

TENNECO INC.

Jury Awards \$143 Million To Tennessee Gas Affiliate

A unit of Tenneco Inc. said a Texas state-court jury awarded it \$143 million in its lawsuit against the exploration and production arm of KCS Energy Inc., Edison, N.J. The Tenneco unit, Tennessee Gas Pipeline Co., said the jury found that KCS Resources Inc. of San Antonio committed fraud and breached its 1979 gas contract with Tennessee Gas. Tennessee

Gas said its lawsuit charged KCS Resources with secretly injecting propane into gas KCS sold to it from November 1993 to November 1994 to make the gas appear to meet certain contract requirements. An attorney for KCS Resources said he doesn't know whether the company plans to appeal. KCS officials couldn't be reached for comment. In June, Tenneco agreed to sell Tennessee Gas to El Paso Energy Corp. of El Paso, Texas, for \$1 billion in stock plus the assumption of \$3 billion in debt and other liabilities.