

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket Nos. PF05-9-000, PF05-5-000]

Bayou Casotte Energy LLC; Gulf LNG Energy LLC; Notice of Intent To Prepare an Environmental Impact Statement for the Proposed Casotte Landing LNG Project, and Request for Comments on Environmental Issues, Notice of Public Scoping Meeting, and Site Visit for Both Casotte Landing LNG Project and LNG Clean Energy Project

April 7, 2005.

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental impact statement (EIS) that will discuss the environmental impacts of the Casotte Landing LNG Project proposed for construction in Jackson County, Mississippi, by Bayou Casotte Energy LLC (hereafter referred to as Bayou Casotte Energy). The proposed facilities would consist of a liquefied natural gas (LNG) import terminal and an interconnecting natural gas pipeline. The Commission will use this EIS in its decision-making process to determine whether the LNG terminal is in the public interest and the pipeline is in the public convenience and necessity. This notice explains the scoping process that we¹ will use to gather input from the public and interested agencies on the project. Your input will help us determine the issues that need to be evaluated in the EIS.

Comments on the project may be submitted in written form or verbally. Further details on how to submit written comments are provided in the public participation section of this notice. In lieu of sending written comments, we invite you to attend a public scoping meeting that we have scheduled as follows:

Wednesday, April 20, 2005, 7 p.m. (CDT); Casotte Landing LNG Project, and the LNG Clean Energy Project, Pascagoula High School, 1716 Tucker Avenue, Pascagoula, MS 39567.

At the public scoping meeting, you will also be provided with the opportunity to provide comments on the LNG Clean Energy Project, which is a similar project proposed for construction by Gulf LNG Energy LLC at the Port of Pascagoula, in Jackson County, Mississippi. The LNG Clean Energy Project is currently being reviewed by the FERC under Docket No.

PF05-5-000. Our Notice of Intent to prepare an EIS for the LNG Clean Energy Project was issued on March 3, 2005.

The Commission staff will conduct a field trip for both projects which will include the proposed LNG terminal locations, and portions of the proposed send out pipeline routes. Anyone interested in participating in the field trip may attend, but they must provide their own transportation. We will meet on April 20, 2005 at 8:30 a.m. (CDT) at: Wal-Mart parking lot in Pascagoula at the intersection of Highways 90 and 63.

FERC will be the lead Federal agency in the preparation of the EIS. The document will satisfy the requirements of the National Environmental Policy Act (NEPA).

This notice is being sent to residents within 0.5 mile of the proposed LNG terminal site; Federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; and local libraries and newspapers. We encourage government representatives to notify their constituents of this planned project and encourage them to comment on their areas of concern.

Potentially affected landowners may be contacted by a project representative about the acquisition of an easement to construct, operate, and maintain the proposed facilities. If so, the company would seek to negotiate a mutually acceptable agreement. However, if the project is approved by the Commission, that approval conveys with it the right of eminent domain. Therefore, if easement negotiations fail to produce an agreement, the company could initiate condemnation proceedings in accordance with state law.

FERC prepared a fact sheet entitled "An Interstate Natural Gas Facility On My Land? What Do I Need To Know?". This fact sheet addresses a number of typically asked questions, including the use of eminent domain and how to participate in the Commission's proceedings. It is available for viewing on the FERC Internet Web site (<http://www.ferc.gov>).

Summary of the Proposed Casotte Landing LNG Project

Bayou Casotte Energy proposes to construct and operate an LNG import terminal and a natural gas pipeline to provide a new supply of competitively priced natural gas to U.S. domestic markets. The facility would be located on Bayou Casotte (East Harbor), Port of Pascagoula in Jackson County, Mississippi, and would be accessible from the Bayou Casotte ship channel. The Casotte Landing Project would

receive LNG from carrier ships and transfer it to onshore LNG storage tanks. The LNG would then be vaporized and sent out to the existing interstate natural gas pipeline system at an average rate of approximately 1.3 billion cubic feet per day. Bayou Casotte Energy anticipates that it would send out natural gas through one or more of the four existing pipelines in the vicinity of the proposed terminal site. The project would consist of the following facilities:

- An LNG terminal consisting of a turning basin, berthing slip and pier, and unloading facilities for a single LNG carrier. The berthing slip and unloading facilities would be designed to accommodate LNG carriers ranging in capacity from 138,000 to 200,000 cubic meter (m³) capacity. The terminal would receive approximately 166 LNG shipments per year;
- Three onshore, approximately 160,000 m³ capacity, full containment LNG storage tanks;
- Vaporization facilities; and
- Pipeline facilities to transport natural gas from the terminal to interconnect with one or more of four existing pipelines located within five miles of the proposed LNG terminal facility.

A map depicting the proposed terminal site and nearby natural gas pipelines is provided in Appendix 1.²

Land Requirements

Bayou Casotte Energy is a wholly owned subsidiary of Chevron U.S.A., Inc. (CUSA). The LNG terminal would be located on a 95 acre lot within a former industrial site adjacent to the existing CUSA Pascagoula Refinery, on land that is either owned or controlled by CUSA. The nearest residence is located greater than 1 mile away from the proposed terminal site. Although the proposed terminal site is located near the mouth of the Bayou Casotte ship channel, the project would require dredging of a turning basin and berth to achieve the required size and depth to accommodate LNG carriers.

Several alternatives for send-out natural gas pipelines are under consideration. Pipelines would be located preferentially on land owned or controlled by CUSA and/or situated so

² The appendices referenced in this notice are not being printed in the **Federal Register**. Copies of all appendices, other than appendix 1 (maps), are available on the Commission's Internet Web site (<http://www.ferc.gov>) at the "eLibrary" link or from the Commission's Public Reference Room, 888 First Street, NE., Washington, DC 20426, or call (202) 502-8371. For instructions on connecting to eLibrary refer to the last page of this notice. Copies of the appendices were sent to all those receiving this notice in the mail.

¹ "We," "us," and "our" refer to the environmental staff of the Office of Energy Projects.

that their right-of-way overlaps that of existing pipelines.

The EIS Process

NEPA requires the Commission to take into account the environmental impacts that could result from an action whenever it considers the issuance of a Certificate of Public Convenience and Necessity, or an import authorization under section 3 of the Natural Gas Act. NEPA also requires us to discover and address issues and concerns the public may have about proposals submitted to the Commission. This process is referred to as "scoping." The main goal of the scoping process is to focus the analysis in the EIS on the important environmental issues and reasonable alternatives. By this notice, we are requesting agency and public comments on the scope of the issues to be analyzed and presented in the EIS. All scoping comments received will be considered during the preparation of the EIS. To ensure your comments are considered, please carefully follow the instructions in the public participation section of this notice.

In the EIS, we will discuss impacts that could occur as a result of the construction and operation of the proposed project under these general headings:

- Geology and soils.
- Water resources, fisheries, and wetlands.
- Vegetation and wildlife.
- Endangered and threatened species.
- Land use.
- Cultural resources.
- Air quality and noise.
- Public safety.
- Cumulative impacts.

Our independent analysis of the issues will be included in a draft EIS. The draft EIS will be mailed to Federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; affected landowners; other interested parties; local libraries and newspapers; and the Commission's official service list for this proceeding. A 45-day comment period will be allotted for review of the draft EIS. We will consider all comments on the draft EIS and revise the document, as necessary, before issuing a final EIS. In addition, we will consider all comments on the final EIS before making our recommendations to the Commission.

Although no formal application has been filed, the FERC staff has already initiated its NEPA review under its NEPA Pre-filing Process. The purpose of the Pre-filing Process is to encourage the early involvement of interested stakeholders and to identify and resolve

issues before an application is filed with the FERC. A docket number (PF05-9-000) has been established to place information filed by Bayou Casotte Energy and other interested entities, as well as related documents issued by the Commission, into the public record.³ Once a formal application is filed with the FERC, a new docket number will be established.

With this notice, we are asking Federal, state, and local agencies with jurisdiction and/or special expertise with respect to environmental issues to formally cooperate with us in the preparation of the EIS. These agencies may choose to participate once they have evaluated the proposal relative to their responsibilities. Agencies that would like to request cooperating status should follow the instructions for filing comments provided under the Public Participation section of this Notice.

Currently Identified Environmental Issues

We have identified several issues that we think deserve attention based on a preliminary review of the project site and facility information provided by Bayou Casotte Energy. This preliminary list of issues may be changed based on your comments and our continuing analysis.

- Cumulative impacts including the LNG Clean Energy Project also proposed for construction at the Port of Pascagoula.
- Water Resources.
 - Assessment of construction effects on water quality.
 - Review of wetland areas impacted on the terminal site.
 - Dredge material management and potential impacts to water quality associated with dredging and construction activities.
- Fish, Wildlife, and Vegetation.
 - Effects on wildlife and fisheries including commercial and recreational fisheries.
 - Potential impacts of water intake/discharge systems and their potential impact on marine species.
- Endangered and Threatened Species.
 - Effects on federally-listed species.
 - Effects on essential fish habitat.
- Reliability and Safety.
 - Safety and security of the terminal and pipeline.
 - LNG shipping.

Our evaluation will also include possible alternatives to the proposed project or portions of the project, and we will make recommendations on how

to lessen or avoid impacts on the various resource areas of concern.

Public Participation

You can make a difference by providing us with your specific comments or concerns about the project. By becoming a commentor, your concerns will be addressed in the EIS and considered by the Commission. You should focus on the potential environmental effects of the proposal, alternatives to the proposal (including alternative locations), and measures to avoid or lessen environmental impact. The more specific your comments, the more useful they will be. To ensure that your comments are timely and properly recorded, please carefully follow these instructions:

- Send an original and two copies of your letter to: Magalie R. Salas, Secretary, Federal Energy Regulatory Commission, 888 First St., NE., Room 1A, Washington, DC 20426;
- Label one copy of your comments for the attention of Gas Branch 2, DG2E;
- Reference Docket No. PF05-9-000 on the original and both copies; and
- Mail your comments so that they will be received in Washington, DC on or before May 6, 2005.

Please note that we are continuing to experience delays in mail deliveries from the U.S. Postal Service. As a result, we will include all comments that we receive within a reasonable time frame in our environmental analysis of this project. However, the Commission strongly encourages electronic filing of any comments or interventions or protests to this proceeding. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's Internet Web site at <http://www.ferc.gov> under the "e-Filing" link and the link to the User's Guide. Before you can file comments you will need to create a free account, which can be created on-line.

If you do not want to send comments at this time but still want to remain on our mailing list, please return the Mailing List Retention Form included in Appendix 2.

The public scoping meeting to be held on April 20, 2005, at the Pascagoula High School, is designed to provide another opportunity to offer comments on the proposed project. Interested groups and individuals are encouraged to attend the meeting and to present comments on the environmental issues they believe should be addressed in the EIS. A transcript of the meeting will be generated so that your comments will be accurately recorded.

Once Bayou Casotte Energy formally files its application with the Commission, you may want to become

³To view information in the docket, follow the instructions for using the eLibrary link at the end of this notice.

an official party to the proceeding known as an "intervenor." Intervenor play a more formal role in the process and are able to file briefs, appear at hearings, and be heard by the courts if they choose to appeal the Commission's final ruling. An intervenor formally participates in a Commission proceeding by filing a request to intervene. Instructions for becoming an intervenor are included in the User's Guide under the "e-filing" link on the Commission's Internet Web site. Please note that you may not request intervenor status at this time. You must wait until a formal application is filed with the Commission.

Availability of Additional Information

Additional information about the project is available from the Commission's Office of External Affairs, at 1-866-208-FERC or on the FERC Internet Web site (<http://www.ferc.gov>) using the eLibrary link. Click on the eLibrary link, click on "General Search" and enter the docket number excluding the last three digits in the Docket Number field. Be sure you have selected an appropriate date range. For assistance with eLibrary, the eLibrary helpline can be reached at 1-866-208-3676, TTY (202) 502-8659, or at FercOnlineSupport@ferc.gov. The eLibrary link also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission now offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries and direct links to the documents. Go to <http://www.ferc.gov/esubscribenow.htm>.

Further, public meetings or site visits will be posted on the Commission's calendar located at <http://www.ferc.gov/EventCalendar/EventsList.aspx> along with other related information.

Finally, Bayou Casotte Energy has established an Internet web site for its project at <http://www.chevrontexaco.com/CasotteLanding>. The Web site includes a description of the proposed project, maps of the proposed terminal site, and a link for the public to submit comments on the proposed project. You can also request additional information on the project or provide comments directly to Bayou Casotte Energy by telephone at (877) 424-5495, by e-mail at casotte@chevrontexaco.com, or by U.S. Mail at ChevronTexaco Global Gas,

Re: Casotte Landing LNG Project, P.O. Box 1404, Houston, TX 77351-1404.

Linda Mitry,

Deputy Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Notice of Applications Accepted for Filing and Soliciting Comments, Motions To Intervene, and Protests

April 5, 2005.

Take notice that the following hydroelectric applications have been filed with the Commission and are available for public inspection:

a. *Type of Applications:* Preliminary Permit (Competing).

b. *Applicants, Project Numbers, and Dates Filed:*

CRD Hydroelectric, LLC filed the application for Project No. 12576-000 on March 1, 2005, at 8:33 a.m.

Red Rock Hydroelectric Development Company filed the application for Project No. 12577-000 on March 1, 2005, at 9:26 a.m.

c. *Name of the project:* Red Rock Project. The project would be located on the Des Moines River in Marion County, Iowa. It would use the U.S. Army Corps of Engineers' (Corp) existing Red Rock Lake Dam.

d. *Filed Pursuant to:* Federal Power Act, 16 U.S.C. 791a-825r.

e. *Applicants Contacts:* For CRD Hydroelectric, LLC: Mr. Douglas Spalding, Spalding Consultants, 1433 Utica Avenue South, Suite 162, Minneapolis, MN 55416, (952) 544-8133. For Red Rock Hydroelectric Development Company: Mr. Thomas Wilkerson, Red Rock Hydroelectric Development Company, 200 1st Street SE., Suite 1910, Cedar Rapids, IA 52401, (319) 364-0171.

f. *FERC Contact:* Robert Bell, (202) 502-6062.

g. *Deadline for filing comments, protests, and motions to intervene:* 60 days from the issuance date of this notice.

The Commission's Rules of Practice and Procedure require all intervenors filing documents with the Commission to serve a copy of that document on each person in the official service list for the project. Further, if an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they

must also serve a copy of the document on that resource agency.

h. *Description of Projects:* The project proposed by CRD Hydroelectric, LLC would use the Corps' Red Rock Lake Dam and would consist of: (1) A proposed intake structure, (2) two proposed 21-foot-diameter steel penstocks, (3) a proposed powerhouse containing two generating units with a total installed capacity of 30 megawatts, (4) a proposed transmission line; and (5) appurtenant facilities. The CRD Hydroelectric, LLC's Red Rock Project would have an average annual generation of 110 gigawatt-hours and would be sold to a local utility.

The project proposed by Red Rock Hydroelectric Development Company would use the Corps' Red Rock Lake Dam and would consist of: (1) A proposed intake structure, (2) three proposed 16-foot-diameter steel penstocks, (3) a proposed powerhouse containing three generating units with a total installed capacity of 36 megawatts, (4) a proposed transmission line; and (5) appurtenant facilities. The Red Rock Hydroelectric Development Company's project would have an average annual generation of 110 gigawatt-hours.

i. *Locations of Applications:* A copy of the application is available for inspection and reproduction at the Commission in the Public Reference Room, located at 888 First Street, NE., Room 2A, Washington, DC 20426, or by calling (202) 502-8371. This filing may also be viewed on the Commission's Web site at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, call toll-free 1-866-208-3676 or e-mail FERCOnlineSupport@ferc.gov. For TTY, call (202) 502-8659. A copy is also available for inspection and reproduction at the address in item h. above.

j. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

k. *Competing Preliminary Permit—* Anyone desiring to file a competing application for preliminary permit for a proposed project must submit the competing application itself, or a notice of intent to file such an application, to the Commission on or before the specified comment date for the particular application (see 18 CFR 4.36). Submission of a timely notice of intent allows an interested person to file the competing preliminary permit application no later than 30 days after the specified comment date for the particular application. A competing