



Jordan Cove Energy Project and Pacific Connector Gas Pipeline

Fact Sheet

Project Overview (LNG Terminal and Pipeline)

- Jordan Cove Energy Project (JCEP) is a proposed new state-of-the-art liquefied natural gas (LNG) import terminal that will be located in Coos Bay, Oregon, that will provide a new competitive source of clean-burning gas to meet the region's growing energy demands
- The LNG facility will be capable of receiving LNG supplies from specially-designed marine vessels, storing the natural gas in liquid form at a temperature of minus 260 degrees F, and re-delivering those natural gas supplies through interconnecting pipelines to the Pacific Northwest and adjacent markets
- The Pacific Connector Gas Pipeline (PCGP) is a proposed interstate natural gas transmission line designed to transport natural gas from the JCEP LNG import terminal to markets in Oregon, other areas of the Pacific Northwest, northern/central California and northern Nevada
- The proposed pipeline includes approximately 230 miles of 36-inch diameter pipeline between Coos Bay and Malin, Oregon
- A copy of the complete FERC certificate application, filed on September 4, 2007, for both JCEP and PCGP may be viewed at the Pacific Connector Gas Pipeline office in Roseburg, Oregon, at any of the public libraries in Coos, Douglas, and Klamath counties or at the county courthouse in Jackson County
- Additional information about the project can be found online at <http://www.pacificconnectorgp.com> and www.jordancoveenergy.com

The Owners

- Jordan Cove Energy Project L.P. is a limited partnership between Fort Chicago LNG II U.S. LP, a subsidiary of Fort Chicago Energy Partners L.P. (www.fortchicago.com) and Energy Projects Development, LLC, dedicated to the development of the Jordan Cove LNG project
- Pacific Connector Gas Pipeline, LP is a limited partnership between Williams Pacific Connector Gas Pipeline, LLC (a wholly owned subsidiary of The Williams Companies, Inc. (www.williams.com)), PG&E Strategic Capital, Inc. (a wholly owned subsidiary of PG&E Corp. (www.pgecorp.com)) and Fort Chicago LNG II U.S. L.P., dedicated to the development of the PCGP project. *PG&E Strategic Capital Inc. is not the same company as Pacific Gas and Electric Company, the utility. PG&E Strategic Capital, Inc. is not regulated by the California Public Utilities Commission, and you do not have to buy PG&E Strategic Capital, Inc. products in order to continue to receive quality regulated services from the utility.*

Project Benefits

Benefits to the Northwest Region

- Introduction of new natural gas supplies in a time of increasing demand and dwindling traditional supply sources
- Least cost alternative to bring new supplies to the region
- Pipeline interconnects will provide the majority of western states natural gas markets with access to new supplies
- Increased gas-on-gas competition, which will help to ease price volatility in the region

Benefits to Southern Oregon

- JCEP will pay ad valorem taxes of upwards of \$6 MM per year to Coos County
- PCGP will pay ad valorem taxes of upwards of \$8 MM per year spread across Coos, Douglas, Jackson and Klamath counties, on a fairly even distribution
- JCEP's presence will enhance the prospect that the Coos Bay Navigation Channel will continue to be maintained with federal dredging funds that presently amount to about \$6 MM per biennium
- JCEP will pay for the cost of navigational aids and improvements that will benefit all port users (PORTS system, fire fighting tug boats, improved all-weather navigation aids and a North Spit firehouse, including equipment and staff)
- JCEP will pay 100% of the costs of all city and county services that are required for the safe and secure operation of the LNG facility and vessels
- The construction of the JCEP and PCGP facilities will provide over 2,800 jobs at construction peak, in addition to the increased business for local vendors who would provide supplies and services during construction
- JCEP will provide 60 permanent family wage jobs plus an equal number of permanent sub-contracted jobs to assist in facility and vessel operations
- JCEP on-site power plant will provide a source of distributed power for the Coos Bay/North Bend area adding redundancy and voltage stabilization benefits
- In addition to the above benefits, JCEP could enhance Coos County's attractiveness as a place to locate or expand business
- The location of PCGP in southwest Oregon will attract businesses and industrial companies along the pipeline corridor that are dependent on natural gas
- Southern Oregon will receive natural gas service from PCGP through interconnects with Northwest Pipeline, Avista Corp. and Gas Transmission Northwest, all located in southern Oregon

Why the Project is Needed

- Oregon, like every other state in the U. S., will continue to experience an increase in the demand for energy in the future
- As a region, the Pacific Northwest, Nevada and northern and central California produce very little natural gas and have depended heavily on Canadian natural gas supplies transported by pipeline from British Columbia and Alberta
- Natural gas exports from Canada into the region have dropped due to increasing demand in Canada and the pull on Canadian gas to serve other markets in the U.S., including the Midwest and Northeast

- The Pacific Northwest and northern and central California markets have also relied heavily on the Rocky Mountain natural gas supply to meet market needs (as energy needs have increased across the U.S., new pipelines have been built in recent years to link gas-producing areas such as the Rockies and Canada to consuming markets in other parts of the nation)
- The Pacific Northwest will begin to compete for its natural gas supplies with these national markets
- New sources of natural gas, most likely in the form of LNG imports, will become important in meeting this demand
- The JCEP and PCGP projects will be the most effective way to meet the existing and growing natural gas demands in the region

The Project and the Environment

- In May 2006, the Pacific Connector initiated the NEPA pre-filing review process with FERC
- Pacific Connector has conducted extensive field surveys along the proposed route
- The project has solicited input from citizens, permitting agencies, governmental entities and other interested parties to address their concerns and define the project

Renewable Energy Sources

- The project sponsors believe that energy efficiency (both in gas and electric usage and renewable energy sources such as solar and wind power) are important components in providing solutions to meet future energy needs
- Unfortunately, renewable sources alone can't meet the huge amounts of energy needed for electric generation, industrial users and millions of homeowners
- Natural gas is still considered one of the "cleanest" and most reliable sources of energy available

Contacts

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Project Details

Jordan Cove Energy Project

LNG Storage Capacity	320,000 cubic meters (m ³) (6.4 Billion cubic feet (Bcf)) Two - 160,000 m ³ tanks Full Containment Design
Regasification Capacity	1 Bcf per day
Natural Gas Liquids (NGL) Extraction	Capable of conditioning natural gas to meet regional gas quality specifications
Power Facilities	40 MW Co-generation plant - Provides full redundancy through interconnection w/ Pacific Power
Site Description	200-acre site on the North Spit of Coos Bay Zoned for Marine Dependant Industrial use
Marine Facilities	Design will accommodate LNG carriers up to 160,000 m ³
Navigation Channel	7 miles up the federally maintained Coos Bay Channel Transit does not cross under any bridges

Pacific Connector

Pipeline Specifications	36-inch diameter - 230 miles long 1440 psig Maximum Allowable Operating Pressure (MAOP)
Design Capacity	Up to 1 Bcf per day
Compression	One compressor station located near Butte Falls, OR Includes two Solar Taurus 70 Turbines (21,600 ISO HP) Fuel consumption estimated to be 0.3% at full load; system can transport 0.72 Bcf per day without running compression
Delivery Interconnects	<u>Northwest Pipeline</u> (Myrtle Creek, OR) – Interstate pipeline serving the Pacific Northwest, including Oregon <u>Avista Corporation</u> (Shady Cove, OR) – Local utility serving southwestern Oregon <u>Pacific Gas & Electric Company</u> (Malin, OR) – Local utility primarily serving northern and central California <u>Gas Transmission Northwest</u> (Malin, OR) – Interstate pipeline serving the Pacific Northwest (including Oregon), Nevada and California <u>Tuscarora Gas Transmission</u> (Malin, OR) – Interstate pipeline serving northern Nevada
Right of Way	332 Landowners – Received survey permission for >90% fed/state/county lands – 34%; private lands – 66%

Project Timeline

Responsible Party	Action	Date
JCEP & PCGP	Filed NEPA pre-filing request with FERC	April 2006
JCEP	Filed Waterway Suitability Assessment with Coast Guard	April 2006
JCEP & PCGP	NEPA pre-filing request granted by FERC FERC to review terminal and pipeline concurrently	May 2006
JCEP & PCGP	All initial draft Resource Reports filed with FERC	September 2006
PCGP	Pacific Connector holds open season for firm transportation; receives 1.49 Bcf of interest	February 2007
JCEP & PCGP	Filed FERC Certificate Applications	September 2007
JCEP & PCGP	FERC issues Draft Environmental Impact Statement (EIS)	January 2008
JCEP & PCGP	FERC issues Final EIS	June 2008
JCEP & PCGP	Receive FERC Certificate Order	August 2008
PCGP	Pacific Connector begins land right of way acquisitions	TBD
JCEP	Jordan Cove Energy Project construction begins	4 th Quarter 2008
PCGP	Pacific Connector construction begins	2 nd Quarter 2010
JCEP & PCGP	Commercial operation	4 th Quarter 2011