



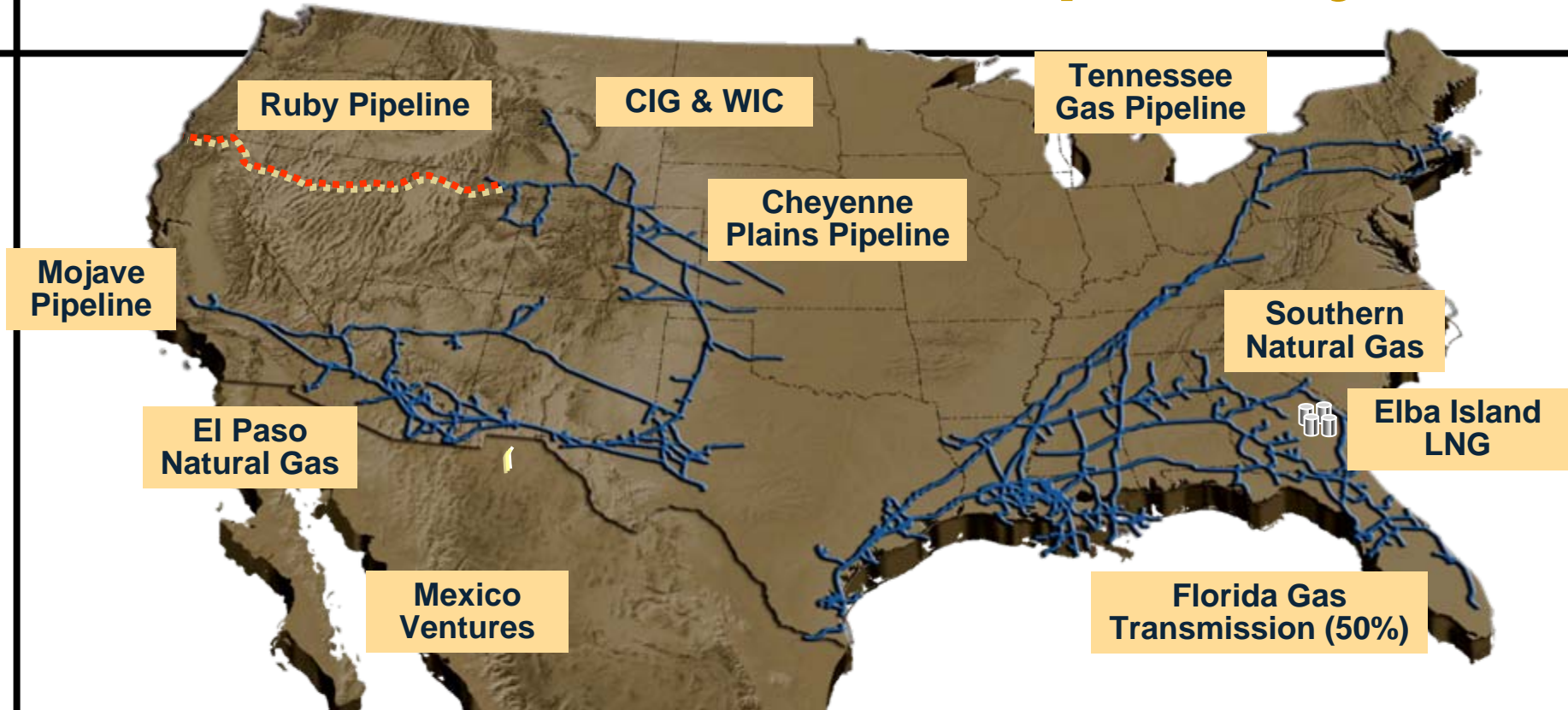
Ruby Pipeline Project

Ed Miller
Ruby Project Manager

October 21, 2008



El Paso Pipeline System

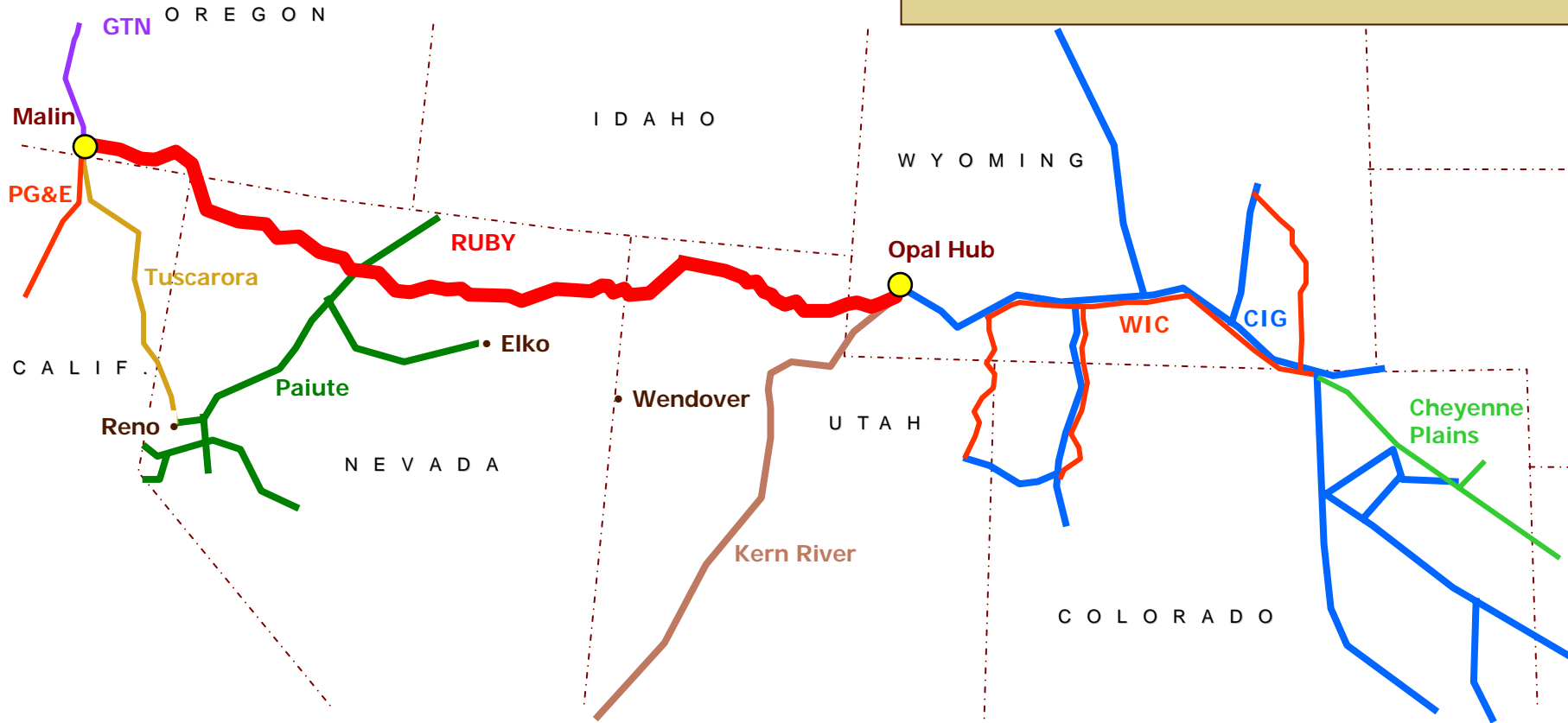


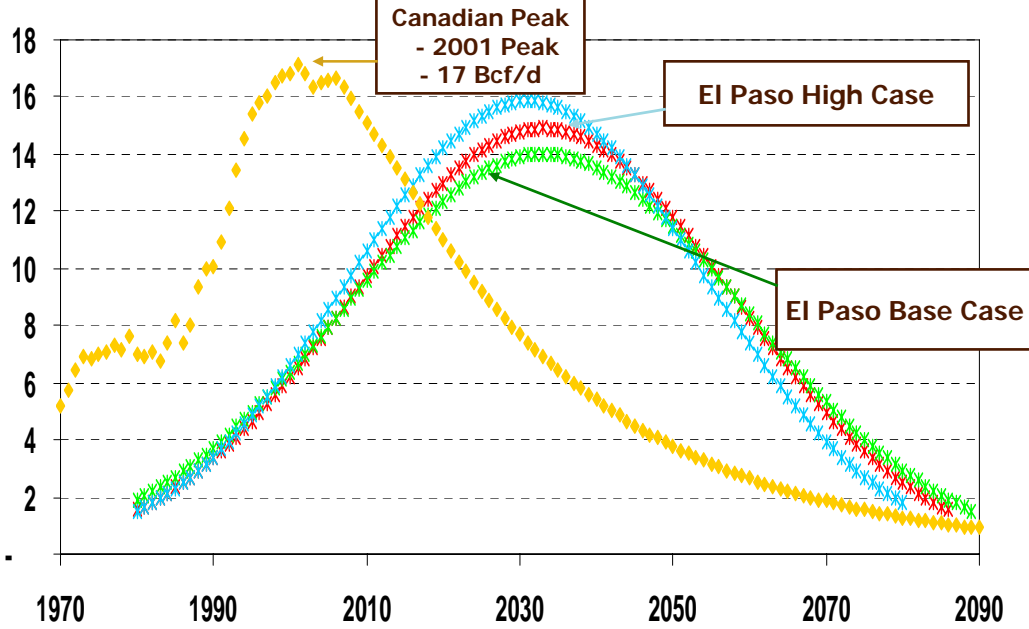
- 19% of total U.S. interstate pipeline mileage
- 23 Bcf/d capacity (16% of total U.S.)
- 16 Bcf/d throughput (28% of gas delivered to U.S. consumers)
- Best connection to demand regions
- Best supply access
- Leading pipeline integrity program



Ruby Pipeline Map

- 680 miles of 42-inch Opal to Malin
- 1.3 Bcf/d expandable to 2.0 Bcf/d
- 1,440 psig MAOP
- Compression: Head Station (76,500 hp) & Mid Point (30,000 hp) (possibly 3rd location)
- Measurement – 9 Locations
- 64% +/- Public Land
- Mostly Remote / Unpopulated

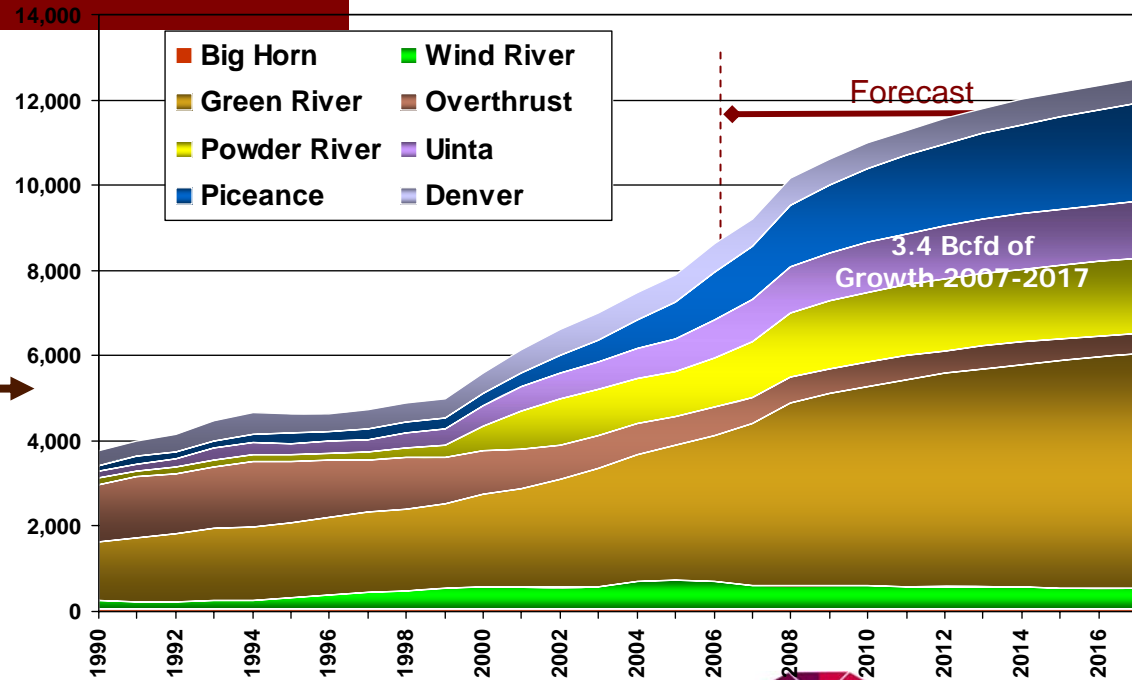




Why Ruby?

Rockies vs. Western Canada
Long-Term Production Trends

Rocky Mountain Long-Term Production Trend



Western States Pipelines

(Capacities in Bcf/d)



Ruby Pipeline

Benefits for Western States

- Short – term construction benefits
- Annual tax benefit to Western States
 - Approximate \$ 28.6 MM/year (Ad Valorem)
- New lower cost clean energy source for California, Nevada, and the Pacific Northwest
- Energy for growth
- Improved reliability
- Planned interconnects
 - Paiute GTN CIG Enterprise
 - Tuscarora PG&E Overthrust Opal/Williams
- Future Interconnects
 - 2 for Sierra Pacific Elko, NV
 - Wendover, NV Wells, NV
 - Lakeview, OR

Ruby Pipeline

Project Progress: Outreach

- 14 Binding Shipper Agreements totaling over 1.1 Bcf/d of transportation capacity
- Pipe purchased
- 10 Open Houses covering the entire route from Opal to Malin were held during February and March 2008
- 6 Scoping meetings with BLM and FERC
- More scheduled: Extensive outreach underway
 - Oregon Department of Energy
 - On the ground: Opened Brigham City, Utah; Elko and Winnemucca, Nevada field offices
 - Congressional meetings
 - Follow up scoping meetings planned for October, 2008
- FERC issued NOI for Ruby EIS 9/26/08

Ruby Pipeline

CPUC Proposed Decision

- ALJ Kinney issued the proposed decision on October 7, 2008
- The 117 page decision recommends approval of PG&E's application in all respects
- Approves PG&E's request to hold 375 Mdth/d of transportation capacity on Ruby
- Agrees that PG&E should diversify away from its heavy reliance on declining Canadian gas supplies
- Rejected GTN/William's arguments that there is no need for additional Rockies gas supply in California
- The PD found Ruby to be the superior alternative to the many projects proposing to transport Rockies gas west
- PG&E's selection process used to choose Ruby was acceptable
- Preliminary decision now goes before Commissioners for final approval as early as November 6, 2008

Ruby Pipeline

Carbon Neutral Footprint

- 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
- Purchase Voluntary Emissions Reduction (VER) credits to mitigate residual emissions to zero

Ruby Schedule Highlights

