



News Release

For Immediate Release
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ATCO Pipelines and KeySpan Energy Canada Team Up at Paddle River

Calgary, Alberta: ATCO Pipelines and KeySpan Energy Canada have entered into a long-term contractual arrangement to optimize the facilities at the Paddle River Gas Plant to enable an incremental 36 million cubic feet per day of natural gas delivery from ATCO Pipelines' system to Alliance Pipeline. The Paddle River Gas Plant is located near Mayerthorpe, Alberta approximately 100 kilometres northwest of Edmonton.

Through this unique arrangement, KeySpan will provide a custom compression service to ATCO Pipelines. As well, ATCO Pipelines will assume responsibility as the common stream operator upstream of the Alliance AB 49 "Paddle River" receipt meter station. Customers of both KeySpan's Paddle River processing plant and ATCO Pipelines' system will have the ability to access markets served by Alliance Pipeline.

"This arrangement is truly a win-win for KeySpan and ATCO Pipelines, and provides incremental delivery of natural gas from ATCO Pipelines to Alliance Pipeline, with minimal new facilities", said Doug Graham, President, ATCO Pipelines. "Our customers requested that we expand our delivery capacity to Alliance Pipeline, and this project achieves just that."

"KeySpan, on behalf of the Paddle River Gas Plant owners, is pleased to be able to provide this compression service to ATCO Pipelines. We are enhancing the efficiency of our sales gas compressor, and continuing to provide flexibility for KeySpan's customers at the Paddle River Plant to access markets of their choice", added Jim Bertram, President, KeySpan Energy Canada.

The facilities required to provide this service are expected to be in place by early March 2002.

ATCO Pipelines is a member of the ATCO Group, an Alberta-based corporation with a worldwide organization of companies and more than 6000 employees engaged in power generation, utilities, logistics and energy services, industrials and technologies. Additional information on ATCO Pipelines can be found on its website www.atcopipelines.com.

KeySpan Energy Canada, a wholly owned subsidiary of KeySpan Energy Corporation, offers natural gas producers in western Canada a full range of midstream and marketing services, from wellhead to customer. The company's assets include interests in 14 processing plants and associated gathering systems with capacity to process more than 1.4 billion cubic feet of raw natural gas per day. KeySpan also owns natural gas liquids transportation, fractionation and storage facilities in central Alberta. For more information about the company, visit KeySpan Energy Canada's Web site at: <http://www.keyspancanada.com>

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