

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350
Internet Address: <http://www.dps.state.ny.us>



PUBLIC SERVICE COMMISSION

WILLIAM M. FLYNN
Chairman
THOMAS J. DUNLEAVY
LEONARD A. WEISS
NEAL N. GALVIN
PATRICIA L. ACAMPORA

DAWN JABLONSKI RYMAN
General Counsel

JACLYN A. BRILLING
Secretary

January 17, 2006

Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. CP98-150-006 - Millennium Pipeline Company

Dear Secretary Salas:

For filing, please find the Notice of Intervention and Comments of the New York State Public Service Commission in the above-entitled proceeding. Should you have any questions, please feel free to contact me at (518) 486-2652.

Very truly yours,

Saul A. Rigberg
Assistant Counsel

Attachment

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Millennium Pipeline Company

Docket No. CP98-150-006

NOTICE OF INTERVENTION AND COMMENTS
OF THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NEW YORK

The New York State Public Service Commission (NYPSC) submits this Notice of Intervention and Comments pursuant to the Notice of Petition to Amend issued on November 30, 2005 and in compliance with Rule 214 of the Federal Energy Regulatory Commission's (FERC or Commission) Rules of Practice and Procedure. The NYPSC supports the request of the Millennium Pipeline Company, L.P. (Millennium) for FERC authorization to phase construction of its system and construct Phase I, which extends from a point in Greenwood, New York to a point in Clarkstown, New York.

I. COMMUNICATIONS

Copies of all correspondences and pleadings should be addressed to:

Saul A. Rigberg
Assistant Counsel
Office of General Counsel
Public Service Commission
of the State of New York
Three Empire State Plaza
Albany, New York 12223-1350
sar@dps.state.ny.us

Thomas Dvorsky
Director
Office of Gas & Water
Public Service Commission
of the State of New York
Three Empire State Plaza
Albany, New York 12223-1350
tgd@dps.state.ny.us

II. SUMMARY

The NYPSC supports Millennium's request and urges the Commission to act expeditiously because the need for new pipeline capacity into downstate New York is critical to the people and economy of New York State.

III. STATEMENT OF ISSUE

FERC should expeditiously grant the request of Millennium for authorization to construct Phase I of its system.

IV. COMMENTS

Natural gas prices have increased dramatically over the last several years, the result of tighter supplies and growing demand. The increased availability of affordable and reliable supplies of natural gas and enhanced infrastructure are important to the State's economic development and growth. Millennium's Phase I will provide such benefit.

Phase I will be built across the southern tier of New York State from an interconnection with the proposed Empire Connector pipeline at Corning to Ramapo, where it would interconnect with the Algonquin pipeline system, for redelivery into downstate New York markets over the Iroquois pipeline and the Islander East pipeline. It will add a considerable amount of capacity from Canadian supplies.

Moderate load growth downstate (two to three percent per year) is expected over the next several years in the core gas load (residential and commercial loads). The greatest growth is expected on Long Island, up to five percent per year. Currently, the combined peak day requirements (the maximum load that the system is designed to meet) of the downstate gas distribution utilities is approximately 3,500,000 dekatherms. The requirements of the downstate utilities are expected to increase over the next four years by an additional 275,000 dekatherms per day.

In addition to downstate loads, where the greatest growth is expected, the Millennium pipeline would serve the New York's southern tier and would replace an older pipeline with new facilities that will improve safety and reliability. Millennium would also provide access to a number of storage projects that are located across the southern tier. Access to additional storage will provide increased flexibility and reliability to the gas systems that can access these facilities through the Millennium pipeline.

Incremental natural gas infrastructure would provide other potential benefits. Because Millennium connects to the Algonquin pipeline, which serves New England, this project provides regional benefits of enhancing the natural gas infrastructure to the entire region. Also, substantial growth

in use of gas for electric generation is projected, primarily because natural gas is the fuel of choice for new generators.

V. CONCLUSION

The NYPSC supports Millennium's request and urges the Commission to act expeditiously because the need for new pipeline capacity into New York City is critical to the people and economy of New York State.

Respectfully submitted,

Dawn Jablonski Ryman
General Counsel

By: Saul A. Rigberg
Assistant Counsel
Public Service Commission of
the State of New York
Three Empire State Plaza
Albany, New York 12223-1350
(518) 486-2652

Dated: January 17, 2006
Albany, New York

CERTIFICATE OF SERVICE

I, Diane McKenna, do hereby certify that I will serve on January --, 2006 the foregoing Notice of Intervention and Comments of the Public Service Commission of the State of New York upon each of the parties of record via E-mail, and first class mail, indicated on the official service list compiled by the Secretary in this proceeding.

Date: January 17, 2006
Albany, New York

Diane T. McKenna