

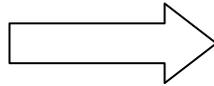
NORTHEAST ENERGY INFRASTRUCTURE CONFERENCE



JUNE 3, 2004

NEW YORK CITY

US/NORTHEAST COMPARISON 1991 and 2003

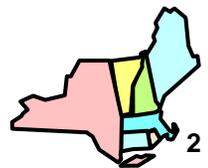


Population	Real GSP	Energy Use*
↑ 15%	↑ 72%	↑ 15.1%
290.8 million People	10.1 trillion dollars	71.3 quads
↑ 7%	↑ 67%	↑ 26%
33.4 million People	1.4 trillion dollars	6.5 quads



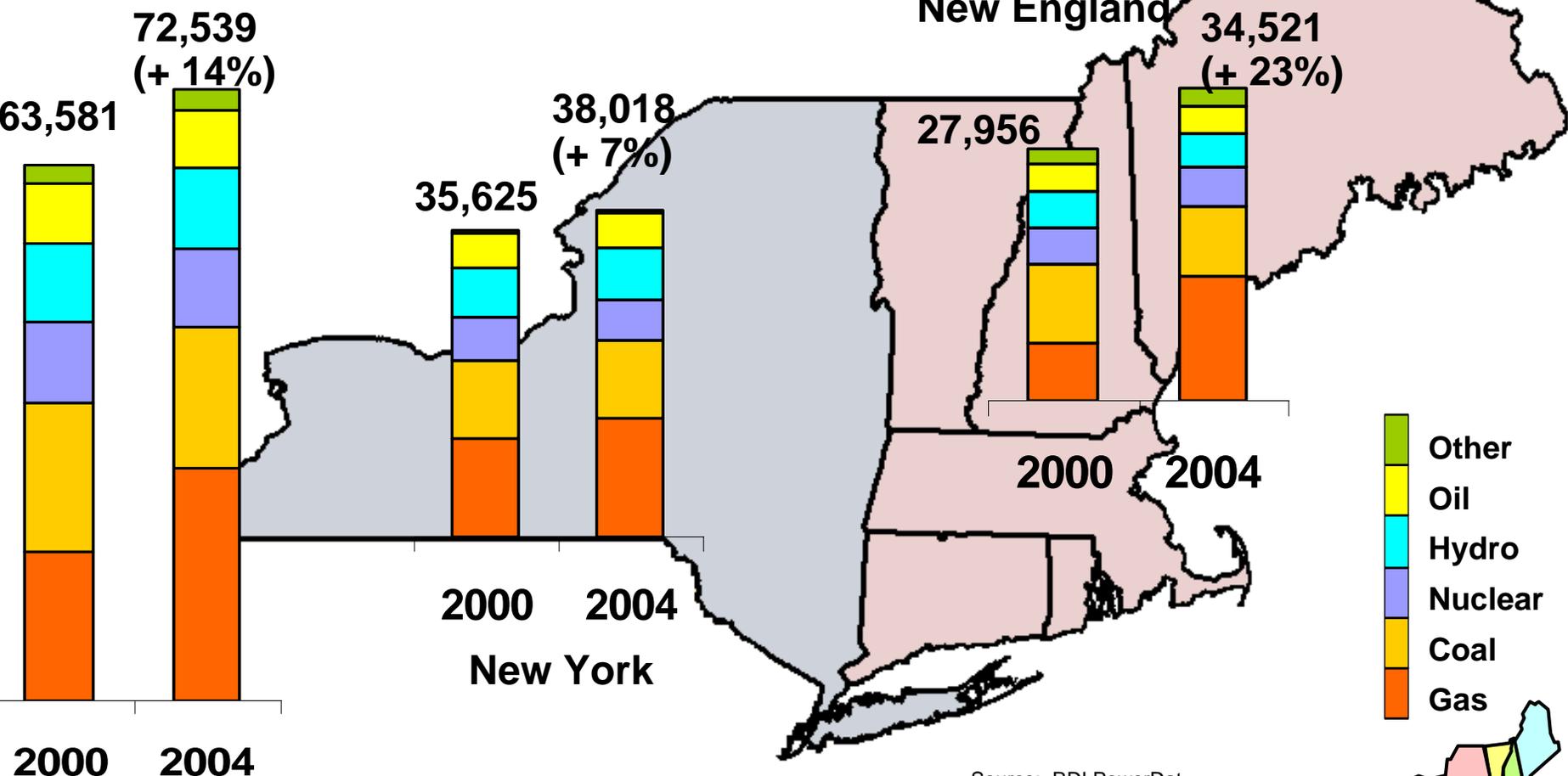
* Energy use data compares 1991 to 2000; does not include energy use for transportation purposes.

Source: U.S. Census Bureau, Bureau of Economic Analysis, EIA.



From Jan. 2000 to May 2004, total Northeast generation capacity increased 14%, with the New England region leading with 23% growth.

Total Northeast Capacity (MW)

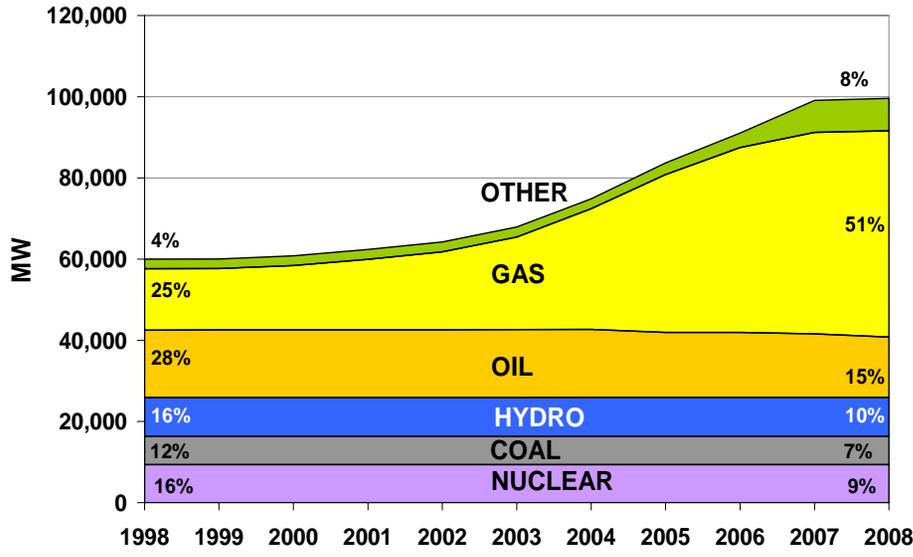


- Other
- Oil
- Hydro
- Nuclear
- Coal
- Gas



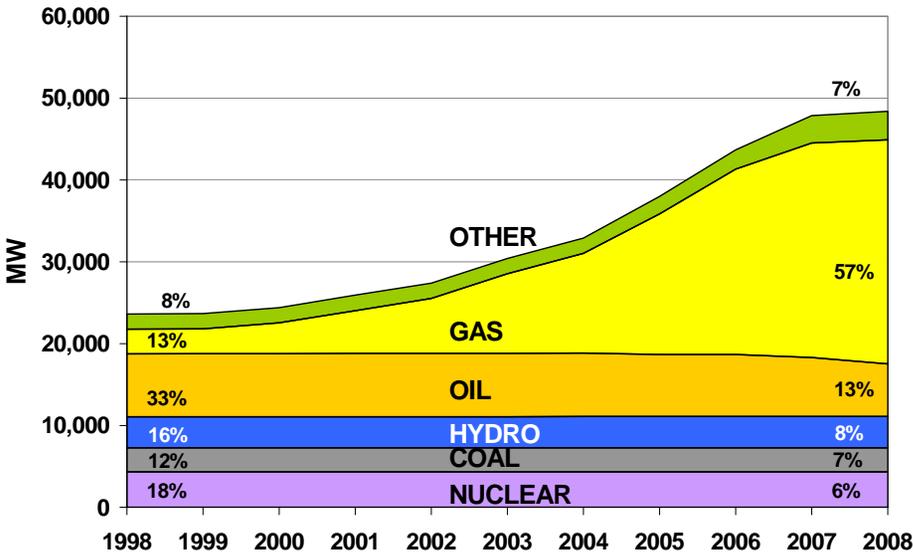
Source: RDI PowerDat.

NPCC Generation Capacity Growth

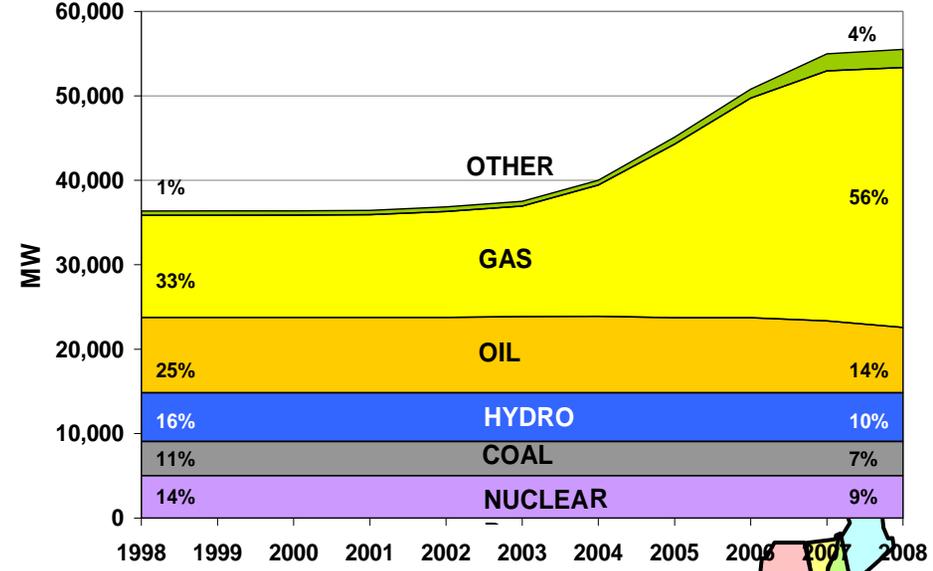


By 2008, natural gas-fired generation will have doubled from 1998 in the Northeast. The additions of new gas-fired power plants are replacing aging oil-fired plants.

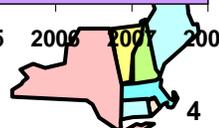
NEPOOL Historic Generation Growth



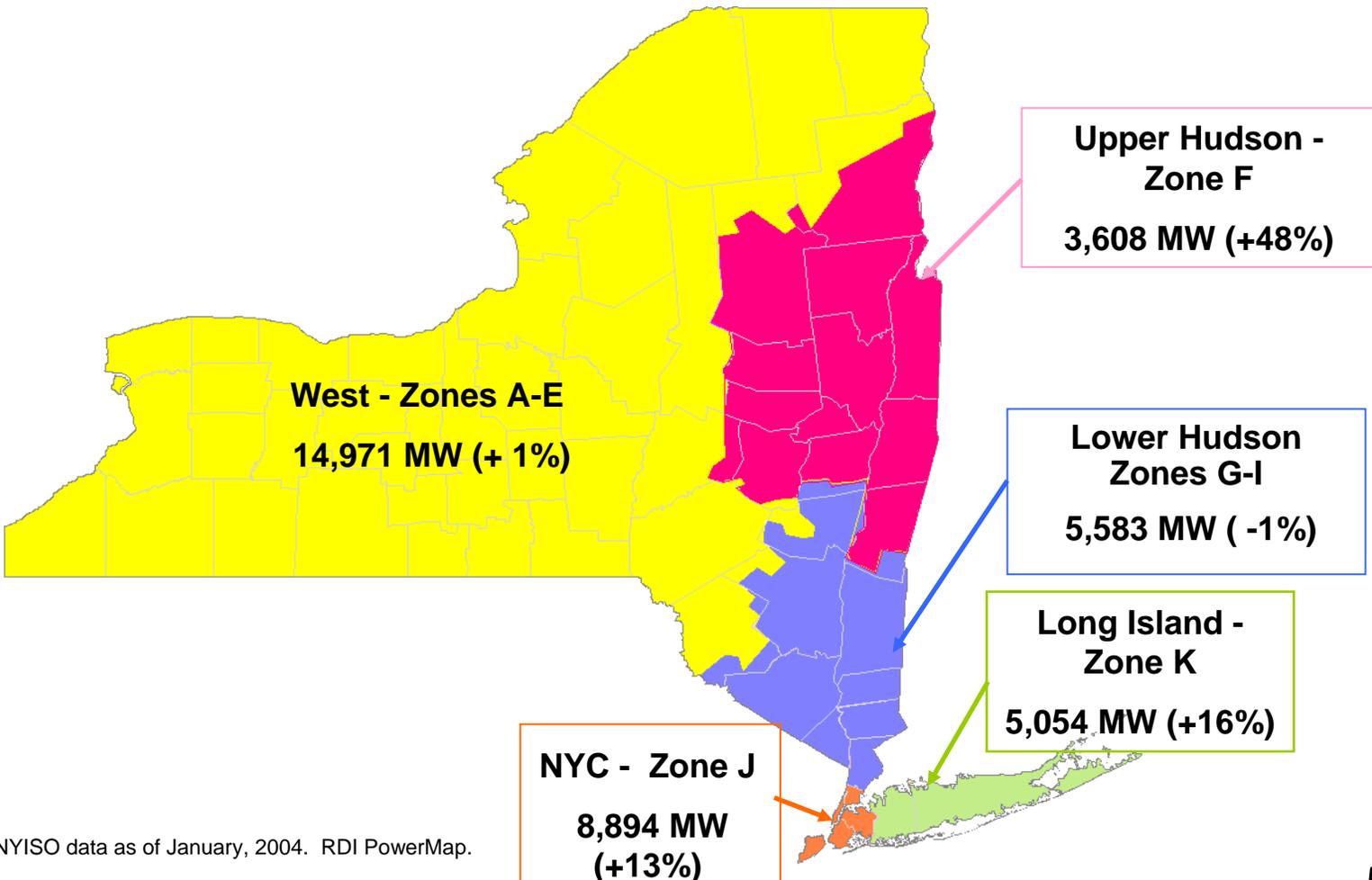
NYPP Historic Generation Capacity Growth



Source: Platts PowerDat, NewGen.



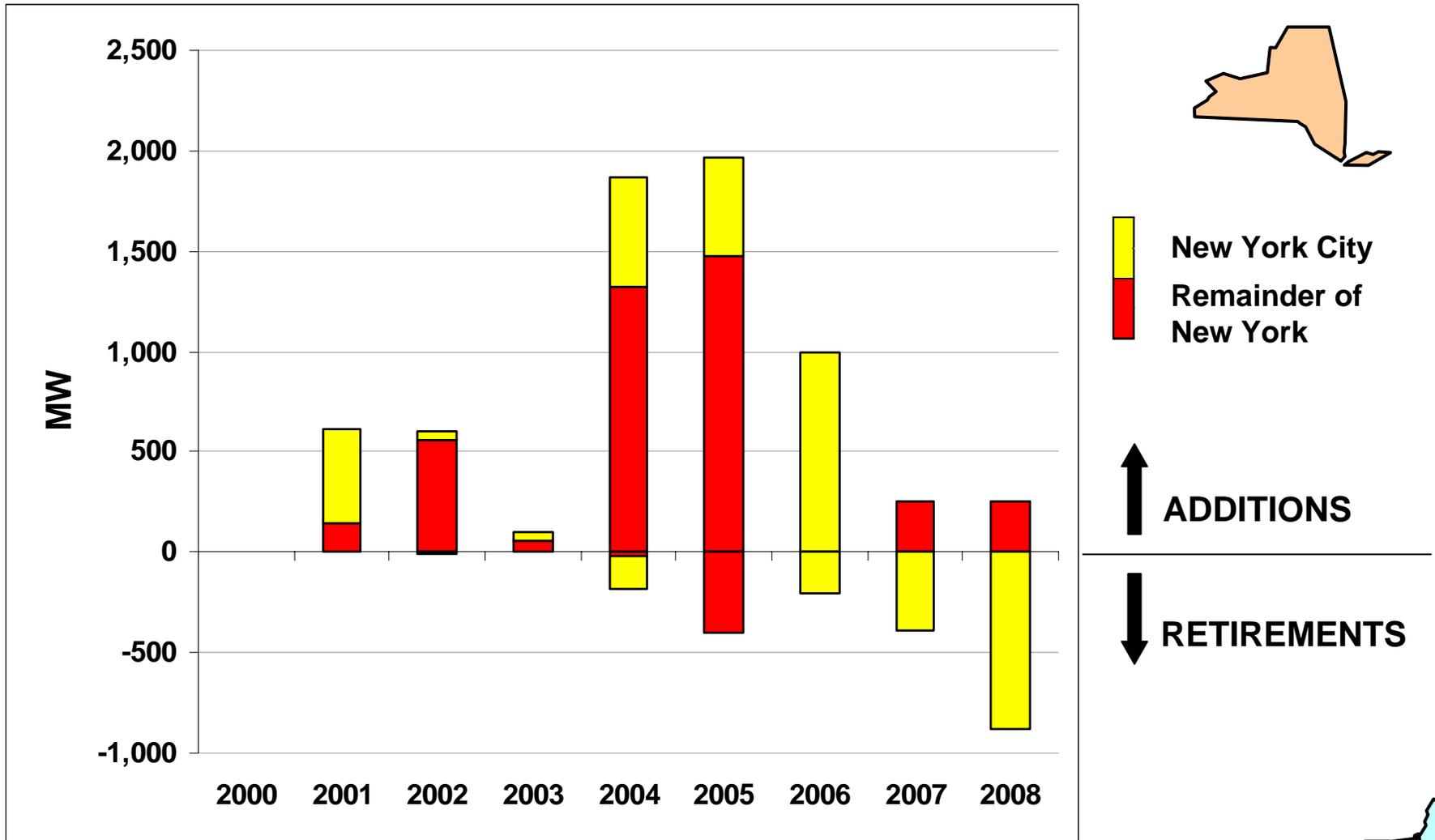
Since 2000, new generation capacity in New York's Upper Hudson nearly doubled. New York City and Long Island have grown 13% and 16%, respectively.



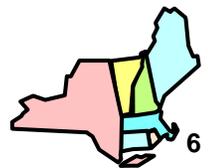
Source: NYISO data as of January, 2004. RDI PowerMap.



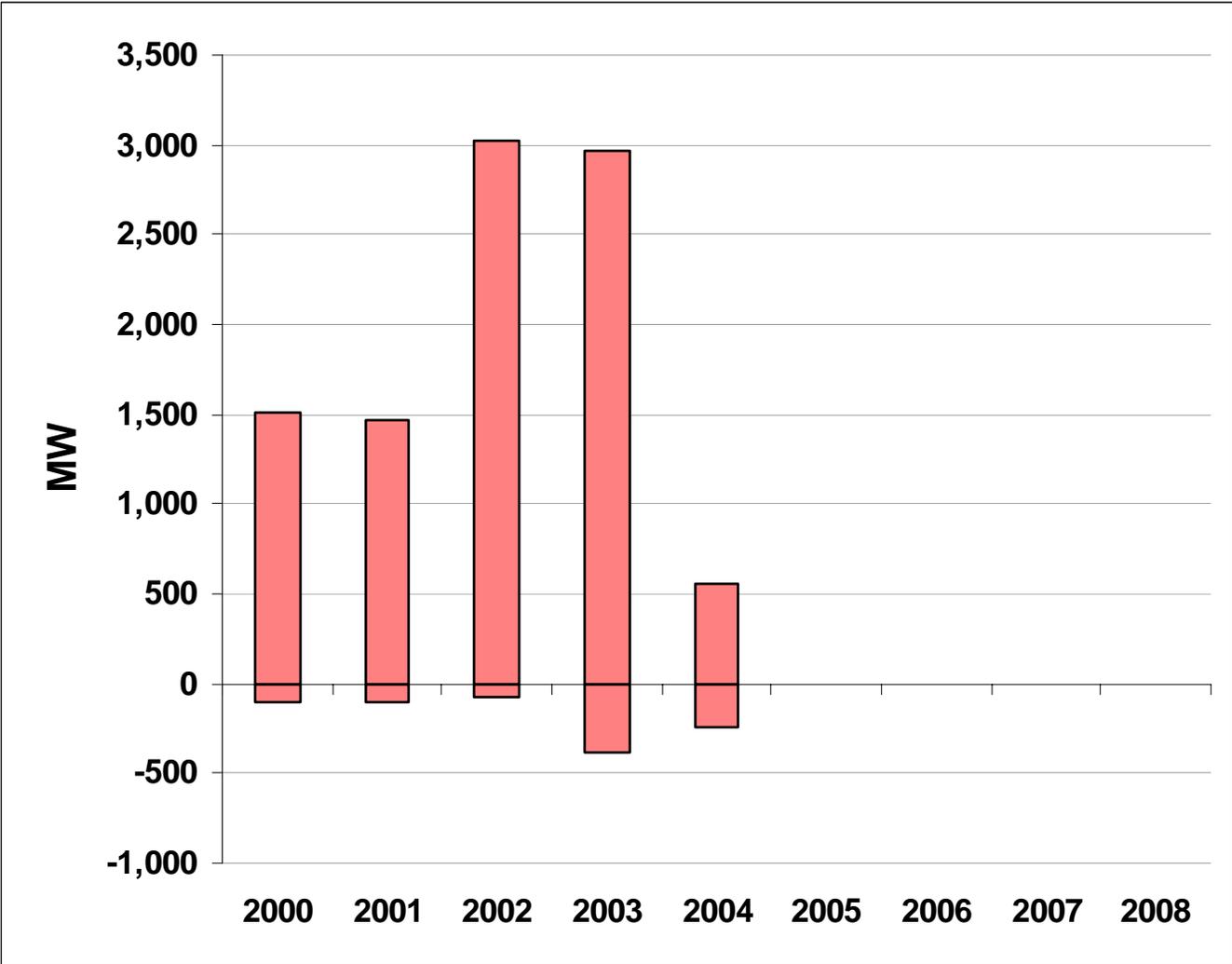
New York State and City additions will peak in 2005, with increasing retirement through 2008.



Source: RDI PowerDat, NewGen and.



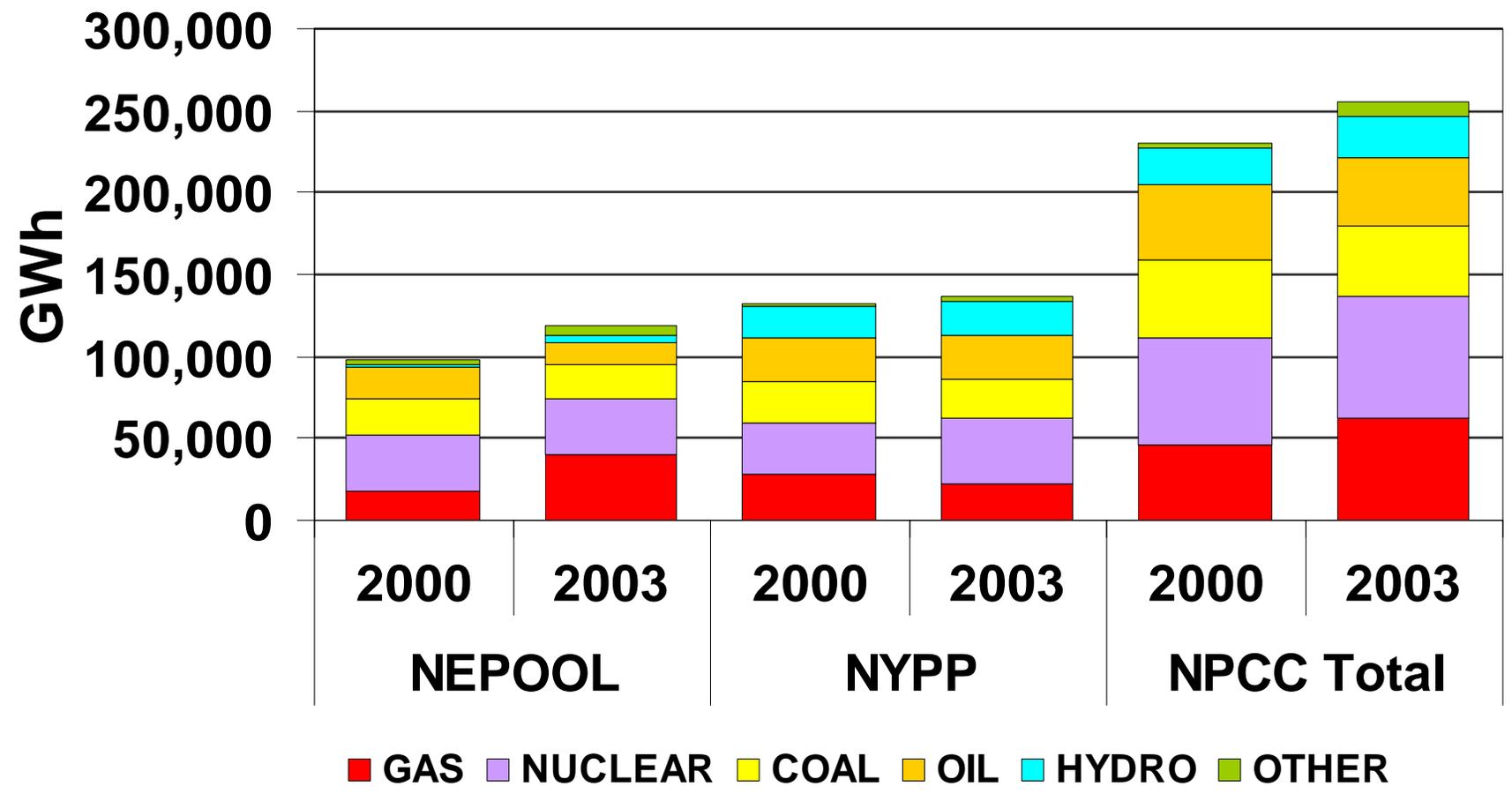
Significant generation additions occur in New England through 2004.



Source: Platts PowerDat, NewGen.



In the Northeast, generation output increased 11% since 2000. Increases in gas-fired generation reflects not only an increase in demand, but also the replacement of older coal and oil units.

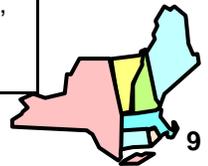
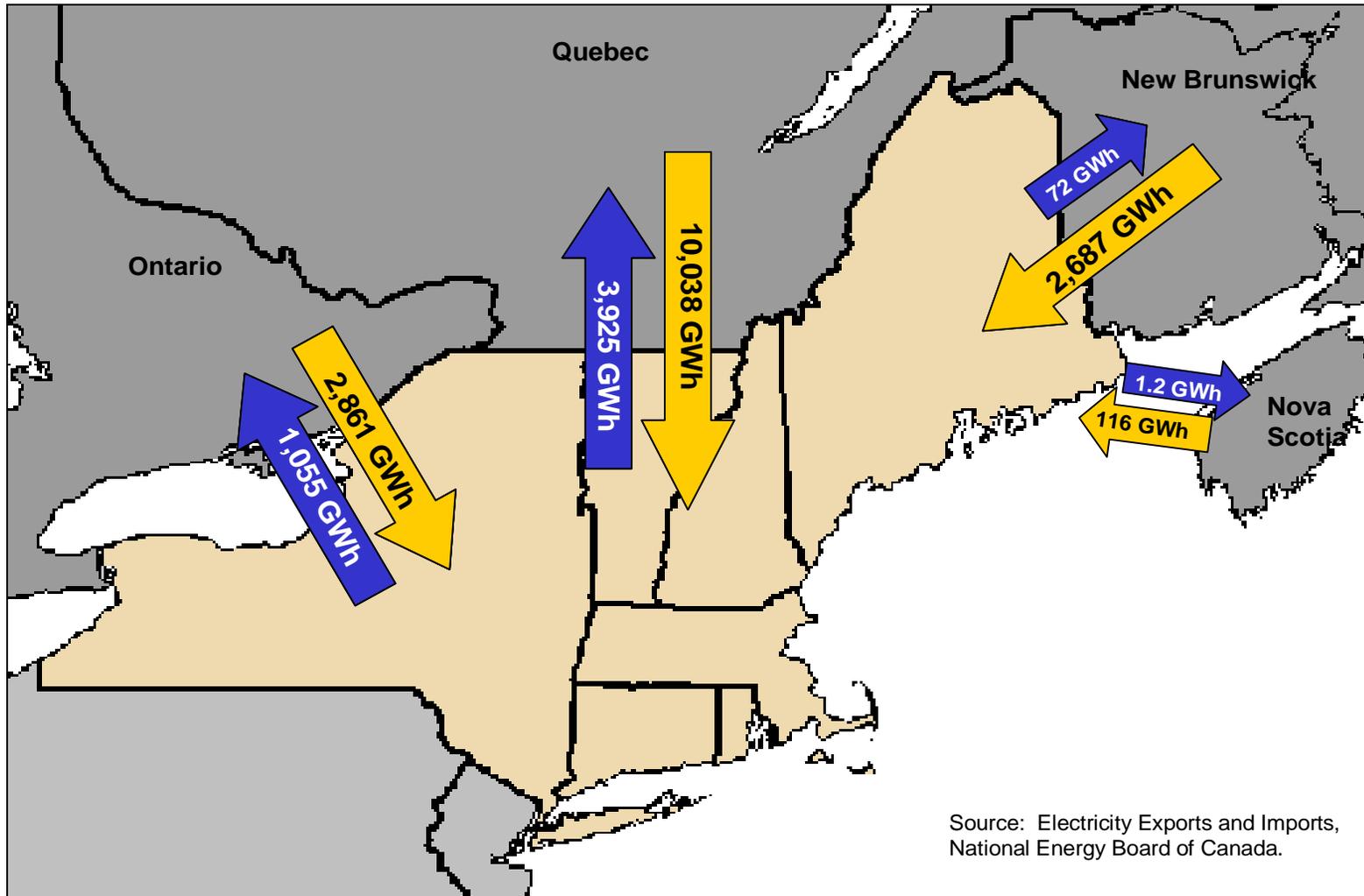


■ GAS ■ NUCLEAR ■ COAL ■ OIL ■ HYDRO ■ OTHER

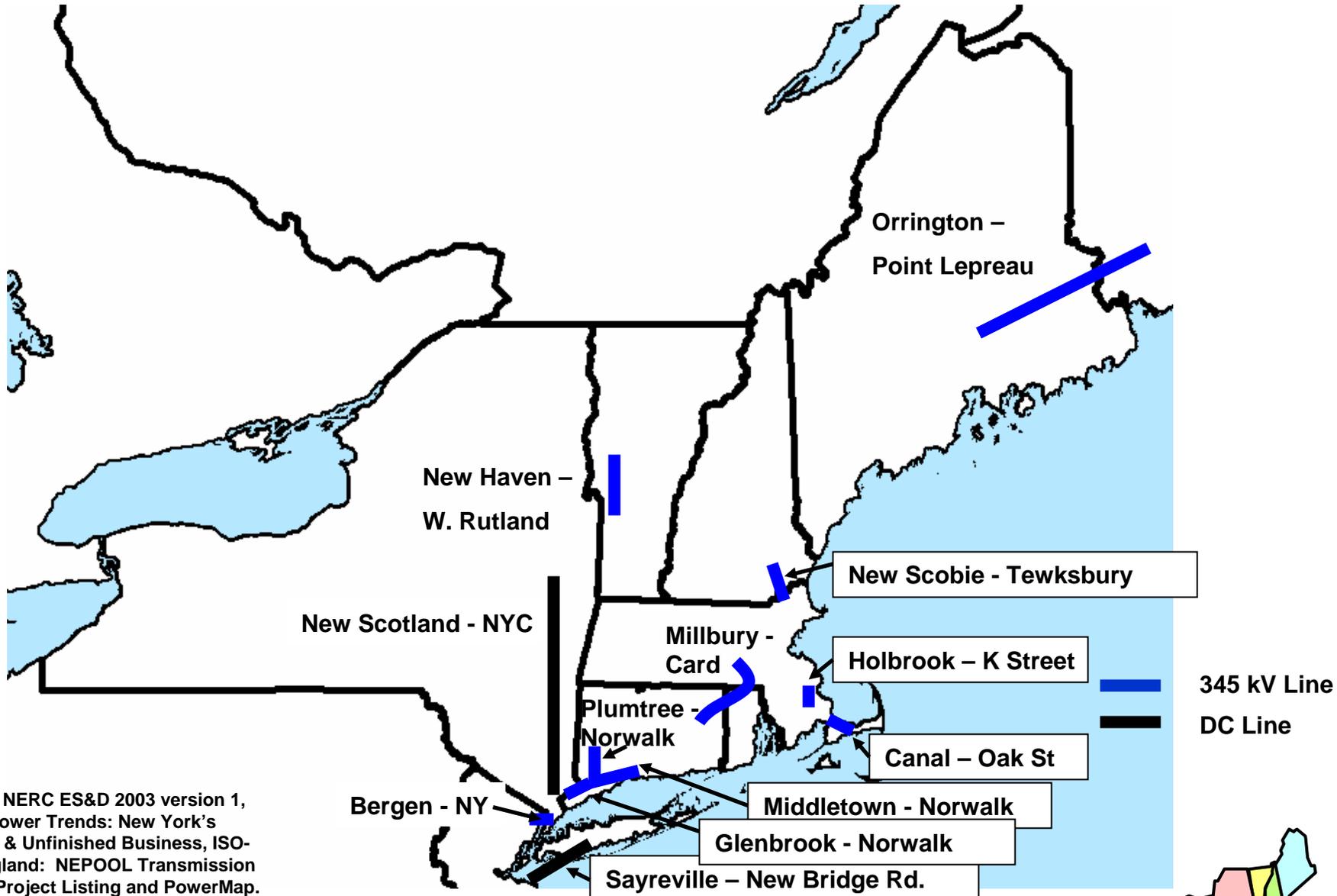
Source: Platts PowerDat, May 2004.



In 2003, the Northeast had net imports of 10,567 GWh from Canada. The Northeast Canadian imports were about 4% of the region's 2003 output.



Transmission Projects

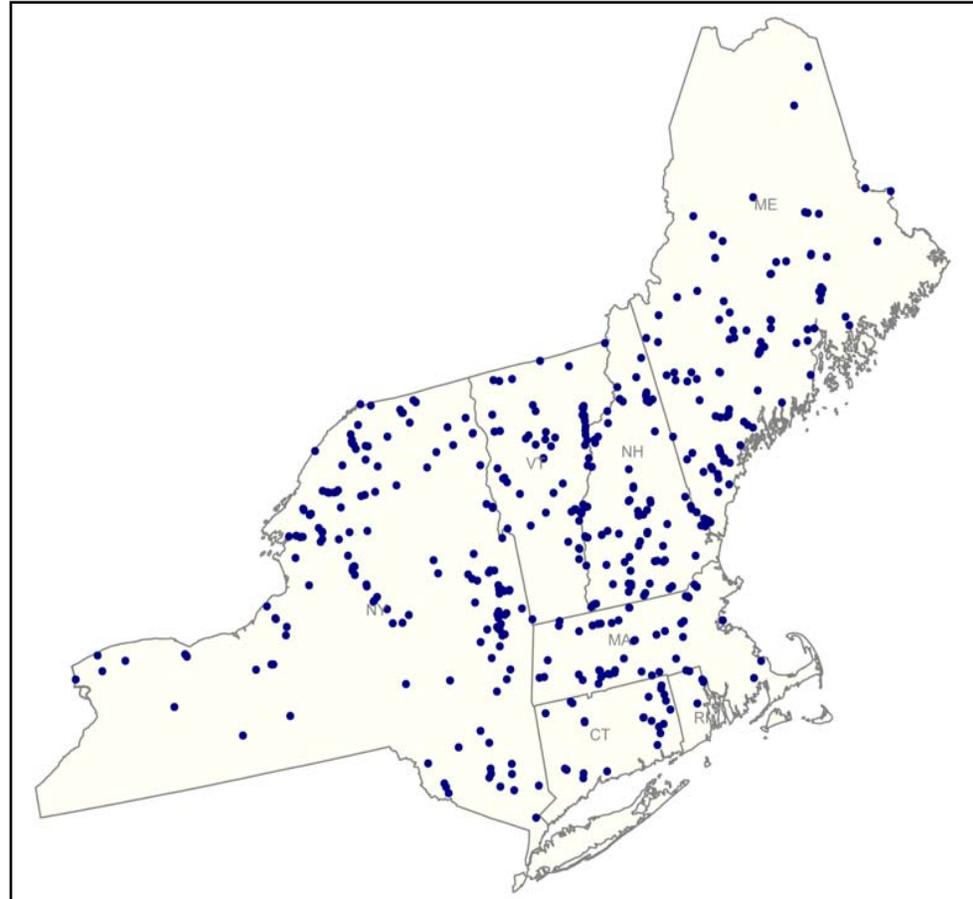


Source: NERC ES&D 2003 version 1, NYISO Power Trends: New York's Success & Unfinished Business, ISO-New England: NEPOOL Transmission System Project Listing and PowerMap.



Hydropower's contribution to electric capacity varies greatly within the Northeast.

State	Hydro Capacity MW	Percent of Total In-State Electric Generation Capacity
Vermont	305	30.7%
Maine	718	16.7%
Massachusetts	1,903	15.5%
New Hampshire	514	15%
New York	5,406	15%
Connecticut	150	2%
Rhode Island	4	0.2%

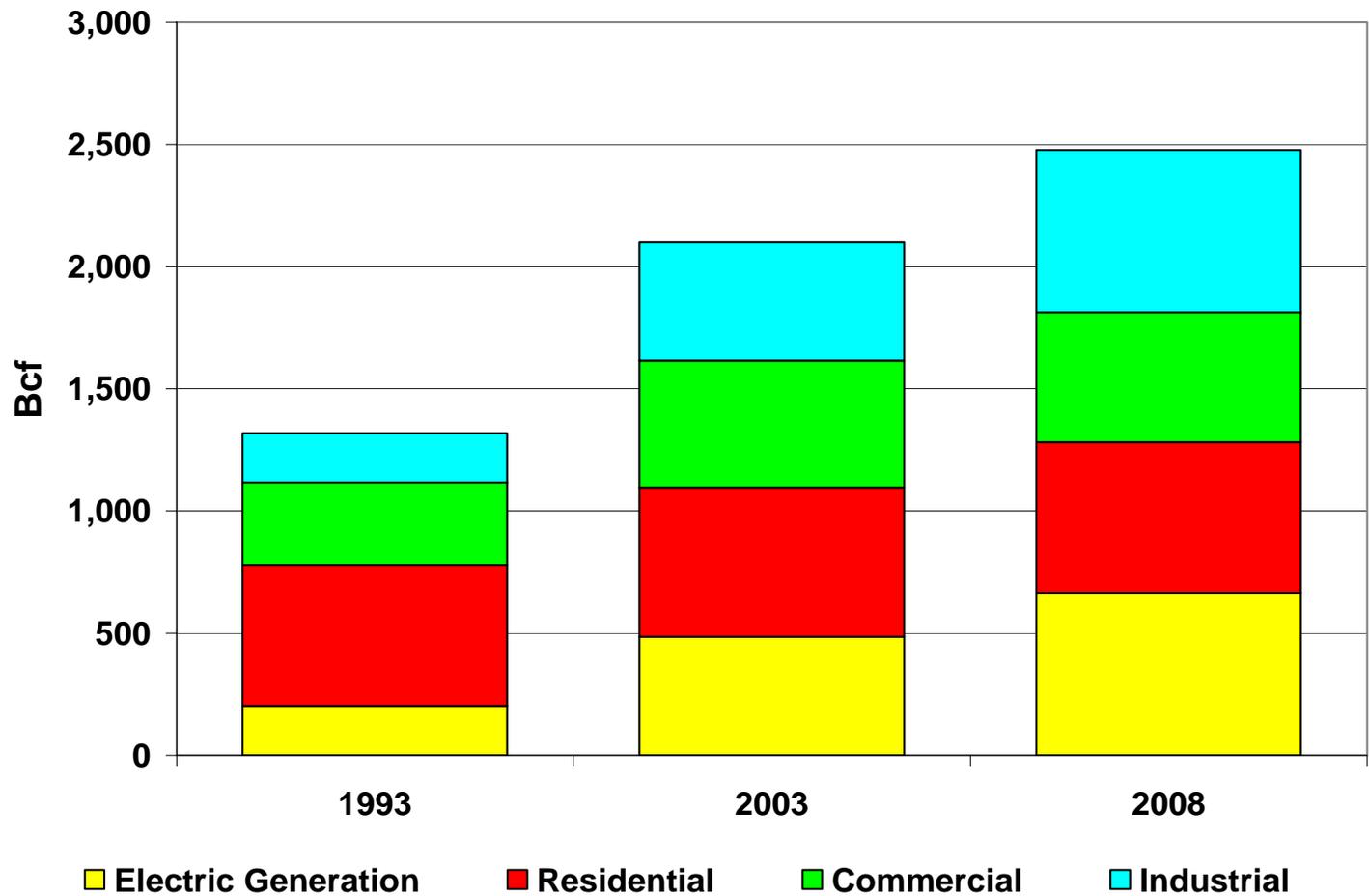


● Hydroelectric Facility

Source: EIA 2002 data



Between 1993 and 2003, the largest increase in gas demand in the Northeast was in the generation sector. By 2008, generation will be the largest gas consuming sector.



■ Electric Generation ■ Residential ■ Commercial ■ Industrial

Source: EEA's April 2004 Base Case

FERC **NORTHEAST ENERGY INFRASTRUCTURE CONFERENCE**

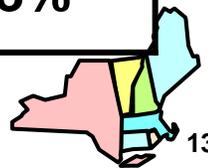


The Northeast is almost totally dependent upon production originating in the Gulf, Midwest and Canada as well as LNG.

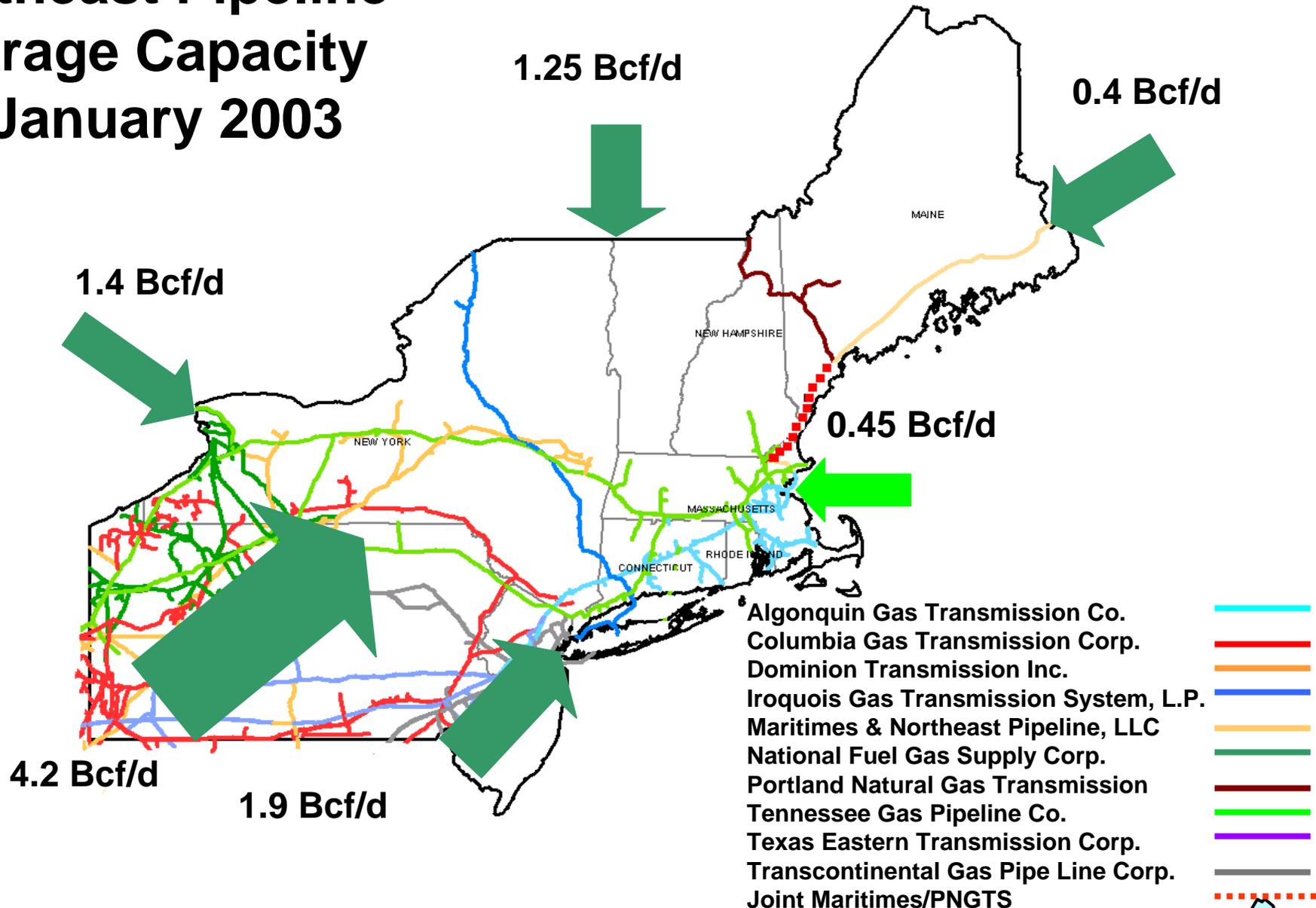
Northeast Gas Facts – 2002

	United States	Northeast	% of United States
Total Gas Consumption	21.2 Tcf	2.0 Tcf	9.4%
Total Dry Gas Production	19.0 Tcf	0.04 Tcf	0.2%
Total Proved Gas Reserves	186.9 Tcf	0.3 Tcf	0.2%
Total Storage Capacity	8.2 Tcf	0.2 Tcf	2.4%
Total Net Imports from Canada	3.6 Tcf	0.95 Tcf	26.4%
Total Imports from LNG	0.23 Tcf	0.11 Tcf	47.8%

Source: EEA's April 2004 Data Base, EIA, and Office of Fossil Energy



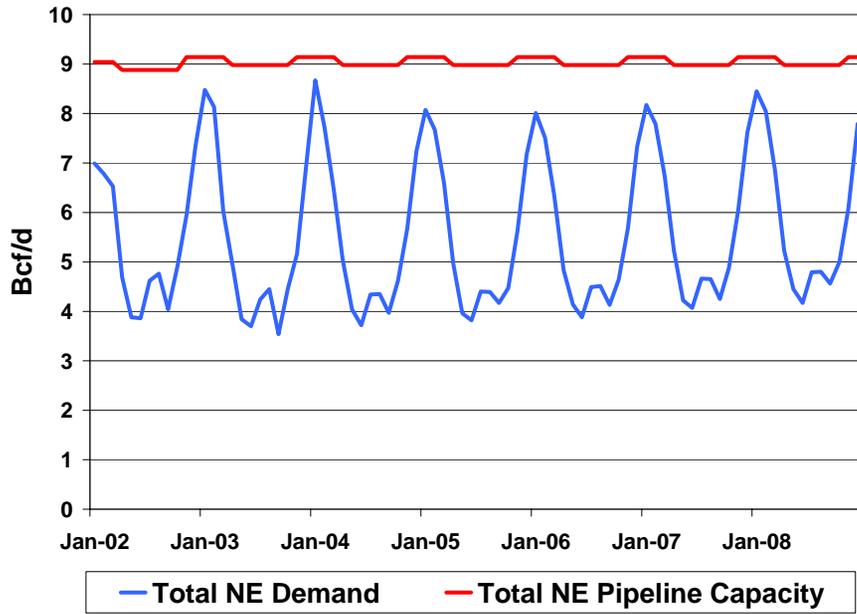
Northeast Pipeline Average Capacity for January 2003



Source: EEA's April 2004 Base Case

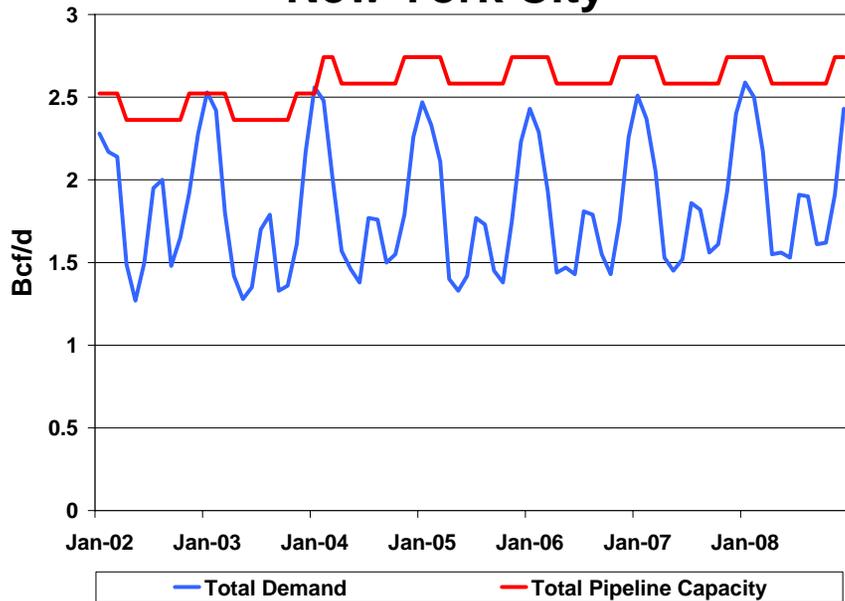


Total Northeast

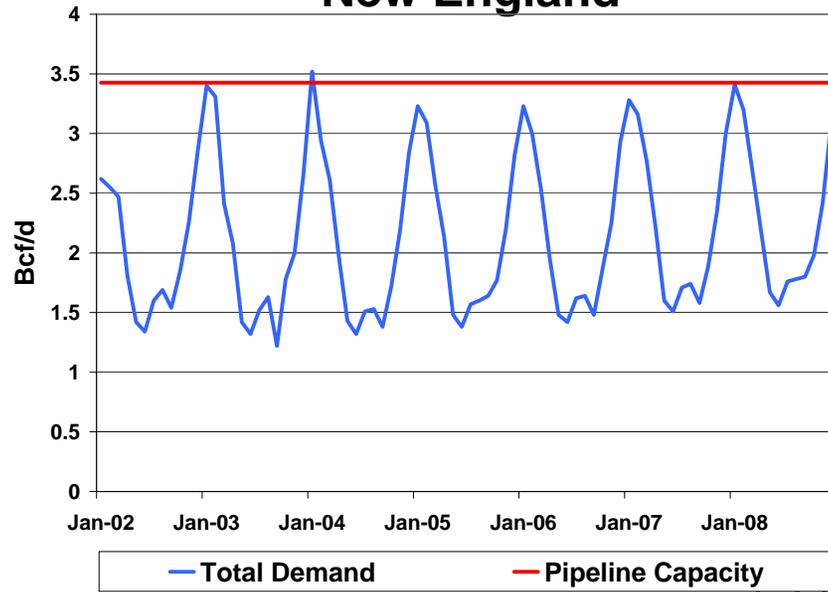


Gas demand in New England and New York City come dangerously close to exceeding the capacity of the pipelines serving those markets.

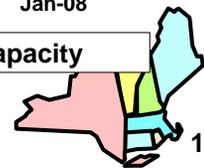
New York City



New England



Source: EEA's April 2004 Data Base adjusted



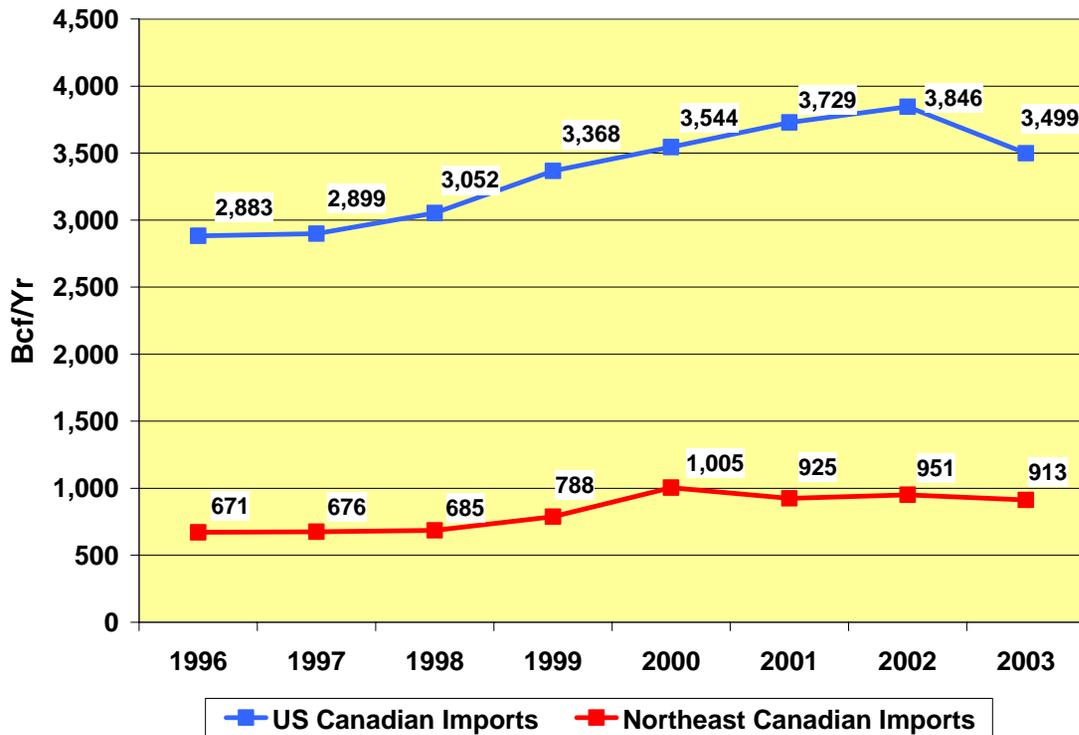
Pending and anticipated pipeline projects will create new capacity to serve electric generation loads and to deliver gas from producing and storage areas.

- Ten projects were certificated since 2001, that would have added 2.8 Bcf/d of new capacity in the Northeast.**
- Of the ten projects, three projects added 0.7 Bcf/d of new capacity into the New England region and two projects added 0.7 Bcf/d of new capacity into New York State and New York City. Of the remaining five projects, four (1.2 Bcf/d) have been granted extensions of time, awaiting permits, and/or awaiting revisions, and one (0.2 Bcf/d) vacated the certificate.**
- Two projects are on the horizon with the potential capacity of 0.65 Bcf/d. Of this amount, 0.5 Bcf/d would impact New York State and the remaining amount the New England Region.**

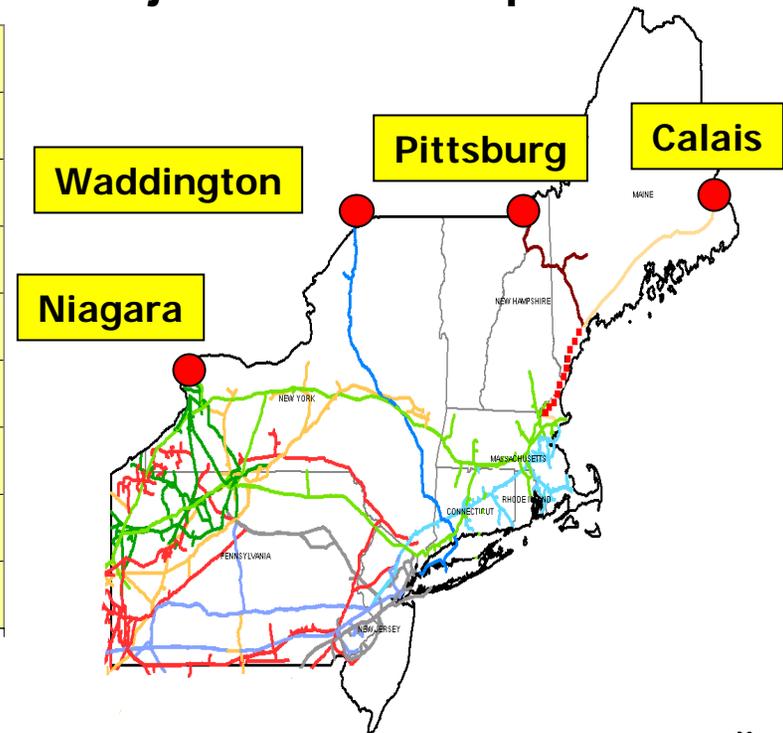


Canadian imports declined by over 9% since 2000 due, in part, to lower Canadian gas production and higher Canadian end-use demand.

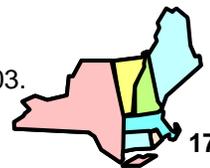
U.S. and Northeast Canadian Imports



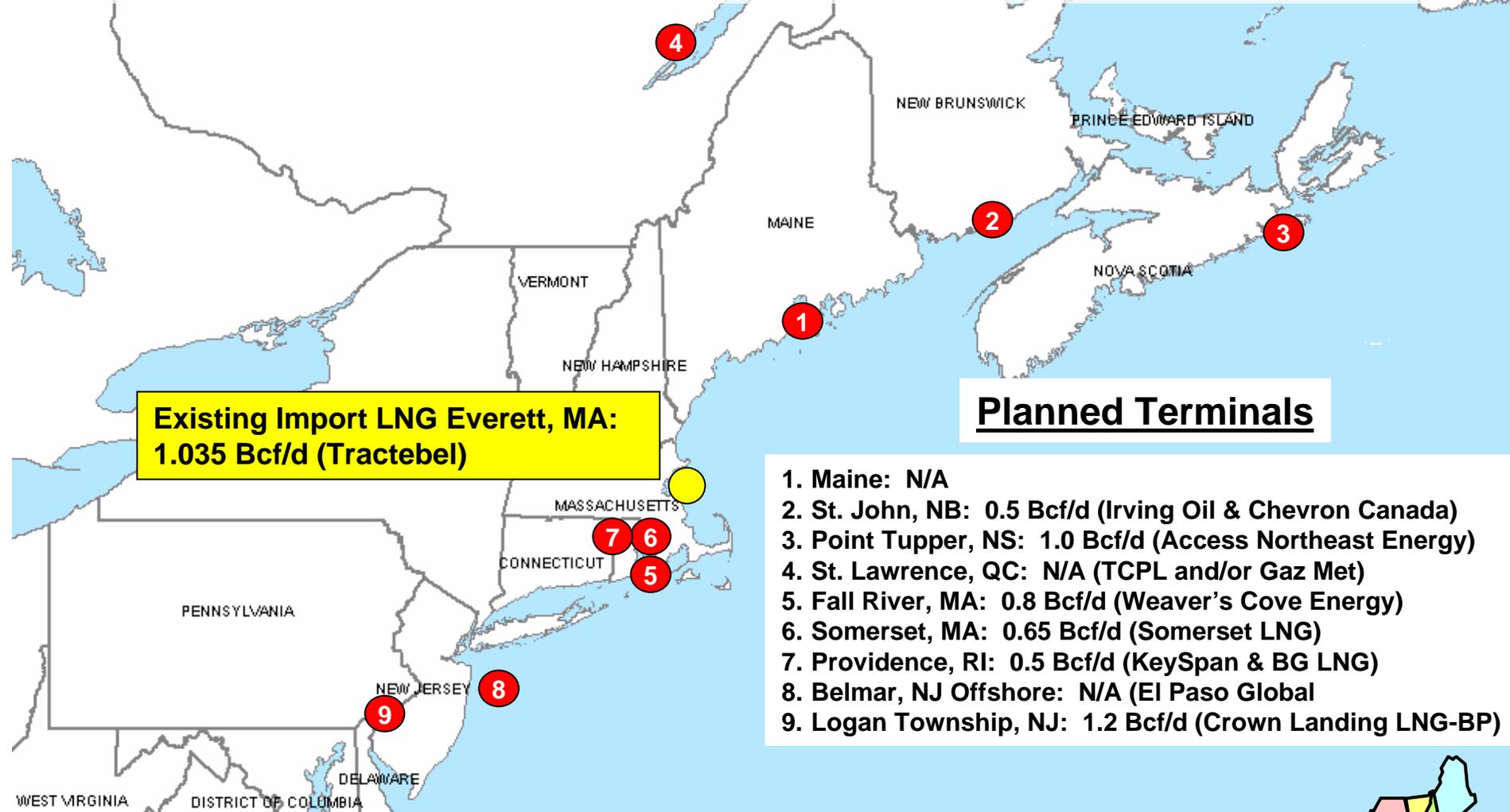
Major Canadian Import Points



Source: EIA's Natural Gas Annual 2000 and 2001. 2002 & 2003 Figures from Office of Fossil Energy's Four Quarter Report 2003.



By 2010, approximately 4.6 Bcf per day of natural gas may be available to the New England area and New York State from potential LNG terminals located along the Northeastern Seaboard and in Canada.

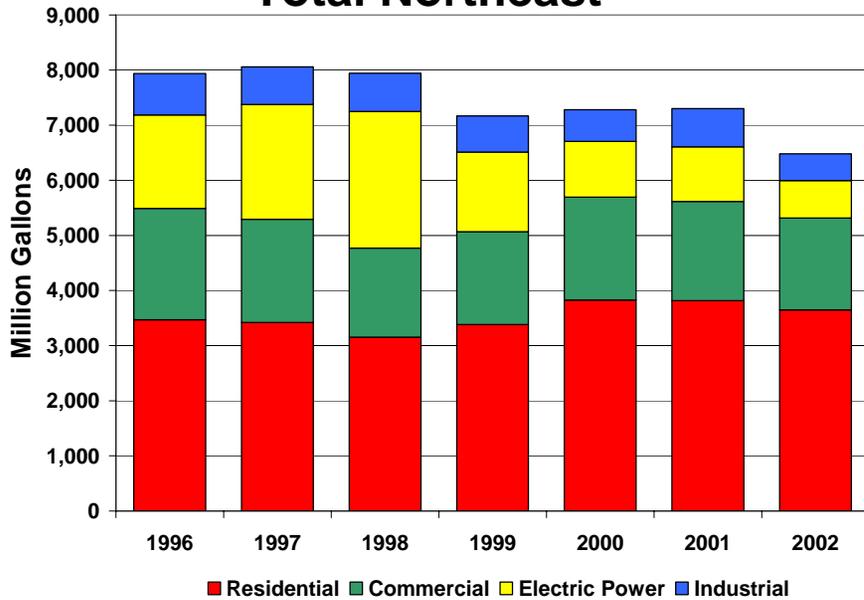


Gas Storage in the Northeast

- In 2002, there were 22 active fields in New York. The total capacity equals 190 Bcf.
- This is 2% of the U.S. storage capacity.
- Three storage projects have been certificated in New York since 2000 to add 20.4 Bcf of storage capacity.
- One planned storage project may add 5.0 Bcf of storage capacity in New York.

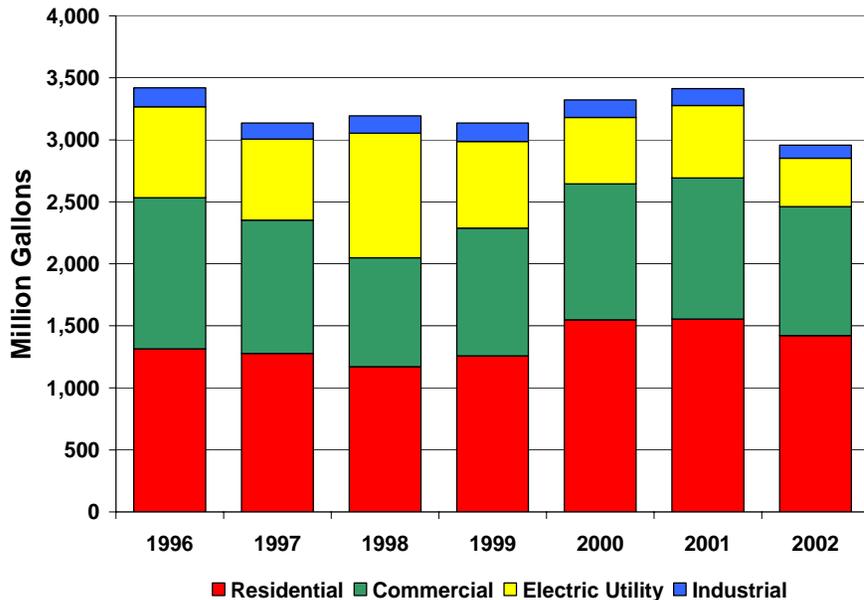


Total Northeast

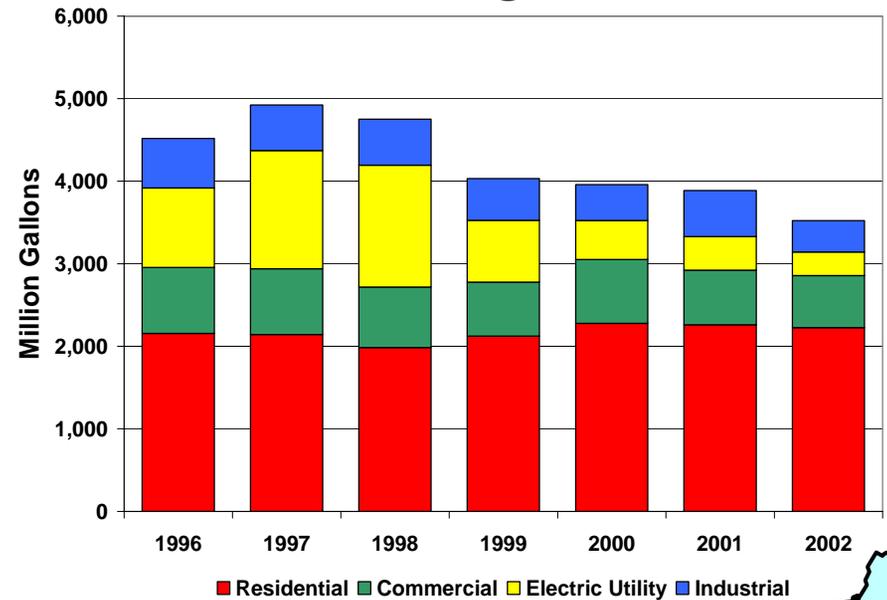


Residential and commercial sectors are the largest users of fuel oil. In 1997, they accounted for about two-thirds of the fuel oil sales and 82% of the fuel oil sales in 2002

New York State



New England



CONCLUSIONS

