

# northeast solutions

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Eastern Pipelines



## The Northeast ConneXion Project

### New Storage and Transportation Capacity to the New York City Metropolitan Area

Tennessee Gas Pipeline, a subsidiary of El Paso Corporation, recently unveiled its latest proposal under Northeast Solutions, the Northeast ConneXion Project. This project would expand existing storage and pipeline facilities in order to provide additional storage capacity, long haul, and storage area transportation service to the New York City-area markets, including New Jersey and Pennsylvania. The Northeast ConneXion Project's unique combination of new storage capacity and deliverability, access to major supplies from key resource areas, and the broad market served by its system, would enable Tennessee to present strategic alternatives to new and existing shippers. Tennessee Gas Pipeline is confident that upon conclusion, this project will bring significant benefits to our key customers, including local distribution companies (LDCs), power generators, marketers, and industrials.

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### **Project Overview**

- Expansion of Tennessee Gas Pipeline's 300 Line
  - Provide up to 500,000 dekatherms per day (Dth/d) additional deliverability
  - Expand from Market Area Storage to New York City
  - Remain primarily in existing corridor as well as a new line in the Hudson River
  - Provide potential for phasing
- Expansion of Market Area Storage
  - Plans to provide 1.6 – 2.0 billion cubic feet of capacity and 160,000 Dth/d of deliverability
  - Expand the Hebron Storage Field
  - Provide additional horsepower and dehydration

### **Market Access**

- Connects to New York City joint facilities
  - Connect and terminate at Consolidated Edison System at 134th Street in Manhattan
  - Provide direct access to core markets in New York City
- Various city gates with LDCs on the 300 Line
  - New Jersey LDCs
  - Pennsylvania LDCs
- Supports power plant development along pipeline and in New York City
- Interconnects with Transco at Rivervale, Algonquin at Mahwah, and Columbia at Milford

### **Proposed Service**

- Long haul transportation – Gulf Coast
  - Avoids rate stacking
  - Provides one-stop shopping
- Short haul transportation from Market Area Storage, Niagara, and Dracut
- Conventional, high-deliverability, and custom storage with transportation

### **Costs/Economics**

- The Northeast ConneXion Project offers rates that are competitive with other incremental projects
- This project provides competitively priced storage flexibility
- Tennessee Gas Pipeline will discuss rates with prospective customers

### **Project Schedule**

|                               |               |
|-------------------------------|---------------|
| Commence Negotiations         | August 2001   |
| Finalize Precedent Agreements | March 2002    |
| File FERC Application         | October 2002  |
| Obtain FERC Approval          | February 2004 |
| Commence Service              | November 2004 |

This proposed expansion is another example of Tennessee Gas Pipeline's commitment to meeting the growing energy needs of the Northeast market area through its multi-faceted program—Northeast Solutions. Interested parties for the Northeast ConneXion Project should contact Bob Bookstaber at (832) 676-5199 or by email at [bob.bookstaber@elpaso.com](mailto:bob.bookstaber@elpaso.com) or Pete Ten Eyck at (832) 676-5261 or by email at [pete.teneyck@elpaso.com](mailto:pete.teneyck@elpaso.com).

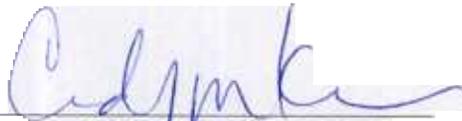
#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This document includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Both companies have 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 release. While the companies make these statements and projections in good faith, neither the companies nor their managements can guarantee that the anticipated future results will be achieved. Reference should be made to the companies' (and their affiliates') Securities and Exchange Commission filings for additional important factors that may affect actual results.

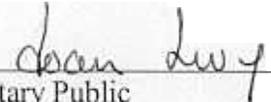




at the address designated by said attorney(s) for that purpose VIA FEDERAL EXPRESS.

  
CINDY M. KIRMAYER

Sworn to before me this  
22nd day of October, 2002

  
Notary Public

**JOAN LEVY**  
Notary Public, State of New York  
No. 41-4760027  
Qualified in Queens County  
Commission Expires February 28, 2003

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