

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

In Reply Refer To:

AES Sparrows Point LNG, LCC
Mid-Atlantic Express, LLC
Docket Nos. CP07-62-000 and
CP07-63-000
§375.308(x)

October 22, 2007
Mr. Christopher Diez
AES Sparrows Point LNG, LCC and
Mid-Atlantic Express, LLC
140 Professional Parkway, Suite A
Lockport, NY 14094

RE: Mid-Atlantic Express' Pipeline proposal in U.S. Interstate (I)-695

Dear Mr. Diez:

A schedule for the environmental review of the Sparrows Point LNG and Pipeline Project has not been set, in part because the location of Mid-Atlantic Express' proposed pipeline infringes on U.S. Interstate (I)-695 highway rights-of-way and its location would not comply with the Maryland Department of Transportation's (MDOT) State Highway Administration (SHA) "Utility Policy" (issued July 1989; revised March 1998). Further, this plan is not consistent with federal requirements for easements in an interstate highway right-of-way, since the Federal Highway Administration (FHWA) has delegated approval authority of longitudinal occupancy to the state, and in Maryland this authority is delegated to SHA.

Commission staff has recently consulted with SHA regarding the location of the proposed pipeline within the I-695 corridor. The SHA indicated that it will not allow Mid-Atlantic Express either temporary or permanent longitudinal easements within a state or federal expressway right-of-way because this action would not comply with the MDOT/ SHA "Utility Policy." Section 3.01 B of this Policy states "Longitudinal utility lines are not permitted to be installed within the Right of Way of Through Highway Lines of Existing Expressways or within the Right of Way of Highways that are shown in the Highway Needs Inventory as future expressways." Section 3.01 A. discusses the allowable utility crossings of highways.

It is our understanding from our consultation with the SHA that it is unlikely that Mid-Atlantic Express Pipeline would be granted an exemption from

the Utility Policy prohibitions of longitudinal installation of utilities within the expressway right-of-way.

From our examination of your proposed pipeline route the pipeline would parallel or be constructed within the rights-of-way of I-695 within at least five segments of the pipeline between mileposts 3.68 and 9.40, as shown on your alignment sheets. Therefore, within these above segments, there would be multiple longitudinal incursions into the expressway right-of-way. Pipeline construction in the express way rights-of-way could result in temporary closure of shoulders and have effect on motorists resulting in significant traffic delays.

Unless Mid-Atlantic Express is able to negotiate an exemption to MDOT/SHA Utility Policy, you will need to evaluate and file a new preferred route alignment (route variations around these segments) or identify a new preferred route that would avoid the I-695 corridor altogether. Mid-Atlantic Express should file with the Secretary its new preferred route with the Secretary, along with a mailing list of potentially affected and adjacent property owners, as soon as possible, to avoid further delay of processing your application. Your filing should include updated Resource Reports with revised data for each resource crossed/affected by the new alignment(s), including revised tables and maps, so we can appropriately evaluate your proposal.

Should AES and Mid-Atlantic Express resolve this issue and obtain concurrence from SHA for its currently preferred route, Mid-Atlantic Express must perform a traffic study of its proposed construction along I-695 showing that the proposal is feasible for continued Commission analysis. Mid-Atlantic Express must complete this study before the Commission can issue a notice of the schedule for our environmental review of the project.

When filing documents and maps, be sure to prepare separate volumes, as outlined in "How to File Non-Internet Public, CEII or Privileged Material." This document is available on the Commission's web site at <http://www.ferc.gov/help/how-to/file-material.asp>.

Thanks you for your cooperation. If you have any questions, please contact Medha Kochhar at 202-502-8964.

Sincerely,

J. J. Mark Robinson
Director
Office of Energy Projects

cc: Public File, Docket Nos. CP07-62-000 and CP07-63-000

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