

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

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December 13, 2006

OFFICE OF THE CHAIRMAN

The Honorable M. Jodi Rell  
Governor of Connecticut  
State Capitol  
Hartford, CT 06106

Dear Governor Rell:

I am writing to explain certain aspects of the Federal Energy Regulatory Commission's review of the proposed Broadwater liquefied natural gas import facility in Long Island Sound.

The Draft Environmental Impact Statement issued November 17, 2006, represents the Commission staff's initial recommendations after two years of information-gathering, which included the issuance of 12 environmental information requests with a total of 276 questions regarding potential impacts. In addition, the Commission held two public scoping meetings in Branford and East Lynne, as well as two meetings on Long Island, to solicit public input as to the proper scope of issues to consider in the document.

In developing the draft, staff carefully reviewed the potential impacts to each resource, consulted with the public, regional experts, resource agencies and technical literature.

The resulting Draft Environmental Impact Statement is more than 800 pages and recommends 79 highly detailed conditions that staff will recommend be made a requirement of any authorization should the Commission decide that the project is in the public interest. The references section of the draft is 23 pages long and includes more than 300 references. The document was reviewed by scientists and other experts at the U.S. Environmental Protection Agency, the National Oceanic and Atmospheric Administration, the U.S. Army Corps of Engineers, the U.S. Coast Guard and the New York State Department of State.

It is important to recognize what the Draft Environmental Impact Statement is, and what it is not. It represents preliminary findings by Commission staff, not the Commission itself. It is released in order to solicit public comment, from state agencies

as well as citizens and private organizations. It does not represent final determinations by the Commission. The Commission will only take a position when the record is closed, when all the comments have been received and analyzed.

I assure you that Connecticut has an important role in our review of this project, and encourage you and the state agencies under your authority to participate fully in the staff's preparation of a Final Environmental Impact Statement. The Commission will carefully consider and give due weight to the concerns of Connecticut's policymakers as well as your state's constituents. But that requires the state to participate in the process to the fullest extent provided under the law.

In order to assure that the views of Connecticut state agencies and citizens are fully incorporated, I want to announce that the Commission will hold two additional public meetings in Connecticut, on January 9, 2007 in New London and on January 16, 2007 in Branford. These public meetings will solicit public comments on the draft document, and staff will continue to solicit the widest possible range of information and viewpoints.

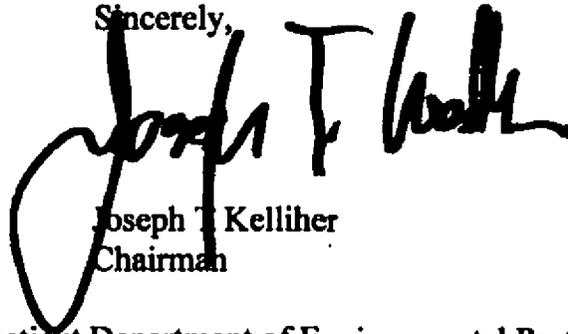
I understand that Connecticut wants a formal role in the review process under the Coastal Zone Management Act (CZMA). However, the CZMA is administered by another federal agency, and we must abide by their decisions. We have no legal authority to grant Connecticut a formal role under CZMA, which I have explained to Commissioner Gina McCarthy of the Connecticut Department of Environmental Protection. I must respect the legal limits on our authority.

Also, I note recent news coverage attributing to State Senator Andrea Stillman statements that Commissioner McCarthy is "frustrated" that the Commission has not responded to letters from you, Commissioner McCarthy and Attorney General Blumenthal. I asked staff to review this, and they could find no record of correspondence from you, and no letters from Commissioner McCarthy or the attorney general that went unanswered.

Let me conclude by underscoring that the Commission's principal role in reviewing proposed LNG import terminals is as a safety regulator. The Commission has and will reject proposals that do not meet its high safety standards, as it did last year when it rejected the proposed Keyspan Project in Providence, R.I.

We will review the Broadwater proposal with safety and environmental protection as foremost considerations. However, our review of the Broadwater matter, as with all similar proposals, will be grounded in the facts in the record and in the law.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph T. Kelliher". The signature is written in a cursive style with a large, looping initial "J".

Joseph T. Kelliher  
Chairman

cc: Commissioner Gina McCarthy, Connecticut Department of Environmental Protection  
Connecticut State Senator Andrea Stillman