FEDERAL ENERGY
REGULATORY COMMISSION

WASHINGTON, D.C. 20426

FACT SHEET

JULY 20, 2006

NATURAL GAS INFRASTRUCTURE PROJECTS

C-1 Empire State Pipeline, L.L.C. (Docket No. CP05-5-000) and Empire Pipeline Inc. (Docket Nos. CP06-6-000 & CP06-7-000). The Commission made a preliminary determination, subject to conditions, that there is a need for a proposed new 78-mile pipeline that would import Canadian gas to meet energy demand in the Northeast United States. Empire State Pipeline and Empire Pipeline (EPI) seek authorization to construct and operate new pipeline facilities that would interconnect Empire State's existing non-jurisdictional, intrastate system with Millennium Pipeline Co.'s proposed interstate system in New York. The Commission also made a preliminary determination to approve Empire State's request to convert its intrastate pipeline to an interstate pipeline, subject to FERC regulation.

The Commission's preliminary approval addresses non-environmental issues only and does not authorize the project. It will revisit the request after FERC Staff has completed a thorough analysis of the project's potential environmental impact. On June 15, Staff published for public viewing and comment its findings and recommendations in a Draft Environmental Impact Statement. The Commission will make a final ruling on the proposal after the Staff's final environmental analyses have been completed.

Empire proposes to construct a 78-mile long, 24-inch diameter pipeline from Victor, NY to a connection with the proposed Millennium Pipeline (Docket No. CP98-150-006) near Corning, N.Y. The proposed pipeline would stretch through NewYork's Finger Lakes region through Ontario, Yates, Schuyler, Chemung, and Steuben Counties and would transport up to 250,000 dekatherms per day (Dth/d) of natural gas in winter months and up to 221,100 Dth/d during summer months. Other facilities to be constructed include a 20,620 horsepower compressor station on Empire's existing pipeline near Oakfield, N.Y. The project will cost an estimated $144.2 million.

Empire State Pipeline is currently a Hinshaw pipeline which is exempt from the Commission's jurisdiction under Section 1(c) of the Natural Gas Act. Hinshaw pipelines are facilities that are located wholly within one state to engage in interstate commerce without becoming subject to the Commission's jurisdiction if the rates, services, and facilities are regulated by the state and the gas is consumed within that state. The New York State Public Service Commission currently regulates the pipeline.

C-2. Carolina Gas Transmission Corp. (CP06-71-000); SCG Pipeline Inc. (CP06-72-000) and South Carolina Pipeline Corp. (CP06-73-000). The Commission approved a Joint Application and Offer of Settlement that allows the merger of SCG Pipeline inc. (SCG) into South Carolina Pipeline Corporation (SCPC) and authorizes (1) the merged company to form Carolina Gas Transmission Corp. to acquire and operate SCG's 31-mile long interstate pipeline and SCPC's 1,400-mile intrastate pipeline and related facilities to form a single, interstate transportation service. SCG's pipeline originates at the tailgate of the Elba Island, Ga., liquefied natural gas (LNG) terminal and extends into Jasper County, S.C., where it interconnects with SCPC's system.

The Commission also authorized SCG to abandon its interstate certificates and grants Carolina Gas blanket construction and transportation authority under Parts 157 and Part 284 of the Commission's regulations.

Carolina Gas will transport approximately 606 million cubic feet (MMcf) per day of natural gas that it will receive from various supply regions including the Gulf Coast, north Louisiana, and north Texas. It also will receive up to 190 MMcf per day of natural gas from the Elba Island LNG terminal. These volumes are intended to primarily serve markets in South Carolina and to meet increasing energy demand in the Southeast.

SCPC's two intrastate LNG peak-shaving facilities are not included in the assets in the joint request to the Commission. The applicants state that these facilities will remain in intrastate service because the plants will be transferred to the South Carolina Electric & Gas Co. before Carolina Gas is formed and begins interstate services.

C-3. Port Barre Investments LLC (CP06-66-000) d/b/a Bobcat Gas Storage (CP06-67-000; CP06-68-000).

The Commission authorized Bobcat Storage to construct and operate a new salt dome natural gas storage facility and related pipelines, a compression station and other facilities in St. Landry Parish, La., near the town of Port Barre. Bobcat plans to store nearly 5.8 billion cubic feet (bcf) of base gas and 12 bcf of working gas storage capacity from two fully developed salt caverns. The project could deliver nearly 1.2 bcf of gas per day and will receive injection gas at a rate of approximately 0.9 bcf per day. Three pipeline segments totaling 16.1 miles of 24-inch diameter, bi-directional pipeline and extending north, south and west of the compressor station would interconnect with five interstate and one intrastate pipeline systems to bring Gulf Coast natural gas supplies, including LNG to serve markets throughout the United States. The Commission adopted staff's recommendations and imposed conditions on the project to mitigate potential environmental impacts. The Commission also approved Bobcat's request for market based rates for storage service, concluding the company's prospective market shares are low and that its request for such rate treatment is unopposed.

C-4. Tennessee Gas Pipeline Company (CP06-18-000). The Commission authorized Tennessee to construct and operate 7.8 miles of 24-inch diameter pipeline that would connect its Beverly-Salem Line 270C-100 to an existing pipeline located in Essex and Middlesex counties in Massachusetts. The new pipeline, which would originate in Saugus, Mass., and terminate in Lynnfield, Mass., would transport 82,300 Dth/d of natural gas to serve its customer, Distrigas of Massachusetts, and provide service along various points on Tennessee's New England system.

Tennessee would construct much of the project within an existing utility corridor and must adhere to certain conditions to mitigate environmental impact. The proposed project would cost an estimated $38 million. The Commission ordered Tennessee to complete the authorized construction within one year after the issuance of the order. Tennessee proposes to begin service in September 2007.

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