

Iroquois Pipeline Company

“Second Compression Station Proposed for Brookfield” Corrections, Clarifications, and Commentary

Note: Information developed and distributed by others often requires amplification, correction, clarification, and sometimes commentary. Analyses like these ensure that an accurate, complete, and balanced perspective is available to those who are interested in, engaged in, and care about our work and purpose.

Text in bold in the left column is the subject of clarification, correction, or commentary in the right hand column.

| | Article | Corrections, Clarifications, or Commentary |
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| 1 | <p><i>News Times</i> Editorial March 2, 2007</p> <p>The Iroquois Gas Transmission System plans to build a second compression station in Brookfield, an announcement that comes just two months after the first station won the approval of federal regulators.</p> | |
| 2 | <p>Brookfield First Selectman Jerry Murphy says Iroquois officials told him they didn't know they would need a second compression station until a month ago when Iroquois was approached by KeySpan Corp. to obtain additional sources of natural gas.</p> | <p>Here's what happened:</p> <ul style="list-style-type: none"> • Iroquois held an open season in September 2006. An Open Season is a process where the company seeks commitments from new customers, or increases required by existing customers, to establish the need for a proposed service expansion. As a result, several companies expressed interest in acquiring firm capacity on Iroquois' system. • After negotiations, Keyspan's request for 200,000 Dth/d of firm service was made as an alternative delivery source in the event their "Islander East" project did not receive timely approval. • Iroquois reviewed Keyspan's request from October 2006 until February |

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| | | <p>2007 to determine what facilities would be necessary to service this requirement. These studies also determined where the facilities would be located and if it was feasible, from an engineering perspective, for the company to provide the services being requested.</p> <ul style="list-style-type: none"> • In the same timeframe, the commercial terms of a deal like this get developed. Both the feasibility and terms of the agreement became clear enough to make the public announcement of the proposed project in late February, 2007. • For pipeline companies, this is usual business practice. Had the data developed through the feasibility work and the commercial information been developed earlier, the announcement of a proposed second compressor station would have been made public earlier. |
| <p>3</p> | <p>The notion that Iroquois didn't know its investor would be doing more business with it doesn't pass any sort of test for credibility. But, as Brookfield has learned, this is how Iroquois does business.</p> | <ul style="list-style-type: none"> • In reality, the idea for creating another compressor station was being discussed and explored dating back to October 2006. In hindsight, Iroquois should have better communicated how the process works. • As you'll see, answering questions is something we intend to get very good at. We have a section on our Web site filled with specific information about the 08/09 Expansion Project, answers to questions, and easily accessible information our communities need to have. |
| <p>4</p> | <p>KeySpan is the fifth largest distributor of natural gas in the United States and the largest in the Northeast. It also is the largest electric generator in New York state.</p> <p>And, let us take note, KeySpan is an investor in the Iroquois Gas Transmission System.</p> | |

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| | <p>At public hearings on the proposal for the first compression station, Iroquois officials expressed surprise that Brookfield residents were so suspicious of that plan as well as future plans for Iroquois' property on High Meadow Road.</p> | |
| <p>5</p> | <p>How could they be surprised? The company is never forthcoming about its plans, and officials appear well-schooled on how not to answer questions.</p> | <ul style="list-style-type: none">• We understand the skepticism that Brookfield residents may have about Iroquois being forthright and upfront. In business, contract negotiations are confidential and are carried out in private. In our industry, many, even most projects fall off the table while being developed or negotiated. Also, many times information (such as exact location, cost, and timing) only becomes known after we complete a required process of reaching out for public comment. This process influences and, often, changes both interim and final project details. |
| <p>6</p> | <p>Why would a company operate like that? Because it can.</p> <p>The Federal Energy Regulatory Commission, under regulations approved by Congress, regulates natural gas pipelines that allow regulators to disregard local opposition.</p> <p>In addition, Brookfield has the bad luck of being the place where the Algonquin and Iroquois pipelines come together.</p> <p>Iroquois owns a 65-acre parcel on High Meadow Road where the pipelines intersect and the compression stations will be built. The property is in the middle of a residential area and near Whisconier Middle School.</p> <p>Despite opposition by Brookfield and state officials, FERC approved the first compression station. It is part of a \$1.04 billion interstate pipeline project that involves five companies. There was never much doubt that the first compression station would be approved, and the likelihood that this second compression</p> | |

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| | <p>station will win FERC approval is even greater.</p> <p>The Northeast needs access to a good supply of energy, and natural gas is a clean fuel. But there should be room for discussion about the right place to build a facility like a compression station. As federal regulations now stand, Brookfield residents never had a chance to have their objections seriously considered.</p> | |
| 7 | <p>As for Iroquois officials, when they show up in Brookfield for a hearing on the second compression station, they know the audience won't be friendly – but they won't care. Federal regulations allow them not to care what Brookfield residents think.</p> | <ul style="list-style-type: none">• Yes, we will be present as required. Our intent is to help Brookfield residents become more familiar with us as a company and as a neighbor. We will be present with courtesy, respect, and a sincere desire to make everyone more comfortable with what we are proposing. |