

January 8, 2007

Ms. Magalie Roman Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Randolph Q. McManus  
TEL +1 (202) 639-7725  
FAX +1 (202) 585-1044  
Randy.McManus@bakerbotts.com

**RE: AES Sparrows Point LNG, LLC, Application for Authorization to Site,  
Construct and Operate a Liquefied Natural Gas Import Terminal,  
FERC Docket No. CP07-\_\_\_-000**

Dear Ms. Salas:

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. § 717b(a), and Parts 153 and 380 of the Regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”), 18 C.F.R. §§ 153.1 *et seq.* and 380.1 *et seq.*, AES Sparrows Point LNG, LLC (“AES Sparrows Point”) hereby submits its application to the Commission for authorization to site, construct and operate a new liquefied natural gas (“LNG”) import terminal (“LNG Terminal” or “Terminal”), with an initial delivery capacity of 1.5 billion standard cubic feet per day (“bscfd”) of natural gas, to be located at the Sparrows Point industrial complex in Baltimore County, Maryland.

Concurrently with the filing of this application, Mid-Atlantic Express, L.L.C. (“Mid-Atlantic Express”) is filing an application pursuant to Section 7(c) of the NGA, 15 U.S.C. § 717f(c), for authorization to construct and operate an 88-mile natural gas pipeline that will transport regasified LNG from the Terminal to interconnections with three existing interstate pipelines in the vicinity of Eagle, Pennsylvania.

AES Sparrows Point proposes to commence service in late 2010. Therefore, AES Sparrows Point respectfully requests that the Commission issue a final order by November 1, 2007. This will enable AES Sparrows Point to begin construction in a timely manner to achieve its proposed in-service date.

As required by Sections 383.112 and 383.113 of the Commission’s Regulations, AES Sparrows Point has identified and segregated the information in its application into separate volumes marked “Public,” “Non-Internet Public” (“NIP”), “Critical Energy Infrastructure Information” (“CEII”), or “Privileged.” Accordingly, the enclosed Section 3 application consists of the following documents and materials, organized by volume:

- **Volume I: Public Information**
  - The transmittal letter, application, all public exhibits and form of notice

- **Volume II: Public Information**
  - Exhibit F Public: Resource Reports 1-12 and tables, figures and appendices thereto; public text of Resource Report 13
  - Response matrices to FERC staff data requests for Resource Report 1-3, 5-12
- **Volume III: Privileged Information**
  - Exhibit F Privileged: Resource Report 4 and its appendices.
  - Response matrix to FERC staff data request for Resource Report 4
- **Volume IV: Non-Internet Public Information**
  - Exhibit F NIP: various figures and appendices from Resource Reports 1-12
  - Exhibit G: Geographical map
- **Volume V: Critical Energy Infrastructure Information**
  - Exhibit F CEII: Figures and Appendix 11A to Resource Report 11; Resource Report 13 text and tables, figures and appendices thereto
  - Response matrix to FERC staff data request for Resource Report 13

All documents and materials contained in these volumes, as well as binders for each volume, are labeled as required by 18 C.F.R. § 388.112.

In accordance with Sections 388.112 and 388.113 of the Commission's Regulations, 18 CFR §§ 388.112 and 113, and for the reasons set forth below, AES Sparrows Point respectfully requests privileged treatment for all of the documents and materials contained in Volume III, NIP treatment for all of the documents and materials in Volume IV; and CEII treatment for all of the documents and materials contained in Volume V.

Volume III consists of cultural resources information prepared for Resource Report 4, including the location, character, and ownership of historic properties and resources. Privileged treatment of the contents of Volume III is justified under Section 388.112(a)(1), which provides for the privileged treatment of documents that are exempt from mandatory public disclosure under the Freedom of Information Act ("FOIA"). 18 C.F.R. § 388.112(a)(1). Specifically, the documents and materials in Volume III qualify for exemption under FOIA Exemptions 3 and 4, 5 U.S.C. §§ 552(b)(3)-(4). *First*, Exemption 3 excludes from mandatory disclosure information that is specifically exempted from disclosure by federal statutes other than

disclosure information that is specifically exempted from disclosure by federal statutes other than FOIA. The information in Volume III is specifically exempted by the National Historic Preservation Act (“NHPA”), 16 U.S.C. § 470 *et seq.* The NHPA provides for the nondisclosure of information pertaining to historic properties and resources in order to protect such properties and resources from harm. *Second*, Exemption 4 excludes confidential business information from mandatory disclosure. The information in Volume III was prepared at the expense of AES Sparrows Point and could be used by other commercial entities. Further, the information in Volume III could lead to the exploitation of historical, cultural, and archaeological resources for financial gain.

As stated above, Volume IV consists of certain maps and figures, including U.S.G.S. 7.5 minute series topographic maps showing the location of facilities, the Exhibit G geographical map, and various figures and appendices that also reveal in detail the geographic location of facilities. NIP treatment for the documents and materials in Volume IV is justified by 18 C.F.R. § 388.112(a); these documents and materials contain maps and diagrams that reveal the locations of critical energy infrastructure facilities, but do not rise to the level of CEII. Further, they do not fall within the category of general, stylized non-system maps. *See* FERC Order No. 662 at P 9 (stating that stylized non-system location maps are excluded from NIP designation because they merely “show[] generalized project facility locations and little more information than the state in which the facilities are located”).

Volume V consists of the text of Resource Report 13, together with all of its attachments containing detailed engineering and design information regarding the LNG Terminal<sup>1</sup>. Volume V also includes figures and calculations contained in Appendix 11-A of Resource Report 11, which identifies thermal radiation and flammable vapor exclusion zone calculations for the proposed LNG Terminal. CEII treatment for the documents and materials in Volume V is justified because they satisfy the definition for CEII set forth in Section 388.113(c)(1) of the Commission’s Regulations, 18 CFR § 388.113(c)(1). *First*, they comprise specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that relates details about the production, generation, transportation, transmission, or distribution of energy. *See* 18 CFR § 388.113(c), (c)(i). *Second*, because of the kind of information they provide, the documents and materials in Volume III could be useful to a person in planning an attack on critical infrastructure. *See* 18 CFR § 388.113(c)(1)(ii). *Third*, these documents and materials are exempt from mandatory disclosure under the FOIA, 5 U.S.C. § 552, specifically under Exemptions 4 and 7(F). *See* 18 CFR § 388.113(c)(1)(iii). The documents and materials in Volume V qualify under Exemption 4 because they consist in part of confidential business information, which, if released, would cause AES Sparrows Point significant competitive harm. *See* 5 U.S.C. § 552(b)(4). The contents of these documents and materials were prepared at the expense of AES Sparrows Point and consist of proprietary design plans and sensitive security reports that could be utilized by competitors in the development of LNG facilities. The documents and materials in Volume V also qualify for exemption under

---

<sup>1</sup> AES Sparrows Point has filed the public information from Resource Report 13 in Volume II-E. As a courtesy, AES Sparrows Point is including Resource Report 13 in its entirety in Volume V, which is not being filed publicly.

Exemption 7(F). This Volume was compiled for the Commission, an agency charged with law enforcement responsibilities, in accordance with the Commission's regulations. Further, the production of the information in Volume V "could reasonably be expected to endanger the life or physical safety of any individual" because of the threat terrorism poses to energy infrastructure. 5 U.S.C. § 552(b)(7). *Fourth*, they do not simply give the general location of the critical infrastructure. *See* 18 CFR § 388.113(c)(1)(iv). For all of the foregoing reasons, Volume V should be treated as CEII.

AES Sparrows Point is filing one (1) original of the complete application, seven (7) copies of Public Volume I and Volume II, seven (7) copies of NIP Volume IV, and two (2) copies of CEII Volume V. As per Section 388.112(b)(2)(iii) of the Commission's Regulations, 18 C.F.R. § 388.112(b)(2)(iii), AES Sparrows Point is filing only one (1) original of Privileged Volume III. AES Sparrows Point is also submitting the application on electronic media consisting of four compact discs: one (1) disc containing Volumes I and II, one (1) disc containing Volume III, one (1) disc containing Volume IV, and one (1) disc containing Volume V. Also enclosed is one (1) floppy diskette containing the Form of Notice suitable for the Federal Register.

AES Sparrows Point requests that correspondence, communications, and Commission Orders regarding this application be directed to the following persons:

Christopher H. Diez  
Vice-President  
AES Sparrows Point LNG, LLC  
140 Professional Parkway, Suite A  
Lockport, NY 14094  
Telephone: (716) 439-1273  
Fax: (716) 434-7514  
Email:chris.diez@aes.com

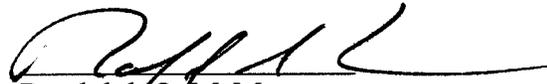
Kent Morton  
Vice-President  
AES Sparrows Point LNG, LLC  
4300 Wilson Blvd.  
Arlington, VA 22203  
Telephone: (703)682-6754  
Fax: (703)528-4510  
E-mail:kent.morton@aes.com

Randolph Q. McManus  
G. Mark Cook  
Renu Gupta  
Jessica Fore  
Baker Botts L.L.P.  
The Warner  
1299 Pennsylvania Ave., NW  
Washington, DC 20004  
Telephone: (202) 639-7700  
Fax: (202) 585-1044  
E-mail: randy.mcmanus@bakerbotts.com

Pursuant to Rules 2005 and 2011 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.2005 and 385.2011, the undersigned hereby states that he has read the application and knows the contents of the paper copies and the electronic media; that the contents are true as stated to the best of the undersigned's knowledge and belief; that the paper copies of the

application contain the same information as contained in the electronic media; and that he possesses full power and authority to sign the application.

Respectfully submitted,



Randolph Q. McManus

Baker Botts L.L.P.

The Warner

1299 Pennsylvania Avenue, NW

Washington, DC 20004