

LIBIDA

Date: 2/22/06

Company Name: Millennium Pipeline Company, LLC

Address: One Blue Hill Plaza, 7th Floor, P.O. Box 1565
Pearl River, New York 10965

Contact Person: Michael Armiak Telephone: (w) 845-620-1300
(c) 313-617-6552
armiak@millenniumpipeline.com

List the name and address of the individual or company to appear on the lease

Name: Richard H. Lee, President

Address: same

Date Business was established To be formed

Principal Business Activity Natural Gas Transportation

Number of Present Employees 3 Full-time 3 Part-time

Type of Organization: Corporation ☐ Public ☐ Private ☐ Partnership ☐
Sole Proprietorship ☐ LLC ☒

Name of Affiliates and/or Subsidiaries

COMPANY OFFICERS			
Name	Office	% Ownership	SS #
Richard H. Leehr	President		
Kevin M. McCarthy	VP, CFO & Controller		
Kenneth R. Austin	VP and General Mgr.		

Total amount of tax exempt industrial revenue bonds presently outstanding in the name of the individual(s), company, and any parent, affiliate or subsidiary

\$0

Legal Counsel
Peter H. Swartz Name: Matthew S. Moses Hiscock & Barclay, LLP Address: 300 S. State Street Syracuse, NY 13202 Phone: (315) 425-2792 (315) 425-2765

pswartz@hiscockbarclay.com
mmoses@hiscockbarclay.com

Accountant
Name:
Address:
Phone:

PROJECT DATA

1. Attach complete narrative description of project including location, proposed product lines and market projections, square feet by usage, type construction, machinery for products, machinery for building, office, parking HVAC, and any items for which bond proceeds will be expended.
2. Attach a photo of the site or existing facility to be improved.
3. Attach copies of preliminary plans or sketches of proposed construction of floor plan of existing facility.
4. Attach environmental assessment form.

5. Are utilities on site or must they be brought in? If so, which ones?

N/A

6. Who presently is legal owner of building or site? Columbia Gas Transmission Corp.

7. Is there an existing or proposed lease for all or a portion of the project? Yes ☐ No ☒ If so, attach copy.

8. Is there a purchase option in force or other legal or common control in the project which is described under the bond proposal? If so, detail on attached sheet. See Project Description

9. If Applicant will not occupy 100% of the building in a real estate related transaction, provide a list of all tenants. N/A

10. Is owner or tenant(s) responsible for payment of real property taxes? Owner

EMPLOYMENT AND TAX INFORMATION

All applicants must answer the following as they pertain to the County in which the project is located. For start up companies or new real estate projects, please provide estimates for #9. If a question is not applicable, answer N/A. **Provide total employment of each tenant in building for multi-tenant properties.**

IF ALL QUESTIONS ARE NOT ANSWERED, THE APPLICATION CAN NOT BE CONSIDERED.

1. Project location (county) Crossing portions of Towns of Chenango, Dickinson, Fenton, Kirkwood, Maine, Sanford, Union, Windsor
2. Current employment in county 0
3. Projected 1st year new employment in county 3,000 construction jobs *
4. Projected 3rd year total employment in county *
5. Current payroll in county *
6. Projected 1st year new payroll in county *
7. Projected 3rd year total payroll in county *

* See Jobs Description

8. Current annual real property tax payments made within county (include total of taxes paid to County, Town/ Village/City, School District and any Special District Charges or PILOT Payments) \$162,000 *

* Paid by Columbia on its A-5 Line.

9. Additional estimated tax payments (for start-ups/new real estate projects only) TBD

PROJECT COSTS

1. Give an accurate estimate of cost or value of all items whose title will be transferred to the Broome County IDA.

	Amount
Land & building (current value or cost if new construction)	\$
Proposed Additions	\$
Renovations	\$
Engineering Fees	\$
Legal & Financial Charges	\$
Other (specify)	\$
TOTAL PROJECT COST (OR VALUE)	\$ *
Project related costs subject to sales tax	\$
Total amount of mortgage(s) currently outstanding on property	\$
Amount of new mortgage(s) required for project	\$

* See Project Cost Description

2. List Financing Sources

TBD

3. Is there a commitment for financing? No

If so, give name, address and copy of commitment, if available.

Name:
Address:
Phone:

CERTIFICATION

Richard H. Leahr

(name of chief executive officer of company submitting application) deposes and says that he is the President of the corporation named in the (company name) attached application; that he has read the foregoing application and knows the contents thereof; that the same is true to his knowledge.

Deponent further says that the reason for this verification is made by the deponent and not by Millennium Pipeline Company, LLC (company name) is that the said company is a corporation.*The grounds of deponent's belief relative to all matters in this said application which are not stated upon his own personal knowledge, are investigation which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of, and from the books and papers of, said corporation.*

As an officer of said corporation* (hereinafter referred to as the "applicant") deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Broome County Industrial Development Agency (hereinafter referred to as the "Agency") in processing the application, in negotiating with the applicant and others, in preparing necessary financing documents, and in taking any other action necessary or appropriate toward the issuance of the lease requested in this application. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or if the Agency or applicant are unable consummate this transaction and execute the lease, then upon presentation of invoice, applicant shall pay to the Agency, its agents, or assignees all actual costs incurred by the Agency with respect to the application, up to that date and time, including fees of general counsel for the Agency.

An origination fee of \$1,000.00 shall, at the time of the execution of this certification, be payable to Broome County Industrial Development Agency. This origination fee is nonrefundable, regardless of whether the lease hereunder fails to close for reasons beyond either your control or the control of the Broome County Industrial Development Agency.

* LLC

CERTIFICATION

If the lease transaction hereunder closes, then upon the happening of that event, the \$1,000.00 so paid shall be credited to the agency fee hereinafter referred to.

Upon execution of the lease applied for herein, the applicant agrees to pay the Agency a fee in such amount as shall be set by the Agency, not to exceed an amount equal to 1% of the aggregate cost of the project or value of the assets outlined on page 4 of this application.

The Company agrees to pay the Agency \$250,000 (half payable at closing and half payable at Commercial Operation Date) in lieu of a calculated Agency fee.



Chief Officer of Company Submitting

Notary

Sworn to before me this Fifth day of March 2006


(Seal)

LARRY J. NARDECCHIA III
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN PUTNAM COUNTY
NO. 01NA6140227
COMMISSION EXPIRES JANUARY 23, 2010

Millennium Pipeline Company, LLC
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Exhibit "A"

Project Description

The project (the "Project") consists of: (i) Agency involvement in a 36± mile portion of the Company's 182± mile, 30-inch diameter natural gas pipeline beginning at Corning, New York and traversing the southern tier of New York through the counties of Steuben, Chemung, Tioga, Broome, Delaware, Sullivan, Orange, and Rockland, and terminating at Ramapo, New York (the "Millennium Pipeline Project"), through the acquisition of a leasehold, easement or license interest in (aa) all fixtures, structures, easements, franchises, and real property associated with the Project located in the Towns of Chenango, Dickinson (including the Village of Dickinson), Fenton, Kirkwood, Maine, Sanford, Union, and Windsor (the "Land"), and (bb) all machinery and equipment, including pipes, valves, meters and compressors, located on the Land and associated with the operation of the Project (the "Equipment") (the Land and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company as a natural gas transportation pipeline and for other directly and indirectly related activities; (ii) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from sales taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (iii) the leasing or licensing of and/or granting of an easement interest in the Project Facility to the Company, to induce acquisition, construction and equipping of the Project.

Additional Information Relating to Millennium Pipeline Project:

The Millennium Pipeline Project would be located (with limited exception) in the pre-existing natural gas pipeline corridor created for the existing Columbia Gas Transmission Corporation ("Columbia") A-5 line. The Company would acquire from Columbia and incorporate into the Millennium Pipeline Project a few sections of existing 24-inch pipeline over the Millennium Pipeline Project route. The Millennium Pipeline Project would also involve the installation and construction of compression facilities in Corning, New York at the site of an existing Columbia compressor station. Millennium Pipeline Project maps are attached.

The Millennium Pipeline Project would be constructed during the late 2006 and 2007 construction seasons. Construction activities would include site preparation, removal of portions of the existing Columbia A-5 pipeline, and installation of a new 30-inch pipeline in its place. Later months would involve system testing, lateral tie-ins, and commissioning. Full commercial operation would occur on November 1, 2007 in order to satisfy anticipated market demand.

The Millennium Pipeline Project would substantially enhance the region's access to competitively priced natural gas supplies and transmission capacity by: 1) providing increased access to diverse and competitively priced natural gas supplies from natural gas hubs and gas storage fields located in Canada and the United States; and 2) expanding the capacity of the existing Columbia pipeline from approximately 200,000 decatherms per day ("Dth/d") to

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approximately 525,000 Dth/d, with a potential for future capacity increases to as high as 700,000 Dth/d.

Construction of the Millennium Pipeline Project would provide substantial new revenue to tax jurisdictions along its route.

A summary of Millennium Pipeline Project benefits is attached at Exhibit "F".

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Exhibit "A-1"

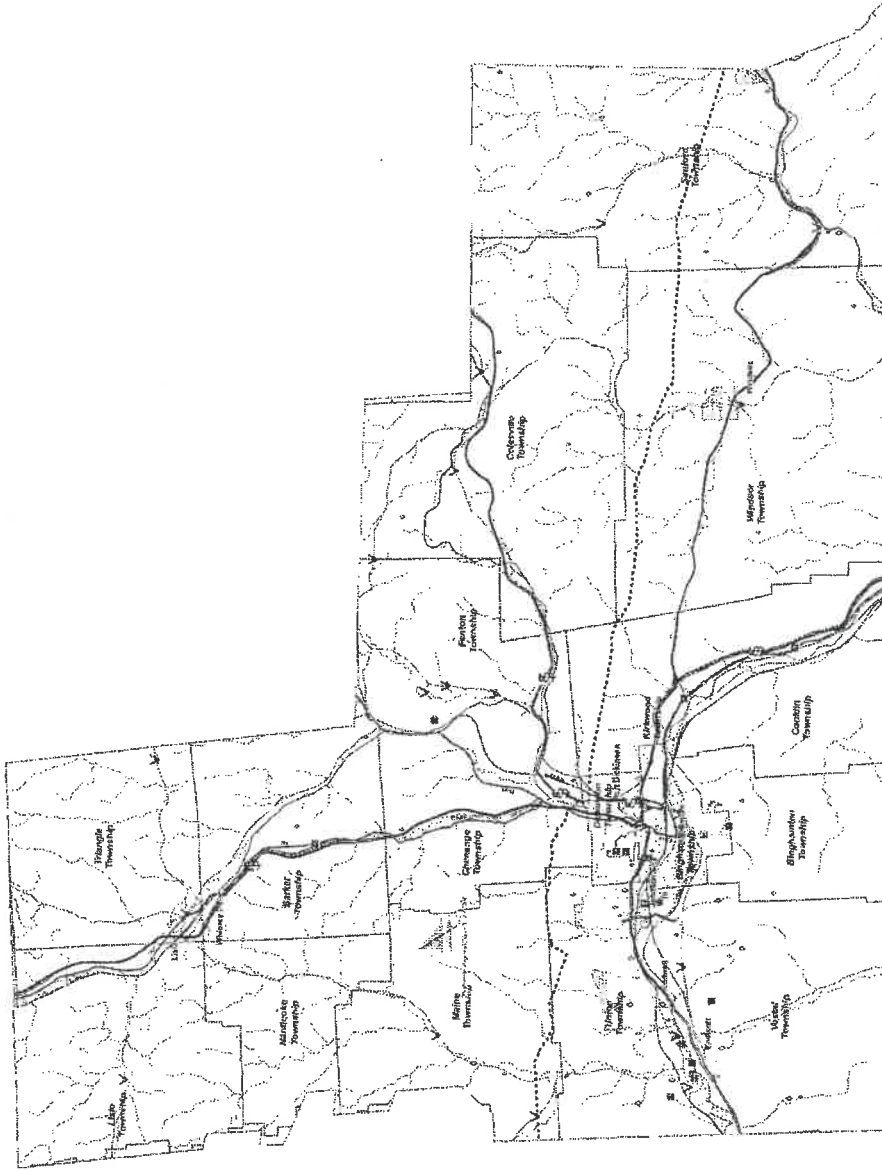
Millennium Pipeline Project Maps

Legend

- Millennium Pipeline Route
- Freeway System (National)
- Freeway System (State)
- Limited Access Highway
- Major Road
- Local Road
- Minor Road
- Other Road
- Ramp
- Ferry
- Pedestrian Way
- Limited Access
- Railroads (Local)
- Runway
- Airport Area
- Perennial Stream
- Intermittent Stream
- Intermittent Canal
- National Park or Forest
- State Park or Forest
- Local Park or Recreational Area
- Town Boundary
- Township Boundary
- Millennium Pipeline Facilities

0 10,000 20,000 Feet

5

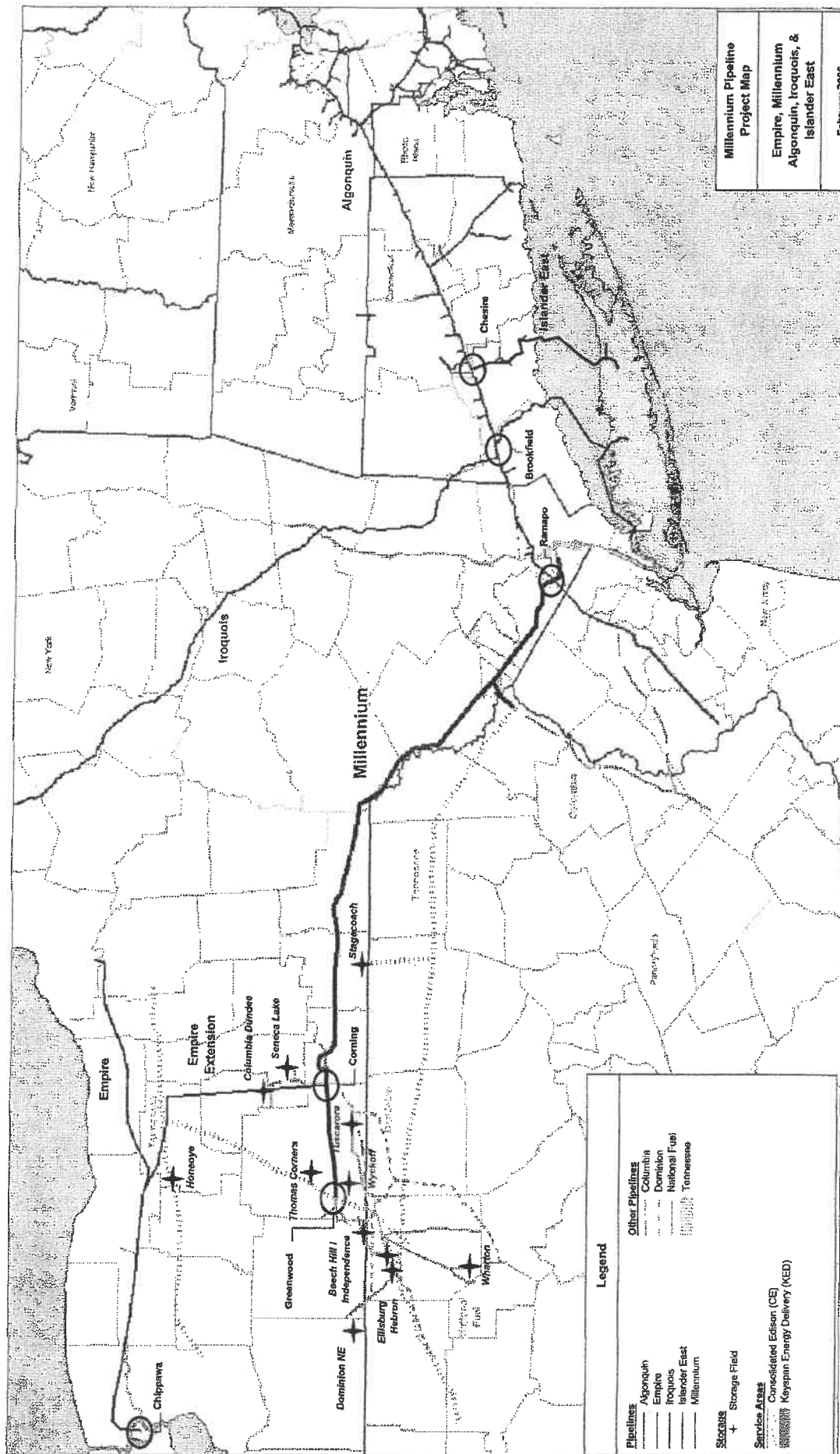


BROOME COUNTY

MILLENNIUM PIPELINE PROJECT PHASE 1

DATE: 04/17/05	PROJECT #:	SHEET: 01
CENTRAL ZONE	COUNTY: BROOME	DRAWN TO:

© 2005 by Millennium Pipeline Project, Inc. All Rights Reserved. Drawing No. 01



Millennium Pipeline
Project Map

Empire, Millennium
Algonquin, Iroquois, &
Islander East

February 2006

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Exhibit "B"

Jobs Description

The Millennium Pipeline Project is projected to create more than 3,000 construction jobs over the construction period with a payroll of approximately \$120 million (with \$60 million paid to local labor), and an additional \$10 million in locally purchased supplies and materials. Construction jobs within each involved county will vary over the course of construction and depend on the stage of development. The Millennium Pipeline Project will locate 1 of 5 "project spread" offices in Binghamton and will also have an overall project office located in Binghamton.

From a permanent employment perspective, the Millennium Pipeline Project will create 27 jobs, 17 of which will be engaged through a service company that will provide regular operations and maintenance services to the Project. Millennium Pipeline Project service personnel will have a total payroll and benefits of \$1.4-1.6 million. 6 of the 17 service personnel will be located in the Company's Binghamton office. The 10 non-service jobs will be located in the Company's new headquarters in Pearl River, New York.

Additional Economic Impacts Associated with Millennium Pipeline Project:

The Project is expected to have significant "multiplier effects" on the local economy beyond the estimated \$3.8 million to Broome County landowners for easement and right-of-way interests and a substantially expanded "energy backbone" for the region.

The increase in regional economic output, a measure of local economic activity, can be calculated using regional-specific economic multipliers from the United States Department of Commerce, Bureau of Economic Analysis ("BEA") for the Project's region. It is estimated that the overall increase in *local* economic activity (Broome County only) due to construction of the Project will be over \$29 million, of which over \$13.5 million is secondary impact. The overall increase in *regional* economic activity resulting from the Millennium Pipeline Project is estimated to be over \$230 million, of which \$111 million is secondary impact.

Although the economic activity of the entire region will benefit, growth is most likely to occur in the retail trade (building supply dealers, hardware stores, department stores, gasoline service stations), wholesale trade (large volume suppliers, industrial machinery sellers, medium and heavy duty truck sellers), and accommodations and food services industries (hotels, motels, bed & breakfasts, restaurants).

In addition to economic multipliers, development of the Millennium Pipeline Project will have a multiplier effect on local employment. Assuming a conservative estimate of 3,000 construction jobs created by the Millennium Pipeline Project, regional employment is expected to temporarily increase by approximately 2,500 jobs, using the regional BEA multiplier of 0.83

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jobs created for every new construction job. This secondary job creation is expected to produce an additional \$80 million in regional earnings from non-construction jobs. Accordingly, total employment in the region is expected to increase by 5,500 jobs on a temporary basis in connection with development of the Millennium Pipeline Project.

The BEA definition of "earnings" covers wage and salary disbursements, other labor income, and proprietors' income. On the local level, development of the Project will have the secondary effect of increasing earnings in Broome County by between \$8.8 to \$9.0 million during the construction period.

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Exhibit "C"

Project Costs

The Millennium Pipeline Project is highly capital intensive and the market for natural gas transportation services simply will not bear "tax expense" based on the total costs of the project and current property tax rates. Accordingly, the Company is requesting financial assistance from involved industrial development agencies to help make the Millennium Pipeline Project a reality while providing a win-win for the community with incremental tax revenue.

Though the Company cannot provide the "taxable value" of the Project due to vagaries associated with how Project facilities would be valued from a real property tax perspective (e.g. the Project will experience significant economic obsolescence upon construction), the current estimate of costs for materials and labor associated with construction of the Project in Broome County is as follows:

Materials	\$22.3 million
Labor	\$50.2 million

If all materials and labor costs were subject to real property taxation, and assuming a typical combined property tax rate of 3% of full value, the Project would generate property taxes of \$2.2 million. The local portion of sales tax would be \$0.9 million. Such property and sales taxes are not supported by the market pricing for natural gas transportation services.

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Exhibit "D"

Millennium Pipeline Project Timeline

October 2005- April 2006	Project team meets with Executive Directors of involved IDAs to present Millennium Pipeline Project and discuss IDA assistance
March-April 2006	IDAs consider proposed financial assistance
April-July 2006	IDA and project counsel prepare PILOT agreements and documents necessary to effect IDA assistance, IDAs conduct necessary meetings and public hearings, and each IDA closes transaction and makes all necessary filings
April-June 2006	Company decision to build or not build
April-June 2006	Deposits required for major equipment orders
November 2007	Completion of construction of Millennium Pipeline Project and commercial operation
March 2008	Taxable Status Date for all towns along Millennium Pipeline Project route (villages and cities may have different taxable status and PILOT payment dates)
September 2008	First set of PILOT bills from involved school districts
January 2009	First set of PILOT bills from involved towns and counties

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Exhibit "E"

Public Service Commission Support of Millennium Pipeline Project

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

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Exhibit "F"

Summary of Key Millennium Pipeline Project Benefits

The following is a summary of the key benefits of development, location, and operation of the Millennium Pipeline Project in the involved counties.

Economic Benefits:

- Large amount of union construction jobs
- Local construction materials and supplies procurement
- New long-term corporate taxpayer, annually paying several times the taxes payable on the replaced Columbia A-5 pipeline
- Significant economic stimulus and multiplier effect on the regional economy (easement payments to new landowners who will provide right-of-way for the Project, construction expenditures, environmental and cultural resources work, food, lodging, shopping, etc.)
- Increased revenue for host communities
- No additional demands on existing local infrastructure, services, or programs
- Improved energy infrastructure for local business development opportunities
- Supports development of local natural gas storage fields and production wells

Environmental Benefits:

- Over 90% of Millennium Pipeline Project constructed and installed in existing energy corridors and rights-of-way
- Project facilities are almost exclusively underground and present no impact to sightlines, viewsheds, etc.
- Generally speaking, the Millennium Pipeline Project's surface right-of-way will remain available for various existing landowner uses

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- Careful environmental and cultural resource protection during development and maintenance of the Millennium Pipeline Project

General Benefits:

- Reputable and supportive corporate citizen
- Carefully planned and governmentally-approved project developed by reliable energy supply provider
- Safest form of energy transportation
- Stabilized energy supply alternative and back-up to the region