

# North Baja Pipeline

Presentation to the Arizona Corporation Commission

September 29, 2008



# North Baja Pipeline – Regional Map

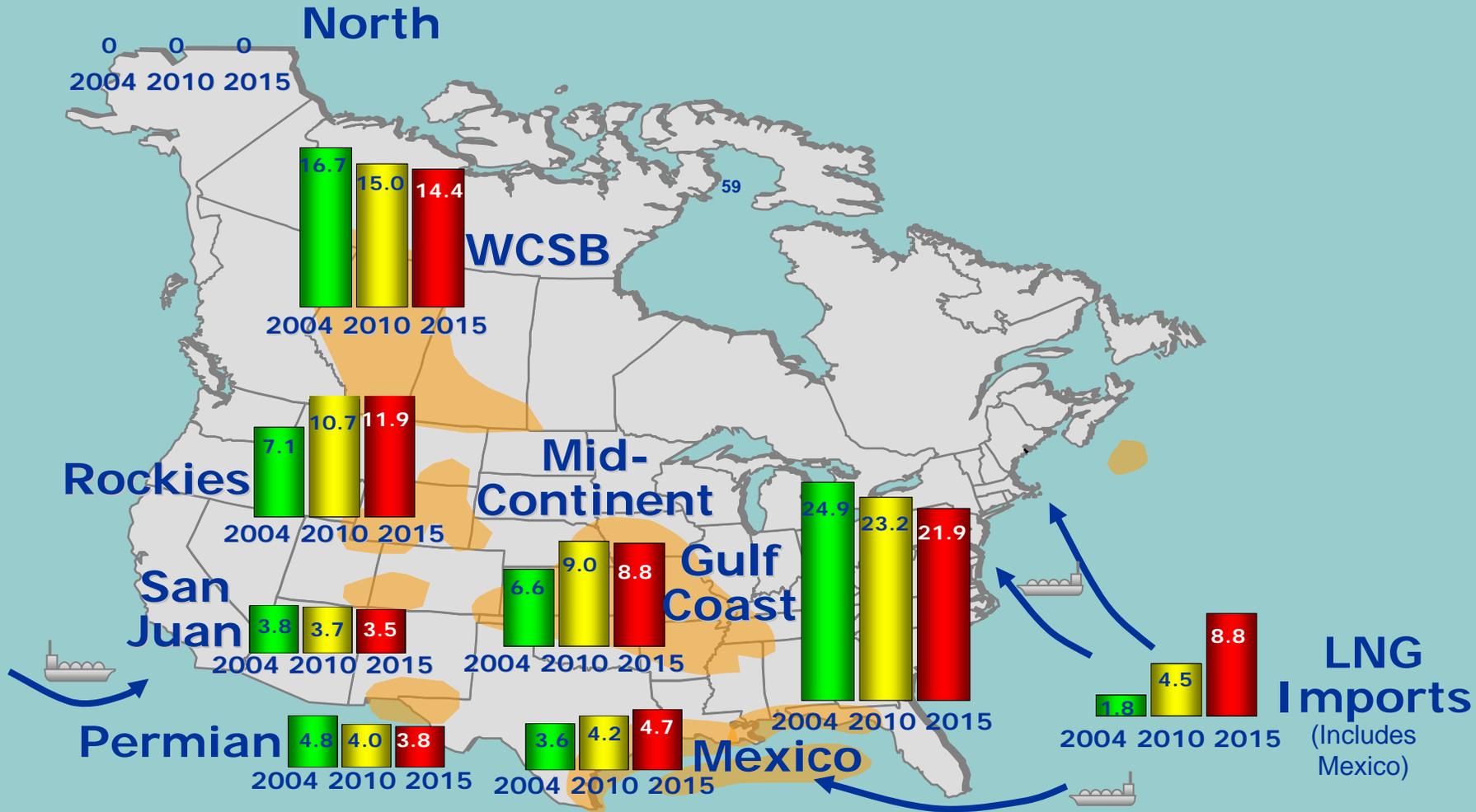


## Background



- North Baja Pipeline (NBP) was originally placed into service in 2002
- NBP Expansion-Phase 1 was completed in April 2008. The system is now bi-directional.
- Sempra's Energia Costa Azul LNG Terminal, located north of Ensenada, is completed and has been in operation since April 2008. Three LNG ships have made deliveries to the terminal so far.
- NBP Expansion-Phase 2 is pending the expansion of the LNG terminal

# Supply and Demand Forecast (Bcf/d)



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

# NBP Expansion Project

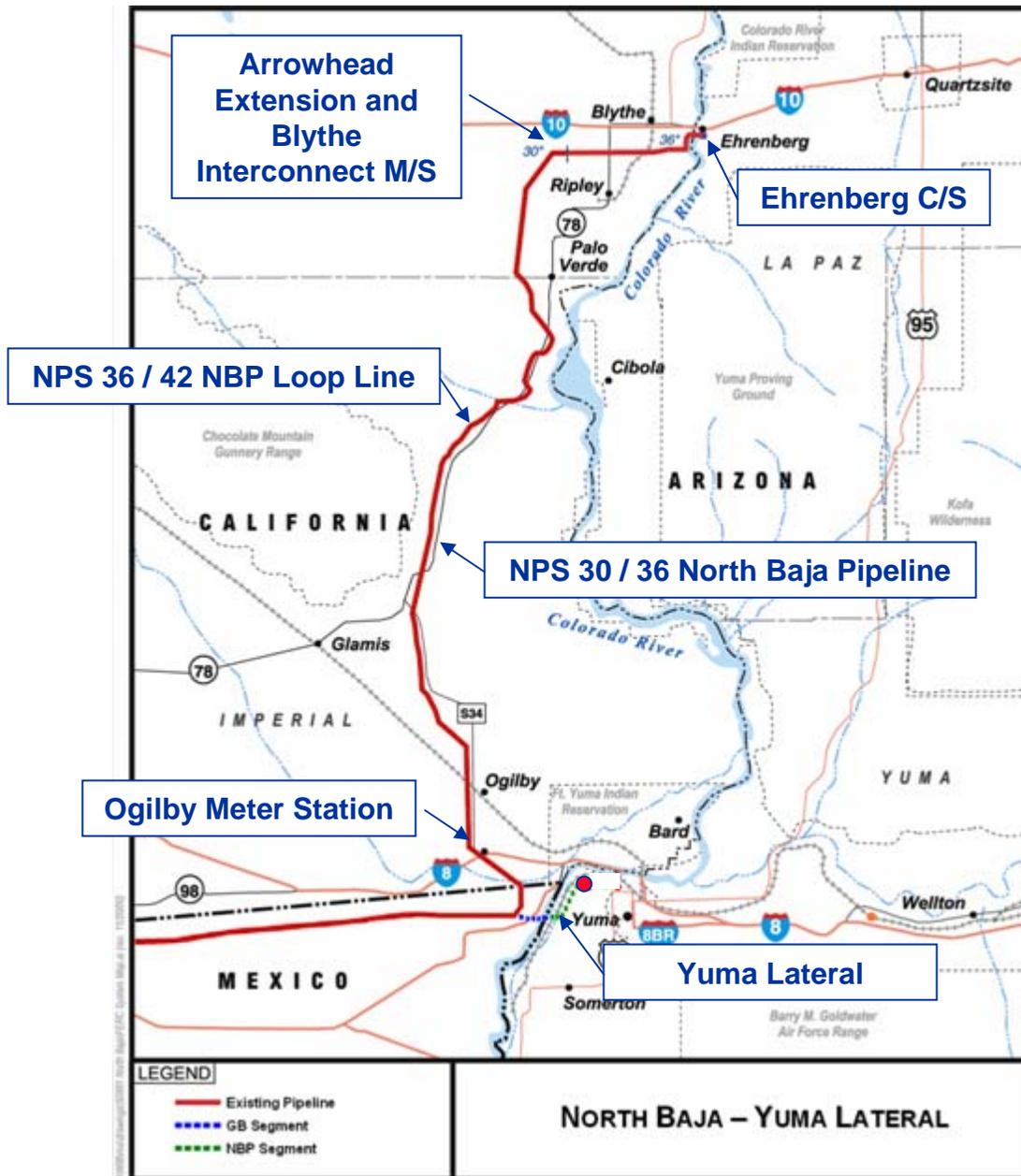


## NBP Expansion Phase 1

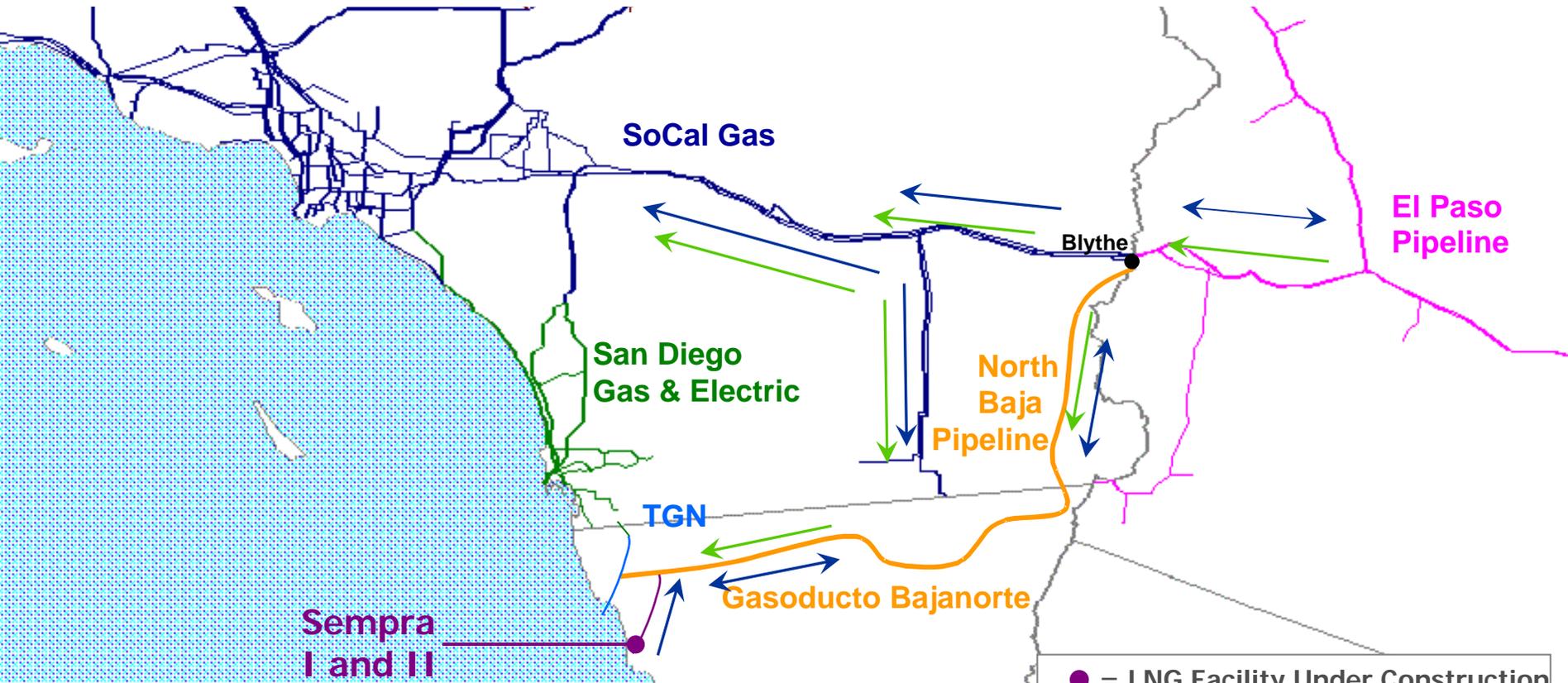
- FERC Approval Oct 2007
- System is now bi-directional
- In-service April 2008

## 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



- = LNG Facility Under Construction
- ← = Gas Flow Direction Before LNG
- ← = Gas Flow Direction After LNG

## 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.

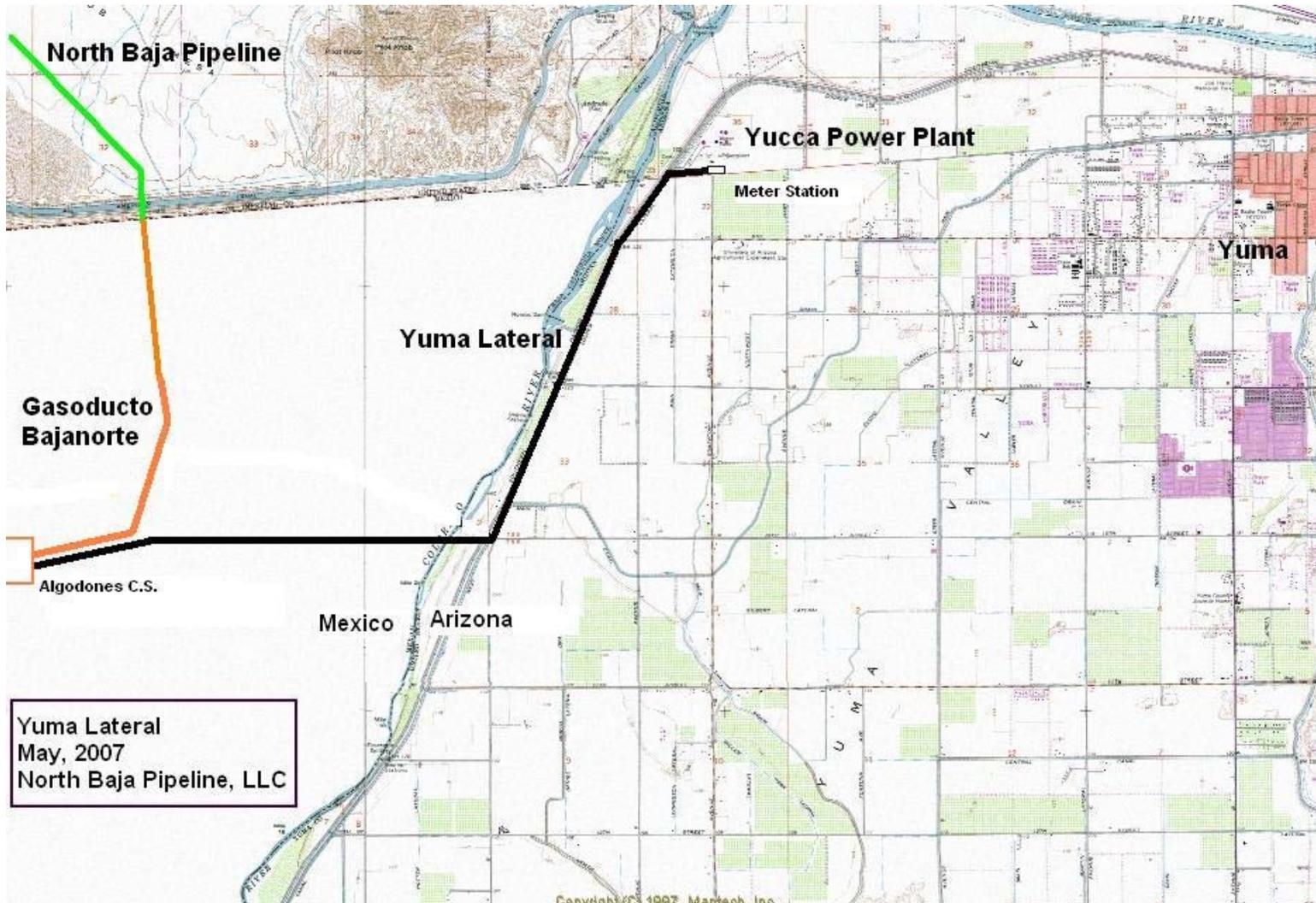
# NBP – Yuma Lateral Project



## Yuma Lateral

- FERC Approval granted September 2, 2008
- 7 mile 12-inch lateral to an APS power plant in Yuma
- Capacity 80 MMcf/d
- In-service February 1, 2009

# Yuma Lateral - Map



Yuma Lateral  
May, 2007  
North Baja Pipeline, LLC

# Future NBP Expansion Potential



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

