

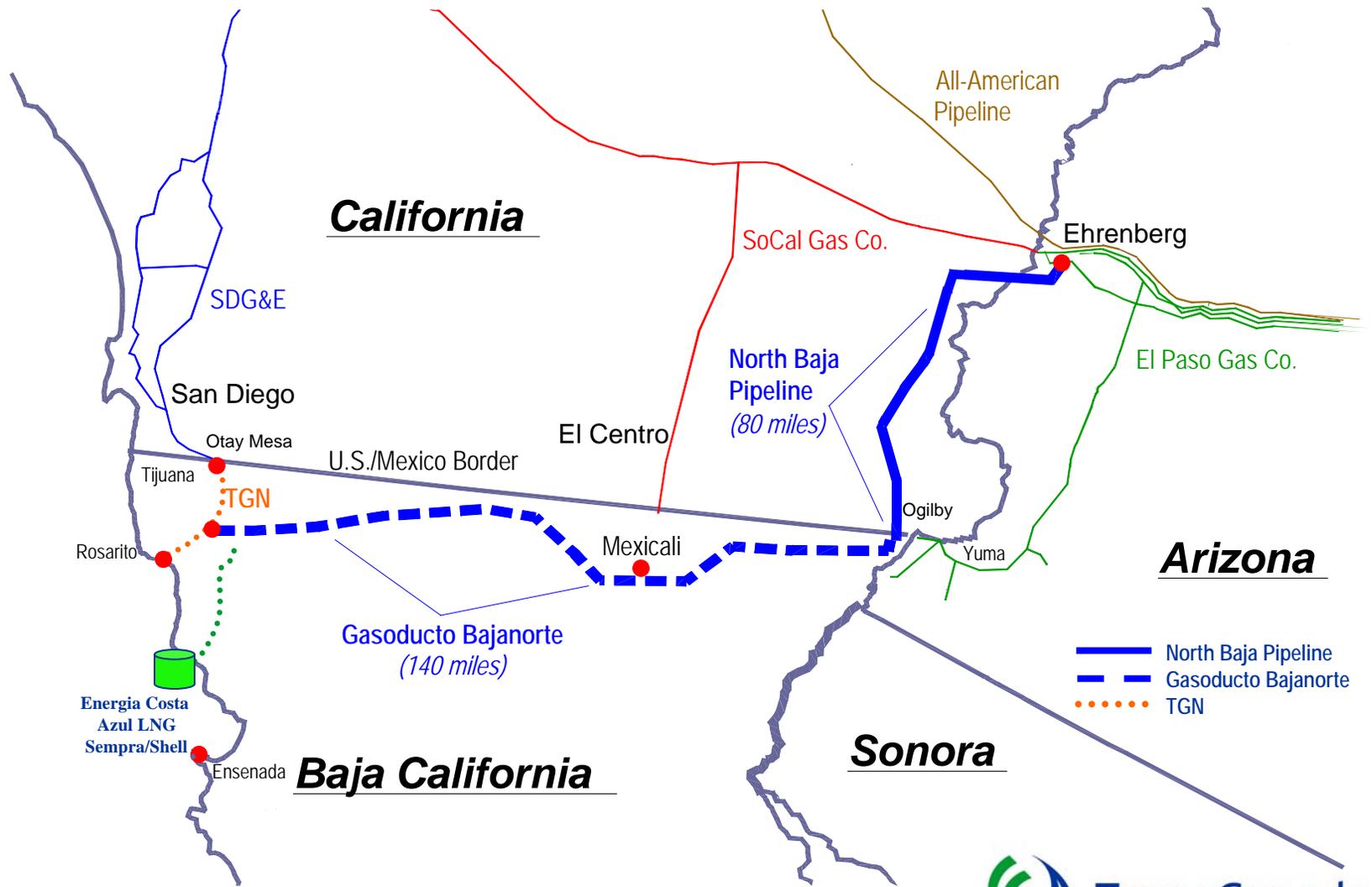
# North Baja Pipeline

Presentation to the Arizona Corporation Commission

October 30, 2007



# North Baja Pipeline – Regional Map

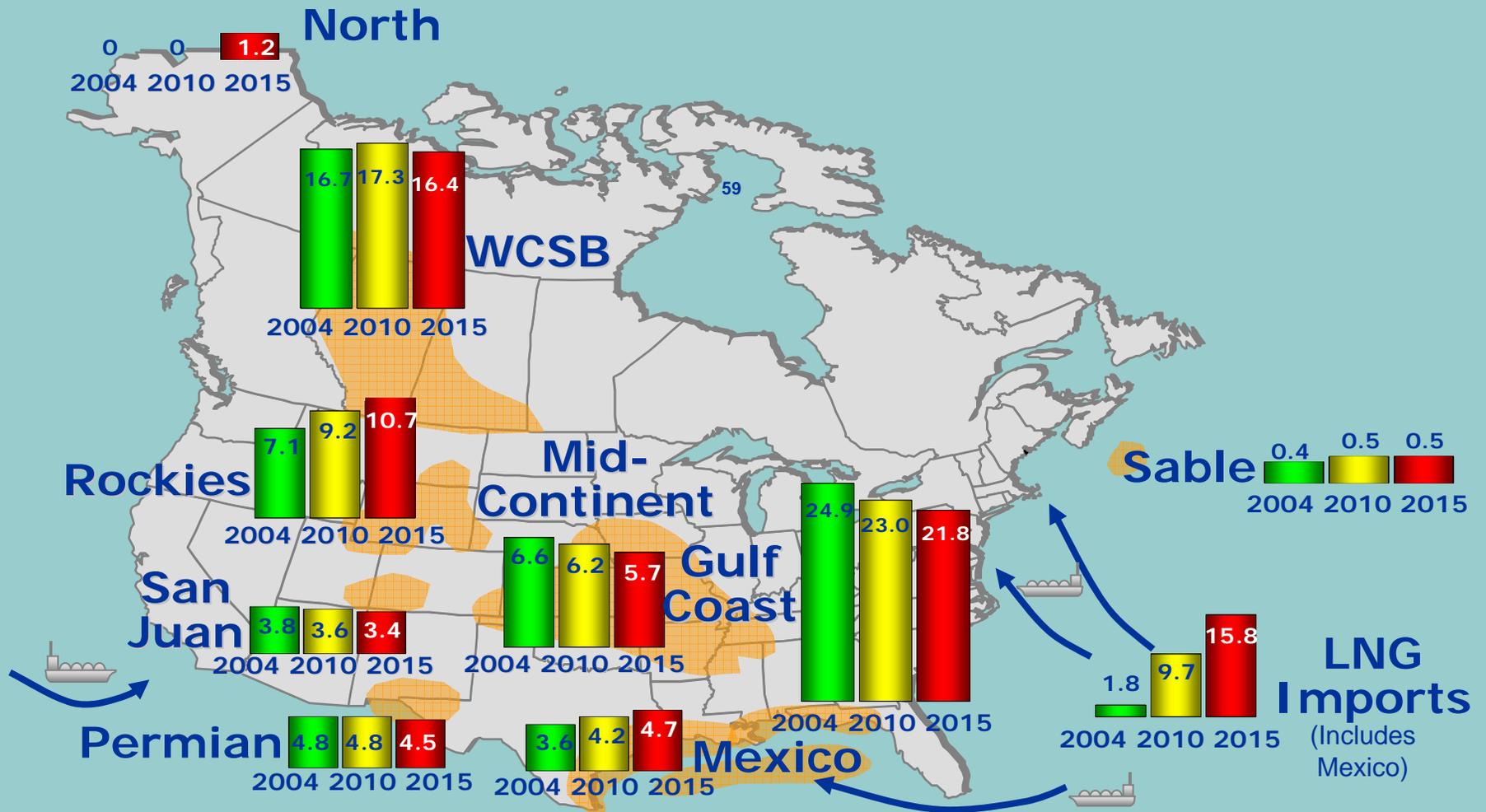


## Background



- North Baja Pipeline (NBP) was originally placed into service in 2002
- Shortly after that, interest in Baja LNG development started with 5 separate terminal proposals
- The Sempra Energia Costa Azul LNG Terminal, located north of Ensenada, is under construction and will be completed in early 2008. An expansion is planned
- NBP began permitting its pipeline expansion project early 2006

# Supply and Demand Forecast (Bcf/d)



**New sources of supply required to meet demand growth**

# NBP Expansion Project

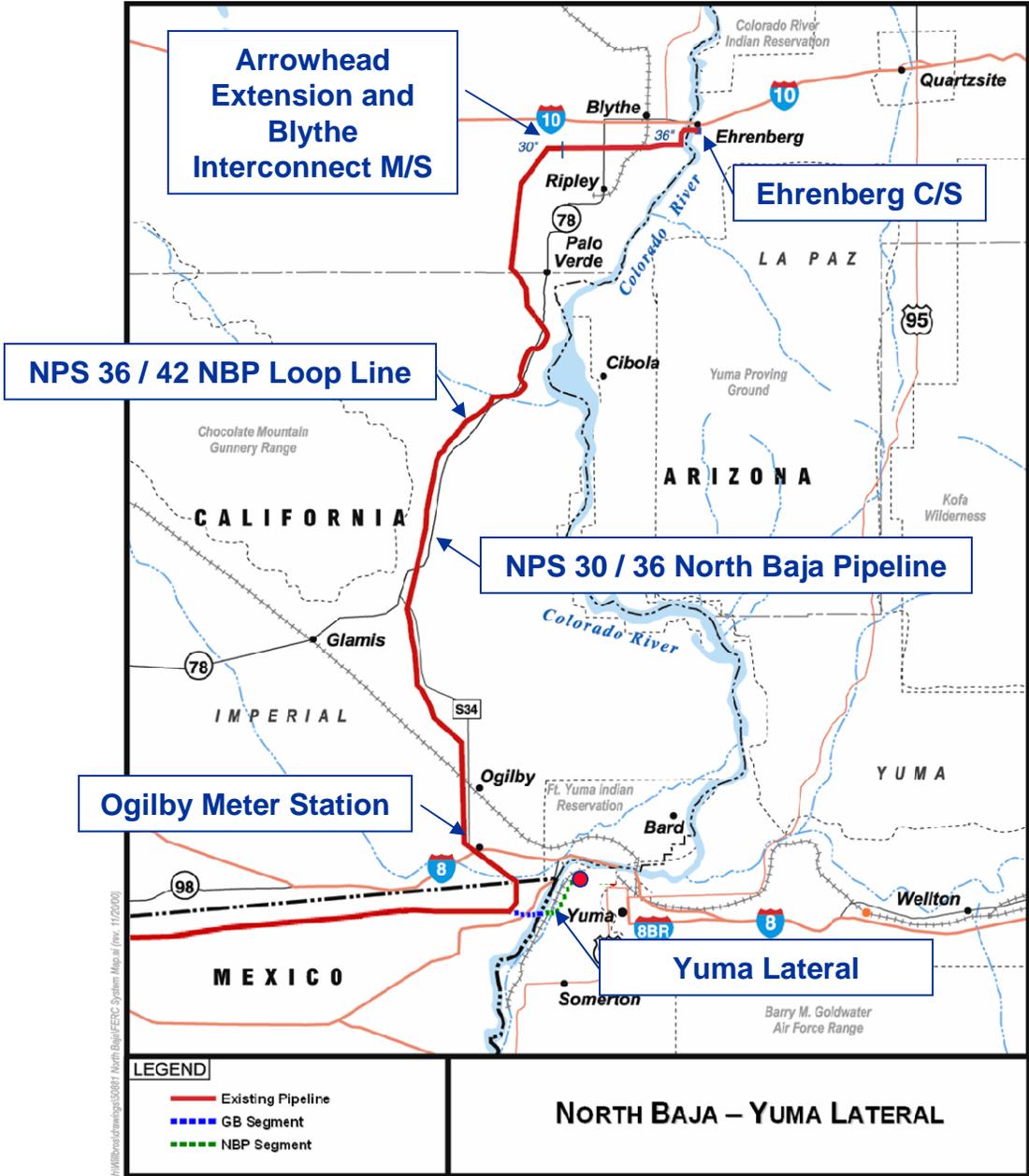


## NBP Expansion Phase 1

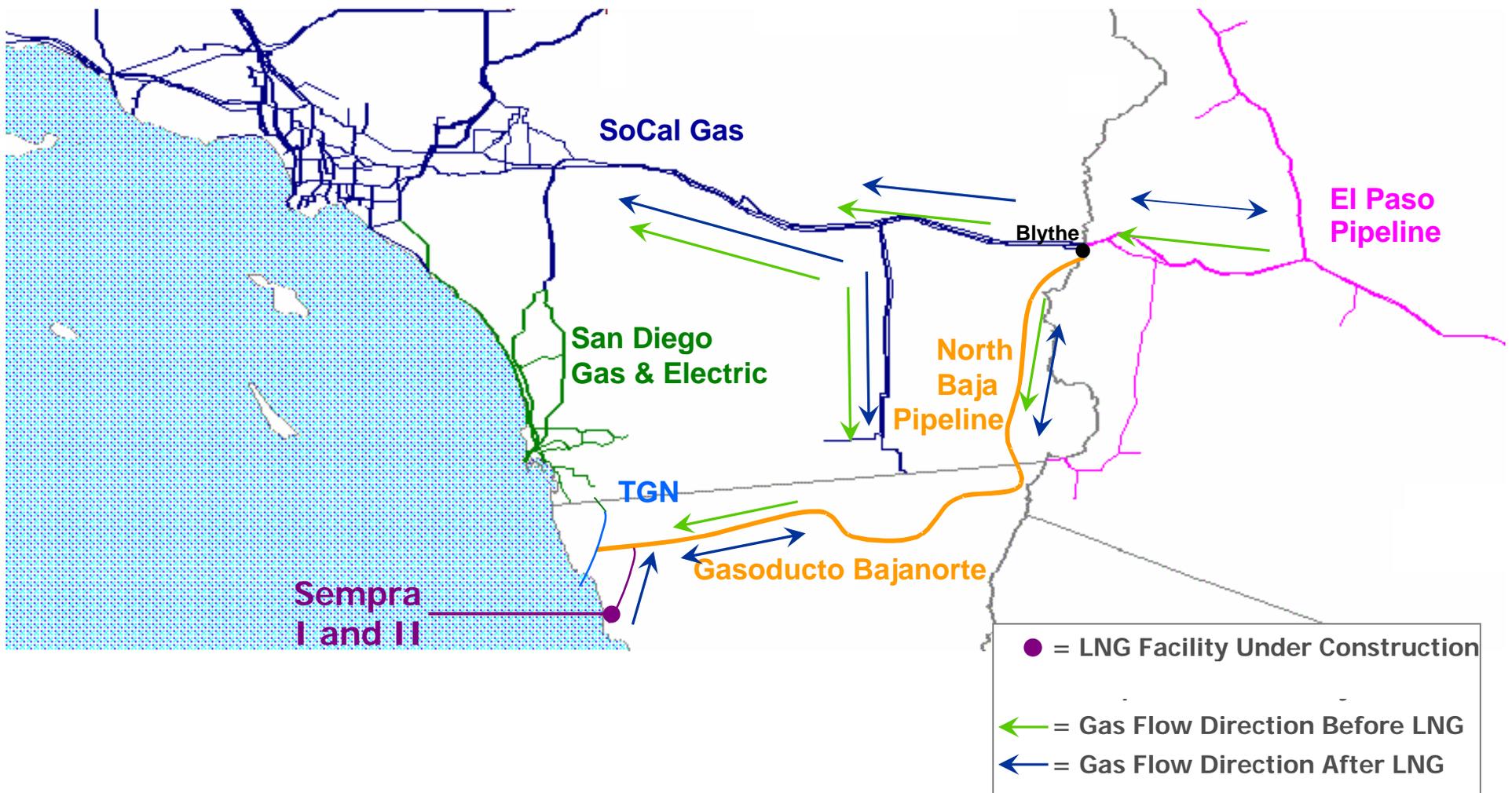
- FERC Approval Oct 2007
- System will become bi-directional
- Notice to Proceed issued
- In-service early 2008

## NBP Expansion Phase 2

- FERC approval October 2007
- Allows expansion of up to 2.7 Bcf



# Impact of LNG Terminals on Gas Flows in the Southwest & Baja California



## How the Expanded NBP Pipeline will help the Southwest



- It will provide a new source of natural gas to the region to replace traditional sources that are in decline
- By competing with traditional sources, it will provide a moderating impact on the cost of gas
- It will improve reliability of supply in the region by providing an alternative pipeline path to bring a new supply into the region
- It will provide additional property tax revenue to the counties where the facilities are located.

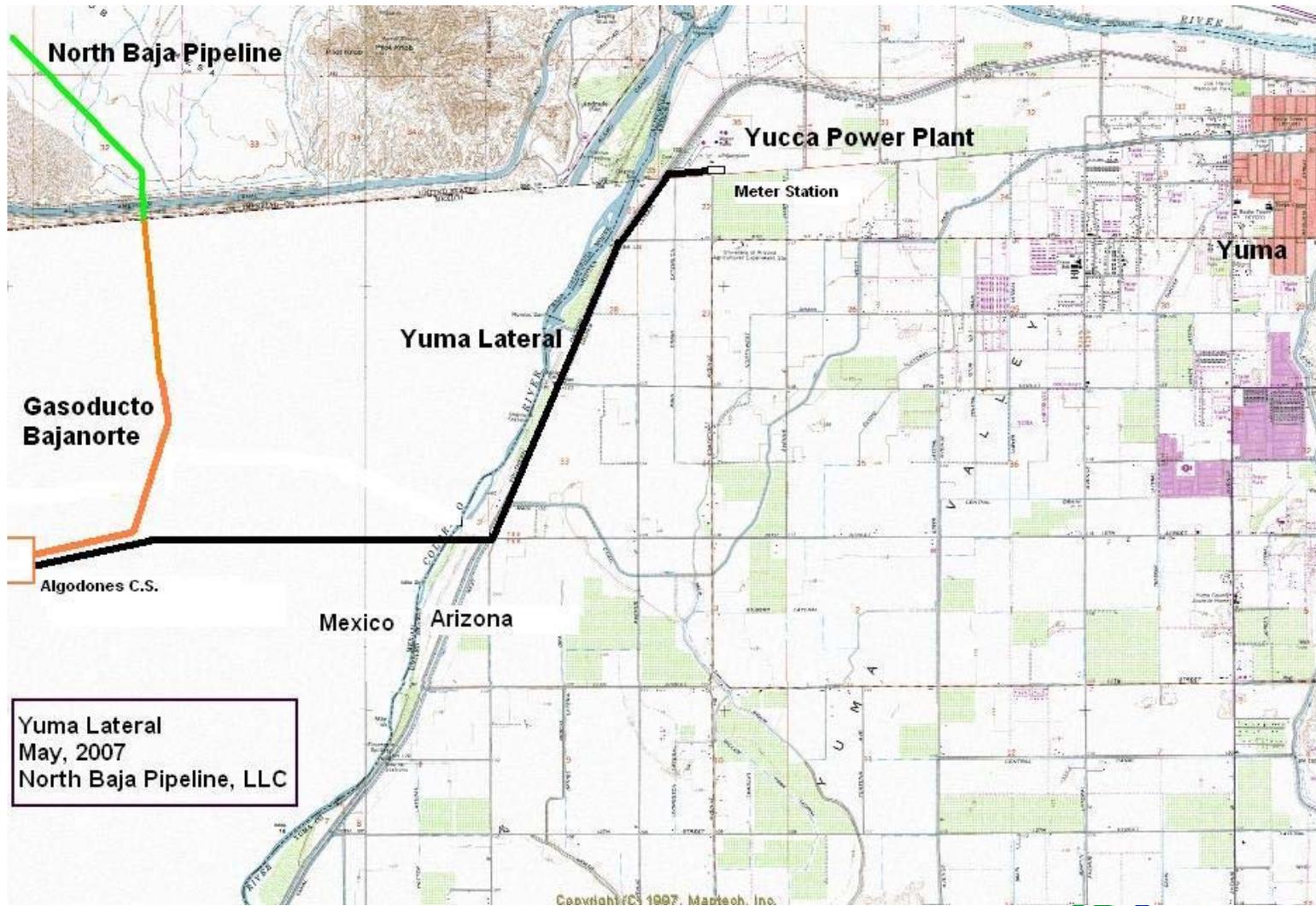
# NBP – Yuma Lateral Project



## Yuma Lateral

- FERC Approval permitting process is ongoing
- 7 mile 12-inch lateral to an APS power plant in Yuma
- Capacity 80 MMcf/d
- In-service 2008

# Yuma Lateral - Map



# Future NBP Expansion Potential



- 1-Ehrenberg to Topock
- 2 -Yuma to Phoenix

