

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Mississippi Hub, L.L.C.

Docket No. CP07-4-000

NOTICE OF INTENT TO PREPARE AN
ENVIRONMENTAL ASSESSMENT FOR THE PROPOSED
MISSISSIPPI HUB GAS STORAGE PROJECT AND
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES

(November 3, 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 a proposal by Mississippi Hub, L.L.C. (MS HUB) to construct, own, and operate a new salt cavern natural gas storage facility in Simpson and Jefferson Davis Counties, Mississippi.¹ The proposal would provide for the injection, storage, and withdrawal of natural gas in two underground caverns created in the Bond Salt Dome formation using a solution mining (leaching) process. Once complete, the project would provide approximately 12 billion cubic feet (Bcf) of working gas storage capacity, capable of injecting 600 million cubic feet per day (MMcfd) and delivering gas at maximum rates up to 1,200 MMcfd. Proposed project facilities include gas compression and withdrawal facilities, a leaching plant, an electrical substation, raw water withdrawal and brine disposal facilities, approximately 11.4 miles of pipeline and utility corridor, metering facilities and ancillary equipment.

This notice announces the opening of the public comment period that will be used to gather environmental input from the public and interested agencies on the project. Comments are requested **by December 4, 2006**.

This notice is being sent to potentially affected landowners; federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American Tribes, other interested parties; local libraries and newspapers. State and local government representatives are asked to notify their constituents of this planned project and encourage them to comment on their areas of concern.

¹MS HUB's application was filed with the Commission under section 7 of the Natural Gas Act and Part 157 of the Commission's regulations.

If you are a landowner receiving this notice, you may be contacted by a MS HUB company representative about the acquisition of an easement to construct, operate, and maintain the proposed facilities. 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 natural gas company could initiate condemnation proceedings in accordance with state law.

A fact sheet prepared by the FERC entitled "An Interstate Natural Gas Facility On My Land? What Do I Need To Know?" was attached to the project notice MS HUB provided to landowners. 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 website (www.ferc.gov).

Summary of the Proposed Project

MS HUB seeks authority to construct and operate the following:

- (1) Natural Gas Handling Facility Site; Simpson County (approximately 80 acres). The facility would include two storage caverns; a 29,205 horsepower compressor station; separation, dehydration, metering, and appurtenant facilities; leaching plant; one freshwater well; and a non-jurisdictional electrical substation. Solution mining of the caverns would occur over an approximate five-year time span.
- (2) Primary Raw Water Withdrawal and Brine Disposal Facility (approximately 45 acres), located south of the Natural Gas Handling Facility in Jefferson Davis County, including three raw water wells, two brine disposal wells, pipelines, roads, and ancillary equipment.
- (3) SONAT (Southern Natural Gas Company) Tie-in and Metering/Secondary Raw Water Withdrawal and Brine Disposal Facility (approximately 40 acres), located north of the Natural Gas Handling Facility in Simpson County, including two raw water wells, three brine disposal wells, pipelines, roads, ancillary equipment, and metering equipment for an interconnection to the SONAT pipeline system.
- (4) CrossTex Tie-In and Metering Facility Site (approximately 0.52 acre), located in Simpson County along the West Pipeline Corridor. The site would include metering, pressure control, and related ancillary equipment, pipelines, and roads.
- (5) SONAT Crossover Tie-in and Metering Facility Site (approximately 0.52 acre), located in Jefferson Davis County at the terminus of the West Pipeline Corridor.

The site would include metering, pressure control, and related ancillary equipment, pipelines, and roads.

(6) Utility and Pipeline Corridors. Five pipeline corridors (Utility, South, North, East, and West) totaling 11.4 miles, are proposed for the collocation of raw water and brine disposal pipelines, 36-inch-diameter natural gas pipelines, and an overhead electric utility line (non-jurisdictional). All corridors except the 0.2 mile Utility Corridor would parallel existing utility or pipeline right-of-ways. Construction right-of-way widths range from 300-feet-wide (Utility Corridor) to 75-feet-wide (West Pipeline Corridor). Following construction, the permanent pipeline rights-of-way would be 50-feet-wide for all pipeline corridors.

Non-jurisdictional facilities would need to be constructed by others in order to complete the project. These facilities include the permanent electrical substation at the Natural Gas Handling Facility Site, overhead electrical power lines, and five permanent electrical power drops. These facilities would be constructed and operated by local electric utility companies. The permanent electric powerline easement along the Utility Corridor would be 175-feet-wide, adjacent to the pipeline right-of-way.

The general location of the project facilities is shown in Appendix 1.²

Land Requirements for Construction

Construction of the proposed facilities would require about 250.2 acres of land. Following construction, about 196.1 acres would be maintained as new aboveground facility sites or pipeline right-of-way. MS HUB has purchased in fee the tracts for the Natural Gas Handling Facility Site, the Primary Raw Water Withdrawal and Brine Disposal Facility Site, and the SONAT Tie-in and Metering/Secondary Raw Water Withdrawal and Brine Disposal Facility Site. Land requirements for meter stations would be purchased. The remainder of pipeline rights-of-way would be acquired by easement.

²The 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 website at the "eLibrary" link or from the Commission's Public Reference Room, 888 First Street, N.E., Washington, D.C. 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.

The EA Process

We³ are preparing this EA to comply with the National Environmental Policy Act (NEPA) which 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. 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 EA on the important environmental issues. By this Notice of Intent, the Commission staff requests public comments on the scope of the issues to address in the EA. All comments received are considered during the preparation of the EA.

By this notice, we are also 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 EA. Agencies that would like to request cooperating status should follow the instructions for filing comments below.

Our independent analysis of the issues will be in the EA. Depending on the comments received during the scoping process, the EA may be published and mailed to federal, state, and local agencies, public interest groups, interested individuals, affected landowners, newspapers, libraries, and the Commission's official service list for this proceeding. A comment period will be allotted for review if the EA is published. We will consider all comments on the EA before we make our recommendations to the Commission.

Currently Identified Environmental Issues

In the EA, we will discuss impacts that could occur as a result of the construction and operation of the project. We will also evaluate reasonable alternatives to the proposed project or portions of the project. We have already identified several issues that we think deserve attention based on a preliminary review of the proposed facilities and the environmental information provided by MS HUB. This preliminary list of issues may be changed based on your comments and our analysis.

Project-related impact on:

- Noise sensitive areas (i.e. residences) located in proximity to construction operations and the proposed compressor facility;

³"We", "us", and "our" refer to the environmental staff of the Office of Energy Projects (OEP).

- habitat for federally and state-listed aquatic species downstream from project locations;
- gopher tortoise habitat in the project area (state listed endangered species);
- 159.3 acres of forest lands;
- 58.5 acres of prime farmland soils;
- 29 waterbody crossings; and
- 2 wetlands.

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 EA and considered by the Commission. You should focus on the potential environmental effects of the proposal, alternatives to the proposal (including alternative locations/routes), and measures to avoid or lessen environmental impact. The more specific your comments, the more useful they will 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 3**.
- Reference **Docket No. CP07-4-000**.
- Mail your comments so that they will be received in Washington, DC **on or before December 4, 2006**.

The Commission strongly encourages electronic filing of comments. Please refer to 18 Code of Federal Regulations (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. 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."

The determination of whether to distribute the EA for public comment will be based on the response to this notice. **If you are interested in receiving a copy of the EA, please return the Information Request form (Appendix 2)**. An effort is being

made to send this notice to all individuals affected by the proposed project. This includes all landowners who are potential right-of-way grantors, whose property may be used temporarily for project purposes, or who own homes within distances defined in the Commission's regulations of certain aboveground facilities.

Site Visit

On November 16, 2006, the OEP staff will conduct a site visit of the planned MS HUB Storage Project. We will view the proposed facility locations and pipeline route. Examination will be by automobile and on foot. Representatives of MS HUB will be accompanying the OEP staff.

All interested parties may attend. Those planning to attend must provide their own transportation and should meet at 9:00 am (CST) in the parking lot of the Wal-Mart, 1625 Simpson Highway 49, Magee, Mississippi on November 16, 2006.

For additional information, please contact the Commission's Office of External Affairs at 1-866-208-FERC (3372).

Becoming an Intervenor

In addition to involvement in the EA scoping process, you may want to become an official party to the proceeding, or "intervenor". To become an intervenor you must file a motion to intervene according to Rule 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.214). Intervenor's have the right to seek rehearing of the Commission's decision. Motions to Intervene should be electronically submitted using the Commission's eFiling system at <http://www.ferc.gov>. Persons without Internet access should send an original and 14 copies of their motion to the Secretary of the Commission at the address indicated previously. Persons filing Motions to Intervene on or before the comment deadline indicated above must send a copy of the motion to the Applicant. All filings, including late interventions, submitted after the comment deadline must be served on the Applicant and all other intervenors identified on the Commission's service list for this proceeding. Persons on the service list with email addresses may be served electronically; others must be served a hard copy of the filing.

Affected landowners and parties with environmental concerns may be granted intervenor status upon showing good cause by stating that they have a clear and direct interest in this proceeding which would not be adequately represented by any other parties. **You do not need intervenor status to have your environmental comments considered.**

Environmental Mailing List

If you wish to remain on our environmental mailing list, please return the Information Request Form included in Appendix 2. **If you do not return this form, you will be removed from our 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.

Finally, public meetings or additional site visits 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

General Project Location Map

INFORMATION REQUEST

Docket No. CP07-4-000

- Please keep my name on the mailing list for the MS HUB Storage Project.**

Name _____

Agency _____

Address _____

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

FROM _____

ATTN: OEP - Gas 3, PJ - 11. 3
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

(CP07-4-000 MS HUB Storage Project)

Staple or Tape Here