

Agenda Item C-5

Kern River 2003 Expansion Project



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Kern River 2003 Expansion



Kern River Expansion Overview

- Extends 716 miles through CA, NV, UT, WY
 - 634 miles of 36-inch pipe and 82.4 miles of 42-inch pipe
 - Construction of 3 New Compressors
 - Modifications to 6 Compressors and 5 Meter Stations
- Total cost = \$1.2 Billion (70% Debt, 30% Equity)
- Adds 885.6 MMcf/day to western pipeline infrastructure; doubling Kern River's capacity from 845.5 MMcf/day to 1.7 Bcf/day



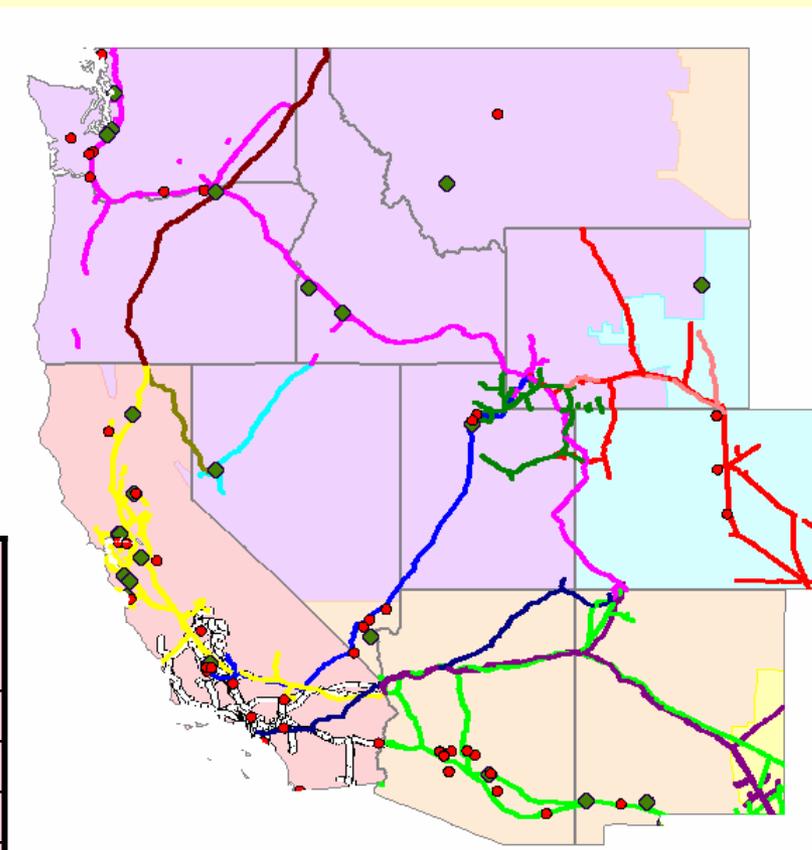
Kern River Expansion Benefits

- Market Area Benefits
 - Meets critical peak day needs for Western LDCs
 - Delivers fuel for new electric generation plants



2003 Expansion will serve 30 percent of new generation coming on-line in CA and AZNMNV

NWPA	Gas-Fired Gens (MW)	Related Gas Demand (MMcf/d)
Existing	6000	572
2002	1936	189
2003	1876	183
2004	1288	126
2005	898	88
Total Additions	5998	586



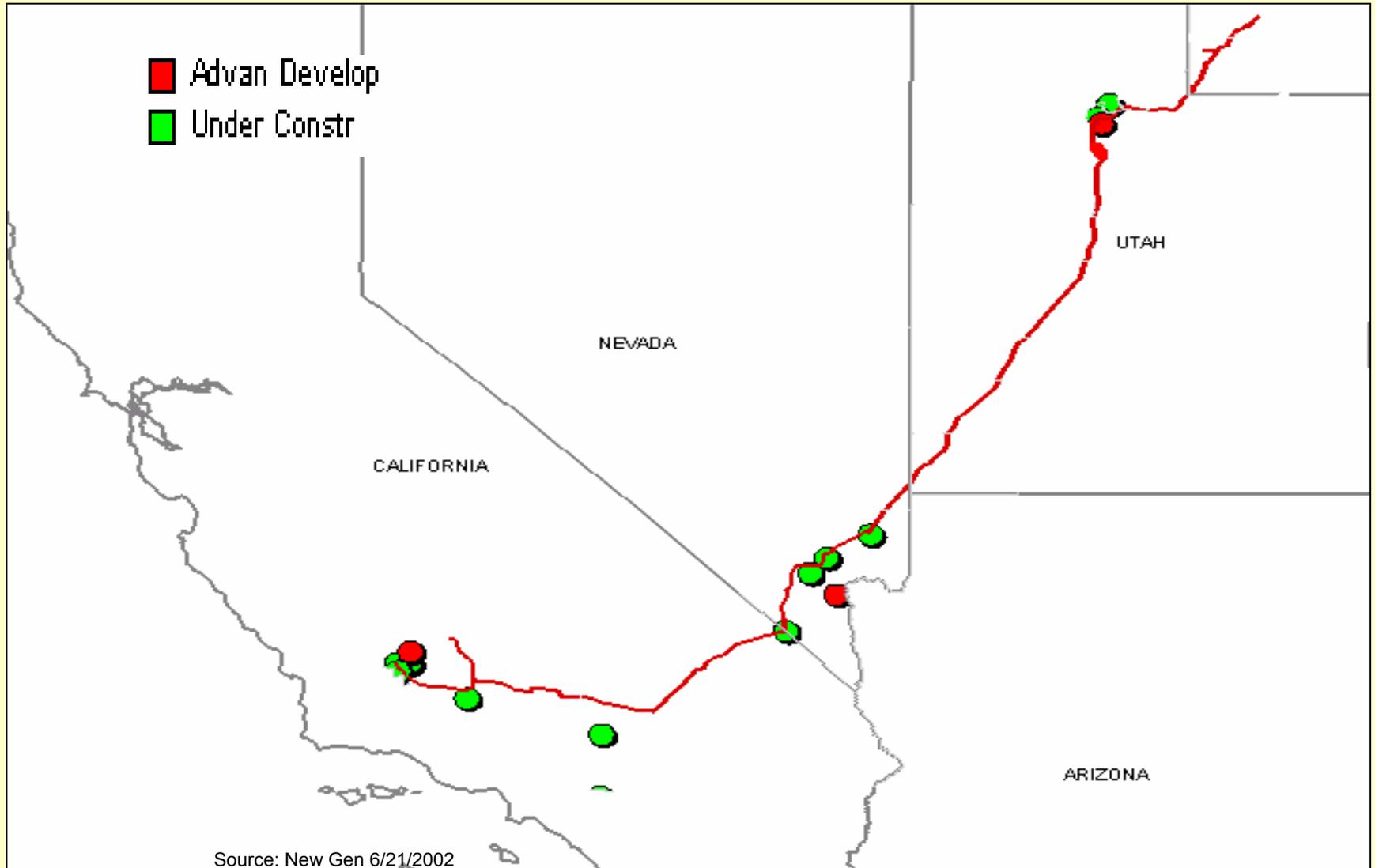
RMPA	Gas-Fired Gens (MW)	Related Gas Demand (MMcf/d)
Existing	3329	267
2002	249	24
2003	480	47
2004	50	5
2005	0	0
Total Additions	779	76

● Under Construction
◆ Advanced Development

CA	Gas-Fired Gens (MW)	Related Gas Demand (MMcf/d)
Existing	32,542	3071
2002	3048	298
2003	4776	467
2004	1110	108
2005	500	49
Total Additions	9434	922

AZNMNV	Gas-Fired Gens (MW)	Related Gas Demand (MMcf/d)
Existing	9704	925
2002	2991	292
2003	7843	767
2004	1720	168
2005	600	59
Total Additions	13154	1286

6,700 MW TO BE SITED ALONG 2003 EXPANSION PROJECT'S PATH



Additional Expansion Benefits

- Supply Area Benefits - Opens New Markets For Rocky Mountain Supplies
- Significant Economic Benefits In Rocky Mountain Area
- Other Benefits
 - Increases system flexibility and reliability
 - Contributes over \$12 million in tax revenue to local governments
 - Offers local jobs for construction and operation of facilities



Kern River Expansion

Environmental Highlights

- Environmentally Acceptable
 - New pipe parallels initial right-of-way
 - Mitigation measures minimize potential impacts
- First Major Project to utilize NEPA Pre-Filing
 - Order will be issued in less than 1 year from initial filing date - Final EIS completed in June 2002 which was 11-months from filing date
 - As a comparison the final EIS and certificate for Gulfstream required 16 months from initial filing date; Kern River's initial greenfield project required 30 months for the EIS
 - Here we had excellent interagency cooperation that contributed to meeting FERC's, BLM's, Forest Service's, military bases' and state environmental requirements

