



## **OVERVIEW OF MATAGORDA OFFSHORE PIPELINE SYSTEM (MOPS)**

Northern Natural Gas (Northern), a wholly-owned subsidiary of MidAmerican Energy Holdings Company, is offering a pipeline asset located in the Matagorda and Mustang Island offshore areas. The asset was constructed and put into service in 1981 as an interstate pipeline pursuant to Section 7 of the Natural Gas Policy Act. All subsequent expansions were in operation by December 1985. The asset has been designated as "gathering" from the terminus in Mustang Island 758 to a point at Matagorda Island 686. The portion of the system downstream of Matagorda 686 to Tivoli, Texas is designated as "transmission" under FERC regulations.

### **PHYSICAL ASSET INFORMATION**

- The MOPS consists of approximately 78 miles of 10-inch and 24-inch diameter pipelines extending from Mustang Island 758 to Tivoli, Texas.
- The pipe is located in the Mustang and Matagorda Island areas and goes onshore in Refugio County, Texas. The location of the onshore access of this system is in a key area north of Corpus Christi, Texas.
- There are seven delivery points to interconnecting interstate and intrastate pipelines:
  - Seadrift Pipeline
  - Houston Pipeline
  - Florida Gas Transmission
  - KM Tejas Gas Pipeline
  - GulfSouth Pipeline
  - KM Texas Pipeline
  - Natural Gas Pipeline of America
- Onshore facilities consist of dehydration, measurement and producer owned liquids separation/stabilization facilities, with producer owned terminals.
- The capacity of Northern's interest in the system is 176,400 MMBtu/day for the gathering portion, and 190,400 MMBtu/day for the transmission portion.

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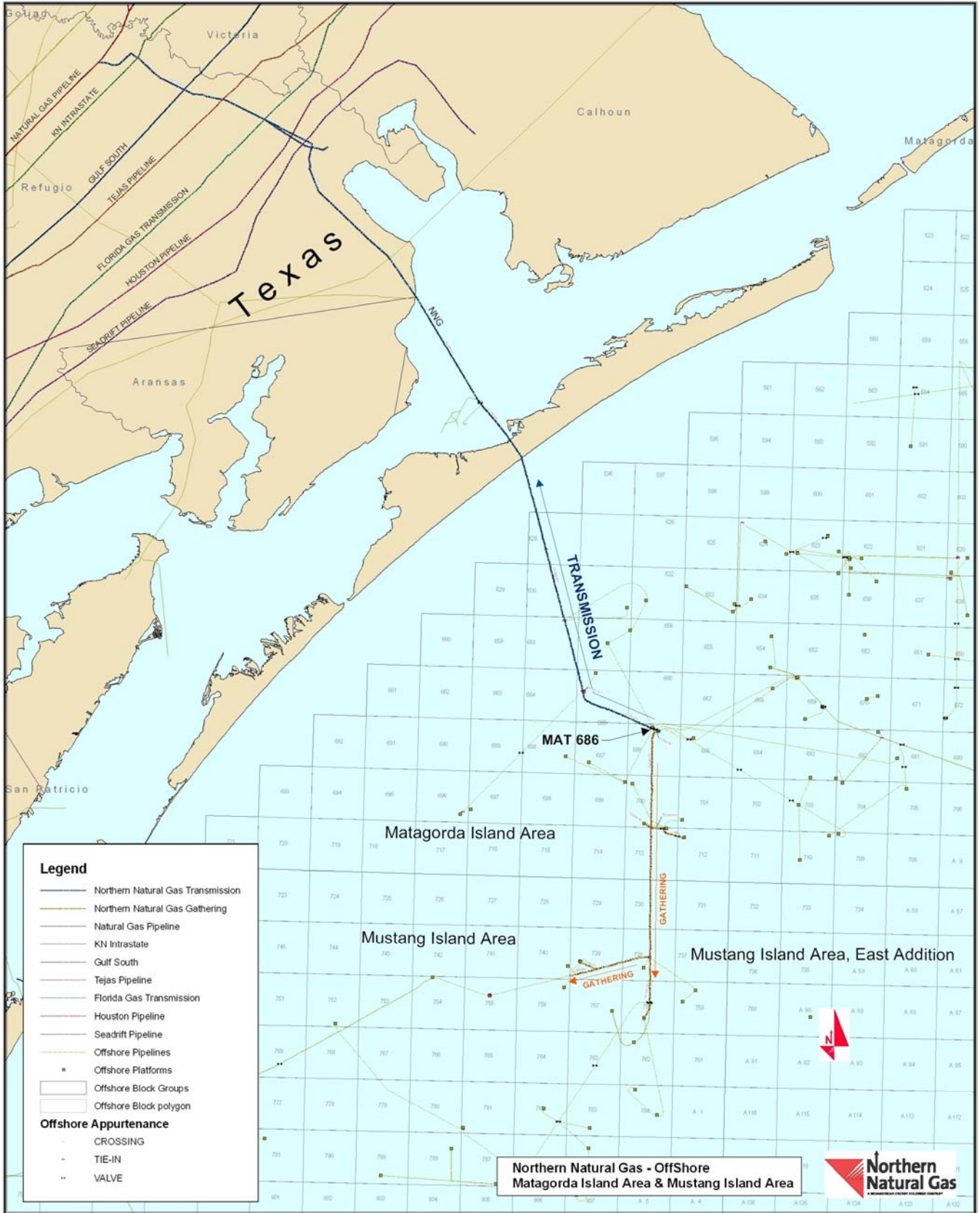
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### **COMMERCIAL INFORMATION**

- The MOPS asset is a joint venture between Northern, Southern Natural Gas Company (Sonat), Florida Gas Transmission (FGT), GulfTerra and Transco (WFS). The individual owners are responsible for their own commercial activity, have separate tariffs and tariff rates, and individually contract for shipper capacity rights in various segments of the pipeline.
- Northern is the system operator for the entire system, and is the only owner with contiguous capacity through the entire system.
- Northern's interest, including the operating agreement, is being offered as part of this sale.
- Revenues on Northern's portion of the system in 2007 were \$1.1 million for 12.8 Bcf of throughput.

Annual routine operating costs for Northern's interest in 2007 were \$0.93 million.



Texas

TRANSMISSION

MAT 686

Matagorda Island Area

Mustang Island Area

Mustang Island Area, East Addition

GATHERING

GATHERING



Northern Natural Gas - OffShore Matagorda Island Area & Mustang Island Area

