



March 3, 2006

Captain Curtis A. Springer
Captain of the Port and Commanding Officer
United States Coast Guard
Fifth District
Sector Baltimore
2401 Hawkins Point Road
Building 70
Baltimore, Maryland 21226-1791

Captain Robert O'Brien
Captain of the Port and Commanding Officer
United States Coast Guard
Fifth District
Sector Hampton Roads
4000 Coast Guard Boulevard
Portsmouth, Virginia 23703

Re: Letter of Intent to Construct and Operate, and Preliminary Waterway Suitability Assessment for, the Proposed Sparrows Point Liquefied Natural Gas Terminal in Baltimore County, Maryland.

Dear Captain Springer and Captain O'Brien:

Pursuant to the requirements of 33 C.F.R. §127.07(a), AES Sparrows Point LNG, LLC has enclosed for filing with the United States Coast Guard (USCG) four copies of its Letter of Intent (LOI) to construct the Sparrows Point LNG Terminal in Baltimore County, Maryland, a proposed new waterfront facility for the receipt, storage and regasification of liquefied natural gas (LNG). The terminal will be owned and operated by AES Sparrows Point LNG, LLC and will deliver regasified natural gas to an approximately 85-mile natural gas pipeline extending from the terminal to interconnections with several existing natural gas pipeline systems near Eagle, Pennsylvania.

Also enclosed for filing with the USCG are six copies of the Preliminary Waterway Suitability Assessment (PWSA) prepared for the Sparrows Point LNG Terminal in accordance with the applicable requirements of the USCG Navigation and Vessel Inspection Circular (NVIC) 05-05 (June 14, 2005). By its submission of the enclosed LOI and PWSA, AES

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Sparrows Point LNG, LLC respectfully requests the USCG to initiate its process for issuance of a Letter of Recommendation (LOR) pursuant to 33 C.F.R. §127.009 and NVIC 05-05.

In accordance with the requirements of 18 C.F.R. Parts 153 and 157, AES Sparrows Point LNG, LLC plans to file with the Federal Energy Regulatory Commission (Commission) within the next several weeks a request to initiate the Commission's pre-filing process with respect to applications for authorizations to construct and operate the Sparrows Point LNG Terminal and associated natural gas pipeline. To initiate the pre-filing process, AES Sparrows Point LNG, LLC must certify to the Commission that it has submitted its LOI and PWSA to the USCG and, therefore, the company will be providing a copy of this letter to the Commission at that time. See 18 C.F.R. §157.21(d)(12).

AES Sparrows Point LNG, LLC plans to construct and operate its LNG terminal in a manner that will ensure the safety and security of the waterways through which the associated LNG vessels will transit, as well as the Port of Baltimore and coastal resources proximate to the terminal facilities. AES Sparrows Point LNG, LLC appreciates the assistance of the USCG in preparing the enclosed LOI and PWSA and will continue to consult with the USCG throughout the process of developing a Follow-on WSA and issuance of the LOR.

If you have any questions concerning the enclosed submission, please do not hesitate to contact me at (716) 439-1273 or Kent Morton, Project Director, at (703) 682-6754.

Respectfully submitted,



Christopher Diez
Project Manager
AES Sparrows Point LNG, LLC

Encls.

cc: Aaron Samson
Kent Morton
Scott Glover
Rupert Denney
Randy McManus