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## Ruby Pipeline

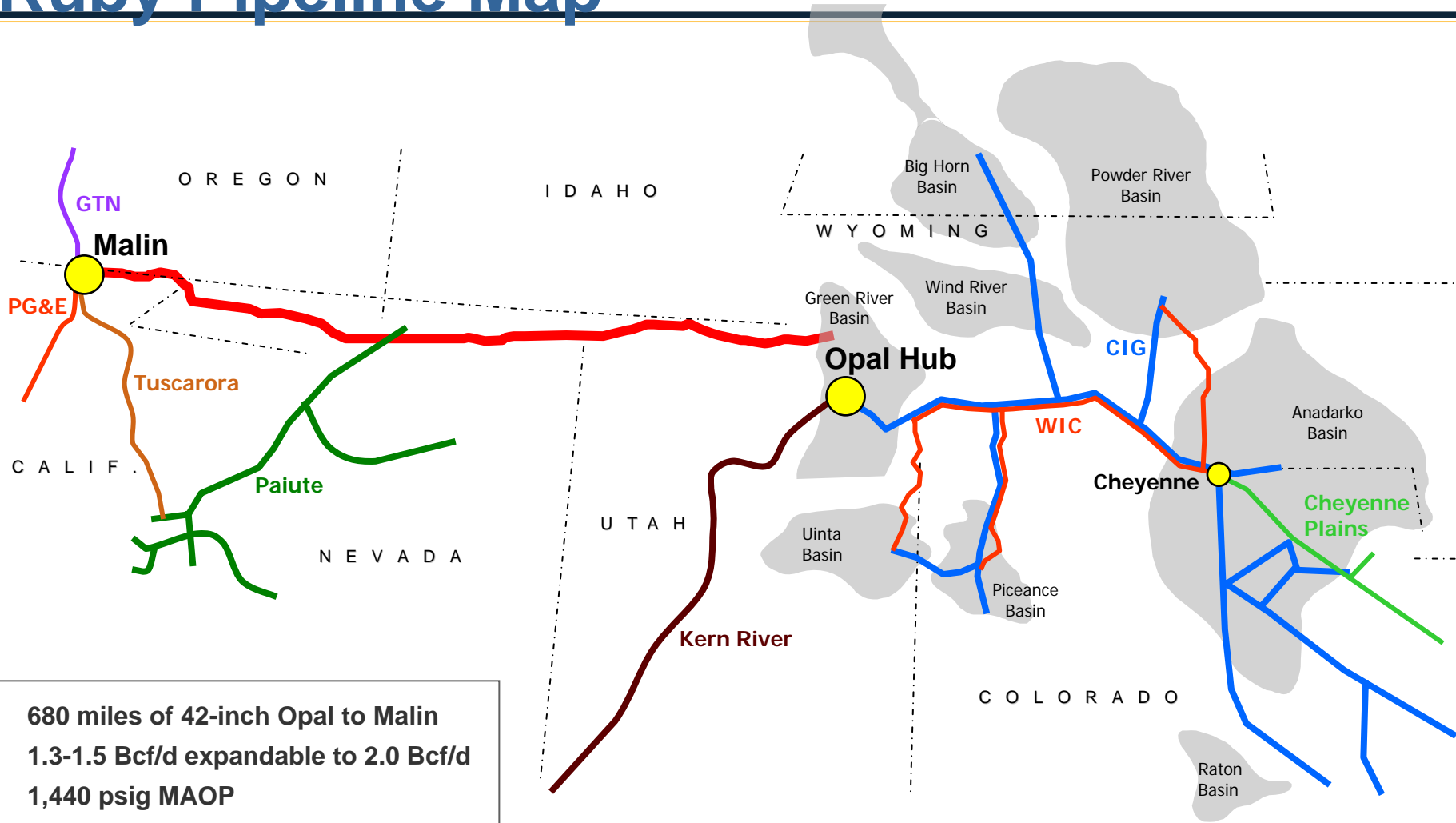
**Wyoming Pipeline Authority**  
February 17, 2009

# Cautionary Statement Regarding Forward-looking Statements

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This presentation includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The company has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this presentation, including, without limitation, our ability to successfully contract, build and operate the pipeline projects described in this presentation; changes in supply of natural gas; general economic and weather conditions in geographic regions or markets served by El Paso Corporation and its affiliates, or where operations of the company and its affiliates are located; the uncertainties associated with governmental regulation; competition, and other factors described in the company's (and its affiliates') Securities and Exchange Commission filings. While the company makes these statements and projections in good faith, neither the company nor its management can guarantee that anticipated future results will be achieved. Reference must be made to those filings for additional important factors that may affect actual results. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

# Ruby Pipeline Map



- 680 miles of 42-inch Opal to Malin
- 1.3-1.5 Bcf/d expandable to 2.0 Bcf/d
- 1,440 psig MAOP
- Measurement – 8 locations
- 64%+/- Public Land
- 2 National Forests – Cache and Fremont/Winema

# Ruby Stats

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- 1.223 Bcf/d of transportation commitments from customers
  - 125 MMcf/d subject to BOD approval
- El Paso Board approval on June 17, 2008
- CPUC approval received November 7, 200
- Initial capacity will be 1.3 to 1/5 Bcf/d
- Estimated cost \$2.96 Billion
- Final sizing based on market support
- Rates
  - \$0.95 less than 200 MDth/d, 10-year contract term
  - \$0.820 200 MDth/d or greater, 30-year contract term
- Begin service in March 2011

# Ruby Project Status Report (01/20/09)

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- **Project Management (contractor agreements 6/24/08)**
  - Filed updated USGS Quads with current route (7/22/08)
  - Compression bids received 9/5/08 (electrical compression at head station all other locations will be natural gas)
  - Implementing Greenhouse Gas Initiatives to result in a zero carbon footprint
  - Interconnect agreements being negotiated
  - Pipeline:
    - > finalized pipe purchase agreement 6/24/08
    - > centerline survey 100% complete
    - > construction contractor commitments on 6/24/08
  - Environmental Survey clearance from all 438 landowners (100%)
- **Environmental (started field work 4/14/08)**
  - Biological survey (98% complete)
  - Archeological survey (98% complete)
- **Regulatory (prefiling completed 1/28/08: Docket #PF08-9-00)**
  - Scoping meetings completed in April 2008
  - Filed FERC Certificate Application January 27, 2009
  - Route alternatives under review in Northwestern Nevada

# Ruby – First Carbon Neutral Pipeline

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- GHG Mitigation Measures
- Project Developer / Shipper compact
- Compressors to be powered by both gas and electric
- Purchase renewable power (e-tags) to run e-motors
- Internal coating of the pipeline
- Apply Best (methane) Management Practices (BMPs)
- Leadership in Energy and Environmental Design (LEED)
- Reforestation along Ruby route and other locations
- Purchase Voluntary Emissions Reduction (VER) credits
- Non-capital GHG mitigation costs recovered as part of tariff fuel charge

# Shipper Commitment Summary

Shipper	Credit Rating	Volume (MDth/d)	Term (Years)	Rates (\$/Dth)	Annual Revenues
PG&E	Baa1 / BBB+	375	15	\$0.680	\$93,075
Anadarko	Baa3 / BBB-	200	10	\$0.885	\$64,605
BP	Aa1 / AA+	95	10	\$0.950	\$32,941
Shipper A <sup>1</sup>	Baa1 / BB+	200	10	\$0.885	\$64,605
Shell - 1	A2 / A-	75	10	\$0.950	\$26,006
Shell - 2	A2 / A-	50	10	\$0.950	\$17,338
Bill Barrett	NR	50	10	\$0.950	\$17,338
Berry Petroleum - 1	B2 / BB	25	10	\$0.950	\$8,669
Berry Petroleum - 2	B2 / BB	13	10	\$0.950	\$4,464
Marathon	Baa1 / BBB+	40	10	\$0.950	\$13,870
Antero	NR	25	10	\$0.950	\$8,669
Occidental	A2 / A	50	10	\$0.950	\$17,338
Nexen	Baa2 / BBB-	25	5	\$0.950	\$8,669
		<b>1,223</b>			<b>\$377,587</b>

1. 75 Binding commitment, 125 require BOD approval

# Capacity Marketing Continues

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- Rocky Mountain producers
- Pacific Northwest utilities
- California municipal utilities
- Nevada utilities and small cities
- Discussions underway for GTN capacity from Malin to Stanfield

# Project Finance

- **Financing Plan Summary**

- Permanent financing once Ruby is in service; Ruby will be investment grade
- Construction financing to coincide with issuance FERC certificate
- Opportunities to bridge equity requirements in the interim

**Moody's North American Natural Gas Pipelines Rating Methodology - December 2006 Publication**  
**Financial Strength Metrics**

Rating Scale*	Return on Equity	EBIT to Interest Expense	Debt to Book Capitalization	FFO to Debt
Aaa	>20%	>6X	<25%	>40%
Aa	16-20%	5-6X	25-35%	35-40%
A	12-16%	4-5X	35-45%	25-35%
<b>Baa</b>	<b>10-12%</b>	<b>3-4X</b>	<b>45-55%</b>	<b>15-25%</b>
Ba	7-10%	2-3X	55-60%	10-15%
B	4-7%	1-2X	60-75%	5-10%
Caa	<4%	<1X	>75%	<5%

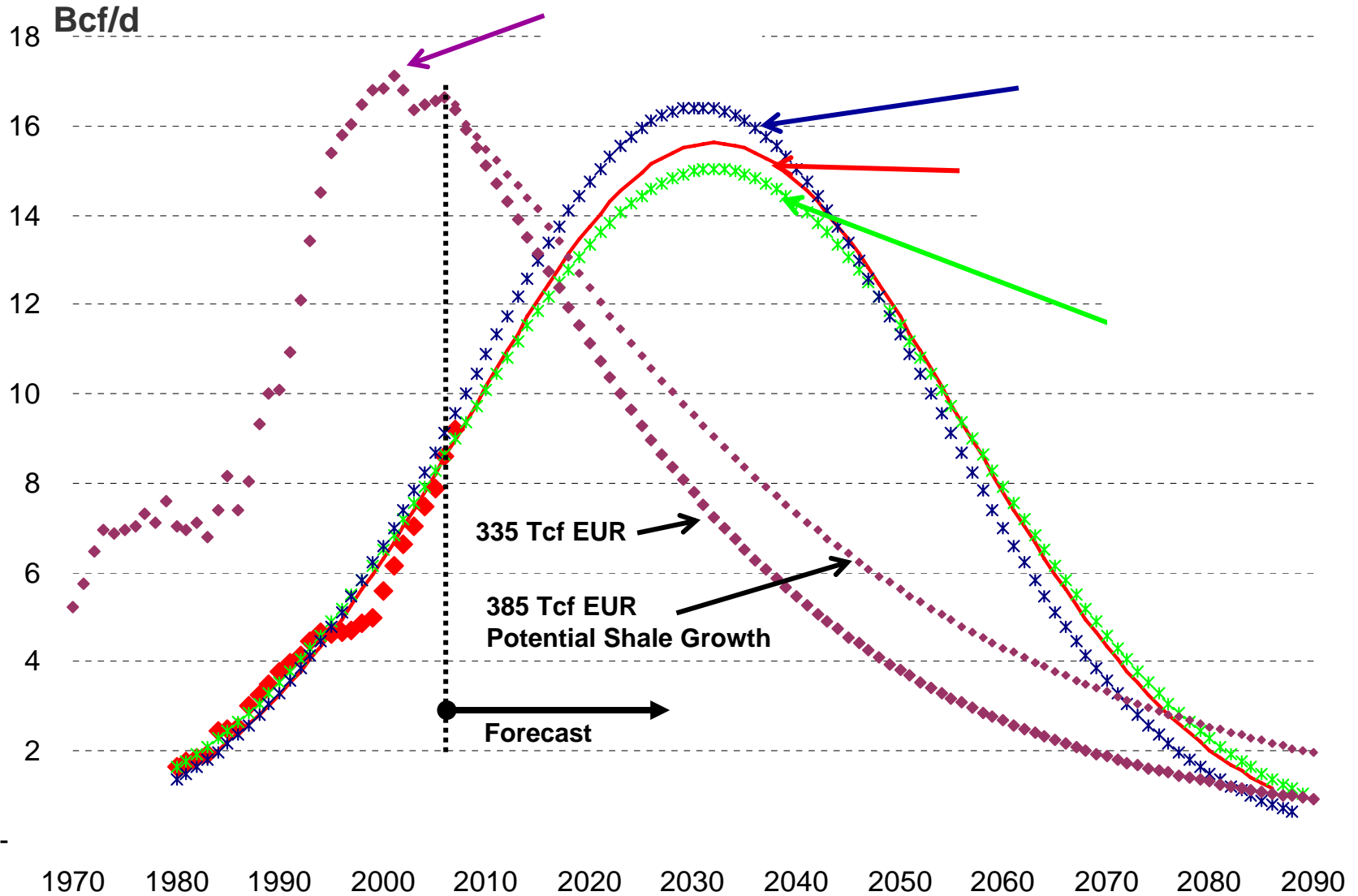
\* Rating scale for senior unsecured debt.

# Ruby Schedule

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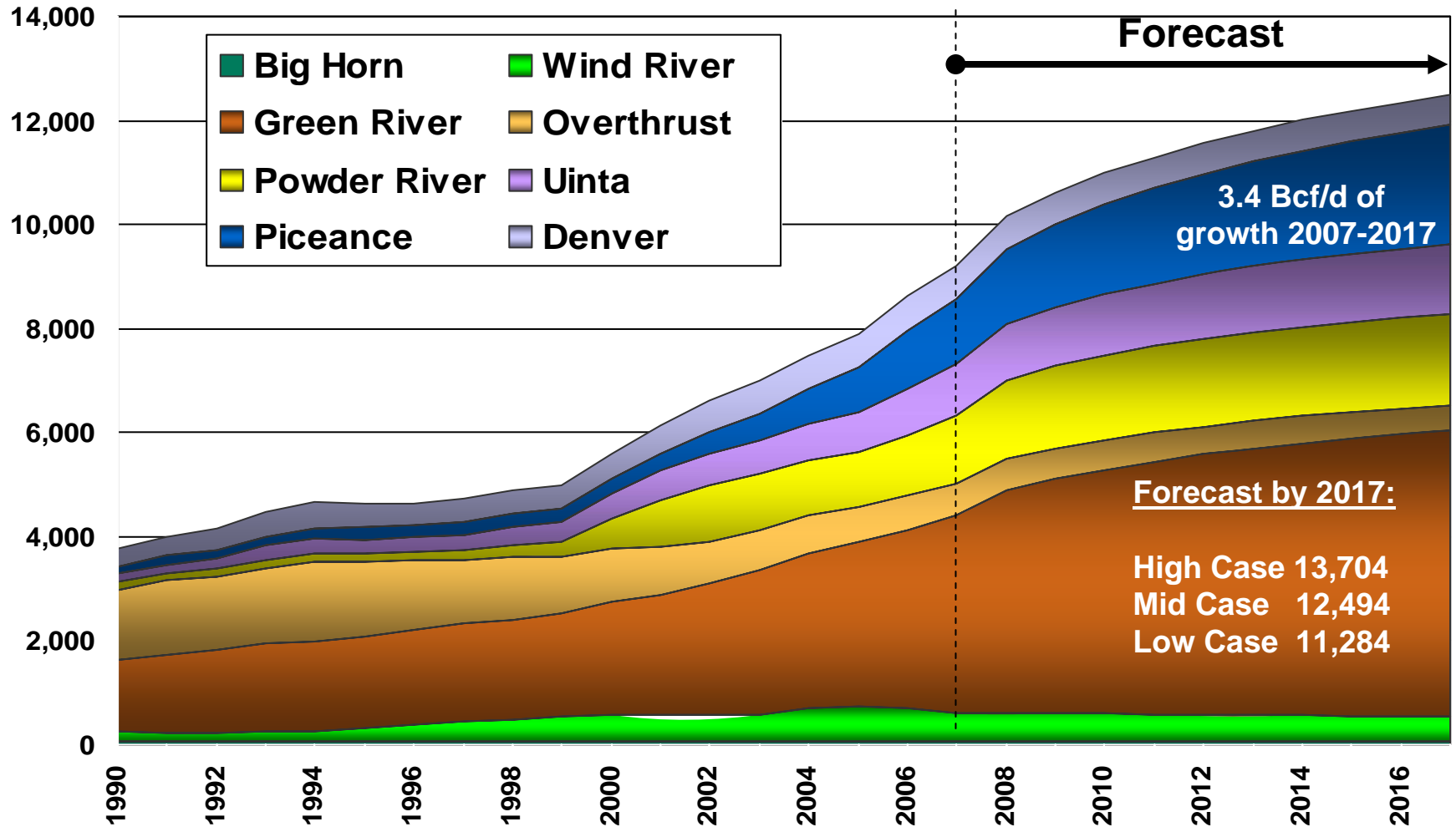
FERC Filing	January 27, 2009
Certificate	Early Spring 2010
Start Construction	June 2010
In-Service	March 1, 2011

# Rockies vs. Western Canada Long-Term Production Trends



# Rocky Mountain Production

(Volumes are Wellhead – Measured in MMcfd)



# Rockies Supply vs. Regional Export Capacity

