



## **Southeast Supply Header LLC (SESH) and Southern Natural Gas**

### **Agreement to Expand Pipeline Keeps SESH on Track to Meet 2008 Deliveries**

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HOUSTON – The Southeast Supply Header (SESH), a key natural gas pipeline project designed to bring new, natural gas supplies, including those from unconventional sources to the growing Southeast U.S. market, is expanding the design capacity of the project to reach new markets in conjunction with Southern Natural Gas (SNG), an affiliate of El Paso Corporation (NYSE: EP).

SESH and SNG have executed a definitive agreement that provides for SNG to jointly own a portion of the pipeline that will comprise the first 115 miles of SESH. SESH is a joint venture between subsidiaries of CenterPoint Energy, Inc. (NYSE: CNP) and Duke Energy Gas Transmission. The proposed 270-mile pipeline will bring natural gas supplies from the Perryville Hub in northern Louisiana to interconnecting pipelines serving the eastern U.S. and terminate at the Gulfstream Natural Gas System near southern Mobile County, Ala. The pipeline is expected to be in service in the summer of 2008.

Under the agreement, SNG will acquire an undivided interest in the portion of the pipeline that will run from Perryville to an interconnection with SNG in Mississippi. The pipe diameter for the jointly owned section will increase from 36 inches to 42 inches, increasing the initial planned capacity of 1 billion cubic feet per day (Bcf/d) by 140 million cubic feet per day. Additionally, the agreement provides for a future compression expansion to increase the capacity up to 1.5 Bcf/d, subject to market developments and regulatory approval. With the expansion, SESH will maintain its 1 Bcf/d of capacity on the pipeline with economical expansion opportunities in the future.

"We're pleased to have Southern Natural Gas join SESH in ownership of the pipeline, which will provide the ability to access and transport natural gas supplies from onshore natural gas supply basins from the emerging Perryville Hub," said Mark Fiedorek, vice president, asset optimization and storage development, DEGT. "With Southern Natural Gas, the Southeast Supply Header will help ensure Southeast markets have sufficient supply for years to come as an important conduit to move natural gas from onshore basins to these fast-growing markets."

"SNG's investment is indicative of the important role that this pipeline project will play in providing customers in the eastern U.S. access to new sources of supply," said Cy Zebot, chief commercial officer of CenterPoint Energy's pipelines group. "We believe that producers and marketers planning to sell natural gas at the Perryville Hub will welcome their participation."

"This opportunity continues El Paso's commitment to bring additional natural gas resources to the Southeast," said Norman Holmes, senior vice president of SNG. "We view our participation in the jointly owned pipeline as a way to deliver new, diverse supplies in to the SNG system, and we are excited to join this much-needed gas supply project."

### **Background on Companies**

Duke Energy Gas Transmission (DEGT) is a North American leader in the long-haul transportation and storage of natural gas. For close to a century, DEGT and its predecessor companies have developed the critically important pipelines and related energy infrastructure that connects natural gas supply sources to premium markets. Based in Houston, Texas, the company's assets include about 17,500 miles of transmission pipeline and 250 billion cubic feet of storage capacity in the U.S. and Canada. DEGT also has natural gas gathering, processing and distribution assets and natural gas liquids operations that are among the largest in Canada. In June, Duke Energy announced a plan to separate its electric and gas businesses. DEGT, along with Duke Energy's 50 percent ownership in Duke Energy Field Services, expects to become a stand-alone, publicly traded company known as Spectra Energy Corp. Targeted separation date is Jan. 2, 2007. More information can be found at: <http://www.degt.duke-energy.com>.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution, competitive natural gas sales and services, and pipeline and field services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Through subsidiaries, the company owns and operates two interstate natural gas pipelines, CenterPoint Energy Gas Transmission Company and CenterPoint Energy-Mississippi River Transmission Corporation. Assets

total approximately \$17 billion. With about 9,000 employees, CenterPoint Energy and its predecessor companies have been in business for more than 130 years. For more information, visit the Web site at [www.CenterPointEnergy.com](http://www.CenterPointEnergy.com).

## **Forward-Looking Statements**

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The statements in this news release regarding future events and other statements that are not historical facts are forward-looking statements. Although CenterPoint Energy and Duke Energy believe that their respective expectations of future events as set forth in this release are based on reasonable assumptions, neither CenterPoint Energy nor Duke Energy can give assurance that anticipated results will be achieved or that anticipated events will occur. Actual events and results may differ materially from those projected. Important factors that could cause actual results to differ materially from those in the forward-looking statements of CenterPoint Energy herein are discussed in CenterPoint Energy's and its subsidiaries Form 10-Ks for the period ended Dec. 31, 2005, and Form 10-Qs for the quarters ended March 31, June 30, and Sept. 30, 2006, and other filings with the Securities and Exchange Commission. Important factors that could cause actual results to differ materially from those in the forward-looking statements of Duke Energy herein are discussed in Duke Energy's Form 10-Q for the quarters ended March 31, June 30, and Sept., 30, 2006, and other filings with the Securities and Exchange Commission.

El Paso Corporation provides natural gas and related energy products in a safe, efficient, dependable manner. The company owns North America's largest natural gas pipeline system and one of North America's largest independent natural gas producers. For more information, visit [www.elpaso.com](http://www.elpaso.com).

El Paso Corporation's Cautionary Statement Regarding Forward-Looking Statements This release 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 release, including, without limitation, the ability to obtain necessary governmental approvals for proposed pipeline projects and to successfully construct and operate such projects; changes in commodity prices for oil, natural gas, and power; 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.

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