
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

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FOR IMMEDIATE RELEASE

December 19, 2001
(Docket No. CP98-150-000,
et al.)

**COMMISSION GIVES INTERIM APPROVAL TO MILLENNIUM PROJECT,
WILL CONSIDER ALTERNATIVE ROUTE IN MOUNT VERNON, N.Y.**

The Federal Energy Regulatory Commission today gave interim approval for the construction of the Millennium Pipeline Project that will transport Canadian and domestic natural gas to markets in the northeast, primarily to the New York City metropolitan area.

At the same time, the Commission called on residents and officials concerned about a stretch of the pipeline in Mount Vernon, New York, to seek an alternate route which more completely addresses local concerns.

The Commission asked intervenors to report within 60 days on whether or not a settlement agreement is reached. If not, the Commission will issue an order covering the Mount Vernon stretch of the pipeline at a later date.

The Commission granted a certificate of public convenience and necessity to Millennium Pipeline Company, L.P. and Columbia Gas Transmission Corp. The companies propose to construct and operate an estimated 424 miles of interstate pipeline, compressor stations and related facilities to transport gas from the U.S.-Canadian border near Lake Erie, New York, to a terminus near Mount Vernon. The Commission authorized Columbia to abandon certain facilities and lease a portion of Millennium's new capacity.

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In considering the project, the Commission weighed the benefits and potential adverse effects and concluded that it is "our overriding responsibility to insure the timely development of an adequate energy infrastructure, particularly in large employment and population centers such as New York City."

Noting the opposition by landowners and others who questioned the need for the project, the Commission, in addition to urging consideration of an alternative route in Mount Vernon, asserted that Millennium serves the public interest because it will provide needed fuel for electric generation and accommodate projected long-term growth in northeastern markets. Further, the Commission said the project will help relieve constraints on other area pipeline systems.

Acknowledging that there will be environmental challenges associated with the construction of the project, the Commission added a number of conditions to the certificate to mitigate any adverse impact.

The \$683.6 million Millennium Project will interconnect with facilities owned by the TransCanada Pipeline Company at a point at the U.S.-Canadian border in Chautauqua County, New York, and will transport 700,000 dekatherms of gas per day through a pipeline that will travel through 12 counties in New York to a terminus in Mount Vernon. There, Millennium will interconnect with pipelines owned by Columbia, Algonquin Gas Transmission and Tennessee Gas Pipeline Corporation. Millennium proposes to use existing utility corridors and easements in Pennsylvania and New York that will be acquired from Columbia for much of its route.

The project will provide service to eight shippers: CoEnergy Trading Company; Engage Energy America, LLC; Energy USA-TPC Corp; International Business Machines, Corp.; North East Heat & Light Company; PanCanadian Energy Services, Inc.; Quantum Energy Services Inc, and Stand Energy Corporation.

The Commission ordered applicants to complete the Millennium project and begin service within two years of the date of its order.