

# NYMarc

CONNECTING MARCELLUS SUPPLIES TO NORTHEAST MARKETS

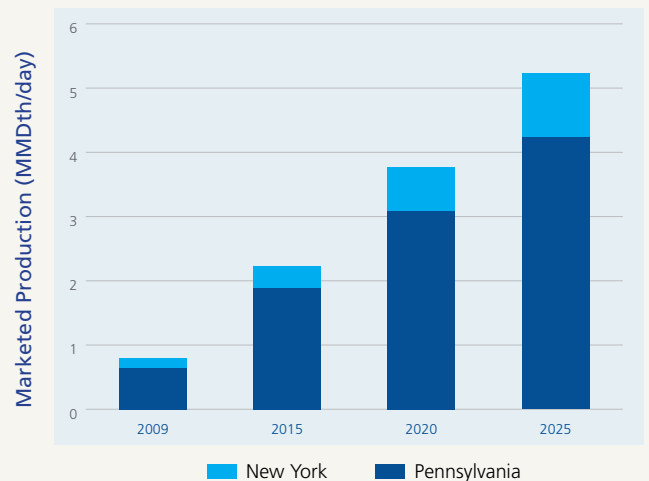


## Project Highlights

- Proposed to connect rapidly expanding Rockies and Marcellus Shale supplies to New York and New England markets
- Approximately 66-mile, 36-inch diameter natural gas pipeline:
  - 60 miles in New York
  - 6 miles in New Jersey
  - Majority of line will be located near existing energy corridors
- One compressor station proposed at Millennium Pipeline interconnect
- Initial capacity is expected to be 500 mdth/day (equal to the heating needs of over 1.8 million homes)
- Ultimate capacity is expected to be 2,000 mdth/day (equal to the heating needs of over 7 million homes)
- Estimated \$500 million investment in New York and New Jersey
- Scheduled in-service date is fall 2014

Dramatic increases of natural gas supplies in Pennsylvania and New York are expected over the next 15 years driven by completion of the Rockies Express Pipeline and production from the prolific Marcellus Shale deposits. This emerging domestic energy resource is estimated to contain recoverable quantities equal to the combined demand of New York City and Long Island for over 350 years at 2008 consumption levels. Iroquois' NYMarc project is designed to bring these new supplies to the Hudson River Valley, Long Island, New York City and New England.

PA and NY Supply Growth





## Project Overview

Growing natural gas supplies in Pennsylvania and New York could access *NYMarc* through an expansion of the recently completed Millennium Pipeline which runs along the Pennsylvania/New York border, via the existing Tennessee Gas 300 Line which runs through the heart of the Pennsylvania Marcellus Shale, or through new gathering systems from formations located in Northeastern Pennsylvania and New York.

As proposed, *NYMarc* would receive gas from Tennessee at a new interconnect to be located at Station 325 in the Town of Wantage in Sussex County, New Jersey. The 36-inch diameter pipeline would extend approximately six miles to the New York State border, and would be sited predominately within low-lying, previously cleared farmland to minimize visual impact. The northeasterly orientation within the Wallkill River Valley avoids any crossing of High Point State Park or the New Jersey Highlands.

Once in New York, the pipeline would continue approximately four miles to the Millennium Pipeline where a new interconnect and compressor station would be constructed in the Town of Minisink in Orange County, New York. There, the gas would be compressed to 1480 psig and flow through the pipeline along the Wallkill River Valley for 56 miles primarily near existing energy transmission corridors. To minimize environmental and visual impacts, the pipeline would cross beneath the Hudson River between the towns of Lloyd and Poughkeepsie via an approximate 1-mile horizontal directional drill before continuing on to an interconnect with the existing Iroquois mainline in Pleasant Valley, New York. Along the way, the project would contribute to the tax base, create construction jobs, and provide the opportunity for access to low cost energy, helping stimulate the local economy.

Once on the Iroquois mainline, *NYMarc* volumes could access a variety of markets. At Pleasant Valley, *NYMarc* could augment existing Western Canadian Sedimentary Basin supplies. Backhauling volumes north would provide support to communities in Northern New York, New England via the Tennessee Gas 200 Line, and Eastern Canada via the TransCanada Pipeline. Finally, subsequent expansion of the Iroquois mainline south of Pleasant Valley would allow incremental volumes to reach Southwestern Connecticut, Long Island and New York City. Iroquois will utilize the results from an open season to determine the final design and scope of the project. Iroquois' proposed investment in New York and New Jersey is projected at \$500 million.

## Regulatory Process

The Federal Energy Regulatory Commission (FERC) will be the lead agency for permitting *NYMarc*. As part of the FERC application, Iroquois is required to notify affected parties of plans to build facilities in their communities. The FERC certificate process provides for a

coordinated environmental review, with public participation, prior to construction of the project. *NYMarc* will also require permits and approvals from several other federal, state and local authorities.

Iroquois is proud of its reputation as a responsible corporate neighbor who contributes to the wellbeing of the community, and we commit to work with affected stakeholders to seek input throughout the planning, permitting and construction of *NYMarc*. Early outreach is essential for us to identify and address issues and concerns.

## Safety

The safety of the public and our employees is a top priority for Iroquois. Interstate natural gas pipelines are America's safest transportation network, and Iroquois has a longstanding, excellent safety record. The proposed pipeline facilities will be designed, built, and operated to meet or exceed industry and government standards designed to ensure public safety.

## Environment

As a local, New England based company, we live in and care about the communities we serve. Respect for the environment is an important part of Iroquois' culture, and we are dedicated to preserving our environment by seeking ways to minimize intrusions to, and maximize protection of, our natural resources. *NYMarc* will be subject to an extensive environmental review as part of the regulatory process. Iroquois will collect and analyze site specific environmental information to understand potential impact, develop mitigation plans, and prepare environmental reports for review by the FERC and other permitting agencies. Construction will not commence until these agencies are satisfied that *NYMarc* can be constructed without significant impacts to the environment.

## Forward-Looking Statement Disclaimer

Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections proved under the Private Securities Litigation Reform Act of 1995.

## Contact

Your questions and comments are important to us. For more information please contact:

Ruth Parkins  
Manager, Public Affairs  
203.925.7209  
ruth\_parkins@iroquois.com