
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

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FOR IMMEDIATE RELEASE

December 21, 2006
Docket No. CP98-151-003, *et al.*

COMMISSION APPROVES REVISED \$1 BILLION MILLENNIUM PIPELINE PROJECT TO BRING NEW GAS SERVICE TO THE NORTHEAST

The Federal Energy Regulatory Commission today approved a \$1.04 billion interstate natural gas pipeline project proposed by five companies that will provide more than 525,400 dekatherms per day of Canadian and domestic gas to meet rising energy demand in New York.

The project is proposed by the Millennium Pipeline Co. LLC, Columbia Gas Transmission Corp., Empire State Pipeline and Empire Pipeline Inc., Algonquin Gas Transmission LLC, and Iroquois Gas Transmission System LP.

The companies propose to construct and operate more than 260 miles of new pipeline and more than 115,130 horsepower of compression to transport natural gas from the U.S.-Canada border to the New York City metropolitan region.

FERC Chairman Joseph T. Kelliher observed: "The Millennium pipeline is an important project. It will help deliver badly needed natural gas supplies to the New York City metropolitan area. Demand for natural gas has been rising in the region, and these kinds of infrastructure projects are necessary to assure adequate energy supplies at reasonable prices. If we fail to strengthen our energy infrastructure, the inevitable result will be high prices."

The Commission previously approved the original Millennium Pipeline Project in an order issued September 19, 2002. However, the project was never built after failing to obtain necessary regulatory approval from the State of New York. The New York Department of State denied Millennium a required coastal zone consistency concurrence in May 2002, which was upheld by the U.S. Secretary of Commerce in a December 2003 decision. In addition, the U.S. Army Corps of Engineers rejected Millennium's requests for Clean Water Act permits in a January 2004 ruling.

In today's order, the Commission amended its previous authorization and approved a redesigned proposal, which in partnership with the other interstate pipeline

companies is reduced in scale, would not provide a new pipeline crossing for the Hudson River, and does not terminate in Mt. Vernon, New York.

Shippers for the new service include Consolidated Edison Co. and KeySpan Gas East Corp., among others.

Dubbed the Northeast-07 Project, the Commission approved the following:

Empire Pipeline, a new interstate pipeline company, will install 20,620 horsepower of compression, and construct and operate an estimated 78 miles of new 24-inch diameter pipeline and related facilities from Empire State's existing intrastate facilities at Victor, New York, to an interconnection with the proposed Millennium Pipeline in Corning, New York (Docket No. CP06-5-000, *et al.*). Empire State's existing facilities extend from an interconnection with TransCanada PipeLines at the U.S.-Canada border near Chippawa, Ontario, east through Victor to a terminus in Syracuse, New York. The project will transport up to 250,000 dekatherms per day of gas. Empire's project would cost an estimated \$144 million.

Millennium is granted authority to construct and operate 181.7 miles of 30-inch pipeline that will transport gas from Corning to Ramapo, and add 15,002 horsepower of compression, at an estimated cost of \$663.8 million. This project incorporates Columbia's Line A-5 Replacement Project (Docket No. CP05-19-000, *et al.*).

Columbia will lease capacity on the new Millennium pipeline system to provide service to its existing Line A-5 customers in several counties in New York (CP98-151-003, *et al.*). Columbia will abandon in place or by conveyance to Millennium portions of its Line A-5 pipeline.

Algonquin's Ramapo Expansion Project will provide up to 325,000 dekatherms per day of gas transportation capacity to serve customers in the New York City gas market area, including 100,000 dekatherms per day of gas for Consolidated Edison and 200,000 dekatherms per day of gas for KeySpan (Docket No. CP06-76-000).

Algonquin's project, which would cost an estimated \$191.7 million, would include the construction and operation of an additional 4.8 miles of 42-inch diameter pipeline that would replace an existing 26-inch diameter pipeline in Rockland County, New York, and the construction of 71,810 horsepower of compression in Fairfield County, Connecticut, Rockland and Putnam Counties in New York, and Morris County, New Jersey.

Iroquois Gas Transmission Corp.'s MarketAccess Project is authorized to provide 100,000 dekatherms per day of firm natural gas transportation services to Consolidated Edison at Iroquois' existing Hunts Point meter station in the Bronx. Iroquois' project would include a reduction in the proposed size of a new compression station to be

constructed in Brookfield, Connecticut, from 10,000 horsepower to 7,700 horsepower. The Commission also authorized Iroquois to add cooling equipment at its compressor station in Dutchess County, New York. Iroquois' proposed facilities would cost an estimated \$41.6 million (Docket No. CP02-31-002).

The Commission adopted FERC staff's recommendations and will impose 56 environmental conditions to mitigate any potential adverse impacts stemming from the construction and operation of the proposed project.

The Commission ordered that construction of the facilities be completed and available for service within three years of the date of the order.

R-06-81