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April 23, 2002

HAND DELIVERED

George Stafford, Assistant Director  
New York State Department of State  
Division of Coastal Resources &  
Waterfront Revitalization  
41 State Street  
Albany, New York 12231-0001

RECEIVED  
APR 23 2002  
OFFICE OF COUNSEL  
DEPARTMENT OF STATE

Re: Millennium Pipeline Company, L.P.  
F-2001-0246 (formerly F-98-0173)

Dear Mr. Stafford:

The purpose of this letter is to respond to your letter of March 1, 2002, and to submit a site specific blasting plan regarding the potential for blasting on the eastern end of the Millennium Pipeline Crossing of Haverstraw Bay. Although your March 1, 2002 letter was not clear whether the Department of State ("DOS") had "adequate information" to render a final decision regarding the consistency of the Millennium Project with the New York State Coastal Management Program ("CMP"), Millennium has decided to submit this information so that there can be no question that the DOS now has all necessary information to complete its review and render a decision regarding this project.

Enclosed are two copies of two separate documents: (1) a Blasting and Mitigation Plan for the Millennium Pipeline Project, Haverstraw Bay Crossing, prepared by Vibra-Tech Engineers, Inc., dated April 15, 2002 (the "Blasting Plan"); and (2), a separate Impact Assessment and Mitigation Plan for Blasting prepared by

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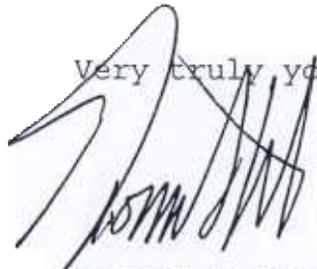
Lawler, Matusky & Skelly, Engineers, L.L.P, dated April 16, 2002 (the "Blasting Impact Assessment"). The role of each of these documents is explained below.

The Blasting Plan details the procedures that will be followed for the potential blasting of rock that may be encountered for approximately 185 feet of the easternmost portion of the Haverstraw Bay crossing. That document, prepared by Vibra-Tech Engineers, Inc. ("Vibra Tech"), identifies proposed borehole diameter, depth, spacing, burden, stemming, the number of holes, the number of holes per delay, the maximum charge per delay, the maximum extent of the subdrill, the blasting system and the delay intervals; i.e., all of the detail on the potential blasting. Based upon those factors, the Blasting Plan includes predicted pressure levels and offers site specific mitigation measures, including the use of a side scan sonar survey of the area prior to detonation and an air bubble curtain to attenuate the predicted pressure levels. Both of these mitigation measures were discussed in our prior correspondence to you concerning this subject and are also discussed in the enclosed Blasting Impact Assessment.

In order to evaluate the proposed Blasting Plan in relation to potential impacts to Haverstraw Bay, Millennium has also asked Lawler, Matusky & Skelly, Engineers, L.L.P, ("LMS") to evaluate the impact of the Blasting Plan on the resources of Haverstraw Bay. Since LMS prepared the New York State Coastal Zone Consistency Determinations that have been submitted to the DOS regarding the Millennium Project, Millennium determined that it would be useful to have LMS evaluate the potential impacts associated with the Blasting Plan on a site specific basis. The Blasting Impact Assessment includes an evaluation of the impacts based upon blast modeling and evaluates the mitigation techniques proposed in the Blasting Plan. Based upon a site specific evaluation and an analysis of the mitigation factors, the Blasting Impact Assessment concludes that the potential effects of blasting are minimal. In fact, the Blasting Impact Assessment, based upon an exhaustive literature search and citation to the appropriate authority, documents that blasting will not have any impacts that are greater than the impacts associated with the proposed crossing technique without blasting; i.e., a temporary disturbance of a very small percentage of the designated and the functional habitat that will be restored to pre-construction conditions very quickly following construction, with no significant adverse impact to species present in Haverstraw Bay, including the shortnose sturgeon.

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On the basis of the foregoing, we respectfully request that the DOS complete its review of the Millennium Project and conclude that the Millennium Project is consistent with the CMP.

Very truly yours  
  
Thomas S. West

TSW/pmo/75499  
Enclosures

cc: Millennium Pipeline Company, L.P.  
Frank P. Milano, First Deputy Secretary of State  
James King, Esq.  
William Sharp, Esq., w/enc.