



## Florida Gas Transmission Company

A Southern Union/El Paso Affiliate

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### **FLORIDA GAS TRANSMISSION COMPANY ANNOUNCES FLORIDA POWER AND LIGHT IS ANCHOR SHIPPER FOR PROPOSED PIPELINE PROJECT**

HOUSTON, February 11, 2008 — Florida Gas Transmission Company (FGT) today announced that Florida Power and Light Company (FPL) has agreed to become the anchor shipper of a proposed natural gas pipeline expansion project through a 25-year service agreement for 400 million cubic feet per day (MMcf/d) of capacity.

As part of this precedent agreement, FGT will seek regulatory approval to build a proposed Phase VIII system expansion at an estimated cost of \$2 billion to provide approximately 800 MMcf/d of increased natural gas capacity into Florida. The proposed Phase VIII expansion includes construction of approximately 500 miles of additional large diameter pipeline and the installation of approximately 170,000 horsepower of additional compression. Pending regulatory approvals, FGT is anticipating a spring 2011 in-service date for the project.

FGT, a subsidiary of Citrus Corp., operates a 5,000-mile natural gas pipeline system extending from south Texas to south Florida with current mainline capacity of 2.1 billion cubic feet per day. Citrus Corp is 50 percent owned by Southern Union Company (NYSE:SUG) and 50 percent owned by El Paso Corporation (NYSE:EP). The proposed project is expected to be financed through cash flows from operations and an appropriate level of debt at both the FGT and Citrus entity levels.

As proposed, the Phase VIII expansion will increase the capacity of FGT's mainline facilities from the Mobile Bay, Alabama, area to southern Florida to provide additional firm transportation service capacity throughout Florida to meet the state's rising energy demand. FGT previously announced an open season under which capacity is available to other interested shippers for the Phase VIII pipeline expansion. The open season extends from January 14 through February 15, and the results will determine the final scope of the project.

"With this commitment from Florida Power and Light, we have made the final investment decision to go forward with the Phase VIII expansion, subject to obtaining regulatory approvals," said Bob Hayes, senior vice president and chief commercial officer of Florida Gas Transmission. "Florida needs more generation capacity to meet the growing electric demand. Natural gas is a cleaner burning fossil fuel that could supply FPL and other customers with the fuel to meet the increasing electrical need with less environmental impact than alternative fuel sources. Currently 85 percent of the natural gas consumed in Florida is used for electric generation. FGT's Phase VIII expansion could help the state's utilities meet Florida's increasing energy needs because natural gas demand in the Florida peninsula is projected to grow over 1 billion cubic feet per day by 2015.

"FGT has worked with FPL for almost 50 years to bring cleaner burning natural gas to Florida," Hayes continued. "FPL was FGT's anchor customer when the pipeline was built into Florida in 1959 and this agreement represents the continuation of a successful partnership."

### **About Florida Power and Light Company**

Florida Power & Light Company is the principal subsidiary of FPL Group, Inc. (NYSE: FPL), nationally known as a high quality, efficient and customer-driven organization focused on energy-related products and services. With annual revenues of nearly \$16 billion and a growing presence in 27 states, FPL Group is widely recognized as one of the country's premier power companies. Florida Power & Light Company serves 4.5 million customer accounts in Florida. FPL Energy, LLC, FPL Group's

competitive energy subsidiary is a leader in producing electricity from clean and renewable fuels. Additional information is available on the Internet at [www.FPL.com](http://www.FPL.com), [www.FPLGroup.com](http://www.FPLGroup.com) and [www.FPLEnergy.com](http://www.FPLEnergy.com)

### **About El Paso Corporation**

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

### **About Southern Union Company**

Southern Union Company, headquartered in Houston, is one of the nation's leading diversified natural gas companies, engaged primarily in the transportation, storage, gathering, processing and distribution of natural gas. The company owns and operates one of the nation's largest natural gas pipeline systems with approximately 20,000 miles of gathering and transportation pipelines and North America's largest liquefied natural gas import terminal.

Through Panhandle Energy, Southern Union's interstate pipeline interests operate approximately 15,000 miles of interstate pipelines that transport natural gas from the Anadarko and San Juan basins, the Rockies, the Gulf of Mexico, Mobile Bay and South Texas to major markets in the Southeast, Midwest and Great Lakes region.

Southern Union Gas Services, with approximately 4,800 miles of pipelines, is engaged in the gathering, transmission, treating, processing and redelivery of natural gas and natural gas liquids in Texas and New Mexico.

Through its local distribution companies, Missouri Gas Energy and New England Gas Company, Southern Union also serves more than half a million natural gas end-user customers in Missouri and Massachusetts.

For further information, visit [www.sug.com](http://www.sug.com).

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