EL PASO CORP/DE
Form 424B5
December 23, 2003

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-82412

PROSPECTUS SUPPLEMENT

(To Prospectus dated February 27, 2002)

8,790,436 SHARES

(EL PASO LOGO)

COMMON STOCK

We are offering 8,790,436 shares of our common stock. Our common stock is listed on the New York Stock Exchange under the symbol "EP". On December 22, 2003, the last reported sale price of our common stock on the NYSE was $8.02 per share.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS. PLEASE READ "RISK FACTORS" BEGINNING ON PAGE S-6.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS	PROCEEDS TO EL PASO
Per Share	$ 7.85	$ 0.105	$ 7.74
Total	$69,004,922.60	$922,995.78	$68,081,926.8

The underwriters expect to deliver the shares to purchasers on or about December 26, 2003.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Joint Book-Running Managers

DEUTSCHE BANK SECURITIES JPMORGAN

The date of this prospectus supplement is December 23, 2003.

TABLE OF CONTENTS

	PAGE
PROSPECTUS SUPPLEMENT	
About this Prospectus Supplement......	S-i
Prospectus Supplement Summary.........	S-1
Risk Factors..........................	S-6
Use of Proceeds.......................	S-7
Capitalization........................	S-7

	PAGE
Price Range of Common Stock and Dividend Policy....................	S-8
Description of Capital Stock..........	S-8
Underwriting..........................	S-10
Legal Matters.........................	S-12

PROSPECTUS	
About this Prospectus.................	i
Cautionary Statement Regarding Forward-Looking Statements..........	1
Where You Can Find More Information...	2
El Paso Corporation...................	4
The Trusts............................	6
Use of Proceeds.......................	7
Ratio of Earnings to Fixed Charges....	7
Description of the Debt Securities....	8
Description of Capital Stock..........	17
Description of Purchase Contracts.....	24
Description of Warrants...............	25
Description of Units..................	26
Description of the Trust Preferred Securities.........................	26
Description of the Trust Preferred Securities Guarantees..............	27
Relationship among the Trust Preferred Securities, the Subordinated Debt Securities and the Guarantees.......	30
Plan of Distribution..................	32
Legal Matters.........................	33
Experts...............................	33

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of a registration statement that we have filed with the Securities and Exchange Commission (SEC) utilizing a "shelf" registration process. Under this process, we are offering to sell our common stock using this prospectus supplement and the accompanying prospectus. The prospectus supplement describes our business and the specific terms of the common stock offering. The accompanying prospectus gives more general information, some of which may not apply to this offering. Generally, when we refer only to the "prospectus," we are referring to both parts combined. You should read both this prospectus supplement together with the accompanying prospectus before making a decision to invest in our common stock. If the description of the offering varies between the prospectus supplement and the accompanying prospectus, you should rely on the information in the prospectus supplement.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some basic information appearing in other sections of this prospectus supplement and the accompanying prospectus. It is not complete and does not contain all the information that you should consider before investing in our common stock. You should carefully read this prospectus supplement and the accompanying prospectus and the documents incorporated by reference to understand fully El Paso and our common stock. You should pay special attention to the "Risk Factors" section beginning on page S-6 of this prospectus supplement, as well as the section entitled "Risk Factors and Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995" included in our Current Report on Form 8-K filed September 23, 2003, and the other documents incorporated by reference. You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document. For purposes of this prospectus supplement, unless the context otherwise indicates, when we refer to "El Paso," "us," "we," "our," or "ours," we are describing El Paso Corporation, together with its subsidiaries.

OUR BUSINESS

We are an energy company originally founded in 1928 in El Paso, Texas. Our operations are segregated into four primary business segments: Pipelines, Production, Field Services and Merchant Energy. These segments are strategic business units that provide a variety of energy products and services. We manage each segment separately, and each segment requires different technology and marketing strategies. See the "Recent Events" section of this prospectus supplement beginning on page S-3 for a discussion of our recently announced long-range plan and other matters that may impact our business.

Our Pipelines segment owns or has interests in approximately 60,000 miles of interstate natural gas pipelines in the U.S. and internationally. In the U.S., our systems connect the nation's principal natural gas supply regions to the five largest consuming regions: the Gulf Coast, California, the Northeast, the Midwest and the Southeast. These pipelines represent one of the largest integrated coast-to-coast mainline natural gas transmission systems in the U.S. Our U.S. pipeline systems also own or have interests in approximately 440 billion cubic feet of storage capacity used to provide a variety of services to our customers and own and operate a liquified natural gas (LNG) terminal at Elba Island, Georgia. Our international pipeline operations include access between our U.S. based systems and Canada and Mexico as well as interests in three operating natural gas transmission systems in Australia.

Our Production segment conducts our natural gas and oil exploration and production activities. Domestically, we lease approximately 4 million net acres in 16 states, including Louisiana, Oklahoma, Texas and Utah, and in the Gulf of Mexico. We also have exploration and production rights in Australia, Bolivia, Brazil, Canada, Hungary, Indonesia and Turkey. During 2002, daily equivalent natural gas production exceeded 1.6 billion cubic feet of gas equivalents per day, and our reserves at December 31, 2002, were approximately 5.2 trillion cubic feet of gas equivalents. During 2003, we completed the sale of natural gas and oil properties located in western Canada, Colorado, Utah, Texas, New Mexico, Oklahoma and the Gulf of Mexico. As part of our long-range plan, we also announced our intention to sell a majority of our exploration and production operations in Canada.

Our Field Services segment conducts our midstream activities. During 2002 and 2003, we completed a number of asset sales. These asset sales included the disposition of our San Juan Basin gathering, treating and processing assets and our Texas and New Mexico midstream assets, including the intrastate natural gas pipeline system we acquired from Pacific Gas & Electric in 2000, to GulfTerra Energy Partners, L.P. (GulfTerra) and other asset sales to third parties. GulfTerra is a publicly traded master limited partnership for which our subsidiary serves as general partner. As a result of these asset sales, our remaining Field Services assets consist of our interests in GulfTerra and processing plants and related gathering facilities located in the south Texas, south Louisiana and Rocky Mountain regions. The partnership provides natural gas, natural gas liquids and oil gathering, transportation, processing, fractionation, storage and other related

services. As discussed in the "Recent Events" section of this prospectus supplement, in December 2003, in connection with the pending merger of GulfTerra and Enterprise Products Partners, L.P. (Enterprise), we sold to an affiliate of Enterprise a 50% interest in the general partner of GulfTerra and agreed to sell to Enterprise approximately 13.8 million GulfTerra units (including Series A and Series C units) and nine of our South Texas processing plants.

Our Merchant Energy segment consists of a global power division, an energy trading division and other merchant operations (which consist primarily of our liquefied natural gas activities). We are a significant owner of electric generating capacity and own or have interests in foreign and domestic power plants. On November 8, 2002, we announced our plan to exit the energy trading business and pursue an orderly liquidation of our trading portfolio as a result of diminishing business opportunities and higher capital costs for this activity. During 2002 and 2003, we also completed or announced the sale of our interests in several power projects. As part of our long-range plan, we announced our intention to sell a significant portion of our domestic power operations and exit our LNG activities.

During June 2003, we reclassified our petroleum market operations, that were previously part of our Merchant Energy segment, as discontinued operations. Our Form 10-Q as of and for the periods ended June 30, 2003 and 2002, and September 30, 2003 and 2002, reflect these businesses as discontinued operations. In addition, we filed a Current Report on Form 8-K dated September 23, 2003, to reflect the reclassification of these operations in our historical financial statements for the three years ended December 31, 2002. However, our unaudited condensed consolidated financial statements as of March 31, 2003, and the three-month periods ended March 31, 2003 and 2002, and the related notes have not been modified to present the reclassification of this business as discontinued operations.

Our principal executive offices are located in the El Paso Building, located at 1001 Louisiana Street, Houston, Texas 77002, and our telephone number at that address is (713) 420-2600.

THE OFFERING

Common stock offered by El Paso: 8,790,436 shares

Common stock to be outstanding after this offering: 617,018,858 shares(1)

NYSE symbol: EP

WESTERN ENERGY SETTLEMENT

On June 26, 2003, we announced that we had executed two definitive settlement agreements that resolve the principal litigation and claims against El Paso relating to the sale or delivery of natural gas and/or electricity to or in the Western United States (the Western Energy Settlement). Parties to the settlement agreements include private class action litigants in California; the governor and lieutenant governor of California; the attorneys general of California, Washington, Oregon and Nevada; the California Public Utilities Commission; the California Electricity Oversight Board; the California Department of Water Resources; Pacific Gas and Electric Company and Southern California Edison Company; five California municipalities and six non-class private plaintiffs.

In the definitive settlement agreements announced on June 26, 2003, we agreed, among other things, to issue approximately 26.4 million shares of common stock on behalf of the settling parties. On November 24, 2003, we issued approximately 8.8 million shares of common stock in partial satisfaction of

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(1) The number of shares of our common stock outstanding after this offering is based on the number of shares outstanding as of December 12, 2003, and excludes approximately 25 million potentially dilutive shares subject to issuance under options to purchase shares of our common stock held by our employees, executive officers and directors. It also excludes shares that may be issued under outstanding convertible securities and as part of the settlement of the outstanding equity security units. Finally, this amount excludes the remaining shares that will be issued in favor of the settling claimants under the Western Energy Settlement.

this obligation. The offering described in this prospectus supplement will also satisfy a portion of the remaining obligation.

On November 14, 2003, the FERC issued its Order on Contested Settlement, which approved the structural portion of the Western Energy Settlement. While the FERC accepted the overall settlement as proposed, it rejected the provision of the structural settlement that provided for dual primary delivery points for certain capacity that is turned back to El Paso Natural Gas Company (EPNG) by its California shippers and which capacity must be allocated to EPNG's East of California shippers. Under the settlement agreements, the parties had until December 14, 2003, to accept or reject the structural settlement as modified by the FERC. The parties accepted the structural settlement as modified on December 11, 2003.

The Western Energy Settlement can not be finalized until the Master Settlement Agreement dealing with, among other things, the resolution of the claims of the private class action litigants is finally approved. On December 10, 2003, the California Superior Court in San Diego County issued its order approving the Master Settlement Agreement. If that order is not appealed, it will become final in early February 2004, permitting the Western Energy Settlement to become effective by the end of February 2004. If this offering is completed prior to final approval of the Western Energy Settlement, the net proceeds from this offering will be deposited into escrow for the benefit of the settling parties until final approval is received.

EQUITY SECURITY UNITS EXCHANGE OFFER

We are concurrently conducting an exchange offer for up to 90 percent of our outstanding equity security units in reliance upon an exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended. Pursuant to the terms of the exchange offer, as amended, we have offered to exchange up to 10,350,000 of our 11,500,000 outstanding 9.00% Equity Security Units for up to an aggregate of 25,940,205 shares of our common stock and an aggregate of $100,395,000 cash. The exchange offer is conditioned upon, among other things, the valid tender of at least 5,750,000 equity security units, representing at least 50% of the outstanding equity security units.

The exchange offer will expire on December 23, 2003, unless we extend the offer.

RECENT EVENTS

DIVESTITURE OF OUR LNG BUSINESS

On December 17, 2003, we sold the assets and intellectual property related to our Energy Bridge LNG business to Excelerate Energy, LLC (Excelerate), as well as terminated a $120 million letter of credit obligation to Exmar NV. The letter of credit was initially entered into in connection with ships being constructed for use in our then developing LNG business.

Under the agreement with Excelerate, we paid Excelerate approximately $75 million, consisting of $90 million to terminate the letter of credit with Exmar in favor of Excelerate, offset by $15 million paid to us by Excelerate for the assets and intellectual property rights of our LNG business. We will be required to pay an additional $5 million to Excelerate if certain conditions are not met. With this transaction, we will have substantially terminated all of our obligations with respect to our LNG business, and as a result of these transactions, we expect to incur a fourth quarter charge of approximately $75 million.

ASSIGNMENT OF ELBA ISLAND CONTRACTUAL RIGHTS

On December 22, 2003, we announced we had assigned the contractual rights to all of our upstream and downstream gas purchase and gas sales contracts at the Elba Island LNG terminal to BG LNG Services, LLC and BG Gas Marketing LTD. As part of the overall transaction, we also released our long-

term capacity rights at the Elba facility to BG LNG Services. The total consideration for the transaction was $127 million, of which $77 million has been received. The remaining $50 million is conditioned upon events affecting gas off-take arrangements.

LONG-RANGE PLAN

On December 15, 2003, we announced our long-range plan that defines our future businesses, targets significant debt reduction, establishes specific financial goals, and closely aligns compensation with shareholder interests. Under the long-range plan, we will focus our business going forward on our natural gas pipeline operations in the United States and Mexico, our oil and gas production operations in the United States and Brazil, and a marketing and physical trading group focused on marketing the natural gas of our production company. The long-range plan also targets reduction of our total debt (net of cash) to approximately $15 billion at year-end 2005 from approximately $22 billion at September 30, 2003. This debt reduction is expected to be achieved primarily through $3.3 billion to $3.9 billion of additional asset sales, the sale of our ownership interests in our restructured power contracts, the recovery of $500 million to $600 million in working capital, the conversion into common stock of our 9.00% Equity Security Units ($575 million), the application of the free cash flow generated by our operating activities, including cost reductions, and actions taken in the fourth quarter of 2003. See our Current Report on Form 8-K dated December 15, 2003 for additional details regarding our long-range plan.

SALE OF INTERESTS IN GULFTERRA ENERGY PARTNERS, L.P.

On December 15, 2003, GulfTerra and Enterprise announced their plan to merge their operations. As a part of this transaction, we sold to Enterprise a 50 percent interest in the general partner of GulfTerra. In addition, we have agreed to sell to Enterprise approximately 13.8 million of our 22 million GulfTerra units, which include all of our 10.9 million Series C Units and 2.9 million Series A Units, and nine of our South Texas processing assets. As a result of these transactions, we will realize approximately $1 billion of cash. We will also retain a significant ownership in the new combined midstream company. The merger transaction is subject to customary approvals. See our Current Report on Form 8-K dated December 15, 2003 for additional details regarding the GulfTerra transactions.

RATINGS DOWNGRADE

In November 2003, Moody's changed our rating outlook from developing to negative. On December 15, 2003, Standard and Poor's downgraded our senior unsecured debt to B- from B and affirmed its negative outlook. Additional discussion about our ratings is contained in the "Risk Factors" section of this prospectus supplement beginning on page S-6.

CHANGE IN EXECUTIVE OFFICERS

On November 14, 2003, we announced the resignation of Rodney D. Erskine, President of El Paso Production Company. Randy L. Bartley, chief operations officer of El Paso Production Company, will serve as interim President until a replacement is found. Also, Peggy A. Heeg, our General Counsel, will be leaving El Paso at the end of the year. Robert W. Baker, Executive Vice President of El Paso and President of El Paso Merchant Energy, will assume the General Counsel responsibilities effective January 1, 2004.

S-4

SUMMARY FINANCIAL INFORMATION

The following summary financial information should be read in conjunction with our consolidated financial statements and related notes thereto, which are incorporated herein by reference. The operating results data for each of the years in the five-year period ended December 31, 2002, and the financial position data as of the end of each fiscal year during such period are derived from our audited consolidated financial statements and selected financial data included in our Current Report on Form 8-K filed September 23, 2003. The summary financial information for the nine months ended September 30, 2003 and 2002, is derived from our unaudited consolidated financial statements for the respective periods. This historical information is not necessarily indicative of the results to be expected in the future.

	YEAR ENDED DECEMBER 31,	NINE M END SEPTEMB

	2002	2001	2000	1999	1998	2003
						(UNAUD
	(IN MILLIONS, EXCEPT PER COMMON SHARE AMOUNTS)					
Operating Results Data:						
Operating revenues	$7,598	$8,939	$7,188	$5,243	$4,981	$5,143
Income (loss) from continuing operations before preferred stock dividends(1)	(1,048)	152	1,113	226	113	(519)
Income (loss) from continuing operations available to common stockholders(1)	(1,048)	152	1,113	226	107	(519)
Basic earnings (loss) per common share from continuing operations	$(1.87)	$ 0.30	$ 2.25	$ 0.46	$ 0.22	$(0.87)
Diluted earnings (loss) per common share from continuing operations	$(1.87)	$ 0.30	$ 2.19	$ 0.46	$ 0.22	$(0.87)
Cash dividends declared per common share(2)	$ 0.87	$ 0.85	$ 0.82	$ 0.80	$ 0.76	$ 0.12
Basic average common shares outstanding	560	505	494	490	487	596
Diluted average common shares outstanding	560	516	513	497	495	596

	AS OF DECEMBER 31,					A SEPTE
	2002	2001	2000	1999	1998	20
						(UNA
	(IN MILLIONS)					
Financial Position Data:						
Total assets	$46,224	$48,546	$46,903	$32,090	$26,759	$4
Long-term financing obligations(3)(4)	16,106	12,840	11,193	9,610	7,510	2
Non-current notes payable to affiliates	201	368	343	--	--	
Securities of subsidiaries(4)	3,420	4,013	3,707	2,444	999	
Stockholders' equity	8,377	9,356	8,119	6,884	6,913	

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(1) In March 2003, we entered into an agreement in principle to settle claims associated with the western energy crisis of 2000 and 2001. We also incurred losses related to impairments of assets and equity investments and incurred restructuring charges related to industry changes. We also incurred a ceiling test charge on our full cost natural gas and oil properties. During 2001, we merged with The Coastal Corporation and incurred costs and asset impairments related to this merger. In 1999, we incurred $557 million of merger charges primarily related to our merger with Sonat, Inc. and $352 million of ceiling test charges. In 1998, we incurred $1,035 million of ceiling test charges. For a further discussion of events affecting comparability of our results in 2002, 2001 and 2000, See our Current Report on Form 8-K filed September 23, 2003 and our Form 10-Q for the nine months ended September 30, 2003, which are incorporated by reference into this prospectus supplement.

(2) Cash dividends declared per share of common stock represent the historical

dividends declared by El Paso for all periods presented.

(3) These amounts exclude long-term financing obligations of $51 million for 2001, $410 million for 2000, $411 million for 1999 and $181 million for 1998 related to our discontinued operations.

(4) The increase in long-term financing obligations as of September 30, 2003 was primarily a result of additional financing transactions in 2003, the consolidations of our Chaparral and Gemstone investments and the refinancing of our Clydesdale and Trinity River obligations. The proceeds from our additional financings in 2003 were used, in part, to redeem securities of subsidiaries. See our Form 10-Q for the quarter ended September 30, 2003 for a further discussion of these transactions.

RISK FACTORS

Before you invest in our common stock, you should consider the risks, uncertainties and factors that may adversely affect us that are discussed under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors and Cautionary Statement For Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995" in our Current Report on Form 8-K filed September 23, 2003, which is incorporated by reference in the accompanying prospectus, as well as the following additional risk factors.

WE MAY HAVE DIFFICULTY ACCESSING CAPITAL ON ATTRACTIVE TERMS OR AT ALL.

In response to the occurrence of several recent events, including the September 11, 2001 terrorist attack on the United States, the ongoing war against terrorism by the United States, the bankruptcy of Enron Corp., one of our major competitors, and the war in Iraq, the financial markets have been disrupted in general, and the availability and cost of capital for our business and that of our competitors has been adversely affected. In addition, the bankruptcy of Enron and the decline in the energy trading industry have caused the credit ratings agencies to review the capital structure and earnings power of energy companies, including ours. Our credit ratings are important to us, and credit downgrades or rating agency actions have an impact on our ability to access capital and the costs of that capital. In December 2001, we announced our balance sheet enhancement plan to strengthen our capital structure and enhance our liquidity. In May 2002, we announced our strategic repositioning plan to limit our investment in and exposure to energy trading and to increase our investment in our core natural gas businesses. These plans were specifically designed to maintain or even improve our credit ratings. Through a series of ratings actions in the third and fourth quarters of 2002, Moody's and Standard and Poor's downgraded our senior unsecured debt to Ba2 and BB-, respectively (both "below investment grade" ratings), and stated that our ratings outlook was negative. Moody's and Standard and Poor's ratings actions required us to post additional cash and other collateral in connection with several of our existing contractual obligations, including obligations related to our commercial trading activities and our financial guarantees and other financing arrangements. On February 5, 2003, we announced our 2003 Operational and Financial Plan pursuant to which we will continue to seek additional asset sales in order to further strengthen our financial position. During February 2003, the ratings assigned to our senior unsecured debt were further downgraded, to Caa1 by Moody's and B by Standard & Poor's. In November 2003, Moody's changed our rating outlook from developing to negative. On December 15, 2003, Standard and Poor's downgraded our senior unsecured debt to B- from B and affirmed its negative outlook. Our business is capital intensive, and achievement of our growth targets is dependent, at least in part, upon our ability to access capital at rates and on terms we determine to be attractive. If our ability to access capital becomes significantly constrained, our financial condition and future results of operations could be significantly adversely affected.

WE MAY NOT ACHIEVE ALL OF THE OBJECTIVES SET FORTH IN OUR LONG-RANGE PLAN IN A TIMELY MANNER OR AT ALL.

Our ability to achieve the stated objectives of our long-range plan, as well as the timing of their achievement, if at all, is subject, in part, to factors beyond our control. These factors include (1) our ability to raise cash from asset sales, which may be impacted by our ability to locate potential buyers in a timely fashion and obtain a reasonable price or by competing asset sale programs by our competitors, (2) our ability to recover working capital, and (3) our ability to generate additional cash by improving the performance of our pipeline and production operations. If we fail to achieve in a timely manner various targets of our long-range plan, our liquidity or financial position could be materially adversely affected.

OUR PROVED OIL AND GAS RESERVES COULD BE REVISED AS A RESULT OF OUR INTERNAL ESTIMATES AND ESTIMATES PREPARED BY A THIRD PARTY RESERVE ENGINEER.

As of January 1, 2003, our estimates of proved reserves were prepared internally by us. A third party reserve engineering firm also prepared an independent reserve estimate for our properties as of January 1, 2003. During the fourth quarter of 2003, we appointed Ryder Scott Co. as our primary reserve engineer.

As of January 1, 2004, our estimates of proved reserves will be prepared internally by us. Ryder Scott will also prepare an independent reserve estimate for our properties as of January 1, 2004. Because estimating reserves is a complex process and estimates are based on interpretations and assumptions, it is possible that our proved reserve estimates could be revised upon completion of our internal estimate and Ryder Scott's independent estimate for our properties. The reported value of our reserves at year-end will also be dependent on the price of natural gas at that time. Based on production performance in certain of our basins over the last year, we currently expect negative revisions to our previous reserve estimates.

USE OF PROCEEDS

As part of the Western Energy Settlement, we agreed to provide the gross proceeds from this offering of our common stock (approximately $69 million) to the settling parties through our subsidiary, EPNG. If we complete this offering prior to final approval of the definitive agreements relating to the Western Energy Settlement, EPNG will deposit the gross proceeds from this offering into escrow for the benefit of the settling parties until final approval is received.

CAPITALIZATION

The following table sets forth our unaudited consolidated capitalization as of September 30, 2003. You should read this table in conjunction with our consolidated financial statements and related notes contained in our Current Report on Form 8-K filed September 23, 2003, and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2003, each of which is incorporated by reference into the accompanying prospectus.

	AS OF SEPTEMBER 30, 2003 (UNAUDITED)

	(IN MILLIONS, EXCEPT SHARE AMOUNTS)
Debt and other financing obligations:	
Notes payable to affiliates	$ 9
Short-term financing obligations, including current maturities	1,047
Total current debt and other financing obligations	1,056
Long-term financing obligations	22,524
Total debt and other financing obligations	23,580
Securities of subsidiaries:	
Preferred interests of consolidated subsidiaries	400
Minority interests of consolidated subsidiaries	65
Total securities of subsidiaries	465
Stockholders' equity:	
Common stock, par value $3.00 per share; 1,500,000,000 shares authorized; 605,707,395 shares issued as of September 30, 2003	1,817
Additional paid-in capital	4,414
Retained earnings	1,142
Treasury stock and other, net	(620)
Total stockholders' equity(1)	6,753
Total capitalization	$30,798

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(1) Amounts as of September 30, 2003 do not reflect an increase in total stockholders' equity of approximately $120 million to reflect (a) this offering and (b) our November 24, 2003 offering of 8,790,436 shares in partial satisfaction of our Western Energy Settlement obligation.

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

As of December 12, 2003, there were 608,228,422 shares of common stock outstanding held by 49,354 registered holders. Our common stock is traded on the NYSE under the symbol "EP". The following table sets forth the high and low sales price per share of the common stock as reported on the NYSE and our dividends declared during the periods shown:

	HIGH	LOW	DIVIDENDS
2003			
Fourth Quarter (through December 22, 2003)	$ 8.06	$ 5.97	$0.0400
Third Quarter	8.95	6.51	0.0400
Second Quarter	9.89	5.85	0.0400
First Quarter	10.30	3.33	0.0400

2002			
Fourth Quarter	$ 11.91	$ 4.39	$0.2175
Third Quarter	21.07	5.30	0.2175
Second Quarter	46.80	18.88	0.2175
First Quarter	46.89	31.70	0.2175
2001			
Fourth Quarter	$ 54.05	$ 36.00	$0.2125
Third Quarter	54.48	38.00	0.2125
Second Quarter	71.10	49.90	0.2125
First Quarter	75.30	57.25	0.2125

Future dividends will be payable only when, as and if declared by our Board of Directors and will be dependent upon business conditions, earnings, our cash requirements and other relevant factors.

On December 22, 2003, the last reported sale price of our common stock on the NYSE was $8.02 per share.

DESCRIPTION OF CAPITAL STOCK

GENERAL

As of December 12, 2003, there were 608,228,422 shares of our common stock issued and outstanding and no shares of our preferred stock issued or outstanding. The description of our capital stock set forth below replaces in its entirety the description of our capital stock set forth under "Description of Capital Stock" in the accompanying prospectus.

The statements under this caption are brief summaries and are subject to, and are qualified in their entirety by reference to, the more complete descriptions contained in our Amended and Restated Certificate of Incorporation (the Charter).

COMMON STOCK

We are currently authorized by our Charter to issue up to 1,500,000,000 shares of common stock. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of common stock do not have the right to cumulate votes in the election of directors. Subject to preferences that may be applicable to any outstanding preferred stock, holders of common stock are entitled to receive ratably dividends which are declared by our board of directors out of funds legally available for such a purpose. In the event of our liquidation, dissolution, or winding up, holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and liquidation preference of any outstanding preferred stock. Holders of common stock have no

preemptive rights and have no rights to convert their common stock into any other securities. The common stock is not redeemable. All of the outstanding shares of common stock are fully paid and nonassessable upon issuance against full payment of the purchase price.

EquiServe Trust Company, N.A. is the transfer agent and registrar for our common stock.

PREFERRED STOCK

Our board of directors, without any further action by our stockholders, is authorized to issue up to 50,000,000 shares of preferred stock, and to divide the preferred stock into one or more series. The Board may fix by resolution or resolutions any of the designations and the powers, preferences and rights, and the qualifications, limitations, or restrictions which are permitted by the General Corporation Law of the State of Delaware of the shares of each such series. Preferred stock, upon issuance against full payment of the purchase price therefor, will be fully paid and nonassessable. The issuance of preferred stock may have the effect of delaying, deterring or preventing a change in control of El Paso. The specific terms of a particular series of preferred stock will be described in the certificate of designation relating to that series. The designations, powers, preferences and rights, and the qualifications, limitations, or restrictions of the preferred stock will vary depending on the series, therefore reference to the certificate of designation relating to that particular series of preferred stock should be made for a complete description of terms.

SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW

We are a Delaware corporation subject to Section 203 of the Delaware General Corporation Law. Generally, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the time of the transaction in which the person became an interested stockholder, unless (1) prior to such time, either the business combination or such transaction which resulted in the stockholder becoming an interested stockholder is approved by the board of directors of the corporation, (2) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owns at least 85% of the outstanding voting stock, or (3) at or subsequent to such time, the business combination is approved by the board of directors of the corporation and by the affirmative vote at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder. A "business combination" includes mergers, asset sales and other transactions resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or, within three years, did own, 15% or more of the corporation's outstanding voting stock.

EL PASO'S RESTATED CERTIFICATE OF INCORPORATION AND BY-LAWS

The following provisions in our charter or by-laws may make a takeover of El Paso more difficult:

- our charter prohibits the taking of any action by written stockholder consent in lieu of a meeting;

- our by-laws provide that special meetings of stockholders may be called only by a majority of the Board, the Chairman of the Board, the Chief Executive Officer, the President or the Vice Chairman of the Board; and

- our by-laws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before an annual meeting of stockholders.

S-9

UNDERWRITING

Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. are the joint book-running managers of this offering. We have entered into an underwriting agreement covering the common stock to be offered in this offering with Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. Subject to the terms and conditions stated in the underwriting agreement, each underwriter named below has severally agreed to purchase, and we have severally agreed to sell to that underwriter, the number of shares of our common stock set forth opposite the underwriter's name.

NAME	NUMBER OF SHARES
Deutsche Bank Securities Inc.	4,395,218
J.P. Morgan Securities Inc.	4,395,218
Total...	8,790,436

The underwriting agreement provides that if the underwriters purchase any of the shares presented in the table above, then they must purchase all of these shares. No underwriter is obligated to purchase any shares allocated to a defaulting underwriter, except under limited circumstances set forth in the underwriting agreement.

The underwriters are offering the shares of common stock subject to the prior sale of the shares and when, as and if such shares are delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The underwriters will initially offer to sell shares to the public at the public offering price shown on the cover page of this prospectus supplement.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering.

UNDERWRITING DISCOUNTS AND COMMISSIONS

	PER SHARE
Public offering price....................................	$7.850
Underwriting discounts and commissions.....................	$0.105
Proceeds to El Paso, before expenses.......................	$7.745

Each underwriter has agreed that (i) it has not offered or sold, and prior to the six months after the date of issue of the common stock will not offer or sell, any shares of our common stock to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for purposes of their business or otherwise in circumstances that have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied, and will comply, with all applicable provisions of the Financial Services and Markets Act 2000 of Great Britain (FSMA) with respect to anything done by it in relation to our common stock in, from or otherwise involving the United Kingdom; and (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any shares of our common stock in circumstances in which section 21(1) of the FSMA does not apply to the issuer.

The underwriters have advised us that they may make short sales of our common stock in connection with this offering, resulting in the sale by the underwriters of a greater number of shares than they are

required to purchase pursuant to the underwriting agreement. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the trading price of the common stock in the open market that could adversely affect investors who purchase shares in this offering. The underwriters may reduce or close out their covered short position by purchasing shares in the open market. Any "naked" short position will be closed out by purchasing shares in the open market. Similar to the other stabilizing transactions described below, open market purchases made by the underwriters to cover all or a portion of their short position may have the effect of preventing or retarding a decline in the market price of our common stock following this offering. As a result, our common stock may trade at a price that is higher than the price that otherwise might prevail in the open market.

The underwriters have advised us that, pursuant to Regulation M under the Securities Exchange Act of 1934, as amended, they may engage in transactions, including stabilizing bids or the imposition of penalty bids, that may have the effect of stabilizing or maintaining the market price of the shares of common stock at a level above that which might otherwise prevail in the open market. A "stabilizing bid" is a bid for or the purchase of shares of common stock on behalf of the underwriters for the purpose of fixing or maintaining the price of the common stock. A "penalty bid" is an arrangement permitting the underwriters to claim the selling concession otherwise accruing to an underwriter or syndicate member in connection with the offering if the common stock originally sold by that underwriter or syndicate member is purchased by the underwriters in the open market pursuant to a stabilizing bid or to cover all or part of a syndicate short position. The underwriters have advised us that stabilizing bids and open market purchases may be effected on the NYSE, in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

One or more of the underwriters may facilitate the marketing of this offering online directly or through one of its affiliates. In those cases, prospective investors may view offering terms and this prospectus supplement and the accompanying prospectus online and, depending upon the particular underwriter, place orders online or through their financial advisors.

We estimate that our total expenses of this offering, excluding underwriting discounts, will be approximately $150,000.

We have agreed that, with limited exceptions, for a period of 90 days after the date of the initial public offering of the common stock pursuant to this offering, we will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, or file with the SEC a registration statement relating to, any shares of our common stock, or any of our securities that are substantially similar to our common stock, or (ii) enter into any swap, option, future, forward or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of common stock or such other securities, in cash or otherwise without the prior written consent of the underwriters. In addition, our executive officers and directors have each agreed that, with limited exceptions, for a period of 45 days after the date of this prospectus supplement, they will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, or publicly disclose the intention to do any of the foregoing, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock or (ii) enter into any swap, option, future, forward or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or any securities substantially similar to the common stock, including, but not limited to any security convertible into or exercisable or exchangeable for common stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, without the prior written consent of the underwriters. In addition, our executive officers and directors have each agreed that during this 45-day period none of them will make any demand for or exercise any right with respect to the registration of any shares of common stock or any security

convertible into or exercisable or exchangeable for common stock without the prior written consent of the underwriters.

Our common stock is listed on the NYSE under the symbol "EP."

We have severally agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

The underwriters and certain of their affiliates have performed investment banking, advisory, general financing and commercial banking services for us and our subsidiaries from time to time for which they have received customary fees and expenses.

LEGAL MATTERS

The validity of our common stock offered in this prospectus supplement will be passed upon for us by Locke Liddell & Sapp LLP, Houston, Texas. Certain legal matters in connection with the sale of our common stock offered in this prospectus supplement will be passed upon for the underwriters by Andrews Kurth LLP, Houston, Texas.

Filed pursuant to Rule 424(b)(3)
Registration No. 333-82412

PROSPECTUS

$3,000,000,000

EL PASO CORPORATION

DEBT SECURITIES
PREFERRED STOCK
COMMON STOCK

PURCHASE CONTRACTS
WARRANTS
UNITS

EL PASO CAPITAL TRUST II
EL PASO CAPITAL TRUST III

TRUST PREFERRED SECURITIES
(GUARANTEED BY EL PASO CORPORATION)

El Paso Corporation may offer and sell in one or more offerings:

- unsecured debt securities consisting of senior notes and debentures and subordinated notes and debentures and/or other unsecured evidences of indebtedness in one or more series;

- shares of preferred stock, in one or more series, which may be convertible or exchangeable for common stock or debt securities;

- shares of common stock;

- purchase contracts for the purchase or sale of our common stock, preferred stock, debt securities, warrants or units, or for the purchase or sale of securities of a third party, currencies or commodities;

- warrants to purchase our common stock, preferred stock, debt securities, purchase contracts or units, or to purchase or sell securities of a third party, currencies or commodities; and

- units consisting of any combination of our common stock, preferred stock, debt securities, purchase contracts or warrants.

El Paso Capital Trust II and El Paso Capital Trust III, each a wholly owned subsidiary of El Paso Corporation, may offer and sell in one or more offerings:

- trust preferred securities representing undivided beneficial interests in the assets of each trust. As described in this document, we will provide a limited guarantee of the payment by each trust of distributions on the trust preferred securities and the payment upon liquidation and redemption.

The aggregate initial offering price of the securities that we offer by this prospectus will not exceed $3,000,000,000. We will offer the securities in amounts, at prices and on terms to be determined by market conditions at the time of our offerings.

We will provide the specific terms of the securities in supplements to this prospectus. You should read this prospectus and the prospectus supplements carefully before you invest in any of our securities. This prospectus may not be used to consummate sales of our securities unless it is accompanied by a prospectus supplement.

Our common stock is listed for trading on the New York Stock Exchange and the Pacific Exchange under the symbol "EP."

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED WHETHER THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is February 27, 2002

TABLE OF CONTENTS

	PAGE
About this Prospectus	i
Cautionary Statement Regarding Forward-Looking Statements	1
Where You Can Find More Information	2
El Paso Corporation	4
The Trusts	6
Use of Proceeds	7
Ratio of Earnings to Fixed Charges	7
Description of the Debt Securities	8
Description of Capital Stock	17
Description of Purchase Contracts	24
Description of Warrants	25
Description of Units	26
Description of the Trust Preferred Securities	26
Description of the Trust Preferred Securities Guarantees	27
Relationship among the Trust Preferred Securities, the Subordinated Debt Securities and the Guarantees	30
Plan of Distribution	32
Legal Matters	33
Experts	33

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (SEC) utilizing a "shelf" registration process. Under this shelf process, we may sell different types of securities described in this prospectus in one or more offerings up to a total offering amount of $3,000,000,000. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities offered by us in that offering. The prospectus supplement may also add, update or change information in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find More Information."

In this prospectus, references to "El Paso," "we," "us" and "our" mean El Paso Corporation, and references to an "El Paso Trust" or a "trust" mean El Paso Capital Trust II and/or El Paso Capital Trust III.

CAUTIONARY STATEMENT REGARDING
FORWARD-LOOKING STATEMENTS

We have made statements in this document and in documents that we have incorporated by reference into this document that constitute forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. Forward-looking statements include information concerning possible or assumed future results of operations of El Paso. These statements may relate to, but are not limited to, information or assumptions about earnings per share, capital and other expenditures, dividends, financing plans, capital structure, cash flow, pending legal proceedings and claims, including environmental matters, future economic performance, operating income, management's plans, goals and objectives for future operations and growth and markets for the stock of El Paso. These forward-looking statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "expect," "should" or similar expressions. You should understand that these forward-looking statements are estimates reflecting the best judgment of senior management of El Paso, not guarantees of future performance. They are subject to a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from estimates or projections contained in forward-looking statements include, among others, the following:

- the risk that earnings may be adversely affected by fluctuating energy prices;

- the risk that rates charged to customers may be reduced by governmental authorities;

- the highly competitive nature of the natural gas transportation, gathering, processing and storage businesses, the oil and gas exploration and production business, the energy marketing and power generation industries, the crude oil refining and chemical production businesses and the coal mining business;

- the risk of favorable customer contracts expiring or being renewed on less attractive terms;

- the risk that we may have difficulty accessing capital on attractive terms in the wake of recent events that have disrupted financial markets and the availability and cost of capital;

- risks associated with possible judgments or sanctions in connection with the energy crisis in California;

- the timing and success of our exploration and development drilling programs, which would affect production levels and reserves;

- changes to our estimates of oil, gas and coal reserves;

- the risk of financial losses arising out of derivative transactions;

- risks incident to the drilling and operation of oil and gas wells;

- risks incident to operating crude oil refineries, chemical plants and coal mines;

- future drilling, production and development costs, includi