

FACT SHEET
Maritimes & Northeast Pipeline LLC
Docket Nos. CP06-335-02/CP96-810-008
July 19, 2007

The Federal Energy Regulatory Commission today rejected a request by Quoddy Bay LNG to reconsider a February 2007 decision allowing Maritimes & Northeast Pipeline L.L.C. to increase its mainline design capacity and accommodate imported regasified liquefied natural gas (LNG) from Canada.

Quoddy Bay wanted the Commission condition the Maritimes approval by imposing a “reciprocity condition” that would allow construction to proceed, but would permit no gas from Canada to flow through the new facilities until the Canadian government permits the passage of LNG carriers through Head Harbour Passage.

The Commission found:

- This proceeding “is not the proper forum for addressing the issue of LNG carrier passage through Head Harbour Passage because this issue does not affect the viability of Maritimes’ project and is therefore not relevant to this proceeding.” The issue of LNG carrier going through Head Harbour Passage “potentially affects the viability of the pending Quoddy Bay and Downeast projects and is more appropriately addressed in those proceedings.”
- In separate orders issued on June 1, 2007, FERC rejected New Brunswick’s request to suspend proceedings in both the Quoddy Bay and the Downeast proceedings.
- Approving Quoddy Bay’s request “would not be appropriate because it would impose a condition on Maritimes over which it has no control. Because Maritimes has no control over the position of the Canadian authorities on the issue of LNG tanker passage through Head Harbour Passage, it is unable to influence Canada’s position.”
- It also would place Maritimes at risk for the recovery of more than \$300 million in capital expenditures until the Canadian government permits the passage of LNG carriers through Head Harbour Passage in two projects that are unrelated to Maritimes’ proposal.