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August 12, 2010

David Van Slyke, Esq.
Preti Flaherty
One City Center
Portland, Maine 04101

Re: Calais LNG Project Company, LLC and Calais Pipeline Company, LLC

Dear Mr. Van Slyke:

I am in receipt of your letter of August 9, 2010 regarding Calais, LNG's efforts to obtain new financing for the company's proposal to construct a liquefied natural gas import terminal and pipeline project in Washington County. In your letter you request an extension from your previously stated deadline of August 11, 2010 until September 11, 2010 to secure new financing for the project.

I have received letters dated August 10, 2010 from intervenors Save Passamaquoddy Bay / Nulankeyutomonen Nkihtahkomikumon, Conservation Law Foundation, and Roosevelt Campobello International Park Commission in opposition to the requested extension arguing that further postponement is prejudicial to the other parties. They argue that Calais, LNG should withdraw its applications.

In considering your request, I note that the financial capacity standard in the Site Location of Development Law (38 M.R.S.A. § 484(1)) is not a threshold requirement that must be met for processing of an application. Rather, it is a licensing criterion for which evidence is supplied during the licensing process and in fact a permit may be granted with a condition that a final demonstration of financial capacity be made prior to construction. Therefore, lack of financial capacity at this point does not legally compel withdrawal of the application.

I am sensitive to the difficulties a further delay in this proceeding creates for the other parties. Because the application has been put on hold, at some point the information in the applications may become outdated and withdrawal may be appropriate. However, given the nature and complexity of the proposed project and the fact that the burden of proof is on the applicant for compliance, the current request to keep the application on hold for a limited time period is granted. The conference of counsel scheduled for September 8, 2010 will remain scheduled in recognition of the fact that the financing issue may be resolved prior to that date. If that is not the case, notification will be made to all parties of a date change.

Sincerely,

Susan M. Lessard, Chair

cc: Service List



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