

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

In Reply Refer To:
OEP/DG2E/Gas 1
Quoddy Bay, L.L.C.
Docket No. PF06-11-000

January 11, 2006
William S. Scherman
Quoddy Bay L.L.C.
Skadden, Arps, Slate, Meagher & Flom, L.L.P.
1440 New York Avenue, NW
Washington, DC 20426

Re: Approval of Pre-Filing Request

Dear Mr. Scherman:

Thank you for your letter, dated December 16, 2005, requesting use of the Federal Energy Regulatory Commission's (FERC or Commission) pre-filing review process for Quoddy Bay L.L.C.'s (Quoddy Bay) proposed Quoddy Bay Liquefied Natural Gas (LNG) Quoddy Bay LNG Import and Regasification Terminal Project. We believe that beginning the Commission's review of this proposal in order to comply with the National Environmental Policy Act (NEPA) prior to the receipt of your application will greatly improve our ability to identify issues early and address them in our environmental impact statement (EIS), and improve the chances of completing the process within a predictable time frame and produce a better result.

As stated in your request, Quoddy Bay proposes to deliver up to 2.0 billion cubic feet per day of natural gas to an interconnect with Maritimes & Northeast's (M&NE) system near Princeton, Maine, and is currently in discussions with M&NE regarding takeaway options for the Quoddy Bay gas. Accordingly, we encourage Quoddy Bay to work with M&NE during the Pre-Filing Process to identify any additional pipeline facilities that may be needed to transport the gas volumes on M&NE's system. Any such additional pipeline facilities necessary will be addressed in the EIS being prepared for Quoddy Bay's proposal. To the extent there are additional facilities associated with this project, they must be described in detail in draft Resource Reports supporting any application to the FERC.

Your stated intention is to file a certificate application in September 2006. In your letter you requested that the Commission issue a decision on the project by September 2007. We believe that it will be possible to coordinate with other agencies, complete the

process of producing the EIS, and present our recommendations to the Commission in that timeframe. Please be aware that our ability to meet this schedule is dependent on your commitment to resolve issues that are identified during the Pre-Filing Process. When Quoddy Bay files its application with the Commission, we will determine whether your application is ready for processing and determine a schedule for completion of the draft EIS.

We have also determined that the use of a third-party contractor to assist the Commission staff in preparing the NEPA documentation is appropriate. We have selected Tetra Tech, EC as the third-party contractor to work under the direct supervision and control of the Commission staff. I request that you proceed with executing a contract with Tetra Tech, EC so work may begin as soon as possible.

Your project has been assigned Docket No. PF06-11-000. All future "pre-filing" correspondence and submissions by Quoddy Bay to the Commission for this project should reference this docket number. If you have any questions, please contact Robert Kopka at (202) 502-8282 or Alisa Lykens at (202) 502-8766.

Sincerely,

J. Mark Robinson
Director
Office of Energy Projects

cc: Public File, Docket No. PF06-11-000

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