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Iroquois Opens Bidding for Proposed NYC Expansion

Shelton, CT—The Iroquois Gas Transmission System, L.P. today announced an open season for natural gas delivery into the New York City area. To supply the additional transportation capacity required to fulfill the bids, Iroquois proposes to construct a 29-mile extension of its mainline, originating in Northport, Long Island, and terminating at a new interconnect with Consolidated Edison in Bronx, NY. This interconnect will provide access to both ConEd and the New York Facilities System.

"Our Eastchester Expansion is the most economical means of serving the growing New York City market," said Craig R. Frew, president of the Iroquois Pipeline Operating Company (IPOC). "With a total length of approximately 29 miles, including 27 miles beneath Long Island Sound, Iroquois' plan offers minimal environmental intrusion as well as the potential to avoid residential areas for nearly the entire route."

With greater than 4,500 MW of new generation and conversions proposed in New York City, the Eastchester Expansion also gives facilities developers cost-effective options to supply their plants with natural gas from various supply sources and will help to meet the area's high winter heat and summer electricity demand.

"The project provides immediate benefit to existing shippers," said Herb Rakebrand, Vice President, Marketing & Transportation, IPOC. "It will provide a whole new market for their supply - without increasing their costs. Furthermore, given the market pull, the project's benefits and its small size, it is in line with FERC's Policy for New Natural Gas Pipeline Construction."

Iroquois began accepting bids for transportation on the proposed expansion November 15 and will continue to accept them until the end of business on December 17, 1999. All bids must have a minimum service term of 10 years. By January 8, 2000, Iroquois will have evaluated the bids to determine whether there are sufficient bids to justify the proposed expansion. If so, the expansion will be completed by November 2001.

"Given the ease with which we can expand, interested parties with projects in the region that have a start up of later than November 2001 should still submit bids," said Frew. "As the market grows we can phase in capacity expansions with minimal additional upstream compression."



Iroquois currently has multi-year, firm contracts to transport approximately 987.5 MDT/d for 34 gas utilities, power generators, marketers and producers. That is an increase of 50 percent from the amount of gas under contract when the pipeline went into operation in 1992.

Companies interested in receiving more information on the open season or obtaining an Open Season Bid Form can contact Robin Zaleski at 203-925-7274.