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NEWS RELEASE

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FERC STUDY: NEW ENGLAND NATURAL GAS INFRASTRUCTURE CURRENTLY ADEQUATE BUT FUTURE EXPANSION NEEDED

The Federal Energy Regulatory Commission today released a study prepared in consultation with the Department of Energy that concludes there is currently adequate natural gas pipeline infrastructure in New England but finds that additional facilities will be needed to meet the region's future gas demand.

The study notes that there are no native sources of natural gas or underground storage facilities in New England. The region currently depends on interstate natural gas pipelines, imported liquefied natural gas (LNG) and very limited above-ground storage of LNG to meet demand.

The study says there is adequate natural gas infrastructure to meet demand through 2005, but it concludes that additional infrastructure will be needed to meet New England's demand for natural gas through 2010.

During peak periods of demand, the interstate pipeline system is operated at a very high load factor and is not able to fully access underground storage in New York and Pennsylvania.

Construction of new pipeline capacity to these storage facilities and to expanded or newly constructed LNG import facilities would enhance New England's natural gas infrastructure, the study notes.

The study, which was conducted with contributions from New England's public utility commissions, the operator of New England's electric grid, and representatives from all sectors of the natural gas industry, was required by the Public Safety Improvement Act of 2002.

The study is available on FERC's website at www.ferc.gov.