

Exhibit 3

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1. Background

The New York State Department of State (NYSDOS), a cooperating agency in the FERC proceedings for the Broadwater LNG Project (“Project”), has further engaged the applicant, Broadwater Energy LLC and Broadwater Pipeline LLC (jointly “Broadwater”), during the coastal zone consistency review process. This engagement has included information requests and exchanges between Broadwater and NYSDOS. The following presents additional information to NYSDOS during this engagement period on the fisheries outreach that has occurred and the progress that has been made in the organization of the fishery advisory committee implemented to ensure adequate and fair compensation for affected fishermen.

2. Fishing Compensation – Landings Analysis

As part of the ongoing process of engagement that has been occurring with fishermen in the Broadwater project area, meetings and discussions have taken place to provide detailed information on the exact fishermen that will be impacted by the Project and specifically what fishing activities they perform that will be impacted by the Project.

Fishing practices that have been identified that may be impacted by the Project include lobstermen and trawlermen in the safety and security zone. In addition, potential impacts to lobstermen and trawlermen along the LNG carrier route have been identified.

Meetings have taken place with the fishermen on July 27, 2007 in Riverhead, NY and August 22, 2007 in Mattituck, New York. The meeting in Riverhead was attended by 11 fishermen and trawlermen from the area identified as the FSRU Safety and Security Zone (SSZ) and the meeting in Mattituck was attended by 7 fisherman and trawlermen along the LNG carrier route. As part of the meeting effort, the formation of a fishery advisory committee was discussed and input was sought on the structure, function, goals, and capabilities of the committee, as well as who would participate.

It is the intent of Broadwater to crystallize the committee structure and function as project approvals are received and the permitting process moves forward. At that time, once any relevant conditions with respect to the approvals are more clearly understood, a more detailed and final fishing compensation package will be provided.

Throughout this process, data from various sources have been used to quantify specific impacts on fishing resources. In the Coastal Zone Consistency Determination – Appendix F, which was filed in April 2006, a detailed economic analysis was performed of the potential direct and indirect impacts the Broadwater Project would have on the fishermen of Long Island Sound. This analysis utilized landings data for commercial and

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recreational sport fish and lobster from NOAA – National Marine Fisheries Service (NMFS) as well as New York State.

In evaluating potential lobster-related impacts, it was determined that approximately \$15,088 per year of equivalent value lobster landings would be impacted by the SSZ. This represents 0.8% of the estimated value of lobster landings for eastern LIS and 0.2% of the estimated value of lobster landings for all of LIS. The secondary economic impacts of the loss of these landings was also calculated; it represents an annual impact of \$30,122 on total industry output, \$8,431 on employee compensation, and a value added of \$18,680 annually resulting from tax revenues associated with the area of the SSZ.

In evaluating the potential impacts to commercial fisheries using landings provided by the NMFS, it was determined that approximately \$1,328 per year of average annual equivalent landings would be impacted by the SSZ. The secondary economic impacts of the loss of these landings was also calculated and represents an annual impact of \$2,652 on total industry output, \$742 on employee compensation, and a value added of \$1,645 annually resulting from tax revenues associated with the area of the SSZ.

This data indicates that the anticipated impacts to NYS commercial fisheries associated with the long-term loss of access of Long Island Sound area that is part of the SSZ would be minor and even negligible for some categories. Overall, the size of the impacts described above suggests that the presence of Broadwater will not result in a loss of primary or secondary fishing industries.

3. Fisheries Advisory Committee – Description and Activity Plan

3.1 Objective

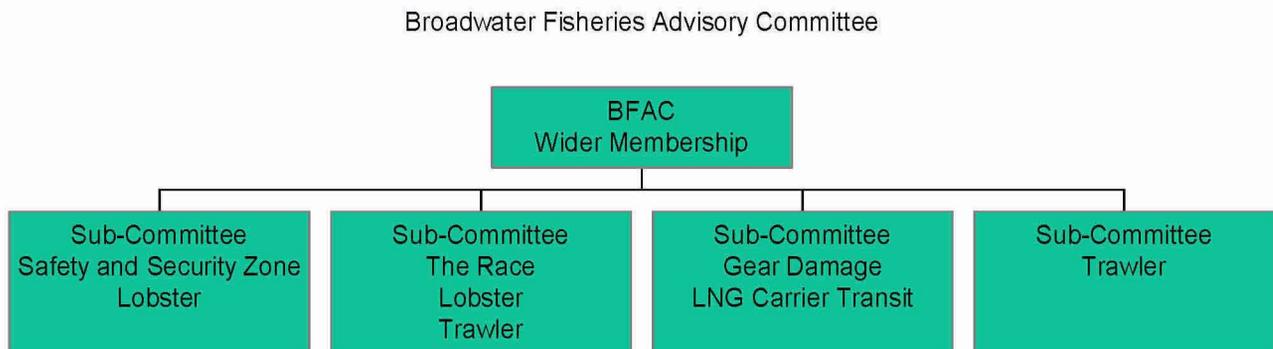
The commercial fishing groups in Long Island Sound and Broadwater Energy recognize that, provided final regulatory approval of the project is obtained, they will both be users of the same geographic areas within the Sound and want to ensure continued safe operations of current and future activities. In order to accomplish this objective, both parties have agreed to the principle of the formation of the Broadwater Fisheries Advisory Committee (BFAC). The BFAC will provide a forum to establish an ongoing relationship to be sustained throughout the life of the Broadwater Project, and address concerns, avoid/resolve use conflicts, share operational communications and process and administer compensation claims for the agreed-upon areas of compensation. A similar type of organization, the Joint Oil/Fisheries Liaison Office, was formed in 1983 in Santa Barbara, California and successfully operates today. For further information that office can be contacted via Dr. Craig Fusaro 610 Anacapa Street Santa Barbara, California

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93101. Phone (805) 963-8819. The major goal of this organization was to provide a forum for impact resolution in the affected fishery encompassing three counties in Southern California including San Luis Obispo, Santa Barbara, and Ventura. This was an industry-to-industry interface including involvement from Sea Grant which assisted in the formation and implementation of the programs and the compensation payout process. Other participants included a fisheries expert who served as the coordinator, fishermen, and industry representatives that all had equal power in the program. Significant functional components included establishment of a support vessel traffic corridor system, administration of the gear damage fund, monitoring the process for compensation, and direct dispensing of funds for compensation. Payments submitted for gear damage compensation were executed within 1-week to 10-days. In the event there was a dispute, the committee was directly involved to ensure fair resolution.

3.2 Committee Structure

Based upon the working structure that was implemented in California, the BFAC will include an umbrella committee and appropriate sub- committees to address specific areas of interest. The proposed committee structure is provided below.



3.3 Function of the Committee

The wider BFAC will act as a clearinghouse for information throughout the operational life of the project and provide a forum to discuss issues and concerns of both parties. The BFAC will also directly dispense funding to compensate fishermen once a claim has been received and a determination made as to the level of payment required, especially those related to gear damage that may occur during project operations. General areas of focus would be:

- (1) Clearinghouse for information of mutual interest;

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- (2) Discussion of issues and process development;
- (3) Conflict resolution; and
- (4) Dispense compensation funds.

3.4 Engagement History and Affected Groups

The geographic extent of those interests involved primarily includes the FSRU SSZ and the existing shipping lanes within Long Island Sound, from the FSRU location east through The Race and groups farther west during pipeline construction.

Lobstermen

Based on coordination at the onset of the project with a local fishing contact that had experience on the Iroquois Pipeline, an initial list of active lobstermen in Long Island Sound was identified and these lobstermen participated in survey work Broadwater undertook in May 2005. A letter was sent to these fishermen at the very start of the project review. At that time, contact was also made with the Long Island Lobstermen's Association (LILA). During discussions with this group the project was described and anyone who wanted to participate in the survey work was invited to attend a water safety course to ensure compliance with all Broadwater Health, Safety, and Environment (HSE) requirements. Approximately 35 lobstermen attended the course from New York (NY) and Connecticut (CT). Connecticut lobstermen were included in this group since a number of CT fishermen hold NY licenses. This list was comprised of fishermen throughout Long Island including Orient Point, Montauk, Syosset, and farther west. A contact list capturing these fishermen and other data was provided as Appendix H to the Broadwater Coastal Zone Consistency Determination. From this initial list that was developed, Broadwater has remained in contact with this group throughout the NEPA pre-file process and then through the permitting phase, keeping them abreast of developments and major project milestones.

As the Broadwater Project has progressed through the regulatory review phase, there has been continued engagement with other formal groups and has included LILA and its President, John German and Treasurer George Doll being the primary Broadwater contact points. Broadwater has also been discussed at NYSDEC lobster meetings and in other forums where we engaged fishermen including the Long Island Farm Bureau. This is further evidence that at every stage of project development, Broadwater has made and will continue to make efforts to engage with fishermen and ensure their names and locations are accounted for so they can be included in all future outreach efforts and compensation determinations.

Dragger Fisherman

Broadwater was aware through our lobster engagement efforts that some of the

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draggermen wanted to understand more about the project and how they would be compensated for potential lost effort or gear damage. Broadwater contacted draggermen from the Mattituck area to ensure that any fishermen who wanted to meet and discuss the project had an opportunity to gather the appropriate information, voice their concerns, and mark out where the dragging areas are that are regularly fished. This resulted in a meeting with approximately 15 east end draggers in Mattituck. Contact information was gathered at that meeting and other fishermen were also asked to provide names of those that were unable to attend. As stated above, names and locations are accounted for so they can be included in all future outreach efforts and compensation determinations.

Other Organizations

Other organizations that Broadwater has engaged and continues to communicate with regarding the project and potential fishing impacts include the Long Island Sea Food Council. They have received a project review from the Broadwater fisheries outreach coordinator and have continued to receive updated information through the regulatory process including discussion just after the recent release of the FEIS. Offers were made again to meet with this group and discuss the project; such a meeting will likely take place in April 2008. Broadwater has also had discussions with the Cornell Cooperative extension and asked for feedback from them on any fisherman or groups that we have not approached or missed during our engagement effort. At this time, none have been identified. Groups Broadwater intends to approach for further engagement includes charter boat captains. It should be noted that this group was part of the USCG Ports and Waterways Suitability Assessment and an offer of engagement was made at that time by Broadwater. At this time, Broadwater is not aware of any issues or concerns raised by this group during the NEPA pre-file or EIS review process.

Safety & Security Zone

As part of the outreach efforts, one of the first formal steps Broadwater has taken during the engagement process was to understand specifically which fishermen were directly affected by the SSZ. To collect this very specific information, Broadwater worked with the president of the LILA to ask those whom he understood fished in the proposed areas to attend a meeting. At this meeting fishermen were asked to mark on a map where their trawl lines are and how many pots were located in the SSZ and on the west side of the zone which could be affected during construction. Concerns were raised by some fishermen who attended that did not fish in the SSZ but were aware of the potential impacts on their gear due to traffic that may be displaced by the LNG carriers.

It was collectively agreed at this meeting that we would not address this issue as a group until the Vessel Transit Plan for the LNG carriers was finalized including firm locations of transit lanes and the safety and security zones around those transiting LNG carriers since changes in these parameters can change the fishermen affected and the nature of the effect (i.e., direct gear damage or periods of displacement). Broadwater also inquired at

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this meeting if there were any other individuals that should be contacted, and at that time the group response was “No”. It was also stated that all communication between this Mattituck group of fishermen should be accomplished through one individual. This group also included draggersmen from Mattituck.

At this time, all the fishermen that have been contacted as part of the Broadwater fishery outreach efforts have agreed to the idea of the BFAC and none of these fishermen has refused to participate. Based on the affected group’s descriptions and engagement history presented above, Table 1 presents a summary of the actual numbers of affected fishermen that Broadwater has identified at this time and the facility operations associated with the impact.

Table 1 – Affected Fishermen

Category	Number of Fishermen Directly Affected	Operations Associated with Impact
Safety & Security Zone	12	Safety & Security Zone
Mattituck	8	Carrier transits
The Race	8	Carrier transits
Draggers	15	Carrier transits

3.5 Compensation Determination

Additional data analyses intended to supplement the values presented from the Coastal Zone Consistency Determination application are underway as part of the development of the fishing compensation package, which includes a more refined assessment of fishing impacts specific to the project area and the fishermen in that area. Data that will be used for this refined assessment includes:

- Site-specific data from the fishermen, including Connecticut Department of Environmental Protection (CTDEP) log books provided by lobsterman in the SSZ, to calculate local lobster landings, numbers per pot, and catch per unit effort. Broadwater currently has logbooks from 3 fisherman in the SSZ;
- Mapping that has been developed with specific fishermen’s lobster pots and trawl lanes from mark-ups that were made on NOAA charts at the Riverhead and Mattituck meetings;
- The licensee list from NYS Department of Environmental Conservation that has been received and provides specific information about those licensed to catch lobster and other commercial species in Long Island Sound so the number of actual fishermen with a license that are impacted can be determined for the project area; and

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- Forms utilized by the Empire State Development Fund in 1999 when the lobster die-off in Long Island Sound occurred. This information will be used as a starting point for Broadwater to develop a project specific form. This project specific form will be used to assess income conditions before and after the implementation of the Broadwater project and will provide the monetary baselines that will be used in the compensation determination for each fisherman, as appropriate.

In terms of gear damage, Broadwater is undertaking this process as a separate effort from those that will be directly displaced by the SSZ. This compensation will be administered through a gear damage fund that will be operated directly by the BFAC. Gear damage will encompass many issues including cost of gear, loss of effort, as well as any fines incurred by fishermen that were unable to retrieve their gear due to direct conflicts from Broadwater operations and how all these incidents can be quantified into a compensation payment as they occur. At this time, the agreed upon approach has been to use the cost per trap as a baseline figure to account for gear lost but other inputs are likely needed and feedback from the fishermen and those participating in the BFAC will be necessary before a “gear damage fund” can be fully implemented. Input and experience from the Joint Oil/Fisheries Liaison will also be valuable.

All of the above information will be utilized to determine what the specific impacts are to the fishermen in the SSZ and potential impacts along the LNG carrier route and will support the monetary value proposed as compensation for both direct and indirect losses.

3.6 Milestones and Agency Engagement

Engagement with the local fishing community began in 2004 and has continued since that time. Recent meetings and future discussions are highlighted in the table below. The dates included in the table represent an estimate of the types of discussions that Broadwater would hope to pursue in terms of engagement, but will necessarily be subject to availability of stakeholders (fishermen), and progress in addressing concerns raised. To date, this table depicts the very robust engagement Broadwater has had with the Long Island fishing community including fishermen in NY and CT. In addition, feedback has been received by Broadwater throughout the NEPA process at both public meetings and through comments submitted on the project record. Fishermen have also visited the Broadwater Project office in Riverhead, NY in person as well as contacts made via phone, letter, and the project website. Broadwater expects to continue with this level of accessibility to the public and encourages any concerned individuals to contact the fisheries outreach coordinator to ensure all concerns and interests are addressed.

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Table 2 – Engagement Summary and Plan

Milestone Date	Stakeholder	Meeting Content	Completed
December, 2006	Long Island Lobstermen (Mt. Sinai and Mattituck)	Discussion on issues/ comments from the FERC DEIS.	• •
December, 2006	Connecticut lobstermen	Discussion on FERC DEIS and v-notch program.	• •
January, 2007	Connecticut lobstermen	Discussion on possible LNG carrier use conflicts and mitigation.	• •
February, 2007	Long Island lobstermen (Mt. Sinai and Mattituck)	Discuss issues, concerns and way forward.	• •
May, 2007	Long Island trawlermen	Discussion on possible LNG carrier use conflicts and mitigation.	• •
July, 2007	Lobstermen in Safety and Security Zone- Mt Sinai	Initial discussion on development of process and data inputs for compensation agreement for loss of effort due to safety and security zone.	• •
August, 2007	Long Island lobstermen concerned with gear damage – Mattituck	Discussion on current base line operation/ process. Review possible use conflict due to LNG carrier transit and displaced vessel traffic. Map fishing areas and equipment usage.	• •
April/May, 2008 (planned)	Lobstermen in Safety and Security Zone	Discuss initial compensation outline / data and structure.	<i>Dates are dependent on fishermen availability to meet and avoids impacts to</i>
April/May 2008 (planned)	Long Island lobstermen	Develop process and data inputs for gear damage compensation during operations. Mapping of fishing areas and gear.	

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Milestone Date	Stakeholder	Meeting Content	Completed
May 2008 (planned)	Long Island lobstermen	Discuss the way forward for development of the BFAC; group to nominate sub-committee representatives	<i>their fishing efforts</i>
May 2008 (planned)	Long Island lobstermen	Develop process for gear avoidance and damage compensation during construction.	
May 2008 (planned)	Trawlermen	Discuss/ formalize process for use conflict avoidance. Sign off on Trawl Area by both trawler men and lobstermen.	
May/June 2008 (planned)	Connecticut lobstermen fishing in the Race	Discuss/ formalize process for use conflict avoidance.	
June 2008 (planned)	Connecticut lobstermen fishing in Safety and Security Zone	Develop process and data inputs for compensation agreement for loss of effort due to safety and security zone.	
June 2008 (planned)	Long Island lobstermen fishing in Safety and Security Zone	Finalize draft agreement on development of process and data inputs for compensation agreement for loss of effort due to safety and security zone.	
June 2008 (planned)	Fisheries Advisory Committee	Discuss and review milestones and meetings for coming 6 months.	
July-September 2008 (planned)	Fisheries Advisory Committee	Execute final compensation agreement with each affected fisherman	

Fishing Compensation Process 2008	April	May	June	July	August	September
Identify and Contract independent marine / fishing advisor						
Loss of Opportunity Compensation						
Lobstermen in Safety & Security Zone						
Confirm licensees in SSZ (DEC)						
Confirm map of trawl lines and number of traps						
Confirm input data of pots, pounds, value						
Complete agreement on claim form and process						
Execute agreement with individual lobstermen*						
* to become effective at commencement of construction						
Lobstermen/Trawlers in Pipeline Construction Right of Way						
Mtg to update fishermen on construction timing, method						
Confirm map of lobster and trawl areas						
Develop conflict avoidance/ minimization plans (see BFAC section as well)						
Develop employment opportunities plan (survey work and gear removal)						
Agree on avoidance plan						
Determine if short term compensation required						
Agree inputs and structure for short term compensation (if required)						
Agree timing for execution of agreements						
Lobstermen in the Race						
Confirm licensees in the Race (NY and CT)						
Confirm map of trawl lines						
Discuss carrier scheduling and USCG notification process						
Confirm potential impacts scenarios						
Confirm input data of pots, pounds, value						
Complete agreement on claim form and process						
Execute agreement with individual lobstermen*						
* to become effective at commencement of LNG delivery and with continual review of potential impacts once scheduling is confirmed						
Gear Damage Compensation						
Merge existing data and mapping for carrier transit routes						
Solicit other fishermen						
Agree on potential impacts*						
Develop claim fund mechanism and governance						
Agree claim inputs and confirm claim form process						
* subject to development of vessel transit plan (VTP) and agreement on conflict avoidance vessel transit corridors as discussed below						
Broadwater Fisheries Advisory Committee (BFAC)						
Mtg with wider group to develop Committee, membership, structure and governance						
Confirm membership for Sub Committees and Representatives to FAC						
Execute governance agreements						
Begin initial conflict avoidance discussions for day to day operations of FSRU*						
*possible mitigation measures include dedicated agreed upon vessel transit corridors for crew/ work boats agreement also applicable to gear damage and construction sections above						

Gear Damage Compensation*
***Subject to completion of Vessel Transit Plan**

Section A – Personal Information

(Print Name or Type)

Full Legal Name:			Social Security No.:
Home Address: 2 Smith Road			
City/Town:	Zip Code:	County:	Phone: ()
Company Name (if applicable):			
Company Address (if different than above):			
City/Town:	Zip Code:	County:	Phone: ()
Make Check Payable To:			
License identification: NYS Commercial Fishing license number: _____ CT Commercial Fishing license number: _____			

Section B- Trap/ Gear Information

Type of Gear damaged:	
Location of damaged gear (provide lat and long or loran line coordinates) Line 1: _____ Line 2: _____ Line 3: _____	
Number of traps per line or number of fish pots in area: Line 1: _____ Line 2: _____ Line 3: _____	
Date and time gear set in:	Scheduled time and date of gear haul:

Number of gear units damaged/ missing:
Number of days effort lost (maximum 3):
Total cost of gear (number of traps/ units X average cost of gear):

Section C- Vessel Information

Vessel name:	Vessel type:
Location where damage occurred:	
Date when damage occurred:	Time when damage occurred:

Section D- Final Compensation Calculation

total number of traps / units	X	average \$ value of catch per trap per day	X	number of days loss of effort	+	total \$ cost of gear
_____	X	_____	X	_____	+	_____

Total \$ _____

*The cost of loss of effort per unit per day is still to be agreed upon. Data inputs are similar to those used to develop the cost per trap per year for the SSZ compensation claim.

Compensation for Safety and Security Zone (SSZ) Lobster Harvesting

Section A – Personal Information

(Print Name or Type)

Full Legal Name: John Smith		Social Security No.: 123-456-789	
Home Address: 1 Smith Road			
City/Town: Calverton	Zip Code: 11933	County: Suffolk	Phone: (631) 123 4567
Company Name (if applicable): Smith Fishing			
Company Address (if different than above): N/A			
City/Town:	Zip Code:	County:	Phone: ()
Make Check Payable To: John Smith			
License identification: NYS Commercially Licensed Lobster Harvester number: <u> 12345 </u> CT Commercially Licensed Lobster Harvester number: <u> 45678 </u>			

Section B- Trap information

Location of trawl lines (lat and long coordinates or loran line numbers)	
Line 1:	<u> 43970,5 E to W </u>
Line 2:	<u> 43969,5 E to W </u>
Line 3:	<u> 43965,5 E to W </u>
Number of traps per line	
Line 1:	<u> 30 </u>
Line 2:	<u> 50 </u>
Line 3:	<u> 35 </u>
Number of traps in SSZ: 80	Number of traps to west of SSZ: 20

Total number of traps (SSZ +traps to west of SSZ): 100
Total cost of gear (number of traps X average cost of gear of \$70): \$ 7000

Section C- Final Compensation Calculation

Total number of traps	X	\$ catch value per trap per year (*1)	X	30 years	+	\$ cost of gear (one off payment)
100		X \$ 100 EXAMPLE ONLY		X 30 years		+ \$7000 (one off payment)

Total \$ <u>30,700</u>

Payment Preference: (*2)
<ul style="list-style-type: none"> • • Lump sum payment • • Annual payment

Additional Information on Compensation form

***1 - \$ Compensation fro the value of catch per trap per year**

Data inputs used to generate the \$ catch value per trap per year were derived through consultation with the fishermen in the SSZ. These inputs will be used to develop a \$ value per trap per year through understanding the average lbs of catch per trap multiplied by the average cost per lb. The inputs agreed upon include:

- • Connecticut logbook data (3 sets were agreed as sufficient)
- • Average cost for gear (trap+ line+ buoy)
- • NYS landings data
- • Average Market price*

*Market price to be agreed. Discussions include developing an average price over the last five years using market prices from Fulton Fish Market, NY. Additional market price source includes Long Island Sea Food Council. It must be noted that the average market price may be adjusted if the cost per lb increases significantly and compensation going forward will be adjusted appropriately.

*** 2 -Preferred Payment Type**

There was discussion around the different payment types for the compensation. It is understood by the SSZ fishermen that they have the option to receive a one off payment or an annual payment. All payments will be subject to tax as their normal income would be.