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DUKE ENERGY, WILLIAMS PURCHASE GULFSTREAM PIPELINE PROJECT FROM THE COASTAL CORPORATION

FERC issues final environmental impact statement prior to closure

HOUSTON – Subsidiaries of Duke Energy (NYSE:DUK) and Williams (NYSE:WMB) today closed the purchase of Gulfstream Natural Gas System, L.L.C. from The Coastal Corporation. Financial terms of the purchase were not disclosed.

“By finalizing this acquisition, we are one step closer to realizing the vision of bringing a new, competitive natural gas pipeline into the state of Florida,” said Cuba Wadlington Jr., president and CEO, Williams’ gas pipeline group. “We intend to have Gulfstream ready to deliver cleaner burning natural gas to Florida customers beginning in June 2002.”

Prior to the closure, Gulfstream received a final environmental impact statement (FEIS) from the Federal Energy Regulatory Commission (FERC). The FEIS is a comprehensive assessment of the environmental impacts of the Gulfstream project by staffs at FERC and the Minerals Management Service (MMS) of the U.S. Department of the Interior. The FERC concluded that the construction and operation of Gulfstream’s proposed facilities with the adoption of recommended mitigation measures would have limited adverse environmental impacts.

Executives from both Duke Energy and Williams said they are pleased with the extraordinary efforts by FERC and MMS staffs to analyze the voluminous amounts of environmental data in order to maintain the review schedule.

“The Gulfstream pipeline will bring natural gas to help fuel the projected need for 10,000 megawatts of new electric generation in Florida by 2007,” said Robert B. Evans, president of Duke Energy Gas Transmission. “We are pleased to finalize this acquisition and are greatly encouraged by the prompt issuance of a comprehensive FEIS. We encourage the FERC to expeditiously complete their review and issue a final certificate, so that construction of this much needed infrastructure can begin.”

The project sponsors expect the \$1.6 billion Gulfstream pipeline project to receive FERC approval in first quarter 2001. The target in-service date for the project is June 2002.

Gulfstream has precedent agreements with various Florida utilities and power-generation facilities representing long-term commitments for the majority of its 1.1 billion cubic feet of natural gas per day capacity.

Gulfstream’s proposed 744-mile pipeline is designed to primarily serve Florida utilities and power-generation facilities that will use high-efficiency, natural gas turbines to meet the incremental demand for electric energy.

More information about the Gulfstream Natural Gas System is available by visiting the project web site at www.gulfstreamgas.com.

Duke Energy, a diversified multinational energy company, creates value for customers and shareholders through an integrated network of energy assets and expertise. Duke Energy manages a dynamic portfolio of natural gas and electric supply, delivery and trading businesses -- generating revenues of more than \$49 billion in 2000. Duke Energy, headquartered in Charlotte, N.C., is a Fortune 100 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available on the Internet at: www.duke-energy.com.

Williams, through its subsidiaries, connects businesses to energy and communications. The company delivers innovative, reliable products and services through its extensive networks of energy-distributing pipelines and high-speed fiber-optic cables. Williams information is available at www.williams.com.

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