

FEDERAL ENERGY REGULATORY COMMISSION
Office of Enforcement, Division of Investigations
Washington, D.C. 20426



January 24, 2012

By Email

William M. McSwain, Esq.
Drinker Biddle & Reath, LLP
One Logan Square, Suite 2000
Philadelphia, PA 19103

Re: Powhatan LLC – Response to Letter of January 13, 2012

Dear Mr. McSwain:

I have your letter of January 13, 2012. I respond below to the matters that need to be addressed. Because there would be no point in doing so, I will not attempt to catalog our many disagreements with your assertions or respond to your personal attacks.

Thank you for letting us know that White & Case is no longer representing Powhatan. Please advise whether White & Case remains in the case on behalf of Mr. Kevin Gates and/or Mr. Lawrence Eiben, both of whom were also represented by that firm. If White & Case does not represent them, please advise whether your firm represents either or both of them.

The insufficiency of Powhatan's responses to the Data Requests we have identified is not a matter of "formatting." Rather, Powhatan has refused to answer directly these precisely defined questions. I ask again for Powhatan to answer the Data Requests identified in our previous correspondence in the manner we have specified. As I've previously indicated, we view Powhatan's refusal to answer these Data Requests as non-cooperation. This does not mean that Powhatan has never cooperated with the investigation; Powhatan's refusal to cooperate in this respect, however, is significant.

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In my December 3, 2011 letter, and again in my December 6 e-mail, I stated that staff is willing to meet with you and any other representatives of Powhatan and Chen that you wish to include. Our offer is for a meeting with the investigative team and supervisors from the Division of Investigations (DOI) and the Division of Energy Market Oversight (DEMO), who are fully prepared to listen to any points you or your experts wish to make. Office of Enforcement (OE) senior staff will not attend, as their attendance would be premature at this stage of the investigation.

Your letter suggests that you do not want a meeting in the absence of OE senior staff. If this is your position, please confirm that in writing. If, on the other hand, you wish to meet with the investigative team, including a DOI and a DEMO supervisor, we want to accommodate your schedule as much as possible; to that end, we are willing to meet with you at any mutually convenient time between now and the end of February, including January 31, one of the two dates you proposed.

In the meantime, staff continues to advance the investigation of Powhatan. We remain open to discussing a potential resolution.

I look forward to hearing from you.

Sincerely,

/s/

Steven C. Tabackman
Attorney, Division of Investigations
Office of Enforcement
Federal Energy Regulatory Commission

cc. Thomas Olson
Lauren Rosenblatt
Janel Burdick
Cathleen Colbert
Sean Collins