



## FERC Reissues Authorization for Transco's Northeast Supply Enhancement

September 2, 2025

By [Michael R. Pincus](#), [Travis Malesky](#), and [Christopher Hanson](#)

The Federal Energy Regulatory Commission (FERC) reissued a [certificate of public convenience and necessity](#) for Transcontinental Gas Pipe Line Company, L.L.C.'s (Transco) Northeast Supply Enhancement Project (NESE), on August 28, 2025. Designed to provide additional capacity for two National Grid local distribution companies in New York, NESE was originally authorized by FERC in 2019, but the States of New York and New Jersey blocked the project by denying Clean Water Act Section (CWA) 401 certifications. After the certifications were denied, FERC's original certificate authority for NESE expired in 2024.

On May 29, 2025, Transco petitioned FERC to reissue the certificate for NESE. Transco's petition was based on the existing record before FERC, and supplemented with new precedent agreements and market studies, which demonstrated that the project will help alleviate reliability issues for project shippers, provide reliability benefits to the entire New York region, and reduce energy prices for consumers. Van Ness Feldman represented Transco in petitioning for the reissuance of the certificate.

### FERC's Order Reissuing the Certificate

Relying on the evidence before FERC from the original proceeding and additional evidence provided by Transco, FERC found that there was a demonstrated need for the project. FERC also found that its previous environmental analysis had not gone stale and supplemental environmental analysis was not necessary.

### Project Need

Transco designed NESE to alleviate supply shortfalls and pipeline constraints in the New York City market area. NESE is supported by binding long-term precedent agreements for 100% of the project's capacity. FERC further relied on market studies demonstrating that NESE will provide significant benefits, including:

- FERC's State of the Market Report, which found that almost all major natural gas trading hubs in the country saw price reductions in the last year, except for Transco Zone 6 N.Y., which saw a 14% increase in natural gas prices.
- National Grid's Long-Term Gas Planning Addendum, which concluded that "New York City and Long Island at an increased risk of a catastrophic gas system outage," due to inadequate upstream gas supply infrastructure, and NESE is "the only material, near-term proposal that can efficiently and

cost effectively address the full scope of downstate New York’s gas system resilience challenges.”

- The Northeast Power Coordinating Council’s Northeast Gas/Electric System Study which concludes that existing gas infrastructure in New York is unable to meet the demand from most electric generators during a cold snap.

FERC also found minimal adverse impacts on exiting shippers, other pipelines and their captive customers, and landowners and surrounding communities. Weighing the minimal adverse impacts against the ample benefits of the project, FERC found that approval of the project was required by the public convenience and necessity.

### Environmental Analysis

FERC previously prepared an environmental impact statement for the project in 2019, and explained in its order that it was not necessary to prepare a supplemental environmental analysis to satisfy the requirements of the National Environmental Policy Act of 1969 (NEPA) and reissue the certificate. FERC found that the purpose, need, scope, and environmental impacts of the project had not changed, and, therefore, there was no new information that provided a different picture of the environmental landscape requiring supplementation of its previous environmental review. While many of the comments focused on issues raised in comments previously addressed in the 2019 final environmental impact statement, FERC, nonetheless, addressed additional environmental comments in the order.

### Implications

FERC’s action here breathes new life into NESE—a project previously believed to be defunct. Given the earlier resistance to the project, FERC is likely to continue to face strident opposition to its action reissuing the certificate. As FERC made clear in its order, NESE also still needs CWA 401 certifications from the States of New York and New Jersey, where much of the permitting action for this project will now be focused. One thing is certain: NESE is a step closer to addressing natural gas pipeline constraints in the Northeast.

### For More Information

Van Ness Feldman closely monitors and counsels clients on FERC-related issues. If you would like more information on how this may impact your business, please contact any member of the firm’s [Oil, Gas, & LNG practice](#).

© 2025 Van Ness Feldman, LLP. All Rights Reserved. This document has been prepared by Van Ness Feldman for informational purposes only and is not a legal opinion, does not provide legal advice for any purpose, and neither creates nor constitutes evidence of an attorney-client relationship.