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Iroquois Gas Transmission Receives Preliminary Determination for its Eastchester Extension Project to Serve New York City

Shelton, CT—Iroquois Pipeline Operating Company announced that today the Federal Energy Regulatory Commission has made a Preliminary Determination giving initial approval to its Eastchester Extension Project.

The \$173 million project includes a pipeline some 32 miles in length to bring a new supply of about 230 million cubic feet per day of natural gas into New York City. Connecting with the Consolidated Edison system in the Bronx, it will provide a much-needed boost to the City's gas grid.

"We are pleased with this Preliminary Determination by the Federal Energy Regulatory Commission. We believe today's action by the FERC is a major step toward a timely final certification for our project. This will allow Iroquois to move quickly to complete all necessary work for this project and make this new supply of gas available to New York City by our projected in-service date of November 2002," said Craig Frew, Iroquois president.

"We're very excited about this project—it includes a major expansion of our pipeline system, and comes at a time when new energy supplies for New York City and the Northeast are sorely needed."

Additional projects to be added to Iroquois' system as part of the Eastchester Extension include: a second compressor unit for the Company's Croghan, NY compressor station; changeout and upgrade of compression at the Wright, NY compressor station; construction of new compressor stations in Boonville and Dover, NY; addition of cooling facilities at compressor stations in Wright and Athens, NY.

About Iroquois

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 going into operation in January 1992, Iroquois has nearly doubled the amount of gas under contract. Iroquois currently has multi-year, firm contracts to transport approximately 1,005.9 MDt/d for 37 gas utilities, power generators, marketers and producers. 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 contained 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 Registration Statement on Form S-4 which is on file with the United States Securities and Exchange Commission.