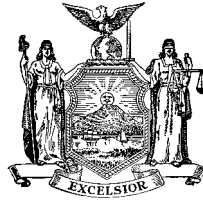


STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

Internet Address: <http://www.dps.state.ny.us>

PUBLIC SERVICE COMMISSION

MAUREEN O. HELMER
Chairman
THOMAS J. DUNLEAVY
JAMES D. BENNETT
LEONARD A. WEISS
NEAL N. GALVIN



LAWRENCE G. MALONE
General Counsel

JANET HAND DEIXLER
Secretary

February 15, 2002

Greenpoint-Williamsburg Waterfront Task Force
Mr. Victor M. Tafur
Pace Energy Project

Via E-mail

Dear Mr. Tafur:

I want to record the current plans for a public information meeting to be held by TransGas Energy (TGE) and for an Article X Process Forum to be held in Williamsburg regarding the proposed TGE project. This letter is to document the discussions you and I have had, and to inform you of the results of discussions among Department Staff and with TGE.

In a letter to me dated December, 19, 2001, on behalf of the Task Force, you requested that the Department hold another Process Forum in Williamsburg. In a letter to Sam Laniado, counsel to TGE, dated January, 16, 2002, you requested that TGE hold further public involvement program (PIP) activities in Williamsburg. My current understanding is that TGE has agreed to hold a Town Hall meeting in Williamsburg on March 7. Staff was planning to hold a Process Forum in Williamsburg on March 13; however, based on feedback from you, we will hold the forum on March 18. I understand that you and the Task Force have facilitated arrangements for a suitable location for the Process Forum. At present, I believe that the Process Forum will be held at JHS 50, which you indicated was recommended by the groups you are in contact with in Williamsburg.

My current understanding is that TGE has been having difficulty finding a suitable location for its public meeting. I originally thought that you were to help facilitate arrangements for a suitable location, but have been informed that that is not the case. In any event, TGE is still searching for a suitable location, and is attempting to hold its public meeting prior to the Process Forum. The Department will go forward with the Process Forum on March 18, even if TGE's good faith efforts to hold its public meeting are not successful.

TGE has agreed to hold its additional town hall meeting without repudiating its position concerning its previous outreach to the Williamsburg community. Staff believes that conducting the additional meetings is more important than arguing over whether they will help meet the minimum PIP requirements or go beyond them. We believe these meetings will help ensure that the Williamsburg community has had the opportunity to be informed about the proposed project and to learn about how to get more information, how to make their opinions known, and how to participate in the proceedings.

In addition to the town hall meeting, TGE has stated that it will meet on request with groups to present/discuss the project. TGE has told Staff none of the groups it contacted have accepted its offer to meet, nor have any other groups responded to the meeting offers made through information distributed in the community and on the TGE web site, etc.

With respect to the need for translators at the process forum, we agreed that Staff would provide a Spanish translator who would be stationed in an area of the meeting room to provide assistance in explaining statements or in asking questions. There would be no simultaneous, complete translation.

Staff expects there will be reasonable efforts to notify the Williamsburg community and community leaders in both Williamsburg and Greenpoint, of these meetings. Staff also expects that the events will be comparable to the last educational meeting and the last process forum conducted in Greenpoint in connection with this case. Assuming these expectations are met, and that there will be some reasonable opportunity for interested persons to comment on final stipulations before they are executed, it would also be Staff's broad expectation that there would not be any further concerns raised by the Task Force, either directly or indirectly, concerning the adequacy of the PIP effort in this phase of the case.

Staff is also concerned with statements to TGE by the Task Force that it was unable to discuss stipulations until further PIP activities were conducted. Staff believes the additional meetings to inform the Williamsburg community can and should go forth independently from discussions of the stipulations. The Task Force appears to be well informed and able to suggest revisions now to the proposed stipulations that will help improve them. Any new issues raised by the Williamsburg community can be reflected before the stipulations are finalized. As noted above, there would be a reasonable opportunity for interested persons to comment on the stipulations before they are executed.

I want to thank you for your assistance in arranging these meetings. I look forward to the Task Force's participation and contributions as this proceeding goes forward. Please contact me with any questions and concerns.

Sincerely,

Peter Seidman
Project Manager

cc: E-mail list