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**United States Senate**  
WASHINGTON, DC 20510-4402

September 18, 2006

2006 SEP 29 P 3:55

**COMMITTEES:**

FINANCE

JUDICIARY

HEALTH, EDUCATION,  
LABOR, AND PENSIONS

INTELLIGENCE

JOINT COMMITTEE  
ON TAXATION

The Honorable Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Room 1A, East  
Washington, DC 20426

FILED  
OFFICE OF THE  
SECRETARY  
**ORIGINAL**

RE: Oceana Energy Company - Dockets: P-12663-000, P-12664-000,  
P-12665-000, P-12666-000, P-12668-000, P-12670-000, P-12672-000,  
P-12694-000, P-12695-000, P-12696-000, P-12697-000, P-12705-000

OFFICE OF  
EXTERNAL AFFAIRS  
2006 OCT - 5 P 12:03  
FEDERAL ENERGY  
REGULATORY COMMISSION

Dear Secretary Salas:

I have been made aware that Oceana Energy Company, through its subsidiary companies, has applied for a number of preliminary permits to evaluate sites along the coastline of the United States for the collection of tidal energy and subsequent conversion of that energy into electricity. Oceana will be partnering with Utah companies in this venture, and I urge the Commission to give their applications serious consideration. I view the potential development of tidal energy in the United States as an important priority.

As you probably know, the United States has lagged behind other nations in harnessing tidal currents as a clean energy resource. Oceana Energy Company wishes to obtain these permits for the purpose of evaluating these sites and determining the ones best suited for use with their technology and other technologies.

I understand that Oceana Energy Company, a domestic tidal energy technology and site developer, has negotiated a Cooperative Research and Development Agreement (CRADA) with a division of the United States Navy to jointly develop, construct, test, and validate one of the first truly large-scale tidal energy technologies to be developed anywhere in the world. This joint process with the Navy is designed to fast-track the deployment of commercially viable units of production so that they can be deployed as early as the year 2008.

As you know, A key component of the CRADA is the testing of a prototype which is scheduled to occur during the final quarter of 2006 and the deployment of a full-scale, commercial-grade, prototype for sea trials at the Navy's South Florida Testing Facilities in 2007. Upon Navy validation of the sea trials, it is planned that the unit will be transported to San Francisco Bay where it will be mounted on a barge and operated as a pilot project in the waters of San Francisco Bay.

This proposed rapid path to commercialization of large-scale production units is made possible by the fact that the Oceana technology is a natural outgrowth of another established industry. Firms located in Utah are providing the engineering design, and the units will be produced in Utah factories already producing similar equipment. Once the technology is ready for commercial installation, I understand Oceana intends to ramp up full-scale manufacturing at a facility located in Utah.

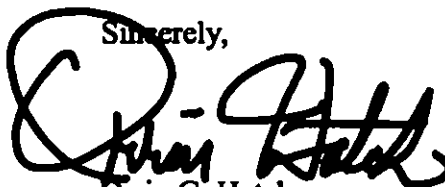
Oceana has pending before the Commission a number of preliminary permit applications submitted through its regional subsidiaries. The speed with which Oceana and its local partners

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like Pacific Gas & Electric plan to bring forward this technology requires that the company be allowed to have preliminary permits in a number of tidal estuaries simultaneously so that it can timely evaluate them to determine and further permit the best sites for deploying commercial scale units. In addition, the ability to assess each of these potential estuaries with in-situ test units is considered a critical prerequisite for continued validation of the individual site development efforts to investors. For Oceana to secure the level of financing required to rapidly deploy these units of production in United States waters, the investment community will require a high degree of confidence that multiple sites are available to Oceana for assessment and ultimate possible commercialization.

I want to thank the Commission for providing me with the opportunity to comment on the importance of this project, and would like to ask that you place this letter in the Commission's public file.

Sincerely,

A handwritten signature in black ink, appearing to read "Orrin Hatch", written over a large, stylized circular flourish.

Orrin G. Hatch  
United States Senator

Cc: Chairman Joseph T. Kelliher