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August 11, 2008

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street SW
Washington, DC 20423

VIA ELECTRONIC FILING

Re: Finance Docket No. 35036 Suffolk & Southern Rail Road LLC -
Lease and Operation Exemption - Sills Road Realty, LLC

Dear Secretary Quinlan,

Petitioner writes to advise the Board of a development which is about to occur at the site of the proposed rail construction.

An adjoining landowner, Caithness Long Island, LLC ("Caithness") is developing a natural gas fueled electric power generating station on a 96 acre parcel to the immediate south of Petitioner's property. See Caithness project information, annexed hereto as Exhibit A. The two properties are separated by the Long Island Rail Road tracks. See map annexed hereto as Exhibit B. The Town of Brookhaven Planning Board has approved Caithness' Site Plan. See Exhibit C.

On June 16, 2008, KeySpan Energy ("KeySpan") obtained a certificate of environmental compatibility and public need from the New York State Public Service Commission granting authority to construct a gas transmission pipeline to serve the Caithness facility. See Exhibit D. The proposed gas line will transverse Sills property. See Exhibit E.

KeySpan approached Sills seeking permission to access Sills' property for the purpose of utilizing a 200' x 300' staging area and existing office trailer and electric generator for the temporary storage of materials and equipment and the prefabrication of piping and associated work and access to the Long Island Power Authority ("LIPA") transmission lines contiguous to the eastern property line of the Site. See proposed Site Access Agreement annexed hereto as Exhibit F.

The Board's October 12, 2007 Decision imposes a cease and desist order prohibiting Petitioner and related entities from engaging in rail construction activities without Board approval. Petitioner continues to abide by that Decision, has filed a Petition for Clarification of the Board's October 12th Decision seeking authority to undertake certain pre-construction activities, and has filed for construction authority under Finance Docket No. 35141 (filing date: August 7, 2008).

KeySpan intends to begin construction activities on Sill's property on or about August 11, 2008. Petitioner requests the Board take notice of KeySpan's activities and issue Sills such guidance as the Board deems necessary, if any, to assure that the interests of all parties remain protected.

We thank the Board for its time and consideration.

Respectfully submitted,
John D. Heffner, PLLC

By: James H. M. Savage

JHMS/mhd
Enc.