

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

In Reply Refer To:
OEP/DG2E/Gas Branch 1
KeySpan LNG, L.P.
Algonquin Gas Transmission, L.L.C.
Docket Nos. CP04-223-000
CP04-293-000
CP04-358-000

TO THE PARTY ADDRESSED:

The staff of the Federal Energy Regulatory Commission (FERC or Commission) has prepared this final Environmental Impact Statement (EIS) on the liquefied natural gas (LNG) facility upgrade and natural gas pipeline facilities proposed by KeySpan LNG, L.P. (KeySpan LNG) and Algonquin Gas Transmission, L.L.C. (Algonquin), respectively, in the above-referenced dockets (collectively referred to as the KeySpan LNG Facility Upgrade Project).

The final EIS was prepared to satisfy the requirements of the National Environmental Policy Act (NEPA). We conclude that the KeySpan LNG Facility Upgrade Project, as proposed, would not meet current federal safety standards in 49 Code of Federal Regulations Part 193 and the National Fire Protection Association Standards for the Production, Storage, and Handling of Liquefied Natural Gas (2001 edition). We believe that new LNG import terminals should comply with current federal safety standards.

Apart from the fact that the proposed import terminal would not meet current safety requirements, we believe that if the project is constructed and operated in accordance with KeySpan LNG's and Algonquin's proposed mitigation and our recommended mitigation measures, the proposed project would have limited adverse environmental impact. The final EIS also evaluates alternatives to the proposal, including system alternatives, alternative sites for the LNG import terminal, and pipeline alternatives.

The final EIS addresses the potential environmental effects of the construction and operation of the following LNG and natural gas pipeline facilities in Providence, Rhode Island:

- a ship unloading facility with a single berth capable of receiving LNG ships with cargo capacities of 71,500 to 145,000 cubic meters;

- two 16-inch-diameter liquid unloading arms and a 24-inch-diameter liquid unloading line from the arms to the LNG storage tank;
- two vapor return blowers, a 12-inch-diameter vapor arm, and an 8-inch-diameter vapor return line;
- four boil-off-gas compressors and a boil-off gas condenser;
- a two-stage LNG pumping system;
- an indirect fired vaporizer system with a capacity of 375 million cubic feet per day (MMcfd);
- operations control buildings;
- ancillary utilities and LNG facilities;
- a 1.44-mile-long 24-inch-diameter natural gas pipeline;
- a receipt point meter station and 30-inch-diameter pig launcher; and
- a 24-inch-diameter tap valve and 30-inch-diameter pig receiver at the point where the new pipeline would tie into Algonquin's existing G-12 Lateral pipeline system.

The proposed facility upgrade would convert the existing KeySpan LNG storage facility to an LNG terminal capable of receiving marine deliveries, increase the facility's existing vaporization capacity from 150 MMcfd to 525 MMcfd, augment the supply of LNG to fill the region's LNG storage facilities to meet peak day needs, and provide 375 MMcfd of new, firm, reliable baseload supply of natural gas to Rhode Island and the New England region.

The final EIS has been placed in the public files of the FERC and is available for distribution and public inspection at:

Federal Energy Regulatory Commission
 Public Reference Room
 888 First Street NE; Room 2A
 Washington, DC 20426
 (202) 502-8371

A limited number of copies are available from the Public Reference Room identified above. In addition, copies of the final EIS have been mailed to federal, state,

and local agencies; public interest groups; individuals and affected landowners who requested a copy of the final EIS; libraries; newspapers; and parties to this proceeding.

In accordance with the Council on Environmental Quality's (CEQ) regulations implementing the NEPA, no agency decision on a proposed action may be made until 30 days after the U.S. Environmental Protection Agency publishes a notice of availability of a final EIS. However, the CEQ regulations provide an exception to this rule when an agency decision is subject to a formal internal appeal process which allows other agencies or the public to make their views known. In such cases, the agency decision may be made at the same time the notice of the final EIS is published, allowing both periods to run concurrently. The Commission's decision for this proposed action is subject to a 30-day rehearing period.

Additional information about the project is available from the Commission's Office of External Affairs, at **1-866-208-FERC** or on the FERC Internet website (www.ferc.gov) using the eLibrary link. Click on the eLibrary link, click on "General Search" and enter the docket number excluding the last three digits in the Docket Number field. Be sure you have selected an appropriate date range. For assistance, with eLibrary, the eLibrary helpline can be reached at 1-866-208-3676, TTY (202) 502-8659 or at FERCOnlineSupport@ferc.gov. The eLibrary link on the FERC Internet website also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rulemakings.

Magalie R. Salas,
Secretary