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Iroquois Receives FERC Extension for its Eastchester Expansion Project to Serve New York City

Shelton, CT—The Iroquois Pipeline Operating Company today announced that the Federal Energy Regulatory Commission has granted a Certificate of Public Necessity and Convenience to construct its Eastchester Expansion Project. Under the FERC process, the company now has 30 days during which to review the details of the Certificate and return comments to FERC.

"We are delighted to have achieved this major milestone for the Eastchester Expansion Project," said Craig Frew, Iroquois' President. "New York stands to benefit from Iroquois' Eastchester Expansion because it will provide needed new volumes for customers, enhance the reliability of the City's gas supply, and furnish a new element for price competition."

Providing a new supply of 230 million cubic feet per day, the Eastchester Expansion will be the first new interstate pipeline built into New York City in about forty years, and will serve power generation and other needs.

The Eastchester Expansion Project includes a 36-mile pipeline from Northport, N.Y. to Hunts Point in the Bronx; a second unit at the company's Croghan, N.Y. compressor station; new compressor stations at Boonville and Dover, N.Y.; cooling units at Athens and Wright, N.Y.; and equipment upgrade at Wright, N.Y.

Iroquois expects to begin construction on the New York state facilities in spring 2002, and the marine pipeline by fall 2002, with the whole Eastchester Expansion to be placed into service in the winter of 2002/2003.

Iroquois Gas Transmission System, L.P. is the owner of an interstate pipeline extending 375 miles from the U.S.-Canadian border at Waddington, N.Y., through the state of Connecticut to South Commack, Long Island, N.Y. The company is regulated by the Federal Energy Regulatory Commission ("FERC"). Since commencement of service in December 1991, the Company has added two short lateral lines, several meter stations and the three compressor stations at Wright, Croghan, and Athens, N.Y. The pipeline is operated by the Iroquois Pipeline Operating Company, a wholly owned subsidiary of Iroquois.



FORWARD-LOOKING STATEMENT DISCLAIMER

This press release contains various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are based on current expectations, are not guarantees of future performance and include assumptions about future market conditions, operations and results. They are made in reliance on the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Iroquois can give no assurance that such expectations will be achieved. Among the many factors that could cause actual results to differ materially from those in the forward-looking statements herein are: future demand and prices for natural gas; availability of supplies of Canadian natural gas; regulatory, political, legislative and judicial developments; particularly with regard to regulation by the Federal Energy Regulatory Commission; competitive conditions in the marketplace; changes in the receptivity of the financial markets to Iroquois or other oil and gas credits similar to Iroquois and, accordingly, our strategy for financing any such change in business strategy or expansion. A discussion of these and other factors which may affect our actual results, performance, achievements or financial position is contained in our Annual Report on Form 10-K, which is on file with the United States Securities and Exchange Commission.