

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Jordan Cove Energy Project, L.P. and
Pacific Connector Gas Pipeline, L.P.

Docket No. PF06-25-000
Docket No. PF06-26-000

**NOTICE OF INTENT TO PREPARE AN
ENVIRONMENTAL IMPACT STATEMENT FOR THE PROPOSED
JORDAN COVE LNG AND
PACIFIC CONNECTOR GAS PIPELINE PROJECTS,
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES AND
NOTICE OF A JOINT PUBLIC MEETING**

(June 23, 2006)

The staff of the Federal Energy Regulatory Commission (FERC or Commission) and the U.S. Department of Homeland Security, Coast Guard (Coast Guard) are in the process of evaluating the Jordan Cove Liquefied Natural Gas (LNG) Project planned by Jordan Cove Energy Project, L.P. (Jordan Cove), and the associated natural gas sendout pipeline planned by Pacific Connector Gas Pipeline, L.P. (PCGP). The project would consist of an onshore LNG import and storage terminal located on the bay side of the north spit of Coos Bay, Coos County, Oregon, and an approximately 223-mile-long, 36-inch-diameter natural gas pipeline extending from the Jordan Cove LNG terminal southeastward across Douglas, Jackson, and Klamath Counties, Oregon, to an interconnection with the existing Pacific Gas and Electric Company's (PG&E) pipeline system in Modoc County, California.

As a part of this evaluation, the FERC staff will prepare an environmental impact statement (EIS) that will address the environmental impacts of the project and the Coast Guard will assess the maritime safety and security of the project. The FERC will produce a single comprehensive EIS to cover both the LNG terminal and sendout pipeline combined. As described below, the FERC and the Coast Guard will hold a joint public meeting in Coos Bay to allow the public to provide input to these assessments. The FERC will host additional public meetings along the pipeline route to provide input to the assessment of the pipeline component of the project.

The Commission will use the EIS in its decision-making process to determine whether or not to authorize the project. This Notice of Intent (NOI) explains the scoping process we¹ will use to gather information on the project from the public and interested

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

Docket Nos. PF06-25-000 and PF06-26-000

agencies and summarizes the process that the Coast Guard will use. Your input will help identify the issues that need to be evaluated in the EIS and in the Coast Guard's maritime safety and security assessment. **Please note that scoping comments are requested by July 24, 2006.**

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 NOI. In lieu of sending written comments, we invite you to attend any of the following public scoping meetings scheduled as follows:

Monday, July 10, 2006, 6:30 p.m.

**Umpqua Community College
Campus Center Dining Room/Timber Room
1140 Umpqua College Rd., Roseburg, OR 97470
541-440-4600**

Tuesday, July 11, 2006, 6:00 p.m.

**Southwestern Oregon Community College
Hales Performing Arts Center
1988 Newmark Ave., Coos Bay, OR 97420
541-888-2525**

Wednesday, July 12, 2006, 7:00 p.m.

**Red Lion Inn
Rogue River Ballroom
200 N. Riverside Ave., Medford, OR 97501
541-779-5811**

Thursday, July 13, 2006, 6:30 p.m.

**Oregon Institute of Technology
Auditorium, College Union
3201 Campus Dr., Klamath Falls, OR 97601
541-885-1030**

The second public scoping meeting listed above (Coos Bay) will be combined with the Coast Guard's public meeting regarding the maritime safety and security of the project. At the meeting, the Coast Guard will discuss: (1) the waterway suitability assessment that the applicant will conduct to determine whether or not the waterway can safely accommodate the LNG carrier traffic and operation of the planned LNG marine terminal; and (2) the facility security assessment that the applicant will conduct in accordance with the regulations of the Maritime Transportation Security Act to assist with the preparation of a Facility Security Plan. The Coast Guard will be issuing a separate

Docket Nos. PF06-25-000 and PF06-26-000

meeting notice in the *Federal Register* for the maritime safety and security aspects of the project under Coast Guard District 13 docket number CGD13-06-028.

The Coast Guard is responsible for matters related to navigation safety, vessel engineering and safety standards, and all matters pertaining to the safety of facilities or equipment located in or adjacent to navigable waters up to the last valve immediately before the receiving tanks. The Coast Guard also has authority for LNG facility security plan review, approval, and compliance verification as provided in Title 33 Code of Federal Regulations (CFR) Part 105, and recommendation for siting as it pertains to the management of vessel traffic in and around the LNG facility.

Upon receipt of a letter of intent from an owner or operator intending to build a new LNG facility, the Coast Guard Captain of the Port conducts an analysis that results in a letter of recommendation issued to the owner or operator and to the state and local governments having jurisdiction, addressing the suitability of the waterway to accommodate LNG vessels. Specifically the letter of recommendation addresses the suitability of the waterway based on:

- The physical location and layout of the facility and its berthing and mooring arrangements.
- The LNG vessels' characteristics and the frequency of LNG shipments to the facility.
- Commercial, industrial, environmentally sensitive, and residential areas in and adjacent to the waterway used by the LNG vessels en route to the facility.
- Density and character of the marine traffic on the waterway.
- Bridges or other manmade obstructions in the waterway.
- Depth of water.
- Tidal range.
- Natural hazards, including rocks and sandbars.
- Underwater pipelines and cables.
- Distance of berthed LNG vessels from the channel, and the width of the channel.

In addition, the Coast Guard will review and approve the facility's operations manual and emergency response plan (33 CFR 127.019), as well as the facility's security plan (33 CFR 105.410). The Coast Guard will also provide input to other federal, state, and local government agencies reviewing the project.

In order to complete a thorough analysis and fulfill the regulatory mandates cited above, the applicant will be conducting a Waterway Suitability Assessment (WSA), a formal risk assessment evaluating the various safety and security aspects associated with the Jordan Cove LNG proposed project. This risk assessment will be accomplished

Docket Nos. PF06-25-000 and PF06-26-000

through a series of workshops focusing on the areas of waterways safety, port security, and consequence management, with involvement from a broad cross-section of government and port stakeholders with expertise in each of the respective areas. The workshops will be by invitation only. However, comments received during the public comment period will be considered as input in the risk assessment process. The results of the WSA will be submitted to the Coast Guard to be used in determining whether the waterway is suitable for LNG traffic.

This NOI is being sent to federal, state, and local government agencies; elected officials; affected landowners; environmental and public interest groups; Indian tribes and regional Native American organizations; commentors and other interested parties; 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.

Summary of the Proposed Project

The proposed project would consist of a 1.0 billion standard cubic feet per day (bscfd) capacity LNG import/storage terminal facility and a 223-mile-long, 36-inch-diameter sendout pipeline. A map depicting the general location of the Jordan Cove LNG import terminal and PCGP's proposed pipeline route is attached to this NOI as Appendix 1.² Jordan Cove and PCGP indicated they intend to file their formal applications with the FERC on January 31, 2007.

Jordan Cove LNG Import Terminal

The proposed Jordan Cove LNG import terminal would include the following elements:

- dredged 1,700-foot-diameter turning basin/ship maneuvering area located within Coos Bay;
- a single LNG ship unloading slip/berth, dredged from an upland adjacent to Coos Bay;
- LNG unloading system at the berth, consisting of three 16-inch-diameter unloading arms and one 16-inch-diameter vapor return arm, with a unloading capacity rate of 12,000 cubic meters per hour (m³/hr);

² The appendices referenced in this notice are not being printed in the Federal Register. Copies are available on the Commission's website (excluding maps) at the "e-Library" link or from the Commission's Public Reference Room or call (202) 502-8371. For instructions on connecting to e-Library refer to the end of this notice. Copies of the appendices were sent to all those receiving this notice in the mail.

Docket Nos. PF06-25-000 and PF06-26-000

- LNG transfer system from the berth to the storage tanks, consisting of one 2,600-foot-long, 36-inch-diameter cryogenic unloading line;
- LNG storage system, consisting of two full-containment LNG storage tanks, each with a capacity 160,000 m³ (or 1,006,000 barrels). Each tank would be equipped with two can-type fully submerged LNG in-tank pumps with an individual capacity rate of 5,300 gallons per minute (gpm);
- boil-off gas (BOG) recovery system, consisting of three cryogenic centrifugal BOG compressors, each with a rated capacity of 2,300 cubic feet per minute (ft³/min), and two non-cryogenic reciprocating BOG pipeline compressors with an individual capacity rated at 2,500 ft³/min;
- LNG transfer system from the storage tanks to the vaporizers, consisting of six pot-mounted LNG booster pumps each sized for 2,200 gpm;
- LNG vaporizer system, consisting of six submerged combustion vaporizers each sized for 200 million standard cubic feet per day;
- a natural gas liquids (NGL) extraction facility, with the NGL to be sold to an entity other than Jordan Cove and transported from the terminal using existing railroad lines;
- a 30 megawatt, natural gas-fired, simple cycle combustion turbine power plant to provide a supplemental source of electric power for the LNG terminal;
- waste heat recovery system;
- emergency vent system, LNG spill containment system, fire water system, utility system, hazard detection system, and control system; and
- buildings and support facilities.

Jordan Cove proposes to initiate construction of the terminal in the winter of 2007-2008, and anticipates placing the project into service in the fourth quarter of 2010.

PCGP Sendout Pipeline

The PCGP sendout pipeline would consist of the following elements:

- a 223-mile-long, 36-inch-diameter steel underground natural gas pipeline, extending from the proposed Jordan Cove LNG terminal southeast, crossing Coos, Douglas, Jackson, and Klamath Counties, Oregon, and into Modoc County, California, with capacity to deliver 1.0 bscfd at a maximum allowable operating pressure (MAOP) of 1,440 pounds per square inch (psig);
- Butte Falls Compressor Station, at about Milepost (MP) 127, Jackson County, Oregon, consisting of two new 10,310 horsepower compressor units;
- interconnections with three existing natural gas pipeline systems, including Williams Northwest Pipeline's Grants Pass Lateral, PG&E's 400 and 401 pipelines, and potentially Tuscarora Gas Transmission's pipeline;

Docket Nos. PF06-25-000 and PF06-26-000

- four receipt or delivery meter stations, including the Coos Bay Receipt Meter Station at MP 0.0 in Coos County, Oregon, the Clarks Branch Delivery Meter Station at about MP 68, Douglas County, Oregon, the Tulelake Delivery Station at MP 223, Modoc County, California, and the potential Tuscarora Delivery Meter Station also at MP 223;
- a gas control communication system, consisting of radio towers at each meter station, and the compressor station, and additional facilities at existing mountain top radio communication towers, and two new additional master radio sites at unspecified locations;
- mainline block valves at 15 locations along the pipeline route; and
- pig launchers and receivers located at each end of the pipeline (Coos Bay Meter Station and Tulelake Meter Station).

PCGP proposes to begin construction of the sendout pipeline in the summer of 2009, and anticipates the completion of installation and restoration activities by the spring of 2011.

The EIS Process

The NEPA requires the Commission to take into account the environmental impacts that could result from an action when it considers whether or not an LNG import terminal or an interstate natural gas pipeline should be approved. The FERC will use the EIS to consider the environmental impacts that could result if it issues project authorizations to Jordan Cove and PCGP under sections 3 and 7 of the Natural Gas Act. The NEPA also requires us to discover and address concerns the public may 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 important environmental issues. With this NOI, the Commission staff is requesting public comments on the scope of the issues to be addressed in the EIS. All comments received will be considered during preparation of the EIS.

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

- Geology and Soils
- Water Resources
- Vegetation and Wildlife
- Land Use, Recreation, and Visual Resources
- Cultural Resources
- Socioeconomics

Docket Nos. PF06-25-000 and PF06-26-000

- Air Quality and Noise
- Reliability and Safety
- Cumulative Impacts

We will also evaluate possible alternatives to the proposed project or portions of the project, and make recommendations on how to lessen or avoid impacts on affected resources.

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; affected landowners; environmental and public interest groups; Indian tribes and regional Native American organizations; commentors; other interested parties; local libraries and newspapers; and the FERC's official service list for this proceeding. A 90-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. We will consider all comments on the final EIS before we make our recommendations to the Commission. To ensure that your comments are considered, please follow the instructions in the Public Participation section of this NOI.

Although no formal application has been filed, the FERC staff has already initiated its NEPA review under its pre-filing process. The purpose of the pre-filing process is to encourage early involvement of interested stakeholders and to identify and resolve issues before an application is filed with the FERC. In addition, the Coast Guard, which would be responsible for reviewing the maritime safety and security aspects of the planned project and regulating maritime safety and security if the project is approved, has initiated its review of the project as well.

With this NOI, we are asking federal, state, and local agencies with jurisdiction and/or special expertise with respect to environmental issues, to express their interest in becoming cooperating agencies for the preparation of the EIS.

These agencies may choose to participate once they have evaluated the proposal relative to their responsibilities. The Coast Guard and the U.S. Army Corps of Engineers have already agreed to be cooperating agencies for this project. In letters dated May 9, 2006, we requested that the Oregon Department of Energy (ODE), U.S. Department of Agriculture Forest Service (USFS), U.S. Department of Commerce National Oceanic and Atmospheric Administration National Marine Fisheries Service (NMFS), U.S. Environmental Protection Agency, U.S. Department of the Interior Bureau of Land Management (BLM), and Fish and Wildlife Service also become cooperating agencies. The ODE and NMFS have declined our invitation to be cooperating agencies in the production of the EIS, but may reconsider at any time during the pre-filing review process.

Docket Nos. PF06-25-000 and PF06-26-000

The EIS will examine the proposed action and alternatives that require administrative or other actions by other federal agencies. The USFS has identified the possible need to amend the existing Umpqua, Rouge River-Siskiyou, and Fremont-Winema National Forest Land and Resource Management Plans. The BLM has identified the possible need to amend the existing Resource Management Plans of the Coos Bay, Roseburg, and Medford Districts and the Klamath Falls Resource Area.

Currently Identified Environmental Issues

We have already identified issues that we think deserve attention based on a preliminary review of the projects, and information provided by Jordan Cove and PCGP. This preliminary list of issues, which is presented below, may be revised based on your comments and our continuing analyses.

- Impact of LNG vessel traffic on other Coos Bay users, including commercial ships, fishing and recreational boaters.
- Potential impacts of dredging the turning basin and LNG ship dock on water quality and estuarine fishery resources.
- Potential impacts of the LNG terminal on residents in the Coos Bay area, including safety issues at the import and storage facility, noise, air quality, and visual resources.
- Potential impact of the LNG terminal on air traffic at the North Bend airport.
- Potential for geological hazards, including seismic activity, to have impacts on both the proposed LNG import terminal and sendout pipeline.
- Potential impacts of the pipeline on waterbodies and wetlands, including issues of erosion control.
- Potential impacts of the pipeline on vegetation, including the clearing of forest.
- Potential impacts of the pipeline on threatened and endangered species, and wildlife habitat.
- Potential impacts of the pipeline on cultural resources.

Public Participation

You can make a difference by providing us with your specific comments or concerns about the planned project. By becoming a commentor, your concerns will be addressed in the EIS and considered by the Commission. Your comments should focus on the potential environmental effects, reasonable alternatives (including alternative facility sites and pipeline routes), and measures to avoid or lessen environmental impacts.

Docket Nos. PF06-25-000 and PF06-26-000

The more specific your comments, the more useful they will be. To ensure that your comments are timely and properly recorded, please follow these instructions:

- 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 your comments for the attention of DG2E/G3.
- Reference **Docket Nos. PF06-25-000 and PF06-26-000** on the original and both copies.
- **Mail your comments so that they will be received in Washington, DC on or before July 24, 2006.** We will provide the Coast Guard with copies of all comments received by the FERC during the scoping period.

The Commission strongly encourages electronic filing of any comments in response to this NOI. For information on electronically filing comments, please see 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 as well as information in 18 CFR 385.2001(a)(1)(iii). Before you can file comments you will need to create a free account, which can be accomplished on-line.

The public scoping meetings (dates, times, and locations listed above) are designed to provide another opportunity to offer comments on the proposed project. Interested groups and individuals are encouraged to attend the meetings and to present comments on the environmental issues that they believe should be addressed in the EIS. A transcript of each meeting will be generated so that your comments will be accurately recorded.

Once Jordan Cove and PCGP formally file their applications with the Commission, you may want to become an "intervenor," which is an official party to the proceeding. Intervenor status plays 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 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.

Docket Nos. PF06-25-000 and PF06-26-000

Environmental Mailing List

If you wish to remain on the environmental mailing list, please return the attached Mailing List Retention Form (Appendix 2 of this NOI). **If you do not return this form, we will remove your name from our mailing list.**

To reduce printing and mailing costs, the draft and final EIS will be issued in both compact disk (CD-ROM) and hard copy formats. The FERC strongly encourages the use of CD-ROM format in its publication of large documents. Thus, all recipients will automatically receive the EIS on CD-ROM. **If you wish to receive a paper copy of the draft EIS instead of a CD-ROM, you must indicate that choice on the return mailer.**

Additional Information

Additional information about the project is available from the Commission's Office of External Affairs, at **1-866-208-FERC (3372)** or on the FERC Internet website (www.ferc.gov) using the "eLibrary link." Click on the eLibrary link, select "General Search" and enter the project docket number excluding the last three digits (*i.e.*, PF06-25 or PF06-26) 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 by e-mail at FercOnlineSupport@ferc.gov. The eLibrary link on the FERC Internet website also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rule makings.

In addition, the FERC now offers a free service called eSubscription that 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. To register for this service, go to <http://www.ferc.gov/esubscribenow.htm>.

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.

Docket Nos. PF06-25-000 and PF06-26-000

Finally, Jordan Cove and PCGP have established their own Internet websites for this project. The websites includes a project overview, status, answers to frequently asked questions, and links to related documents. The Jordan Cove website is at www.jordancoveenergy.com. The PCGP website is at www.pacificconnectorgp.com. Additional information can be obtained directly from Jordan Cove by calling Bob Braddock at 541-266-7510 (e-mail: bobbraddock@attglobal.net) or from PCGP by calling Jan Camp at 360-666-2106 (e-mail: pacificconnector@williams.com).

Magalie R. Salas
Secretary

Docket Nos. PF06-25-000 and PF06-26-000

Appendix 1

General Project Location Map