FEDERAL ENERGY REGULATORY COMMISSION



NEWS RELEASE

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COMMISSION APPROVES NEW NATURAL GAS CAPACITY TO HELP RELIEVE BOTTLENECKS IN THE SOUTHWESTERN U.S.

The Federal Energy Regulatory Commission today approved El Paso Natural Gas Company's Power-Up Project that will help relieve capacity bottlenecks in the southwestern United States and will provide improved energy infrastructure for the region.

The Commission noted a demonstrated need for additional capacity on El Paso's system to meet existing customers' service requirements and restore reliability to the system. El Paso's customers had complained about sporadic and unreliable service on its system.

El Paso is a natural gas pipeline that stretches from areas in the southwestern U.S., through the states of Texas, New Mexico, Colorado, and Arizona, to two points of termination at the boundary between California and Arizona, near Ehrenberg and Topock, Arizona. El Paso's system delivers gas from three production basins--San Juan, Permian, and Andadarko-- to various delivery points along its system.

The Power-Up Project is designed to add new compression facilities along El Paso's existing Line 2000 pipeline, which stretches between west Texas and the California border. El Paso will install additional compression totaling 151,600 horsepower at its existing Casa Grande, Lordsburg, Florida, El Paso, and Cornudas Compressor Stations and at the new Cimarron, Tom Mix, Black River and Wink Compressor Stations. The new construction will add a total transportation capacity of 320 million cubic feet of natural gas per day.

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The facilities will be constructed and placed into service in phases with Phase I scheduled to be completed by February 2004 (120 MMcf/d), Phase II by April 2004 (100 MMcf/d), and Phase III by April 2005 (100 MMcf/d). Accordingly, the order requires El Paso to complete the project by April 1, 2005 and to meet certain environmental conditions.

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