

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

OCT 20 2003

OFFICE OF THE CHAIRMAN

Mr. Scott B. Gudes  
Deputy Under Secretary for Oceans and Atmosphere  
United States Department of Commerce  
Washington, D.C. 20230

Re: Request for Comments on an Administrative Appeal Brought by Islander East Pipeline Company Pursuant to the Coastal Zone Management Act.

Dear Mr. Gudes:

On March 11, 2003, I provided comments on an administrative appeal brought by Islander East Pipeline Company (Islander East) pursuant to the Coastal Zone Management Act (CZMA). Islander East requests that the Secretary of Commerce override the Connecticut Department of Environmental Protection's objection to a consistency certification for Islander East's proposed natural gas pipeline (Islander East Project) which the Federal Energy Regulatory Commission (Commission) approved on September 19, 2002 to deliver natural gas from Connecticut to the eastern Long Island, New York area. As the comment period for the CZMA appeal draws to a close and the Secretary prepares to make a decision, I am writing this letter to again urge you to find that the Islander East Project may be approved as consistent with the CZMA.

In doing so, I wish to emphasize three points that I believe are essential to your consideration. First, during the interval between the time Islander East filed its application with the Commission on June 15, 2001 and the time the Commission granted final approval for the Islander East Project on September 19, 2002, the Commission conducted an exhaustive review of the environmental impacts of the project. This included an analysis that focused in particular on the impact the proposed project would have on Long Island Sound, the matter which is the subject of the instant appeal to the Secretary. We concluded, after imposing numerous environmental conditions to the certificate authorization, that the Islander East Project would have acceptable environmental impacts.

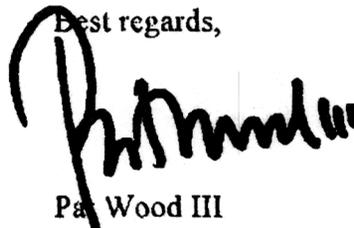
Second, the Commission determined that the Islander East Project is required to meet the growing demand for natural gas in the eastern Long Island area. Further, the Islander East Project will provide eastern Long Island with direct access to an additional source of supply. Currently, natural gas and gas-fired electric generation facilities located in Suffolk County, New York and eastern Long Island are served by only one pipeline. A long term disruption in

service on that pipeline could result in a substantial curtailment in natural gas service on eastern Long Island in addition to disruptions to many electric customers that rely on gas-fired electric generation facilities. As such, the Islander East Project will provide much needed security and reliability that cannot be provided by any of the system alternatives reviewed by the Commission's environmental analysis of the project. As stated in my previous comments, there is no reasonable alternative available which would permit the Islander East Project to be constructed consistent with the enforceable policies of Connecticut's Coastal Management Plan that will fulfill the Commission's statutory mandates under the Natural Gas Act.

Finally, I wish to stress that timely approval of projects like Islander East is essential to the development of the nation's energy infrastructure. Without regulatory certainty, companies cannot engage in long-term planning that is necessary to develop the projects that are needed to satisfy our steadily increasing energy demands. Without regulatory certainty, companies likewise cannot obtain the financing that is essential to the construction of such projects.

For these reasons, I urge the Secretary to expeditiously issue a decision finding that the Islander East Project may be approved as consistent with the CZMA. Again, I appreciate the opportunity to comment. Please let me know if I can be of any further service.

Best regards,



Pat Wood III  
Chairman

cc: Mr. Branden Blum, Senior Counselor  
Office of the Assistant General Counsel for Ocean Services  
National Oceanic and Atmospheric Administration  
U.S. Department of Commerce  
1305 East-West Highway  
Silver Spring, MD 20910