

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

In The Matter Of

IROQUOIS GAS TRANSMISSION
SYSTEM, L.P.

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)

Docket No. CP02-52-000

APPLICATION OF IROQUOIS GAS TRANSMISSION SYSTEM, L.P.
FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Volume I

Communications regarding this Application should be directed to:

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December 2001

2. A new 20,000 (nominal) horsepower compressor station at Milford, Connecticut;
3. The addition of cooling at the Dover, New York compressor station which is pending in Docket No. CP00-232;
4. Piping, compression and metering modifications, and a gas filtration system, at the existing Brookfield, Connecticut meter station and a proposed compressor station at that site, which is pending in Docket No. CP02-31, to permit natural gas to be physically received from Algonquin Gas Transmission Company;
5. A new point of interconnection, including sales tap and meter station, with the facilities of KeySpan Energy Delivery Long Island ("KeySpan") in Brookhaven, New York; and
6. Other necessary facilities as set forth in the resource reports and the application, including a tap valve in Long Island Sound, three mainline valves, pig launchers/receivers, and temporary facilities such as pipe yards, storage yards, access roads and staging areas.

The facilities proposed by Iroquois for the ELI Project are designed to provide approximately 175,000 dekatherms per day of firm transportation service to the eastern end of Long Island.

Iroquois has executed Precedent Agreements with Consolidated Edison Energy Inc. ("CEEI") for 10,000 dekatherms per day; Engage Energy America LLC ("Engage") for 50,000 dekatherms per day; Long Island Power Authority ("LIPA") for 160,000 dekatherms per day; Mirant Americas, Inc. ("Mirant") for 80,000 dekatherms per day; and New York Power Authority ("NYPA") for 40,000 dekatherms per day. Iroquois proposes to provide firm gas transportation service to these shippers under its Part 284 Subpart G blanket certificate.¹ Because the facilities will serve as an extension of its mainline and will be operated as an integral part of its system, Iroquois proposes to charge shippers to Eastern Long Island the firm transportation rate then in effect under its RTS rate schedule plus an incremental surcharge, which in total will be designed to recover the costs of the proposed facilities.

In order to meet the time frame for commencing service on November 1, 2004, it is requested that the Commission issue the

¹ Iroquois Gas Transmission Sys., L.P., 53 FERC ¶ 61,194, 61,780 (1990) ("Opinion No. 357") (authorizing Iroquois to perform activities specified in Subpart G of Part 284 of the Commission's Regulations).

final authorization for the proposed facilities by July 1, 2003. Because construction in the Long Island Sound should occur during the fall, winter and spring periods to minimize environmental impacts (as explained in Volumes II and III of this application), receipt of the certificate by this date is necessary to permit Iroquois to meet the market needs of the expansion shippers with the least disruption to the environment. In addition, in order to expedite the construction of the Project, Iroquois requests that the Commission issue a preliminary determination on non-environmental aspects of the ELI Project by July 1, 2002.

II

APPLICANT

Communications regarding this Application should be directed to the following:

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The exact legal name of the Applicant is Iroquois Gas Transmission System, L.P. Iroquois is a limited partnership organized under the laws of Delaware. Iroquois' principal office is located at One Corporate Drive, Suite 600, Shelton, Connecticut 06484.

Iroquois is comprised of affiliates of six United States and Canadian energy companies. The general partners are affiliates of KeySpan Energy Corporation (KeySpan); Connecticut

* Designated to receive service in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure.

Natural Gas Corporation (Connecticut Natural) New Jersey
Resources Corporation PG&E Generating Company (PG&E Gen)
Dominion Resources Inc and TransCanada Pipelines Limited
The limited partners are affiliates of KeySpan Connecticut
Natural and PG&E Gen

III

DESCRIPTION OF EXISTING OPERATIONS

Iroquois is engaged in the business of transporting natural gas in interstate commerce under authorizations granted by and subject to the jurisdiction of the Commission. The Iroquois pipeline extends from the New York-Canadian border near Iroquois Ontario through the states of New York and Connecticut and terminates near South Connack New York Long Island. Iroquois interconnects with the Tennessee Gas Pipeline Company Tennessee at Wright New York and Shelton Connecticut with Dominion Transmissions Inc (DTI). Iroquois existing Canajoharie meter station located near Fort Plain New York and with Algonquin Gas Transmission Company (Algonquin) in the town of Brookfield Connecticut. In addition to providing transportation service to shippers in New York New Jersey and Connecticut, Iroquois provides upstream transportation service for shippers Tennessee DTI and Algonquin systems. Iroquois currently owns and operates three

compressor stations located near the towns of Wright, New York; Croghan, New York; and Athens, New York. These compressor stations were placed in service on or about November 1, 1993; December 15, 1994; and November 2, 1998, respectively.

In addition, Iroquois has proposed an expansion of its system in Docket No. CP00-232, which is designed to extend its existing pipeline from Northport, Long Island approximately 31 miles across the Long Island Sound to a newly proposed interconnect with the facilities of the Consolidated Edison Company of New York, ("Con Edison" near the Eastchester section of the Bronx, New York, for firm natural gas transportation service commencing on or about November 1, 2002. The proposed "Eastchester Expansion Project" would also involve the addition of two new compressor stations, modifications to the three existing compressor stations, and various other facilities described more fully in that application. The Eastchester Expansion Project is currently pending before the Commission.²

On November 8, 2001, Iroquois filed an application with the Commission in Docket No. CP02-20 for a second compressor unit at its Athens compressor station ("Athens Project"). Iroquois proposes to provide firm transportation service to Athens Generating Company, L.P commencing September 1, 2003; that application remains pending. Finally, on November 20,

Iroquois Gas Transmission System, L.P., 95 FERC ¶61,335 (June 1, 2001)

Iroquois filed an application with the Commission in Docket No. CP02-31 for a new compressor station to be located in Brookfield, Connecticut to provide firm transportation service to two customers in Eastchester, New York and South Commack, New York commencing November 1, 2003 ("Brookfield Project"). That application remains pending.

IV.

BACKGROUND

Both the City of New York and Long Island are experiencing a substantial increase in the demand for gas fired electric generation, which is directly tied to the growth in population and demand in this particular region of the Northeast. Currently, there exists a shortage of generating capacity in these markets, as well as constraints with respect to transmission capacity that can deliver electricity into this particular region. By 2005, it is anticipated that Long Island and New York City will require upwards of 1,500 MW and 1,000 MW respectively of additional generating capacity. From a reliability perspective, the New York Independent System Operator ("NYISO") has mandated that installed generating capacity on Long Island and in New York City must equal at least 98% and 80% respectively of the peak demand in each of these load pockets. This mandate is one of the primary drivers for

the development of new generation capacity in these particular market areas

The natural gas that Iroquois proposes to deliver as part of this project is the preferred fuel for meeting the demand for additional generating capacity, from both an environmental and economic perspective. The environmental benefits of using natural gas for electric generation are significant. Particulate emissions are virtually eliminated when burning natural gas as opposed to coal or oil. Producing electric power using today's gas fired combined cycle power plants is an economical way to meet the tough nitrogen oxide and carbon monoxide air emissions standards for ozone non-attainment areas such as New York City and Long Island.

Overall, the average annual growth rate in this particular region of the Northeast is projected to be approximately 2.7% per year (Long Island 5.4%, New York City 1.5%) between 2001 and 2010. For the near term, load growth on Long Island is projected to increase at a rate of 6% per year, due in large part to homeowner conversions to natural gas.

Iroquois' ELI Project will provide the incremental pipeline capacity necessary to meet the growing demands of this market area. Additionally, this project will offer customers on Long Island increased access to Sable Island gas through the backfeed of the Algonquin and Tennessee systems and through

displacement opportunities, access markets in New York City, thereby reducing costs associated with distribution facility upgrades. Because the ELI Project will be an extension of Iroquois' existing mainline, and thus will be operated as an integral part of the Iroquois system, the shippers who have executed Precedent Agreements with Iroquois will have direct physical access on a secondary delivery basis to the New York City marketplace, thereby achieving increased transportation optionality. Likewise, existing shippers on the Iroquois system will have secondary delivery access to the growing eastern Long Island marketplace. Consequently, shippers on the Iroquois system will be able to transport their gas to those markets in New York City and Long Island that have the greatest demand. With a project volume of approximately 175,000 Dt/d, the ELI Project offers measured growth into this growing region within the northeast and thereby minimizes any concerns of an overbuild scenario. Yet, Iroquois' proposed 20" crossing of the Long Island Sound will offer tremendous growth opportunity through compression expansions if the Long Island market achieves a level of growth that surpasses current forecasted expectations.

By virtue of being integrated into Iroquois' existing mainline operations, the ELI Project will also benefit from the current compression that exists on the mainline, thereby

increasing the level of reliability that Iroquois will be able to offer to the contracting shippers.

In preparing the instant application, Iroquois has conducted non-binding open seasons for additional firm transportation capacity on its system. As a result of these open seasons, Iroquois determined that there was sufficient market support for the ELI Project. In addition, Iroquois solicited its existing customers for permanently released capacity that could be used by the expansion shippers. Because no shipper released capacity, Iroquois executed Precedent Agreements with CEEI, Engage, LIPA, Mirant, and NYPA for firm transportation service commencing not later than November 1, 2004. Upon certification and construction of the facilities set forth below, Iroquois will provide firm transportation service to these shippers pursuant to its RTS Rate Schedule.

V.

DESCRIPTION OF PROPOSED FACILITIES

By this application, Iroquois is requesting Commission authorization to construct, install and operate its ELI Project to provide firm transportation service in accordance with the Precedent Agreements with the proposed expansion shippers. Specifically, Iroquois is seeking authorization for the following facilities; more detailed information on these

facilities is set forth in the Resource Reports which are attached as Volumes II - V.³

In locating the required mainline facilities, Iroquois has developed a route that minimizes the environmental impacts. For example, the ELI Project does not require any additional pipeline onshore in Connecticut. Rather, Iroquois proposes a compressor station in Milford, Connecticut that would have an ISO rating of approximately 20,000 horsepower. It will be located in an industrial area on property owned by Iroquois. Likewise, the cooling at Dover would be constructed at a facility which has been proposed as a part of the Eastchester Project and which is contemplated to be in service in late 2002. The piping modifications proposed for Brookfield would also occur at an existing (at the time of construction) facility.

Iroquois will follow applicable state and local requirements for constructing independent water supply and sewage disposal systems at the compressor locations, and will apply for any required state air permits to construct and operate the facilities. In addition, Iroquois will follow applicable federal and state requirements if blasting is needed. All waste material will be disposed of in an approved manner.

Prior to placing the facilities in service, Iroquois will engage in hydrostatic testing; all required hydrostatic and

³ Volume IV - Offshore Hazard Survey Reports - is "Privileged and Confidential" and is submitted under seal.

pressure testing will be conducted in accordance with the regulations promulgated by the Department of Transportation (generally, 49 CFR Part 192).

As demonstrated by the Environmental Resource Reports filed herewith as Exhibit F-1, the construction and operation of the ELI Project will have minimal environmental impact. The total cost of the ELI Project is estimated to be approximately \$105 million. A flow diagram showing the operation of Iroquois system under design conditions before and after the new facilities are installed is contained in Exhibit G to the application.

VI.

STATEMENT OF RATES/COMPLIANCE WITH
POLICY STATEMENT

In the 1999 Policy Statement issued in Docket No. PL99-3⁴, the Commission stated that it would apply a three-part analysis when balancing the public benefits of a project against its potential adverse impacts. The threshold question is whether a project can proceed without subsidies from the existing customers; while the Commission noted that incremental pricing would usually result, the 1999 Policy Statement acknowledges that there will be instances where rolled-in pricing is preferable. The Commission next determines whether an applicant

has taken steps to minimize or eliminate adverse impacts of the project on its existing customers, other existing pipelines, and landowners and communities along the route of the project. Finally, the Commission balances the public benefits to be achieved against the residual adverse effects to determine if facilities should be approved. As demonstrated by the following discussion, the ELI Project is consistent with the 1999 Policy Statement and should be certificated.

The transportation service to be made available by constructing the proposed ELI Project will be performed pursuant to Iroquois' RTS Rate Schedule and associated General Terms and Conditions of Iroquois' FERC Gas Tariff, First Revised Volume 1. As noted earlier, Iroquois proposes to charge shippers to Eastern Long Island the firm transportation rate then in effect under its RTS rate schedule, plus an incremental surcharge which in total will be designed to recover the costs of the proposed facilities.⁵ Iroquois will file a tariff sheet reflecting this surcharge prior to placing the facilities in service.

⁴ Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC ¶61,227, clarified 90 FERC ¶61,128 (2000) ("1999 Policy Statement")

⁵ In addition to the transportation rate, these shippers will provide fuel in-kind to recover the incremental fuel consumed, up to a maximum fuel retention rate of 2.17%.

Exhibit P hereto details the anticipated annual costs of the ELI Project and the derivation of the incremental surcharge designed to recover the costs of the new facilities. Because it is being proposed as an incremental project, with an incremental surcharge for deliveries to Brookhaven over the then-current transportation rate, the ELI Project will not require subsidization by Iroquois' existing shippers.⁶

In addition, the facilities proposed herein will be fully integrated into Iroquois' existing system and will be used to effectuate deliveries to customers throughout the system in the most efficient manner. In particular, the presence of the additional compressor unit provides greater system reliability because it decreases the loss of deliverability that would result were a unit to go down. Furthermore, by adding an additional delivery point with KeySpan, supported by a separate pipeline into eastern Long Island, Iroquois will improve the reliability and flexibility that it can offer to existing shippers on the Iroquois system that deliver gas to South Commack, Iroquois' current interconnect with the KeySpan facilities on Long Island.

⁶ In addition, the existing shippers will not be adversely impacted in the event there are cost overruns resulting in a rate increase, since current rates for the existing shippers would not change.

The addition of a new receipt point at Brookfield will also provide additional flexibility to existing shippers

The foregoing benefits demonstrate that the ELI Project will not result in any detriments or degradation of service to Iroquois' existing shippers. Furthermore the ELI Project will have no substantial adverse impact on any of the other interests identified in the 1999 Policy Statement - the interests of existing pipelines (and their customers) and of landowners. The ELI Project will not adversely impact other pipelines and their captive customers. Rather, the proposed expansion shippers represent new markets and do not shift load from any existing pipeline.

Finally, Iroquois' proposal minimizes the impact on landowners and the environment. Minimal tree clearing will take place at the compressor station site, which will provide an additional barrier to minimize potential visual and/or noise impacts of the new unit. Performing a hot tap offshore of Milford, Connecticut will result in minimal impact to sensitive shellfishing areas along the Connecticut coastline as compared with other alternatives. In addition, Iroquois has engaged in an outreach program with the affected localities to identify ways to minimize landowner impacts.

Iroquois' proposed compressor unit will not significantly affect any cultural resources, public recreational areas,

important wildlife habitat or surface water resources. Iroquois will clear trees in the area only to the extent necessary to (i) construct the compressor station building, (ii) provide a suitable safety buffer around the building, (iii) construct high pressure gas piping, and (iv) construct the access roads, temporary work areas and other facilities as set forth in the application. For the pipeline facilities, Iroquois' proposal clearly minimizes any landowner impacts. Of the approximately 29.1 total miles of new pipeline, 17.1 miles are in Long Island Sound, where no landowners are affected. The proposed on-shore segment was selected to maximize the use of existing utility and transportation corridors, thereby minimizing impacts to landowners and sensitive lands. Other alternatives considered, as discussed in greater detail in Resource Report 10, would have been in closer proximity to more densely populated areas or to sensitive areas such as the Central Pine Barrens.

With respect to environmental impacts, the Resource Reports exhaustively discuss the steps that Iroquois has taken in siting the facilities to minimize those potential impacts. For example, with respect to the Long Island Sound, besides locating the hot tap at the edge of the shellfish areas, Iroquois has undertaken extensive surveys and conducted a biological assessment in order to minimize impacts. Iroquois is also working closely with the affected interest groups and government

agencies to select a route and construction time frame that minimizes adverse impacts.

In short, Iroquois has configured the proposed facilities to result in a project that both minimizes the disturbance to the environment and to landowners and that is the most economically efficient. In light of the resulting substantial benefits, the ELI Project satisfies the requirements of the 1999 Policy Statement.

VII.

MARKETS

As noted earlier, Iroquois conducted an open season for incremental firm capacity on its system. All existing shippers were specifically advised of the open season, and announcements were placed on Iroquois' electronic bulletin board, as well as in trade publications, to advise other potential shippers. Iroquois also conducted a reverse open season for permanent capacity release. As a result of the open seasons, Iroquois ultimately negotiated and executed Precedent Agreements, which are attached hereto as Exhibit I, with CEEI, Engage, LIPA, Mirant, and NYPA.⁷ These new shippers will be responsible for

⁷ As part of Exhibit I, Iroquois has attached proposed firm transportation contracts with the proposed expansion shippers. Iroquois submits that any minor differences between the proposed contracts and the pro forma contracts in its tariff do not constitute material deviations. However, if the Commission decides to the contrary, Iroquois requests that the Commission approve such agreements.

contracting directly with suppliers of natural gas and obtaining any necessary upstream or downstream transportation capacity.⁸

It should also be noted that the Precedent Agreements currently provide for firm transportation of up to 340,000 dekatherms of gas per day, which is greater than the amount to be provided by the facilities being proposed herein. Under the Precedent Agreements, Iroquois has the ability to pro-rate the capacity to conform to the amount that will be added by the ELI Project. To the extent such pro-ration is necessary, Iroquois currently anticipates that such a decision will be made by not later than March 1, 2003.

VIII.

PUBLIC CONVENIENCE AND NECESSITY

As demonstrated by the Precedent Agreements between Iroquois and the proposed expansion shippers appended hereto as Exhibit I, the capacity that will be made available by installing the ELI Project is required to meet the needs of those companies and their customers and is, therefore, in the public convenience and necessity. Approval of this project is consistent with the 1999 Policy Statement, because the public benefits that would be achieved by the project more than

⁸ The Commission has determined that for open access pipelines such as Iroquois, a further showing of a discrete, pre-determined gas supply is not necessary because there is an abundance of readily accessible gas available. See, e.g., III FERC Stats. and Regs. ¶30,928 at 30,225.

outweigh the potential (and largely temporary) adverse impacts that would result from constructing the facilities. In addition, the Precedent Agreements submitted in Exhibit I demonstrate the market for the project.

Absent the capacity that the ELI Project will make available, Iroquois will not have the capacity to provide firm transportation service on behalf of the proposed expansion shippers; nor will it have the physical capability to make these deliveries to the Eastern Long Island area. Iroquois is currently transporting natural gas at virtually its full certificated capacity (except as specifically noted in Exhibit G) to meet existing contractual obligations, including service agreement obligations for capacity made available by its three operating compressor stations. Furthermore, the capacity that will be added by the previously identified Eastchester, Athens and Brookfield Expansion Projects, which are anticipated to be placed in service prior to the ELI Project, already is fully subscribed. An extension of its mainline from offshore Milford to Brookhaven is necessary to enable Iroquois to deliver the gas to the expansion shippers. Therefore, by November 1, 2004, Iroquois will require the additional firm capacity that the ELI Project will make available to transport natural gas on behalf of the proposed expansion shippers

For these reasons, the public convenience and necessity requires Iroquois' construction and operation of the proposed facilities

IX.

PUBLIC OUTREACH EFFORTS

In Order No. 609,⁹ the Commission established new procedures designed in part to ensure that landowners affected by proposed new facilities will have sufficient opportunity to participate in the certificate process. Consistent with the guidelines established in that order, Iroquois has engaged in, and is continuing to engage in, public outreach meetings in the localities where the proposed facilities will be located. Iroquois has also been engaged in pre-filing discussions with various permitting agencies and other entities to advise them of the ELI Project and to solicit their input. In addition, consistent with §157.6 of the Commission's regulations, Iroquois will notify affected landowners by mail; publish notice of the application in local newspapers; and make copies of the application available at the local libraries in the towns where

⁹ Landowner Notification, Expanded Categorical Exclusions, and Other Environmental Filing Requirements, 89 FERC ¶61,023 (October 13, 1999).

facilities will located. Iroquois' efforts are set forth in greater detail in Volume II of the application.

X.

RELATED APPLICATIONS

In the instant Application, Iroquois, pursuant to Part 157 of the Commission's regulations, requests authority, among other things, to construct facilities for the transportation of natural gas on behalf of CEEI, Engage, LIPA, Mirant, and NYPA. Iroquois will transport gas on behalf of the expansion shippers to the proposed new Brookhaven delivery point, with a proposed in-service date of November 1, 2004. The shippers will make appropriate upstream and downstream arrangements for the volumes so delivered. None of these arrangements are expected to require the filing of additional applications with the Commission. Iroquois understands, however, that KeySpan may be required to file an application with the New York Public Service Commission for approval of minor construction to its system which may be required to accept the gas supplies from Iroquois.

In addition, as noted earlier Iroquois has previously filed with the Commission other applications to expand its system. Specifically, the Eastchester Project in Docket No. CP00-232 was originally filed in April 2000 and received a preliminary determination on June 1, 2001. The proposed in-service date of

the pending Eastchester Project is November 1, 2002. Likewise, on November 8, 2001 Iroquois filed in Docket No. CP02-20 to expand its system to provide additional service to Athens Generating Company, L.P. The Athens Project will require the addition of a second compressor unit at its existing Athens Compressor Station in Athens, New York and has a projected in-service date of September 1, 2003. Further, on November 20, 2001 Iroquois filed its Brookfield Project in Docket No. CP02-31 to construct and operate a new compressor in Brookfield, Connecticut which will provide firm transportation service to two new shippers at Eastchester and at South Commack beginning November 1, 2003.

Based upon the circumstances set forth below, and set forth more fully in the Athens and Brookfield Project filings, these pending applications should be treated separately and should not be consolidated with the ELI Project. Specifically, the proposed in-service date of the ELI Project will be significantly later than the proposed in-service dates of the Athens and Brookfield Projects. The November 1, 2004 in-service date for the ELI Project is two years after the proposed in-service date of the Eastchester Project, 14 months after the proposed in-service date of the Athens Project and one year after the Brookfield facilities are proposed to be placed into

service. Accordingly, those other pending projects should not be subject to potential delays as a result of the ELI Project.

In addition, the flow diagrams underlying the ELI Project assume that the other facilities will be placed into service as proposed, and separate, discrete facilities will be required for the various projects. For example, the markets for the Eastchester, Athens and Brookfield Projects are geographically separate from the market for the ELI Project, which is located in Eastern Long Island. Significantly, because of these differences, the operator of the Athens Generating facility has expressed a desire, with which Iroquois agrees, that the Athens, Brookfield and ELI Projects be kept separate to avoid delay in obtaining authorization for the Athens Project

The ELI Project, therefore, should not be consolidated with the other pending projects. The various proposals are geographically discrete, involve different facilities and serve discrete markets. Each of the individual projects stands on its own with respect to its respective system-wide benefits. Iroquois is providing this statement regarding the status of other applications that relate to the instant Application and that have been, or must be, filed with the appropriate regulatory bodies, pursuant to Section 157.6(b)(5), (18 C.F.R. §157.6(b)(5)), of the Commission's Regulations. The information is accurate to the best of Iroquois' knowledge. Ultimately,

however, the individual shippers have the responsibility for the filing of all required applications relating to the purchase and importation of natural gas, transportation on systems other than Iroquois and any other matter outside the control of Iroquois.

XI

REQUEST FOR COMMISSION ACTION

Iroquois requests that the Commission issue all necessary authorizations no later than July 1, 2003. In addition, Iroquois requests that the Commission issue a preliminary determination on non-environmental issues by July 1, 2002. The construction of the ELI Project as proposed will have minimal environmental impact. Issuance of a final certificate order by July 1, 2003 is required to permit Iroquois to place the proposed facilities in service by the November 1, 2004 in-service date requested by the proposed expansion shippers.

XII.

EXHIBITS

In accordance with Section 157.14 of the Commission's Regulations, the following Exhibits are attached:

Exhibit A -- Articles of Incorporation and Bylaws. See Iroquois' application filed in Docket Nos. CP00-232 and CP02-20.

- Exhibit B -- State Authorizations.
- Exhibit C -- Company Officials.
- Exhibit D -- Subsidiaries and Affiliation.
- Exhibit E -- Other Pending Applications and Filings.
- Exhibit F -- Location of Facilities.
- Exhibit F-I -- Environmental Report. (Submitted as Volume II).
- Exhibit G -- Flow Diagrams Showing Daily Design Capacity and Reflecting Operation With and Without Proposed Facilities Added.
- Exhibit G-I -- Flow Diagrams Reflecting Maximum Capabilities.
- Exhibit G-II -- Flow Diagram Data.
- Exhibit H -- Total Gas Supply Data. Omitted; not applicable.
- Exhibit I -- Market Data. Attached are copies of the executed Precedent Agreements.
- Exhibit K -- Cost of Facilities.
- Exhibit L -- Financing.
- Exhibit M -- Construction, Operation, and Management. Omitted; not applicable.
- Exhibit O -- Depreciation and Depletion. Omitted. Iroquois intends to depreciate the proposed facilities at the rate authorized by the Commission from time to time for similar Iroquois facilities.
- Exhibit P -- Tariff. Attached.
- Exhibit N -- Other. Schedule of revenues, expenses and income. Omitted; incorporated in Exhibit P.
- Exhibit Z-1 -- Other. Certification as to notice to affected landowners.

XIII

WHEREFORE, in consideration of the foregoing, Iroquois Gas Transmission System, L.P. respectfully requests that the Commission:

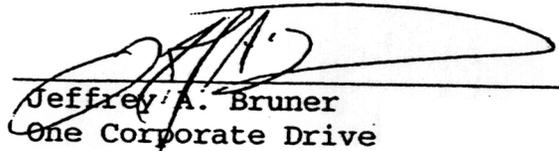
(a) find that Iroquois' proposed construction and operation of the ELI Project is required by the public convenience and necessity;

(b) issue to Iroquois, no later than July 1, 2002 a preliminary determination on non-environmental issues and by July 1, 2003 a Certificate of Public Convenience and Necessity pursuant to Section 7 of the Natural Gas Act and Subpart A of Part 157 of the Commission's Regulations authorizing the proposed construction and operation of the ELI Project as more fully described herein; and

(c) grant such other relief or authority as it deems
necessary and appropriate.

Date: December 13, 2001

IROQUOIS GAS TRANSMISSION SYSTEM, L.P.
BY ITS AGENT
IROQUOIS PIPELINE OPERATING COMPANY

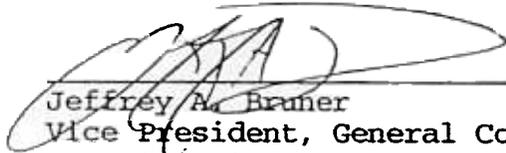


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STATEMENT UNDER RULE 2011(c)(5)

In accordance with Rule 2011(c)(5) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2011(c)(5), I hereby state that the paper copies of this filing and the electronic medium enclosed herewith contain the same information, that I know the contents of the paper copies and the electronic medium, and that the contents as stated in the paper copies and electronic medium are true to the best of my knowledge and belief.


Jeffrey A. Brauer
Vice President, General Counsel &
Secretary
Iroquois Gas Transmission System, L.P.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

In the Matter of)	
)	Docket No. CP02-____
IROQUOIS GAS TRANSMISSION)	
SYSTEM, L.P.)	

NOTICE OF APPLICATION OF
IROQUOIS GAS TRANSMISSION SYSTEM, L.P.
FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Take notice that on December , 2001, Iroquois Gas Transmission System, L.P. ("Iroquois" or "Applicant"), One Corporate Drive, Suite 600, Shelton, Connecticut 06484, filed in Docket No. CP02-____ an application pursuant to Section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing Applicant to construct and operate its Eastern Long Island Expansion Project ("ELI Project"), all as set forth more fully in the application on file with the Commission and open for public inspection. This filing may be viewed on the web at <http://www.ferc.fed.us/online/rims.htm> (call 202-208-2222 for assistance)

In order to implement the ELI Project, Iroquois requests authorization to construct and operate the following facilities:

1. Approximately 29.1 miles of 20-inch pipeline (and associated facilities) from a point offshore of Milford, Connecticut to a point in Brookhaven, Suffolk County, New York;
2. A new 20,000 (nominal) horsepower compressor station at Milford, Connecticut;
3. The addition of cooling at the Dover, New York compressor station which is pending in Docket No. CP00-232;
4. Piping, compression and metering modifications, and a gas filtration system, at the existing Brookfield, Connecticut meter station and a proposed compressor station at that site, which is pending in Docket No CP02-31, to permit natural gas to be physically received from Algonquin Gas Transmission Company;
5. A new point of interconnection, including sales tap and meter station, with the facilities of KeySpan Energy Delivery Long Island ("KeySpan") in Brookhaven, New York; and
6. Other necessary facilities as set forth in the resource reports and the application, including a tap valve in Long Island Sound, three mainline valves, pig launchers/receivers, and temporary facilities such as

pipe yards, storage yards, access roads and staging areas.

The facilities proposed by Iroquois for the ELI Project are designed to provide approximately 175,000 dekatherms per day of firm transportation service to the eastern end of Long Island. Iroquois has executed Precedent Agreements with Consolidated Edison Energy Inc. ("CEEI") for 10,000 dekatherms per day; Engage Energy America LLC ("Engage") for 50,000 dekatherms per day; Long Island Power Authority ("LIPA") for 160,000 dekatherms per day; Mirant Americas, Inc. ("Mirant") for 80,000 dekatherms per day; and New York Power Authority ("NYPA" for 40,000 dekatherms per day. Iroquois proposes to provide firm gas transportation service to these shippers under its Part 284 Subpart G blanket certificate

Because the facilities will serve as an extension of its mainline and will be operated as an integral part of its system, Iroquois proposes to charge shippers to Eastern Long Island the firm transportation rate then in effect under its RTS rate schedule plus an incremental surcharge, which in total will be designed to recover the costs of the proposed facilities.

Iroquois is comprised of affiliates of six United States and Canadian energy companies. The general partners are affiliates of KeySpan Energy Corporation (KeySpan); Connecticut Natural Gas Corporation (Connecticut Natural); New Jersey Resources Corporation; PG&E Generating Company (PG&E Gen); CNG Transmission Corporation; and TransCanada PipeLines Limited. The limited partners are affiliates of KeySpan, Connecticut Natural, and PG&E Gen.

Any questions regarding this application should be directed to Jeffrey A. Bruner, Vice President, General Counsel and Secretary for Iroquois, One Corporate Drive, Suite 600, Shelton, Connecticut 06484 at (203) 925-7200, or Donald F. Sanata, Jr., attorney for Iroquois, Troutman Saunders, LLP, 401 Ninth Street, NW, Suite 1000, Washington, D.C. 20004 at (202) 274-2815

Any person desiring to be heard or to make any protest with reference to said application should on or before 2001, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214) and the Regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be

considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. The Commission's Rules require that protestors provide copies of their protests to the party or parties against whom the protests are directed. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

A person obtaining intervenor status will be placed on the service list maintained by the Secretary of the Commission and will receive copies of all documents filed by the applicant and by every one of the intervenors: An intervenor can file for rehearing of any Commission order and can petition for court review of any such order. However, an intervenor must submit copies of comments or any other filings it makes with the Commission to every other intervenor in the proceeding, as well as an original and 14 copies with the Commission.

A person does not have to intervene, however, in order to have environmental comments considered. A person, instead, may submit two copies of comments to the Secretary of the Commission. Commenters will be placed on the Commission's environmental mailing list, will receive copies of environmental

documents and will be able to participate in meetings associated with the Commission's environmental review process. Commenters will not be required to serve copies of filed documents on all other parties. However, commenters will not receive copies of all documents filed by other parties or issued by the Commission and will not have the right to seek rehearing or appeal the Commission's final order to a federal court

The Commission will consider all comments and concerns equally, whether filed by commenters or those requesting intervenor status

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission or its designee on this application if no motion to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a motion for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal

hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Iroquois to appear or be represented at the hearing.

David P. Boergers
Secretary