

OR:



November 3, 2006

OFFICE OF
EXTERNAL AFFAIRS
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FEDERAL ENERGY
REGULATORY COMMISSION

The Honorable Joseph T. Kelliher
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

RE: Docket Number: CP06-54-000; CP06-55-000; CP06-56-000

ORIGINAL

Dear Chairman Kelliher:

On behalf of the New York State Chemical Alliance (NYSCA), I am writing in support of the Broadwater LNG project which is currently under review by FERC.

The natural gas crisis facing the nation, and the chemistry and plastics industry in particular, is acute and serious. Manufacturers in the United States need an adequate supply of natural gas to fuel our nation's economy. Rapidly rising natural gas prices affect our industrial sector, resulting in less production and lower capacity utilization. In energy-intensive sectors such as chemistry and plastics — where over 70% of feedstocks are derived from natural gas — the impact is especially severe, placing these sectors at a major competitive disadvantage.

Additionally, American workers are losing jobs as a result of the current supply shortage. Three million manufacturing jobs have already been eliminated since 2000 as a result of the high and volatile natural gas prices.

This project will have the capacity to provide up to 8 billion cubic feet (Bcf) and will have a peak send-out capacity of 1.25 Bcf/day, enough to heat 4 million homes for one year. The project will result in a \$700 million investment in the two-state region, and studies have demonstrated that it will be safe to the surrounding population and the environment.

Every step we take as a nation, and as a state, will help to address this energy shortage and make our industry competitive in the global marketplace. That's why, after a lengthy discussion of this issue, the NYSCA Board has voted to support the Broadwater LNG project. We hope FERC will also support and approve this very important regional project.

Sincerely,

Kimberly A. Perone
Chairwoman

cc: Hon. Nora Brownell
Hon. Suedeem Kelly

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