



Broadwater Energy LLC & Broadwater Pipeline LLC

Item No. C- 1

March 20, 2008

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Good morning Chairman Kelliher and Commissioners.

My name is Todd Ruhkamp and I work in the Office of Energy Projects. Seated at the table with me are, Jim Martin of the Office of Energy Projects who supervised preparation of the Environmental Impact Statement, Terry Turpin, from OEP's LNG Engineering branch, Bill Howard from OEMR, and Sandy Delude of the Office of the General Counsel.

The draft order in Item C-1 issues authorizations to Broadwater Energy LLC and Broadwater Pipeline LLC to site, construct, and operate a floating LNG import facility and related pipeline facilities in Long Island Sound.

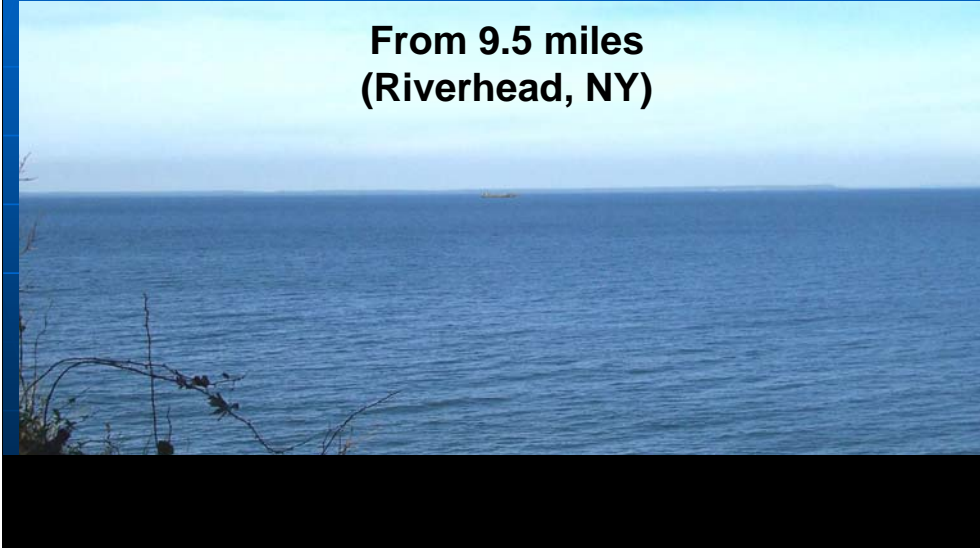
Visual Simulation of the FSRU



Broadwater Energy's proposed LNG terminal will consist of a floating storage and regasification unit or FSRU that includes a yoke mooring system attached to the bow of the FSRU that will "moor" the FSRU to a fixed tower. The FSRU will be located in Long Island Sound approximately 9 miles off the shore of Long Island, New York and 10.2 miles from Connecticut in waters approximately 90 feet deep.

Simulated View from Long Island Shoreline

**From 9.5 miles
(Riverhead, NY)**



The next slide simulates the view of the FSRU at a distance of 9.5 miles from Riverhead, New York

Broadwater Facilities

- **118 LNG tankers per year.**
- **Base sendout of 1.0 Bcf/d;
peak –1.25 Bcf/d.**
- **30-inch diameter subsea pipeline.**
- **21.7-miles in length.**

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The FSRU is approximately 1,215 feet long, 200 feet wide, and extends approximately 80 feet above the waterline. The FSRU will have a receiving berth for unloading LNG carriers, storage tanks, vaporization facilities designed with a base capacity of 1.0 Bcf and a peak capacity of 1.25 Bcf, gas treatment facilities, power generation, and a crew accommodation area.

Broadwater Energy anticipates that 2 to 3 carriers will offload at the FSRU per week and expects an average of 118 deliveries per year. Broadwater Energy states that Shell NA LNG has subscribed to the full capacity of the FSRU.

Broadwater Pipeline proposes to construct and operate a 21.7-mile long, 30-inch diameter subsea pipeline that would deliver vaporized natural gas from the FSRU to an offshore interconnect with Iroquois. Other facilities to be constructed include a tower that will house a pipeline riser and secure the FSRU, and pig launching and receiving facilities. Broadwater Pipeline states that Shell will subscribe to the full capacity of the pipeline.

At this time I'd like to turn the presentation over to Jim Martin who will briefly discuss some key aspects of the Environmental Impact Statement.

Public Involvement

- **Conducted four Public Scoping Meetings in September 2005**
- **Conducted Five Public Comment Meetings in January 2007**
- **Staff attended 35 meetings overall.**

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Staff began its review of the project more than 3 years ago. During that period we took part in some 35 meetings, including public scoping and comment meetings in Connecticut and New York. All of the meetings were well-attended and we received a great deal of input, as you can see by the size of this single transcript from the Shoreham, NY Public Comment Meeting held on January 11, 2007.

Safety and Security Review

- FERC staff reviewed process and storage facility design.
- Marine Safety Center staff reviewed maritime design issues.
- Captain of the Port reviewed the proposal's effect on the safety and security of Long Island Sound.

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Due to the maritime component of the project, the engineering review required unique collaboration between FERC staff and the U.S. Coast Guard Marine Safety Center (MSC). In general, FERC's engineers focused on the process design while the Coast Guard MSC focused on the structural design of the FSRU and the mooring system. As a result of the FERC/MSC review, the Order contains 50 conditions intended to enhance the safety and operability of the proposed LNG facility. This includes a requirement for the use of a Certifying Entity to provide an independent review of the final design, fabrication, installation and maintenance of the FSRU and the YMS tower.

The Coast Guard Captain of the Port also reviewed the proposal's effect on the safety and security of Long Island Sound. The Coast Guard's Waterways Suitability Report determined that additional risk mitigation measures are necessary to make the waterway suitable for LNG vessel traffic and the operation of the FSRU. The draft Order contains a requirement that, throughout the life of the facility, Broadwater ensure that the FSRU and any LNG vessel transiting to and from the FSRU comply with all requirements set forth by the Coast Guard Captain of the Port.

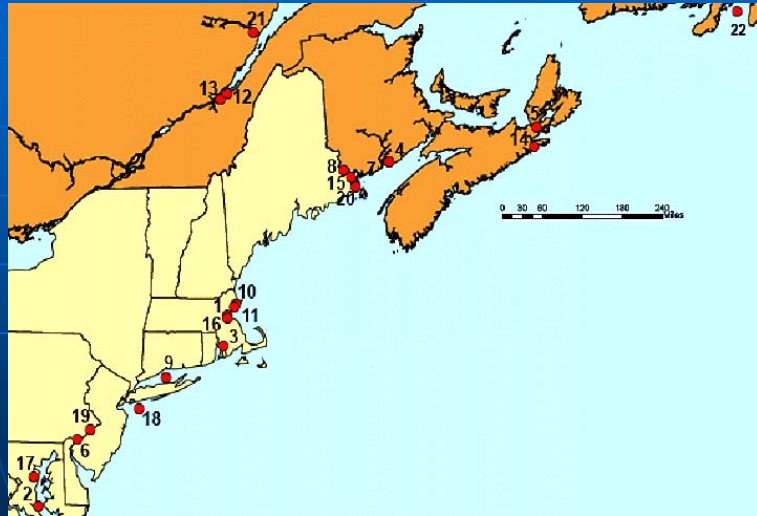
Alternatives Considered

- **Alternative Sources**
- **System Alternatives**
- **20 Alternative LNG Sites**
- **Alternative FSRU Locations**

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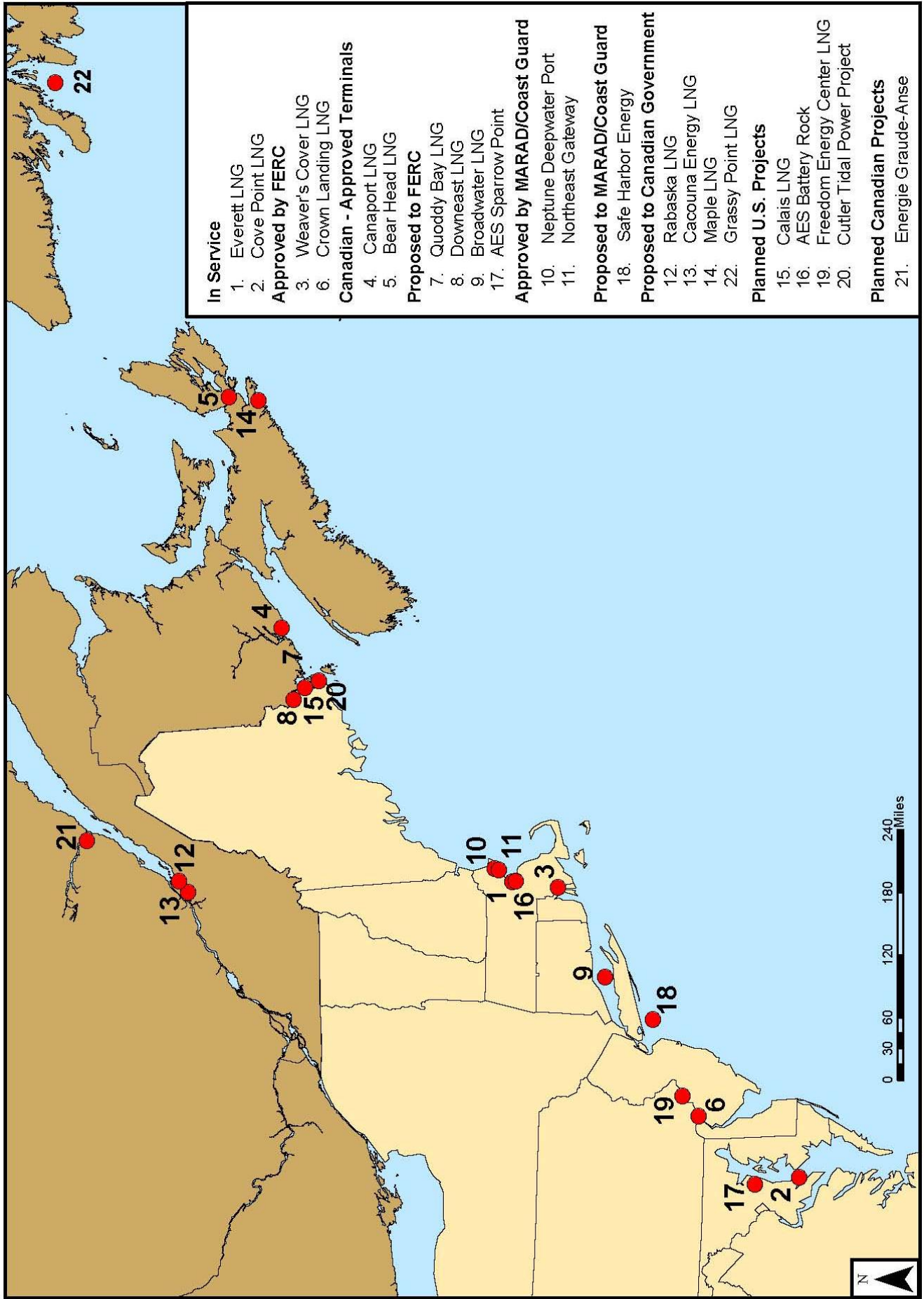
Consideration was given to both project and facility alternatives including: Alternative Energy Sources (renewable, conservation, renewable plus conservation) as well as System Alternatives including 6 existing and 7 new or proposed pipelines that currently serve, or could potentially be expanded to serve, the target market. Additionally, twenty other LNG Terminals were considered along with Combined Energy Sources Alternatives (e.g., renewable plus LNG-derived).

Alternative LNG Terminals Considered



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This figure shows the locations of the terminals that were included in our Alternatives review.



Cumulative Impacts

- **Total pipeline construction impacts = 264 acres**
- **No onshore pipeline construction**
- **FEIS analyzed cumulative impacts for 8 resource areas**
- **Determined no significant environmental impacts**

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The total pipeline construction impacts are about 264 acres of seafloor. There would be no onshore pipeline construction necessary. In the FEIS, we analyzed cumulative impacts for 8 resource areas and considered all appropriate regional projects including pipelines, cables, platforms, and dredge disposal sites. We determined that the project would not constitute a significant impact in combination with other past, present, or reasonably foreseeable projects.

Industrialization

- **We looked at whether or not Broadwater established a new precedent, and**
- **Whether or not Broadwater would stimulate new industrial development in Long Island Sound**

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We received numerous comments concerning the “industrialization” of Long Island Sound. In response, we looked at whether or not Broadwater would establish a new industrial precedent, and whether or not Broadwater would stimulate new industrial development in Long Island Sound.

Industrialization (cont'd)

- Long Island Sound has always been a multi-use waterway.
- Shorelines include many industrial and commercial areas, some of which have been operating for decades.
- Annually, approximately 4,000 to 7,000 commercial vessels transit the Sound.
- KeySpan's Northport and ConocoPhillips' platforms have been in operation for more than 30 years.

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In terms of precedent, Long Island Sound has always been a multi-use waterway. Shoreline development includes many industrial and commercial areas, some of which have been operating for decades. As many as 2,000 vessels per year pass through the Sound transporting oil and petroleum products, and overall, approximately 4,000 to 7,000 commercial vessels transit the Sound annually. Finally, KeySpan's Northport and ConocoPhillips' platforms have been in operation for more than 30 years.

Further, we determined that there are few industries that would benefit from being located in the Sound and we found no reason to conclude that the approval of Broadwater would stimulate new offshore industrial development.

Conclusion

Construction and operation, with the adoption of FERC and Coast Guard recommendations, would result in limited adverse environmental impacts.

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Based on the analysis included in the final EIS, we have determined that construction and operation of the proposed Project, with the adoption of FERC and Coast Guard recommendations, would result in limited adverse environmental impacts. We have included 86 conditions that would modify the Broadwater proposal to further minimize and avoid impacts.