

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Gulfstream Natural Gas System, L.L.C.

Docket No. PF06-29-000

NOTICE OF INTENT TO PREPARE AN
ENVIRONMENTAL ASSESSMENT FOR THE PROPOSED
GULFSTREAM PHASE IV EXPANSION PROJECT AND
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES

(June 28, 2006)

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental assessment (EA) that will discuss the environmental impacts of Gulfstream Natural Gas System, L.L.C.'s (Gulfstream) planned Phase IV Expansion Project located in Florida and Alabama. This notice announces the opening of the scoping process we will use to gather input from the public and interested agencies on the projects. Your input will help the Commission staff determine which issues need to be evaluated in the EA. Please note that the **scoping period will close on July 31, 2006.**

This notice is being sent to affected landowners; federal, state, and local government representatives and agencies; environmental and public interest groups; Native American tribes; other interested parties in this proceeding; 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.

At this time we request that comments be submitted in written form. Further details on how to submit written comments are provided in the public participation section of this notice. For further information and an opportunity to provide comments, you are invited to attend Gulfstream's public open house meetings that are scheduled as follows:

Tuesday, July 11, 2006, 6:00-8:00 p.m.

**Hillsborough County Commission Building
601 East Kennedy Blvd., 18th Floor
Tampa, FL 33602**

Wednesday, July 12, 2006, 6:00-8:00 p.m.

**Weedon Island Preserve
Cultural and Natural History center
1800 Weedon Drive
St. Petersburg, FL 33702**

Thursday, July 13, 2006, 6:00-8:00 p.m.

**Manatee Civic Center
Palma Sola Room
One Haben Blvd.
Palmetto, FL 34221**

The primary purpose for the open house sessions is to identify potential siting issues so that they could be appropriately addressed. At the open houses, Gulfstream representatives will be available to discuss the various aspects of the project (e.g., land, construction, environmental, design/engineering, and operations) and will meet individually with attendees to outline how pipelines and related facilities are sited, approved, built, and operated. Aerial photography and offshore survey maps showing route alternatives will be made available to encourage comments on the proposed project. Information on the FERC process will also be available.

In addition to the open houses, Gulfstream has established a toll-free phone number (888-GAS-4-FLA), an e-mail address (gulfstream@williams.com), and has developed a project website (<http://www.gulfstreamgas.com/phase4.htm>). Information included on the project website includes: the route selection process; the regulatory overview, with links to the FERC website; construction procedures; pipeline safety; and contact information.

Summary of the Proposed Project

Progress Energy Florida, Inc. (Progress Energy) is scheduled to re-power its Bartow Power Plant. The 472-megawatt (MW) oil-fired plant is scheduled to be re-powered with three combined cycle gas turbines that will generate 1,100 MW of power. Progress Energy has requested, and Gulfstream has agreed to provide 0.155 billion cubic feet per day of firm natural gas transportation service to the Bartow Plant. In order to provide the requested transportation service, it is necessary for Gulfstream to expand its current system, as described below.

Gulfstream is proposing to construct approximately 17.74 miles of 20-inch-diameter offshore pipeline from a proposed underwater hot tap with the existing 36-inch-diameter Gulfstream Pipeline (Line 200) in Hillsborough County waters of Tampa Bay and connecting to the existing Progress Energy Bartow Power Plant (Bartow Plant) on the east shore of St. Petersburg in Pinellas County, Florida. The project would also require the installation of 45,000 horsepower (hp) of new compression. One 15,000 hp compressor unit would be added at Gulfstream's existing compressor station in Coden, Alabama and a new compressor station with two 15,000-hp units would be constructed at an existing pressure reduction station site in Manatee County, Florida.

The proposed offshore pipeline would head north-northeast from the proposed hot tap location and would cross Port Manatee channel, cross Cut "C" of Tampa Bay channel, turn in a north-northwest direction, cross Cut "G" of Tampa Bay channel and Cut "K" of Tampa Bay

channel, enter Pinellas County waters, turn almost due west, cross the Bartow Channel and enter the south side of the Bartow Plant. The pipeline would be buried to maintain a minimum of 3 feet of cover between the top of the pipeline and the natural bay bottom, in accordance with U.S. Department of Transportation regulations. The four channel crossings would be installed by horizontal directional drills (HDD) under each channel and would be buried with a cover of 10 or more feet below the design bottom of each channel. The shore approach to the Bartow Plant would also be installed by HDD and would start at the Bartow Channel, thereby avoiding sensitive nearshore habitats.

In order to meet the in-service dates requested by Progress Energy, Gulfstream intends to place the proposed pipeline in service by September 1, 2008, and the compression in service by January 1, 2009.

Location maps depicting Gulfstream's proposed facilities are provided in Appendix 1.¹

Currently Identified Environmental Issues

At this time no formal application has been filed with the FERC. For this project, the FERC staff has initiated its NEPA review prior to receiving the application. The purpose of our Pre-Filing Process is to involve interested stakeholders early in project planning and to identify and resolve issues before an application is filed with the FERC.

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

- Potential indirect impacts (e.g., turbidity and sedimentation) to submerged aquatic vegetation;
- Safety and noise concerns for the new compressor station facilities;
- Potential conflicts with future ship channel improvements;
- Potential impacts to aquatic preserves;
- Net benefits to air quality;

¹ 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 "eLibrary" link or from the Commission's Public Reference Room or call (202) 502-8371. For instructions on connecting to eLibrary refer to the end of this notice. Copies of the appendices were sent to all those receiving this notice in the mail.

- Potential impacts to manatees, sea turtles, and sawfish;

The EA Process

The FERC will use the EA to consider the environmental impact that could result if it issues Gulfstream a Certificate of Public Convenience and Necessity.

This notice formally announces our preparation of the EA and the beginning of the process referred to as "scoping." We² are soliciting input from the public and interested agencies to help us focus the analysis in the EA on the potentially significant environmental issues related to the proposed action.

Our independent analysis of the issues will be included in an EA that will be prepared for the project. 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.

The EA 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 FERC's official service list for this proceeding. A 30-day comment period will be allotted for review of the EA. We will consider all comments submitted on the EA in any Commission Order that is issued for the project.

We are currently involved in discussions with other jurisdictional agencies to identify their issues and concerns. These agencies include the U.S. Army Corps of Engineers, National Oceanic and Atmospheric Administration, U.S. Fish and Wildlife Service, Florida Department of Environmental Protection, and the U.S. Department of Transportation. By this notice, we are asking these and other 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 EA. Agencies that would like to request cooperating status should follow the instructions for filing comments provided below.

Public Participation

You can make a difference by providing us with your specific comments or concerns about the proposals. Your comments should focus on the potential environmental effects, reasonable alternatives 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 mail your comments so that they will be received in Washington, DC on or before **July 31, 2006** and carefully follow these instructions:

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

- 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 3, DG2E; and
- Reference Docket No. PF06-29-000 on the original and both copies.

Please note that the Commission encourages electronic filing of comments. See 18 Code of Federal Regulations 385.2001(a)(1)(iii) and the instructions on the Commission's Internet website at <http://www.ferc.gov> under the "eFiling" link and the link to the User's Guide. Prepare your submission in the same manner as you would if filing on paper and save it to a file on your hard drive. Before you can file comments you will need to create an account by clicking on "Login to File" and then "New User Account." You will be asked to select the type of filing you are making. This filing is considered a "Comment on Filing."

When Gulfstream submits its application for authorization to construct and operate the Phase IV Expansion Project, the Commission will publish a Notice of Application in the Federal Register and will establish a deadline for interested persons to intervene in the proceeding. Because the Commission's Pre-filing Process occurs before an application to begin a proceeding is officially filed, petitions to intervene during this process are premature and will not be accepted by the Commission.

Environmental Mailing List

If you wish to remain on the environmental mailing list, please return the Mailing List Retention Form included in Appendix 2. **If you do not return this form, you will be taken off our mailing list.**

Availability of 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 (<http://www.ferc.gov>). Using the "eLibrary" link, select "General Search" from the eLibrary menu, enter the selected date range and "Docket Number" (*i.e.*, PF06-29-000), and follow the instructions. Searches may also be done using the phrase "Gulfstream Phase IV Expansion" in the "Text Search" field. For assistance with access to eLibrary, the helpline can be reached at 1-866-208-3676, TTY (202) 502-8659, or 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. As indicated previously, Gulfstream has established an Internet website for its project at <http://www.gulfstreamgas.com/phase4.htm>. The website includes a project overview, contact information, regulatory overview, and construction procedures.

Magalie R. Salas
Secretary

Appendix 1
Location Maps