



**CONTACT:**

Jan Johnson, ENSTOR (503) 796-7070

**December 12, 2005**

**FOR IMMEDIATE RELEASE**

## **ENSTOR begins solution mining at Waha Gas Storage and Transportation Facility**

HOUSTON, Texas – ENSTOR, a unit of ScottishPower, announced today that it has begun solution mining of its Phase I caverns at Waha Gas Storage in west Texas. Solution mining is the process required to create cavern space in a salt formation that allows for the storage of natural gas.

ENSTOR recently received all of its required regulatory approvals to create, operate, and maintain an underground storage facility from the Railroad Commission of Texas, as well as authority to drill, produce, and transport raw water from the Middle Pecos Groundwater Conservation District.

“The Texas Railroad Commission’s approval of this project paved the way for construction to begin and now Phase I of this project is well underway. We have completed the construction of our solution mining facilities, water pipelines, and have also completed drilling of the 16 water, cavern and disposal wells needed to begin the solution mining,” said Matt Morrow, ENSTOR’s president. “ENSTOR plans to have cavern capacity available to meet the growing demand for gas storage at the Waha Hub in October 2007. Phase II will begin immediately thereafter and once complete, the Waha Storage and Transportation Hub will have 9.5 Bcf of working gas capacity and seven pipeline interconnects within three miles of the existing Waha Hub.”

ENSTOR’s gas storage business also includes the Katy Storage and Transportation Facility in Katy, Texas and Grama Ridge Storage and Transportation, in Lea County, New Mexico. The Katy facility, located 20 miles west of Houston, has a working capacity of 21 Bcf. Katy has been in operation for more than 10 years, has interconnects to 13 pipelines and serves gas storage capacity to a diversified customer base throughout the U.S. The Grama Ridge facility sits within 80 miles of the Waha Gas Storage and Transportation project. ENSTOR’S project portfolio also includes the Houston Hub Storage and Transportation Facility in Liberty County, Texas. This salt dome project received nearly 13.5 Bcf of support during the open season. The project is in the process of filing permits for the 12 Bcf storage facility.

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ENSTOR also owns 57% of the Alberta Hub. In operation since 1997, the Alberta Hub is a major underground gas storage facility located 80 miles west of Edmonton, Alberta, Canada. It is connected to the largest pipeline in the province, TransCanada Pipelines Limited – Alberta System, which has the capability to access markets in California, the Pacific Northwest, Midwest, Northeast and all of Canada. The storage facility currently serves producers, utilities, natural gas marketing companies and other customers.

Currently ENSTOR owns and operates 50 Bcf of storage capacity in North America. Of the 50 Bcf, 42 percent is high deliverability storage. After completion of Waha, Enstor's portfolio will increase to 60 Bcf of storage capacity at diversified, liquid natural gas trading locations

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