

**Operating Company Capitalization Ratios as of December 31, 1999
and Representative Initial Transco Capitalization**

Operating Company Capitalization Ratios as of December 31, 1999

	EAI	EGSI	ELI	EMI	ENOI
Debt	51.4%	49.9%	51.0%	51.9%	54.6%
Preferred	7.0%	9.0%	7.4%	5.1%	6.1%
Equity	41.6%	41.1%	41.6%	43.0%	39.3%
Total Capitalization	100.0%	100.0%	100.0%	100.0%	100.0%

Debt = Long Term Debt + Long Term Capital Leases + Current Capital Leases +
Current Long Term Debt + Borrowings from Associated Companies + Notes Payable
Preferred = Preferred with Sinkers + Preferred without Sinkers + Preference Stock + QUIPS
Equity = Common Stock + Paid In Capital + Retained Earnings

Note: The above definition of debt includes certain liabilities not customarily included as debt for ratemaking purposes.

Representative Initial Transco Capitalization

	EAI	EGSI	ELI	EMI	ENOI	Total Transco	
	(\$ in Millions)						
Total Capitalization applicable to Transco (Exhibit NEL-2)	\$ 385	\$ 445	\$ 254	\$ 270	\$ 17	\$ 1,371	
Debt *	\$ 225	\$ 262	\$ 148	\$ 154	\$ 10	\$ 799	58.3%
Equity	160	183	106	116	7	572	41.7%
Total	\$ 385	\$ 445	\$ 254	\$ 270	\$ 17	\$ 1,371	100.0%

* Transco debt reflects Operating Company debt and preferred.