

Exhibit No. PNG-05
Shipper Involvement
in Phase IV Expansion

Cullen and Dykman LLP
1101 Fourteenth Street, N.W. / Suite 550
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(202) 223-8890 / fax: (202) 457-1405

July 7, 2006

Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1A
Washington, D.C. 20426

Re: Maritimes & Northeast Pipeline, L.L.C. – Docket No. CP06-335-000

Dear Secretary Salas:

Enclosed for electronic filing please find the Motion For Leave To Answer And Answer Of The KeySpan Delivery Companies in the above referenced docket.

Thank you for your cooperation in this matter.

Yours truly,

Kenneth J. Maloney

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

In The Matter Of:

Maritimes & Northeast Pipeline, L.L.C.

)
)
) Docket No. CP06-335-000
)

MOTION FOR LEAVE TO ANSWER AND ANSWER OF
THE KEYSpan DELIVERY COMPANIES

Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"), the KeySpan Delivery Companies¹ ("KeySpan") hereby submit this motion for leave to answer and answer to the "Motion To Intervene and Protest" filed by Portland Natural Gas Transmission System ("PNGTS") on June 16, 2006, in the above-captioned proceeding ("PNGTS Protest"). In support of this Motion and Answer, KeySpan respectfully states as follows:

1. This proceeding concerns an application by Maritimes & Northeast Pipeline, LLC ("Maritimes & Northeast") for a certificate of public convenience and necessity for facilities designed to increase the capacity of Maritimes & Northeast's mainline system to accommodate 730,000 dth/d of regasified LNG from the proposed Canaport LNG import terminal to be constructed and operated in Saint John, New Brunswick ("Phase IV Application"). PNGTS, a competitor of Maritimes & Northeast, has protested the Phase IV Application. Though Rule 213(a)(2) of the Commission's Rules of Practice and Procedures provides that answers to protests are generally not allowed "unless otherwise ordered by the decisional authority,"² good cause exists to permit KeySpan to answer the PNGTS Protest. The Commission permits answers to protests where the Commission consideration of matters addressed in the answer will facilitate the decisional process or aid in the explication of issues.³ This Answer meets these

¹ The KeySpan Delivery Companies consist of The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery NY; KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery LI; and Boston Gas Company, Colonial Gas Company, EnergyNorth Natural Gas, Inc., and Essex Gas Company (collectively "KeySpan Energy Delivery NE").

² 18 C.F.R. 213(a)(2).

³ *Algonquin Gas Transmission Co.*, 83 FERC ¶61,200, at p. 61,893 n.2 (1998)(accepting an answer in order to insure "a complete and accurate record"); *Transwestern Pipeline Co.*, 50 FERC ¶61,211, at p. 61,672 n.5 (1990)(citing *Buckeye Pipe Line Co.*, 45 FERC ¶61,046 (1988)).

standards. Accordingly, KeySpan submits that good cause exists to accept this Answer to the PNGTS Protest.

2. The Commission should not permit PNGTS to delay the expeditious processing of Maritimes & Northeast's application. Maritimes & Northeast's Phase IV Project is designed to provide consumers in the Northeastern United States with a new source of supply. Once completed, the Phase IV project will result in an increase of approximately 418,000 dth/d in Maritimes & Northeast's mainline design capacity, nearly doubling the capacity of the mainline to accommodate significant additional service to growing markets in the Northeast. Equally important, the anchor shipper for the Phase IV Project, Repsol Energy North America Corporation ("Repsol"), has executed a Precedent Agreement and associated firm service agreement with Maritimes, pursuant to which 730,000 dth/d of service will commence as early as November 1, 2008, and extend for a primary term of 25 years. Repsol, the developer of the Canaport terminal, is expected to provide an incremental source of supply that is critically needed to serve both incremental and existing demand on the Maritimes & Northeast system.⁴

3. PNGTS' Protest appears to be little more than an attempt to re-litigate issues previously resolved by the Commission in an order issued April 20, 2006 in Docket No. CP06-32.⁵ While KeySpan is not in a position to judge the merits of all of the ongoing contractual disputes between Maritimes & Northeast and PNGTS, there does not appear to be any reason why these disputes should delay the expeditious processing of the Phase IV Application. Accordingly, KeySpan urges the Commission to approve the Phase IV Application within the time frame proposed by Maritimes & Northeast.

⁴ See "Motion To Intervene And Comments In Support Of Repsol Energy North America Corporation," docket No. CP06-335-000 (June 16, 2006).

⁵ *Maritimes & Northeast Pipeline, L.L.C.*, 115 FERC ¶61,069 (2006).

Conclusion

For the foregoing reasons, KeySpan respectfully requests that the Commission grant KeySpan's Motion For Leave To Answer And Answer and approve Maritimes & Northeast's Phase IV Application as quickly as possible.

Respectfully submitted,

The KeySpan Delivery Companies

/s/ Kenneth T. Maloney

Kenneth T. Maloney
Cullen and Dykman LLP
1101 Fourteenth Street, NW, Suite 550
Washington, D.C. 20005
(202) 223-8890

Dated: July 7, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties to this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Washington, D.C. this 7th day of July, 2006.

/s/ Kenneth T. Maloney

Kenneth T. Maloney
Cullen and Dykman LLP
1101 Fourteenth Street, NW, Suite 550
Washington, D.C. 20005
(202) 223-8890

**UNITED STATES OF AMERICA
BEFORE
THE FEDERAL ENERGY REGULATORY COMMISSION**

**Maritimes & Northeast Pipeline, L.L.C.) Docket Nos. CP06-335-000
CP96-810-006**

**MOTION OF
NISOURCE DISTRIBUTION COMPANIES
FOR LEAVE TO INTERVENE**

Pursuant to Rules 212 and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.214, and the Commission's May 26, 2006 Notice of Application, Bay State Gas Company ("Bay State") and Northern Utilities, Inc. ("Northern") (collectively "NiSource Distribution Companies") hereby request leave to intervene in this proceeding.

In support of their request, the NiSource Distribution Companies state as follows:

1. The exact legal names of the NiSource Distribution Companies are Bay State Gas Company and Northern Utilities, Inc. Northern is a wholly-owned subsidiary of Bay State, and Bay State is a wholly-owned subsidiary of NiSource Inc., a holding company under the Public Utility Holding Company Act of 2005. Both companies are local distribution companies engaged in the distribution and sale of natural gas to industrial, commercial, and residential customers, as well as the transportation of customer-owned volumes.

2. Bay State is authorized to do business in the Commonwealth of Massachusetts. Northern is authorized to do business in the States of New Hampshire and Maine. Each of these companies is regulated as a public utility in the state or states in which it conducts its operations.

3. Correspondence or communications with regard to this matter should be addressed to the following individuals, who are hereby designated for inclusion on the official service list:

Kenneth W. Christman
Associate General Counsel
NiSource Corporate Services Co.
501 Technology Drive
Canonsburg, PA 15317
Telephone: 724-416-6315
e-mail: kchrist@nisource.com

George H. Simmons, Jr.
Federal Regulatory Specialist
NiSource Corporate Services Co.
300 Friberg Parkway
Westborough, MA 01581
Telephone: 508-836-7216
e-mail: ghsimmons@nisource.com

4. On May 16, 2006, Maritimes & Northeast Pipeline, L.L.C. ("Maritimes") filed an application in Docket No. CP06-335-000, pursuant to Section 7 of the Natural Gas Act, 15 U.S.C. § 717f, seeking authorization to construct, own, operate, and maintain certain pipeline facilities, consisting of approximately 99,000 horsepower of compression at five new and two existing compressor stations, and approximately 1.7 miles of pipeline loop. Maritimes refers to this as its "Phase IV Project." Maritimes also filed an application in Docket No. CP96-810-006, seeking an amendment to its authorization under Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, and its Presidential Permit, to construct and operate facilities for the importation of increased volumes of natural gas.

5. The NiSource Distribution Companies serve approximately 300,000 customers in Massachusetts, New Hampshire, and Maine. Although neither company currently holds capacity on Maritimes, both receive service from interstate pipelines with interconnections to Maritimes, and both may become customers of Maritimes in the future. As a result, the NiSource Distribution Companies have an interest that may be directly affected by the outcome of this proceeding, and that interest cannot be adequately represented by any other party. The NiSource Distribution Companies are therefore

interested parties within the meaning of Section 15(a) of the Natural Gas Act, 15 U.S.C. § 717n(a), and their intervention and participation would be in the public interest.

WHEREFORE, Bay State Gas Company and Northern Utilities, Inc. respectfully request that the Commission permit them to intervene, and that they be given all rights of parties to this proceeding.

Respectfully submitted,

**BAY STATE GAS COMPANY
NORTHERN UTILITIES, INC.**

/s/ Kenneth W. Christman
Kenneth W. Christman
Associate General Counsel
NiSource Corporate Services Company
501 Technology Drive
Canonsburg, PA 15317
Telephone: 724-416-6315
e-mail kchrist@nisource.com

Their Attorney

June 16, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by electronic mail the foregoing document upon each person who is designated on the official service list compiled by the Secretary in this proceeding.

Dated at Canonsburg, Pennsylvania, this 16th day of June, 2006.

/s/ Kenneth W. Christman
Kenneth W. Christman

ORIGINAL

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Maritimes & Northeast Pipeline, L.L.C.)

Docket No. CP06-335-000
CP96-810-006

MOTION OF WAUSAU PAPERS OF NEW HAMPSHIRE, INC.
FOR LEAVE TO INTERVENE

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. §385.214 (2005), and to the Commission's "Notice of Application" issued May 26, 2006, Wausau Papers of New Hampshire, Inc. ("Wausau") hereby moves to intervene in the above-captioned proceeding. In support of this motion, Wausau states as follows:

I.

Wausau requests that the following individuals be placed on the Commission's Official Service List and that correspondence and communications in this proceeding be addressed to:

John B. Rudolph
S. Diane Neal
Hall, Estill, Hardwick, Gable,
Golden & Nelson, P.C.
1120 Twentieth Street, N.W., Suite 700-N
Washington, D.C. 20036
(202) 973-1200

and to

Michael K. Boyd
Energy-Strategies, Inc.
525 S. Main Street, Suite 900
Tulsa, OK 74103
(918) 382-1840

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SECRETARY
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FEDERAL ENERGY
REGULATORY COMMISSION

II.

Wausau's exact legal name is Wausau Papers of New Hampshire, Inc. Wausau is a Delaware Corporation with its principal place of business located at 3 Mechanic Street, Groveton, New Hampshire 03582. Wausau is the owner and operator of a commercial paper manufacturing plant in Groveton, New Hampshire which is fueled by deliveries of natural gas received from the Portland Natural Gas Transportation System ("PNGTS") and by means of which Wausau produces and markets various paper products. Wausau is a long-term firm shipper on PNGTS, which is the sole source of natural gas deliveries to its Groveton plant.

III.

The Commission's May 26, 2006 Notice herein indicates that Maritimes & Northeast Pipeline, L.L.C. ("Maritimes") has filed in the captioned proceeding for Commission authorization to construct, own, operate, and maintain pipeline facilities which Maritimes refers to as its "Phase IV expansion." These facilities include five compressor stations, modifications to two existing stations and 1.7 miles of pipeline looping. The proposed facilities, among other things, are expected to increase by approximately 568,000 Dth/d the capacity of the approximately 101.3 miles of pipeline facilities jointly owned by Maritimes and PNGTS ("Joint Facilities") which extend from Westbrook, Maine to Dracut, Massachusetts. This proposed expansion of the Joint Facilities is designed to accommodate not only a proposed 418,000 Dth/d increase in Maritimes' capacity but also a 150,000 Dth/d increase in Joint Facility capacity requested by PNGTS. The proposed facilities are being constructed to accommodate additional gas supplies from regasified LNG to be delivered at the Canadian border into Maritimes' solely

owned system from the planned Canaport LNG terminal which is to be constructed and operated by Repsol Energy North America Corporation. Maritimes has requested a final Commission decision on its application by March 1, 2007, to allow time for construction prior to an anticipated in-service date of November 1, 2008.

IV.

As indicated, PNGTS and Maritimes together jointly own pipeline facilities extending from a convergence of the Maritimes and PNGTS systems at Westbrook, Maine to an interconnection with Tennessee Gas Pipeline Company at Dracut, Massachusetts. At the PNGTS interconnect with the Joint Facilities, PNGTS is positioned to both deliver quantities of natural gas into the Joint Facilities as well as receive gas for backhaul onto the PNGTS system.

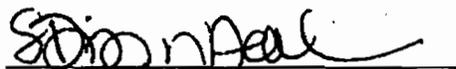
The proposed increase in Joint Facility capacity to accommodate the 150,000 Dth/d capacity request of PNGTS could impact utilization and availability of PNGTS capacity, as well as system costs, rates and throughput. In addition, Maritimes' proposals could affect the cost and availability of new sources of gas supply available to users on the PNGTS system. As a result, Wausau has interests that will be directly affected by the outcome of this proceeding, and those interests cannot and will not be represented by any other party hereto. Consequently, it is necessary for Wausau to intervene herein in order to protect its interests.

V.

WHEREFORE, for the foregoing reasons, Wausau respectfully requests that the instant motion for leave to intervene be granted, and that Wausau be accordingly permitted to intervene

herein with full rights of a party.

Respectfully submitted,



John B. Rudolph
S. Diane Neal

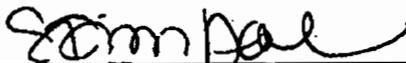
Hall, Estill, Hardwick, Gable,
Golden & Nelson, P.C.
1120 Twentieth Street, N.W., Suite 700-N
Washington, D.C. 20036
(202) 973-1200

Attorneys for Wausau Papers of New
Hampshire, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this date caused a copy of the foregoing document to be served upon all parties on the Commission's Official Service List in the above-captioned matter.

Dated at Washington, D.C. this 16th day of June, 2006.



S. Diane Neal

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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Maritimes & Northeast Pipeline, L.L.C.)

Docket No. CP06-335-000
CP96-810-006

**MOTION OF H.Q. ENERGY SERVICES (U.S.) INC.
FOR LEAVE TO INTERVENE**

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.214 (2005), and to the Commission's "Notice of Application" issued May 26, 2006, H.Q. Energy Services (U.S.), Inc. ("HQUS") hereby moves for leave to intervene in the above-captioned proceedings. In support of this Motion, HQUS states as follows:

I.

HQUS requests that the following individuals be placed on the Commission's Official Service List and that correspondence and communications in this proceeding be addressed to:

John B. Rudolph
S. Diane Neal
Hall, Estill, Hardwick, Gable, Golden &
Nelson, P.C.
1120 Twentieth Street, NW
Suite 700-N
Washington, D.C. 20036
(202) 973-1200

Érik Bellavance
Legal and Regulatory Affairs
Hydro-Québec Production
18e étage
75, boul. René-Lévesque Ouest
Montréal, Québec
(514) 289-6730

II.

HQUS's exact legal name is H.Q. Energy Services (U.S.) Inc. HQUS is a Delaware Corporation with its principal place of business located at Airport Office Park, Building 5-Second Floor, 345 Rouser Road, Coraopolis, Pennsylvania, 15108. HQUS is a wholly-owned subsidiary of Hydro-Québec, an electric utility located in the Canadian Province of Québec, and is a marketer which buys, packages and sells natural gas and electric energy from a variety of

sources into United States markets. HQUS itself is a firm capacity release shipper on the Maritimes system with sole responsibility for providing natural gas fuel supplies to certain cogeneration facilities located in Bucksport, Maine. HQUS was an active participant in Maritimes last major interstate rate proceeding at Docket No. RP04-360-000.

III.

The Commission's May 26, 2006 Notice herein indicates that Maritimes & Northeast Pipeline, L.L.C. ("Maritimes") has filed in the captioned proceeding for Commission authorization to construct, own, operate, and maintain pipeline facilities which Maritimes refers to as its "Phase IV expansion." These facilities include five compressor stations, modifications to two existing stations and 1.7 miles of pipeline looping. The new facilities are expected to increase Maritimes' throughput capacity by approximately 418,000 Dth/d for a total daily capacity of 833,317/Dth/d. In its application, Maritimes is also proposing rolled-in rate treatment for the proposed facilities. The proposed facilities are being constructed to accommodate additional gas supplies from regasified LNG to be delivered from the planned Canaport LNG terminal which is to be constructed and operated by Repsol Energy North America Corporation ("Repsol"). In conjunction with this proposed expansion, Repsol and Maritimes have executed a negotiated rate agreement, resulting in Repsol becoming what Maritimes has termed the "anchor shipper" on its Phase IV expansion (authorization for such rate agreement having been concurrently requested in Docket No. RP06-361-000).

Maritimes has requested a final Commission decision on its application by March 1, 2007, to allow time for construction prior to an anticipated in-service date of November 1, 2008. Additionally, Maritimes has also requested amendment of its Presidential Permit under Docket No. CP96-810-006.

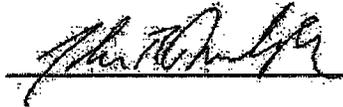
IV.

As a firm shipper and ratepayer dependent on the Maritimes system that could be impacted by the outcome of the instant proceeding, HQUS has a direct and immediate interest in this proceeding which cannot and will not be represented by any other party. Accordingly, it is necessary for HQUS to intervene herein in order to protect its interests.

V.

WHEREFORE, for the foregoing reasons, HQUS respectfully requests that the instant motion for leave to intervene be granted, and that HQUS be accordingly allowed to intervene herein with full rights of a party.

Respectfully submitted,



John B. Rudolph
S. Diane Neal
Hall, Estill, Hardwick, Gable, Golden &
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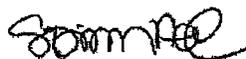
Counsel for H.Q. Energy Services (U.S.) Inc.

Dated: June 1, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the secretary in this proceeding.

Dated at Washington, D.C. this 1st day of June 2006.



S. Diane Neal
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