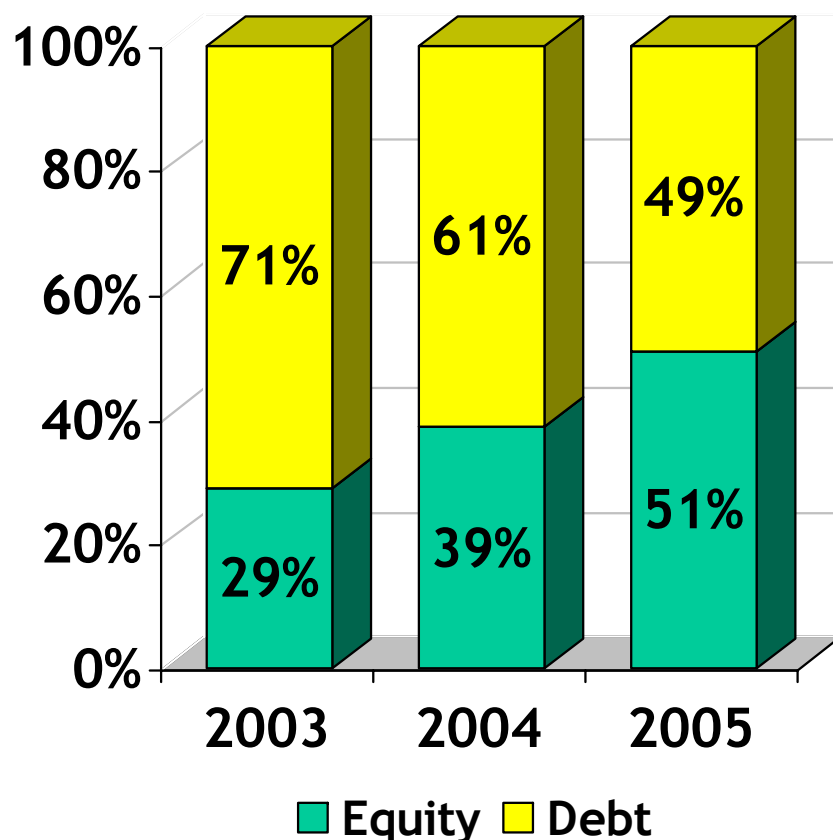
Segment Operating Income



Note: Data shown represents fiscal years ended June 30, 2002 through 2004. 2005 represents trailing twelve months ended June 30, 2005.



Respect for the Balance Sheet



Note: Debt/Cap as of June 30 with 100% equity credit to preferred stock and mandatory equity units.

- Investment grade ratings:
 - BBB (negative outlook) at S&P
 - BBB (stable) at Fitch
 - Baa3 (negative outlook) at Moody's
- Strong internal equity formation



Investment Thesis

- One of the largest pure-play regulated natural gas companies in the United States
 - 18,000 miles of interstate pipelines serving customers from coast to coast - approximately 75% of EBIT
 - Three distribution divisions serving 1 million customers - approximately 25% of EBIT
 - Owns and operates the only LNG receipt terminal on the U.S. Gulf Coast
- Proven acquisition track record
 - Successful integration of six acquisitions since 1999
 - Focus on energy infrastructure assets
- Attractive business profile and earnings and cash flow growth visibility
 - High quality, stable and predictable cash flows
 - Low business risk with nearly 100% of businesses regulated
 - Outstanding low risk growth opportunities