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ORIGINAL  
United States Senate

WASHINGTON, DC 20510-3204

June 25, 2002

The Honorable Patrick Wood, III  
Chairman  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

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FEDERAL ENERGY  
REGULATORY COMMISSION

EXTERNAL AFFAIRS

Dear Chairman Wood:

I am writing to reiterate the critical need to substantially increase natural gas transport capability onto Long Island, and to strongly urge FERC to act swiftly on proposed projects despite the State of Connecticut's newly enacted one-year moratorium. Long Island simply cannot afford such a delay in the increased delivery of natural gas supplies.

Both the Islander East Pipeline Company, L.L.C. Project (Docket No. CP01-384-000) and the Iroquois Gas Transmission System L.P. Project (Docket No. CP02-52-000) propose to construct a new natural gas transmission pipeline from Connecticut across the Long Island Sound to Eastern Long Island. The Federal Energy Regulatory Commission (FERC) is currently conducting a review of these two applications to consider issuance of a certificate of public convenience and necessity.

Recent residential and commercial growth has created an increased demand for electricity on the eastern end of Long Island, which continues to be one of the most heavily oil dependent regions in the Nation. These increased power needs have mandated the construction of new power plants on Long Island. As a result, additional natural gas supplies are vital if these new plants are to be run in a cleaner and more efficient manner.

The New York Independent System Operator (NYISO) supports the development of additional gas-fired electric plants and the associated expansion of the region's natural gas transmission infrastructure. The NYISO has stated, "It is critical that new plants be located 'in-city' and 'on-island' to maintain reliability, enhance competition and support economic growth."

In addition to the obvious energy and clean air benefits of bringing natural gas supplies onto Long Island, proposed pipeline projects have the potential to generate substantial economic benefits to both southern Connecticut and Long Island by creating jobs, enhancing the state and local tax base, and increasing ad valorem taxes paid to municipalities.

While it is clear that additional natural gas supplies are necessary, the environmental challenges of constructing a project of large scale and scope must be addressed appropriately. I

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would like to compliment FERC in its decision to analyze the environmental impacts of these proposals through the development of an environmental impact statement (EIS). A properly executed EIS will ensure that a balanced review of the projects is conducted, and that regional and local concerns are publicly addressed. Stakeholders from all constituencies must have a voice in the process.

I encourage FERC to continue to place a high priority on the environmental sensitivity of any proposed pipeline project. In addition, I join my colleagues from Connecticut in requesting that the Islander East L.L.C. and Iroquois Gas Transmission Systems proposals be considered in concert with one another to determine which proposal is environmentally preferable in terms of potential impacts on the Long Island Sound, the State of Connecticut and the State of New York.

In considering the potential environmental impacts of a natural gas pipeline on the Long Island Sound, it is of equal importance to consider the environmental impacts if additional natural gas supplies are not brought to Long Island. Currently, there are two power plants under construction in Shoreham which will be fueled by oil until natural gas supplies are brought to the area. This not only poses additional environmental risk to the Long Island Sound, but furthers the region's dependence on foreign oil imports. Significantly reducing foreign oil imports to a metropolitan region of Long Island's size should clearly be a component of a comprehensive national energy strategy.

Delivering additional natural gas supplies is essential to meeting Long Island's future energy needs. I therefore respectfully request that FERC not delay the permitting process in deference to the State of Connecticut's one-year moratorium. I look forward to working with the FERC to address any issues or concerns that might be raised regarding these important projects.

Thank you for your consideration of this most pressing issue.

Sincerely yours,

  
Hillary Rodham Clinton