

## Press Release

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**FOR IMMEDIATE RELEASE**

### **FPL Group Resources, Tractebel North America and El Paso Corporation combine efforts to bring a new source of natural gas to Florida**

**JUNO BEACH, Fla. and HOUSTON --** FPL Group Resources LLC, a subsidiary of FPL Group, Inc. (NYSE: FPL), affiliates of Tractebel North America, Inc., a business unit of Tractebel Electricity & Gas International, one of the business divisions of SUEZ (NYSE: SZE), and subsidiaries of El Paso Corporation (NYSE: EP), today announced that they have agreed to combine development efforts and resources in order to bring a new supply of natural gas to South Florida. These efforts will help meet Florida's growing demand for clean natural gas and will deliver a new reliable source of production that will provide added supply security.

Affiliates of FPL Group Resources and Tractebel North America, Inc. have executed definitive agreements to combine their development efforts. FPL Group Resources currently has an option with subsidiaries of El Paso Corporation to purchase 100 percent of the development rights of El Paso's proposed liquefied natural gas (LNG) terminal at South Riding Point on Grand Bahama Island and 50 percent of the proposed Seafarer pipeline to Palm Beach County, Florida. An affiliate of FPL Group Resources has also signed a definitive Heads of Agreement with Ras Laffan Liquefied Natural Gas Company Limited (II) ("RasGas") for 800,000 million British Thermal units per day of LNG from Qatar. A Tractebel North America, Inc. ("TNA") subsidiary is currently developing the Calypso pipeline project, which proposes to transport natural gas via

a pipeline to Broward County, Florida, from a planned LNG terminal in Freeport, Grand Bahama, being developed by another TNA affiliate.

Upon completion of a series of new agreements, all three parties will have the ability to come together to create the most efficient project. Under terms of the new agreements, FPL Group Resources, affiliates of Tractebel North America, Inc., and El Paso will be equity owners of both the Seafarer and Calypso pipeline projects, and ultimately plan to construct one of these pipelines from the Bahamas to Florida. FPL Group Resources and affiliates of Tractebel North America, Inc. will be equal owners of an LNG receiving terminal in the Bahamas and a marketing company based in Florida called Sailfish Natural Gas Company, Ltd. ("Sailfish").

“By combining the talents and resources of our three companies, we will be able to deliver a more efficient project to bring a new supply of natural gas to South Florida,” said Brad Williams, vice president, Gas Projects, for FPL Group Resources.

William P. Utt, president and CEO for Tractebel North America said, “TNA is excited to be expanding SUEZ’s trans-Atlantic LNG position through these agreements. Our enormous experience in the LNG, natural gas and electricity generation value chains will contribute to ensuring that the most efficient project is built to serve the Florida market and we look forward to moving ahead with the proposed terminal and pipeline projects in the coming months.”

“El Paso will bring over 75 years of expertise in pipeline development, construction and operations to these efforts,” said John W. Somerhalder II, president of El Paso’s Pipeline Group. “We look forward to working with the other owners to ensure safe and reliable delivery of natural gas to south Florida while continuing to provide superior customer service.”

FPL Group Resources and TNA said the new Sailfish marketing company plans to furnish a joint proposal in connection with the Florida Power & Light Company outstanding request for proposals for LNG supplies. The companies said their marketing company’s proposal will offer the potential customers greater flexibility and supply security. The Heads of Agreement with RasGas is subject to Sailfish successfully competing to provide regasified LNG to Florida Power & Light Company and other Florida customers and obtaining certain regulatory approvals.

The new combined pipeline enterprise plans to continue to aggressively pursue the Seafarer FERC certificate and all other permits and approvals associated with that project as well as the remaining permits and approvals related to the Calypso Pipeline, which already has received its FERC certificate and State of Florida and Broward County environmental approvals. The newly combined LNG terminal enterprise is working to permit two sites in the Bahamas. By combining efforts and evaluating and optimizing every option, the companies intend to be positioned to best serve the Florida marketplace.

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**FPL Group**, with annual revenues of more than \$9 billion, is nationally known as a high-quality, efficient, and customer-driven organization focused on energy-related products and services. With a growing presence in 26 states, it is widely recognized as one of the country's premier power companies. Its principal subsidiary, Florida Power & Light Company, serves more than

4.2 million customer accounts in Florida. FPL Energy, LLC, an FPL Group energy-generating subsidiary, is a leader in producing electricity from clean and renewable fuels. Additional information is available on the Internet at [www.FPLGroup.com](http://www.FPLGroup.com), [www.FPL.com](http://www.FPL.com) and [www.FPLEnergy.com](http://www.FPLEnergy.com).

Based in Houston, **Tractebel North America, Inc.** (“TNA”) is a business unit of Tractebel Electricity & Gas International (“EGI”) and is responsible for managing EGI’s positions within the energy value chain in the US, Mexico, and Canada, including electricity generation and cogeneration, natural gas and LNG, asset-based trading and origination, and energy sales and related services.

TNA subsidiaries own and/or operate a total of 59 power, cogeneration, steam, and chilled-water facilities, including those in construction or development, representing a capacity of more than 5,717 MW of electricity generation, 12 million pounds per hour of steam, and 147,000 tons per hour of chilled water. TNA’s wholly owned subsidiary, Distrigas of Massachusetts LLC (“DOMAC”), owns and operates an LNG receiving terminal in Everett, Massachusetts. The DOMAC terminal commenced operations in 1971 and currently serves most of the gas utilities in New England and key power producers, meeting approximately 20% of New England’s annual gas demand.

In Mexico, TNA affiliates operate three natural gas distribution networks in Guadalajara, Querétaro and Tampico, and two cogeneration plants in Tampico and Monterrey. These companies serve more than 90,000 natural gas customers and produce 280 MW of power.

For more information about SUEZ, Tractebel Electricity & Gas International, or Tractebel North America, visit [www.egi.tractebel.com](http://www.egi.tractebel.com). For more information about Calypso U.S. Pipeline LLC (formerly Tractebel Calypso Pipeline LLC) visit [www.tractebelcalypso.com](http://www.tractebelcalypso.com).

**El Paso Corporation** provides natural gas and related energy products in a safe, efficient, dependable manner. The company owns North America’s largest natural gas pipeline system and one of North America’s largest independent natural gas producers. For more information, visit [www.elpaso.com](http://www.elpaso.com). For more information about the Seafarer pipeline project visit [www.seafarer.us](http://www.seafarer.us).

## **CAUTIONARY STATEMENTS AND RISK FACTORS THAT MAY AFFECT FUTURE RESULTS FOR FPL GROUP**

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (Reform Act), FPL Group, Inc. (FPL Group) and Florida Power & Light Company (FPL) are hereby filing cautionary statements identifying important factors that could cause FPL Group’s or FPL’s actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made by or on behalf of FPL Group and FPL in this press release, in response to questions or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, believe, could, estimated, may, plan, potential, projection, target, outlook) are not statements of historical facts and may

be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL Group's or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and FPL.

Any forward-looking statement speaks only as of the date on which such statement is made, and FPL Group and FPL undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The following are some important factors that could have a significant impact on FPL Group's and FPL's operations and financial results, and could cause FPL Group's and FPL's actual results or outcomes to differ materially from those discussed in the forward-looking statements:

- FPL Group and FPL are subject to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, as amended (PURPA), and the Public Utility Holding Company Act of 1935, as amended (Holding Company Act), changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC) and the utility commissions of other states in which FPL Group has operations, and the U.S. Nuclear Regulatory Commission (NRC), with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred.
- The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.
- FPL Group and FPL are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, wildlife mortality, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.
- FPL Group and FPL operate in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing competitive pressure.
- FPL Group's and FPL's results of operations could be affected by their ability to renegotiate franchise agreements with municipalities and counties in Florida.
- The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines or pipelines, use of new technology, the

dependence on a specific fuel source or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL Group's and FPL's nuclear units face certain risks that are unique to the nuclear industry including the ability to dispose of spent nuclear fuel, as well as additional regulatory actions up to and including shutdown of the units stemming from public safety concerns, whether at FPL Group's and FPL's plants, or at the plants of other nuclear operators. Breakdown or failure of an FPL Energy, LLC (FPL Energy) operating facility may prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages.

- FPL Group's and FPL's ability to successfully and timely complete their power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL Group and FPL could be subject to additional costs, termination payments under committed contracts, and/or the write-off of their investment in the project or improvement.
- FPL Group and FPL use derivative instruments, such as swaps, options, futures and forwards to manage their commodity and financial market risks, and to a lesser extent, engage in limited trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. In addition, FPL's use of such instruments could be subject to prudence challenges and if found imprudent, cost recovery could be disallowed by the FPSC.
- There are other risks associated with FPL Group's non-rate regulated businesses, particularly FPL Energy. In addition to risks discussed elsewhere, risk factors specifically affecting FPL Energy's success in competitive wholesale markets include the ability to efficiently develop and operate generating assets, the successful and timely completion of project restructuring activities, maintenance of the qualifying facility status of certain projects, the price and supply of fuel, transmission constraints, competition from new sources of generation, excess generation capacity and demand for power. There can be significant volatility in market prices for fuel and electricity, and there are other financial, counterparty and market risks that are beyond the control of FPL Energy. FPL Energy's inability or failure to effectively hedge its assets or positions against changes in commodity prices, interest rates, counterparty credit risk or other risk measures could significantly impair its future financial results. In keeping with industry trends, a portion of FPL Energy's power generation facilities operate wholly or partially without long-term power purchase agreements. As a result, power from these facilities is sold on the spot market or on a short-term contractual basis, which may affect the volatility of FPL Group's financial results. In addition, FPL Energy's business depends upon transmission facilities owned and operated by others; if transmission is disrupted or capacity is inadequate or unavailable, FPL Energy's ability to sell and deliver its wholesale power may be limited.
- FPL Group is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to successfully and timely complete and integrate them.

- FPL Group and FPL rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group and FPL to maintain their current credit ratings could affect their ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase interest costs.
- FPL Group's and FPL's results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities, and can affect the production of electricity at wind and hydro-powered facilities. In addition, severe weather can be destructive, causing outages and/or property damage, which could require additional costs to be incurred.
- FPL Group and FPL are subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims, as well as the effect of new, or changes in, tax rates or policies, rates of inflation, accounting standards, securities laws or corporate governance requirements.
- FPL Group and FPL are subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the United States, and the increased cost and adequacy of security and insurance.
- FPL Group's and FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national events as well as company-specific events.
- FPL Group and FPL are subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage.

The issues and associated risks and uncertainties described above are not the only ones FPL Group and FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with these additional issues could impair FPL Group's and FPL's businesses in the future.

## **CAUTIONARY STATEMENTS AND RISK FACTORS THAT MAY AFFECT FUTURE RESULTS FOR EL PASO CORPORATION**

This release includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The company has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release, including, without limitation, our ability to successfully construct and operate the proposed pipeline facilities described in this release; general economic conditions in geographic regions or markets served by El Paso Corporation and its affiliates, or where operations of the company and its affiliates are located; the uncertainties associated with governmental regulation; competition, and other factors described in the company's (and its affiliates') Securities and Exchange Commission filings. While the company makes these statements and projections in good faith, neither the company nor its management can guarantee that anticipated future results will be achieved. Reference must be made to those filings for additional important factors that may affect actual results. The company assumes no obligation to publicly

update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

## **CAUTIONARY STATEMENTS AND RISK FACTORS THAT MAY AFFECT FUTURE RESULTS FOR THE SUEZ GROUP**

This press release contains certain forward-looking statements, particularly with respect to future events, trends, plans or objectives. These statements are based on management's current views and assumptions and involve a number of risks and uncertainties which may lead to a significant difference between actual results and those suggested either explicitly or implicitly in these statements (or suggested by past results). Additional information about these risks and uncertainties appears in documents filed by SUEZ with the U.S. Securities and Exchange Commission and the Autorité des Marchés Financiers (French securities regulator). The present forward-looking statements are made as of the date of the present release, with no undertaking by SUEZ to update or revise them, whether in connection with new information, future events, or any other factor.

