



16211
06-114
February 16, 2006

Mr. Richard R. Hoffmann
Director, Division of Gas – Environment and Engineering
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, DC 20426

Dear Mr. Hoffmann:

The Coast Guard has completed a preliminary review of Resource Report 13 that was submitted to the Federal Energy Regulatory Commission as part of Broadwater Energy's application to build and operate a floating storage regasification unit (FSRU) to serve as a Liquefied Natural Gas (LNG) import facility in Long Island Sound. In accordance with your August 11, 2005 letter, the Coast Guard is responsible for assessing the design basis for the FSRU (including evaluating the standards and codes proposed by the approved classification society or third party contracted to design the FSRU). Based on Resource Report 13 as it was submitted, the Coast Guard needs additional information from Broadwater Energy before we can continue with a detailed review of the design and engineering of the FSRU, including the yoke mooring system as well as to complete our safety and security assessment of the proposed project.

The following information must be included in Resource Report 13 for the Coast Guard to initiate a detailed design and engineering review of the FSRU and its mooring as well as to complete our safety and security assessment:

1. Broadwater Energy must provide a description of the process used to determine which rule, code or standard established the most stringent requirement when more than one was applicable. In addition to earlier discussions, dating as far back as February 2005, during the pre-filing process, Broadwater Energy was notified of this requirement in a letter from FERC dated November 23, 2005. This requirement was reiterated to Broadwater Energy in a teleconference conducted on December 7, 2005 with representatives from FERC and the Coast Guard. Given the unique nature of Broadwater Energy's proposal, it is imperative that we have a clear and unambiguous understanding of the process that was used to determine which rule, code or standard is the most stringent. This should include a more thorough discussion of the American Bureau of Shipping's role in the process.
2. Broadwater Energy must provide thermal radiation and vapor dispersion calculations for LNG spills based on both accidental and intention breaches of the cargo tanks and support analysis as required by FERC's letter dated November 23, 2005. This information is similar to information I asked Broadwater Energy to provide in a letter dated December 21, 2005. To date we have not received this information. Although a breach of the LNG cargo containment is recognized to be a low probability event, such events must be considered to ensure that all potential risks associated with the project are addressed during the review process.

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Any questions regarding this letter should be addressed to Lieutenant Commander Alan Blume at the above phone number or e-mail address. You may contact me directly at (203) 468-4570.

Sincerely,



PETER J. BOYNTON
Captain, U.S. Coast Guard
Captain of the Port, Long Island Sound

Copy: Mr. Stephen Marr, Broadwater Energy
Commandant (G-PSO), U.S. Coast Guard
Commander (dp), First Coast Guard District
Commanding Officer, U.S. Coast Guard Marine Safety Center
Docket USCG-2005-21863