

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Sempra Energy LNG.
Sempra Energy International.

Docket No. PF04-11-000

NOTICE OF INTENT TO PREPARE AN
ENVIRONMENTAL IMPACT STATEMENT FOR THE
PORT ARTHUR LNG PROJECT AND
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES AND
NOTICE OF SCOPING MEETINGS

(December 15, 2004)

The staff of the Federal Energy Regulatory Commission (FERC or Commission) plans to prepare an environmental impact statement (EIS) that discusses the environmental impacts of the Sempra Energy LNG's and Sempra Energy International's (collectively referred to as Sempra) proposed Port Arthur LNG Project involving construction and operation of a liquefied natural gas (LNG) import terminal, natural gas pipelines and associated facilities in Jefferson County, Texas and Cameron, Calcasieu, and Beauregard Parishes, Louisiana. This EIS will be used by the Commission in its decision-making process to determine whether the project is in the public convenience and necessity.

The Port Arthur LNG is currently in the preliminary stages of design and at this time a formal application has not been filed with the Commission. For this project, the Commission is initiating the National Environmental Policy Act (NEPA) review prior to receiving the application. This allows interested stakeholders to become involved early in the project planning and to identify and resolve issues before a formal application is filed with the FERC. A docket number (PF04-11-000) has been established to place information filed by Sempra and related documents issued by the Commission, into the public record.¹ Once a formal application is filed with the FERC, a new docket number will be established.

This notice is being sent to residents within 0.5 mile of the proposed LNG terminal site; landowners along the pipeline routes under consideration; Federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; and local libraries and newspapers.

¹To view information in the docket, follow the instructions for using the eLibrary link at the end of this notice.

With this notice, we² 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.³ These agencies may choose to participate once they have evaluated the proposal relative to their responsibilities. Agencies which would like to request cooperating status should follow the instructions for filing comments described later in this notice. We encourage government representatives to notify their constituents of this planned project and encourage them to comment on their areas of concern.

Some affected landowners may be contacted by a project representative about the acquisition of an easement to construct, operate, and maintain the proposed pipeline. If so, the company should seek to negotiate a mutually acceptable agreement. In the event that the project is certificated by the Commission, that approval conveys the right of eminent domain for securing easements for the pipeline. Therefore, if easement negotiations fail to produce an agreement, the company could initiate condemnation proceedings in accordance with state law.

Summary of the Proposed Project

Sempra proposes to construct and operate an LNG import terminal and two natural gas pipelines to import LNG and deliver up to 1.5 billion cubic feet per day (Bcf/d) of natural gas during Phase I, increasing to 3.0 Bcf/d during Phase II, to existing intrastate and interstate pipeline systems.

The LNG terminal proposal would be located approximately 10 miles south of Port Arthur, Jefferson County, Texas and 2 miles northwest of the town of Sabine Pass. The terminal would be located on a 286-acre site along State Highway (SH) 87, immediately adjacent to the J.D. Murphree Wildlife Management Area and along the west bank of the Sabine-Neches Waterway (Port Arthur Ship Channel).

The terminal would be designed to accept LNG cargo, temporarily store and vaporize LNG, and would contain two ship berths, and up to six storage tanks, each with a net usable volume of 160,000 cubic meters (m³) or 1,006,000 barrels (each tank would be approximately 150 feet tall and 250 feet in diameter). Phase I would involve the construction of three storage tanks with an additional three tanks being added in Phase II.

The terminal would contain a dedicated slip and berths capable of accommodating the unloading of two LNG tankers. The berths would be designed for LNG tankers, such

²"We," "us," and "our" refer to the environmental staff of the Office of Energy Projects.

³ Agencies which have previously requested cooperating status for this project need not request it again.

that the entire ship within the slip would be outside of the existing ship channel. One LNG tanker would visit the terminal every 2 days in the initial phase, increasing to one tanker every day in the second phase

The pipelines would consist of two 36-inch-diameter natural gas send out pipelines to transport the vaporized natural gas to the existing interstate gas facilities. The first pipeline would consist of a 3.0-mile long pipeline from the terminal, heading south to an interconnection with the existing NGPL facilities in Jefferson County, Texas. The second pipeline would consist of a 70.0-mile long pipeline from the terminal, traveling northeast across Sabine Lake through Jefferson County, Texas and into Cameron, Calcasieu, and Beauregard Parishes, Louisiana to an interconnection with the existing Transco pipeline system.

A map depicting the proposed terminal site and the pipeline routes is provided in Appendix 1.⁴

Non-Jurisdictional Facilities

The proposed project would requires the relocation of approximately 3.3 miles of SH 87 as well as existing pipelines and other utilities that parallel the highway. Sempra would relocate the highway on property that is already owned by the company.

There are five gas or oil pipelines and a water line that would also have to be relocated or abandoned. The length of each pipeline to be relocated is approximately three miles. These pipelines would be re-routed to the west of the LNG terminal along the east side of the re-located SH 87. Telephone and power lines would also be relocated concurrently with SH 87.

The proposed LNG terminal would require electrical service. Entergy would install a new 230 kilovolt (kV) interconnecting transmission line consisting of two independent 230 kV electrical transmission/distribution lines and a new substation. The proposed substation would be located on a 500 foot by 450 foot (approximately 5.17 acre) site within the LNG terminal property boundary. The new Entergy substation would provide dedicated and redundant service for the terminal.

⁴The appendices referenced in this notice are not being printed in the Federal Register. Copies are available on the Commission's Internet website (<http://www.ferc.gov>) at the "eLibrary" link or from the Commission's Public Reference and Files Maintenance Branch at (202) 502-8371. For instructions on connecting to eLibrary refer to the last page of this notice.

Land Requirements for Construction

Construction of the proposed facilities would require approximately 190 acres for the terminal permanent facilities of which approximately 115 acres are for the marine facilities. An additional 68.5 acres of area outside of the LNG terminal would be used for temporary construction areas (laydown, office, and parking), for a total of 183.6 acres of disturbance for construction. The ship berths would require dredging to achieve the required size and depth to accommodate the LNG tanker ships.

The two pipelines would be constructed on a nominal 100-foot-wide right-of-way with occasional increases in the right-of-way width for additional workspace at waterbody, highway, and railroad crossings, and for topsoil storage. Other temporary land requirements would include land for pipe storage and equipment yards. Operation of the pipeline facilities would require a nominal 50-foot-wide permanent right-of-way.

Construction of the 3.0 mile natural gas pipeline would affect a total of 28.3 acres. Approximately 11.3 acres of the total would be retained for operation of the pipeline and aboveground facilities.

Construction of the 70.0 mile natural gas pipeline would affect a total of approximately 374.5 acres of land. Approximately 150.0 acres would be retained for operation of the pipeline and above ground facilities.

The EIS Process

The National Environmental Policy Act (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 concerns the public would have about proposals. 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 of Intent, the Commission staff requests agency and public comments on the scope of the issues to address in the EIS. All comments received are considered during the preparation of the EIS. State and local government representatives are encouraged to notify their constituents of this proposed action and encourage them to comment on their areas of concern.

The EIS discusses impacts that could occur as a result of the construction and operation of the proposed project under these general headings:

- geology and soils
- land use
- water resources, fisheries, and wetlands
- cultural resources
- vegetation and wildlife
- air quality and noise
- endangered and threatened species
- hazardous waste
- public safety

We may also evaluate possible alternatives to the proposed project or portions of the project, and make recommendations on how to lessen or avoid impacts on the various resource areas.

Our independent analysis of the issues are included in the draft EIS. Depending on the comments received during the scoping process, the draft EIS would be published and mailed to federal, state, and local agencies, Native American tribes, public interest groups, interested individuals, affected landowners, newspapers, libraries, and the Commission's official service list for this proceeding. A 45-day comment period would be allotted for review of the draft EIS. All comments on the draft EIS would be considered and the document revised before issuing a final EIS. This draft EIS is used by the Commission in its decision-making process to determine whether the project is in the public convenience and necessity.

Currently Identified Environmental Issues

We have identified several issues that we think deserve attention based on a preliminary review of the proposed facilities and the environmental information provided by Sempra. This preliminary list of issues may be changed based on your comments and our analysis.

- Geology and Soils
 - Assessment of dredged material management plan, including the potential for beneficial uses of dredged material.
- Water Resources
 - Assessment of construction effects on water quality.
 - Review of wetland areas impacted on the terminal site.
 - Impacts of constructing pipelines through coastal marshes.
 - Impacts of construction through Sabine Lake

- Fish, Wildlife, and Vegetation
 - Effects on wildlife and fisheries including commercial and recreational fisheries.
 - Potential effect of electric transmission lines on shore birds and other birds.

- 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.

Public Participation

You can make a difference by providing us with your specific comments or concerns about the project. By becoming a commentator, your concerns may be addressed in the EA/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 routes), and measures to avoid or lessen environmental impact. The more specific your comments, the more useful they may be. Please carefully follow these instructions to ensure that your comments are received in time and properly recorded:

- Send **an original and two** copies of your letter to:

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

- Label one copy of the comments for the attention of Gas Branch 2; and
- Reference Docket No. PF04-11-000 on the original and both copies.

Please note that we are continuing to experience delays in mail deliveries from the U.S. Postal Service. As a result, we would 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 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 should 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 attached Mailing List Retention Form (Appendix 2). If you do not return the form, you may be taken off the mailing list.

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 website (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, please contact FERC Online Support at FercOnlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY, contact (202)502-8659. 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 www.ferc.gov/esubscribenow.htm.

Public Scoping Meeting

In addition to or in lieu of sending written comments, we invite you to attend the public scoping meetings we will conduct in the area. The locations and times for these meetings are listed below:

**January 11, 2005
7:00pm (CST)
VFW Post 9854
2292 Highway 109 South
Vinton, LA 70668
(337)589-5832**

and

**January 12, 2005
7:00pm (CST)
Holiday Inn
2929 Jimmy Johnson Blvd
Port Arthur, TX 77642
(409)724-5000**

The public scoping meetings are designed to provide state and local agencies, interested groups, affected landowners, and the general public with more detailed information and another opportunity to offer your 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 meetings will be made so that your comments will be accurately recorded

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

Magalie R. Salas
Secretary

Appendix 1

Mailing List Retention Form

Docket No.

Please keep my name on the mailing list for the

Port Arthur LNG Project

Name _____

Agency _____

Address _____

City _____ **State** _____ **Zip Code** _____

FROM _____

ATTN: OEP - (Gas 2, PJ11. 2)
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

PF04-11-000 (Port Arthur LNG Project)

Staple or Tape Here