



Oct. 2, 2001

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Gulfstream Commences Mainline Pipeline Construction in Florida

HOUSTON – Gulfstream Natural Gas System L.L.C., announced today it has received Federal Energy Regulatory Commission approval to commence mainline pipeline construction in Florida. With this approval, Gulfstream now has all major segments of its 753-mile pipeline project under construction and on schedule to deliver natural gas in June 2002.

“A primary reason the project is on schedule is because of the timely reviews and approval we have received from the staff of the Federal Energy Regulatory Commission, as well as other federal and state agencies,” said Guy Buckley, Gulfstream senior vice president of business functions. “This is a good example of government and private enterprise working together to ensure the necessary energy infrastructure is in place.”

“This approval for onshore construction comes at a time when half of the offshore construction is complete and means that we remain on schedule to meet our scheduled June 2002 in-service date,” said Nancy Schultz, Gulfstream senior vice president of technical functions.

An update of the construction progress through Oct. 1, 2001:

- More than 200 of the 431 miles of offshore pipe have been laid in the Gulf of Mexico. Offshore construction began in early July and will be completed later this fall.
- In Florida, Gulfstream has laid approximately five miles of pipe in parts of Polk and Manatee counties, completing construction through several environmentally sensitive construction areas and three of the 10 horizontal directional drills scheduled for 2001.
- In Alabama, compressor station construction began in June and remains on schedule. Installation of equipment foundations, compressor buildings and fabrication of the main gas piping is currently under way.
- Following through on its environmental commitment, Gulfstream has begun deploying the first of 250 specially designed reef habitat modules in the vicinity of its pipeline in federal and state waters. Gulfstream has also initiated mitigation and restoration activities at several on shore locations.

Once complete, the \$1.6 billion Gulfstream system will be the largest pipeline in the Gulf of Mexico, with capacity to transport approximately 1.1 billion cubic feet of natural gas per day.

Gulfstream Natural Gas System, L.L.C. is a joint interstate natural gas pipeline development of Williams (NYSE:WMB) and Duke Energy (NYSE:DUK) approved by the Federal Energy Regulatory Commission Feb. 22, 2001. Construction of the 753-mile pipeline project began June 1, 2001. The pipeline will extend from Mississippi and Alabama across the Gulf of Mexico to Florida. It is designed primarily to serve Florida utilities and power-generation facilities that will use high-efficiency natural gas turbines to meet the increasing demand for electric energy.

More construction updates can be found by visiting the project web site at www.gulfstreamgas.com.

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