
FEDERAL ENERGY REGULATORY COMMISSION

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Docket No. CP01-415-000,
et al.

COMMISSION AUTHORIZES PATRIOT PIPELINE PROJECT TO SERVE RAPIDLY GROWING POPULATION IN SOUTHEAST

Noting a major increase in projected population growth and the long-term commitments of natural gas shippers to customers in the Southeastern United States, the Federal Energy Regulatory Commission today authorized East Tennessee Natural Gas Company to construct and operate the Patriot Pipeline Project. The Commission imposed more than 69 stringent environmental conditions.

After exhaustive review, the Commission granted a certificate of public convenience and necessity to East Tennessee to expand its current capacity to transport up to 510,000 dekatherms per day (Dth/day) to four local distribution companies and three power plants in Virginia, Tennessee and North Carolina. The company proposes to expand its existing facilities in Tennessee and Virginia and to construct 93.6 miles of new pipeline that will extend its facilities across southwestern Virginia into North Carolina.

The Commission affirmed the need for the project, citing strong market support by Patriot's customers who have contracted for deliveries of volumes totaling 87 percent of capacity, or 446,000 Dth per day, for up to 25 years.

Additionally, the Commission was also persuaded to grant authorization to Patriot based on various federal government and independent studies that show there will be an unprecedented increase in demand for additional gas and electric power in the southeastern U.S. due to a projected population increase of 23 million by 2010.

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Citing information shared at a May 2002 Commission-sponsored Southeast Energy Infrastructure Conference, the Commission noted that participants projected deliveries of natural gas to the South Atlantic region will increase by 50 percent by 2010 and annual Southeast pipeline capacity will have to increase by 1 trillion cubic feet.

"Sufficient infrastructure must be in place so that increased gas demand from electric power plants and distribution companies can be served when needed and not subject to delays. Thus, we find that the Patriot project has a justifiable market need," the Commission said.

The 69 stringent environmental conditions are designed to mitigate any potential adverse impact. The Commission found East Tennessee's proposed route to be environmentally superior to that of the major route alternatives evaluated by FERC staff in the Patriot Environmental Impact Statement (EIS). However, the Commission authorized some route variations where appropriate.

East Tennessee has 30 days from issuance to accept the Commission's order. The project's customers include NUI Energy Brokers, Inc; Public Service Company of North Carolina, Inc.; United Cities Gas Company; Carolina Power & Light Company; Henry County Power, LLC; Duke Energy Wythe, LLC; and Duke Energy Murray, LLC.