

INDIVIDUALS

II Johnny D. French

II-1 The Commission will evaluate each project individually based on its merits, and at the time of its decision will be fully apprised of the individual as well as the cumulative environmental impacts. To ensure that our analysis was complete and included local and regional issues, we conferred with appropriate agencies and held public meetings. We considered combining the three projects in sections 3.2.1.3 and 3.2.1.4 of this EIS. The cumulative impacts analysis in section 4.13 of this EIS addresses the potential combined environmental impacts of all three projects, should all three be built.

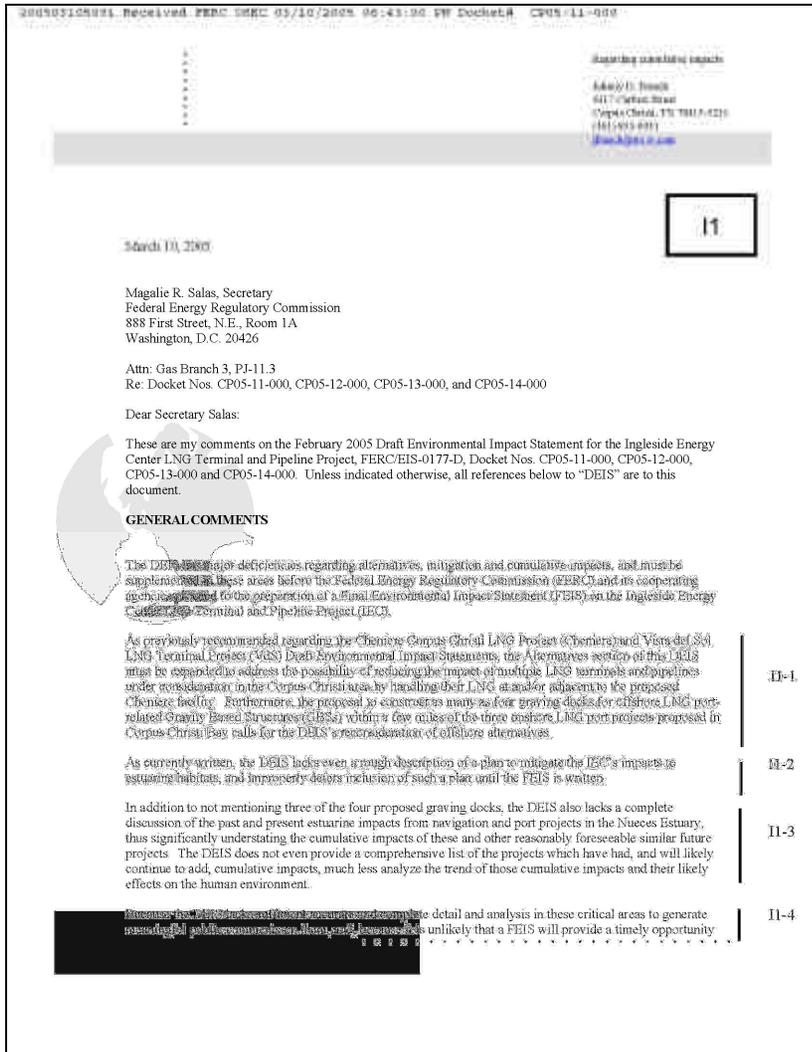
There are two avenues by which the goals of multiple LNG projects could be satisfied by developing an LNG terminal on a single property:

First, a single company could build facilities that could satisfy the objectives of multiple projects. However, the three proposed LNG import terminals along the northeastern shore of Corpus Christi Bay are three separate projects proposed by three separate applicants. Combining the objectives of one or more of the projects at a single terminal would likely involve either the elimination of one or more of the proposals or a comprehensive synchronization of the respective LNG chains (source development to market).

Second, two or more companies could build LNG facilities that would satisfy the objectives of their respective projects at a single property. However, we do not believe that there are significant advantages to combining or collocating two or more different LNG project facilities on a single property. Each of the proposed LNG projects are already collocated with existing industrial facilities. If the three proposed projects were all built on the same site, additional space would be required to accommodate the construction of additional ship berths, storage tanks, vaporization equipment, and combined pipeline facilities. While building the three LNG facilities at a single property would not lessen ship traffic on the La Quinta Channel, ship congestion in the immediate vicinity of a marine terminal (which could be visited by as many as 540 LNG ships per year) may pose significant logistical difficulties.

In addition, as indicated in section 1.1 of this EIS, moving the location of the Ingleside Energy Center's proposed LNG facilities to another site would defeat Ingleside San Patricio's stated purpose of combining its facilities with the Occidental Chemical manufacturing complex to offset each others respective heating and cooling needs and placing the facilities on Occidental Chemical property.

Section 3.6.2 includes a discussion of collocating the pipelines from each of the LNG projects. We have revised sections 3.2.2.2 and 4.13 with updated information to address the proposed gravity based structures.



II Continued, page 1 of 6

- I1-2 See response to comment A3-5. We have revised section 4.4.1 of this EIS to include a discussion of Ingleside San Patricio's draft mitigation plan and their continuing consultation with the agencies in the development of this plan.
- I1-3 The cumulative impacts analysis in section 4.13 of this EIS has been revised to include the gravity based structures, in addition to other known projects existing or proposed, in the Corpus Christi Bay area.
- I1-4 We believe that this final EIS contains complete, detailed information about the potential environmental effects of the proposal. In addition, we believe that all concerns raised by commentors have been fully addressed in this final EIS.

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for a meaningful response before the FERC reaches a decision on the IEC, the DEIS must be supplemented to provide the missing information. Furthermore, the public must be given the opportunity to review and comment on the Supplemental DEIS (SDEIS).

II-4

SPECIFIC COMMENTS

Section 2.2.1.1, p. 2-4. This section of the DEIS states IEC's dredged material would be placed either in the Port of Corpus Christi Authority's (PCCA) Dredged Material Placement Area (DMPA) 13 or in a leveed alumina refinery waste storage area owned by Alcoa, Inc. (Alcoa). I am informed by IEC representatives that Alcoa's tailings ponds have sufficient capacity not only to contain IEC's dredged material and that of Cheniere, as previously proposed in the Cheniere DEIS, but also that of VdS. This information is highly significant because using the Alcoa waste sites would be a less damaging practicable alternative than the placement of dredged material into the PCCA's DMPA, which is a public resource that must be replaced when full at the cost of untold millions of public dollars and most likely hundreds of acres of open bay habitat. To protect such aquatic habitats from filling whenever practicable, the Clean Water Act's Section 404(b)(1) Guidelines [404(b)(1) Guidelines] therefore require IEC and the other private projects like the graving docks to use private upland disposal sites like Alcoa's.

II-5

Section 3.2.1.6, pp 3-7-8: This section discusses the FERC's conclusions about the onshore LNG system alternatives in the light least favorable to handling the LNG from IEC, Cheniere, and VdS at fewer than the three proposed sites. Before responding to the section's reasoning, it must be pointed out that this DEIS and its two predecessors for Cheniere and VdS do not demonstrate that the existing and reasonably foreseeable industries and natural gas pipeline systems in the projects' area have the need and/or export capacity, respectively, to handle the gas generated from all the LNG the three projects propose to import. This issue should be resolved, especially in light of the repeated references elsewhere in the Alternatives section to the lack of sufficient space system and/or pipeline capacity to add the IEC LNG to existing LNG facilities, and also because it might rule out the FERC's need to issue certificates to all three if built separately.

II-6

Assuming there would be room for delivering all the LNG in the Corpus Christi area, it is misleading for the DEIS to state: "None of the other existing, authorized, or proposed LNG facilities could handle the additional volumes proposed by [IEC] without significant expansion and the associated environmental impact." The whole point of combining LNG facilities is to reduce the environmental impact they would have if built separately, such as by dredging a single docking area instead of three, and by building fewer connecting pipelines. Cheniere has in fact offered to regasify other importers' LNG before now.

II-7

The DEIS acknowledges that "There may be enough space for additional facilities at [Cheniere]" but continues: "However, moving the location of the [IEC's] proposed LNG facilities to the area west of the Sherwin Alumina Company would defeat [IEC's] stated purpose of combining its facilities with the Occidental Chemical manufacturing complex, to offset each others [sic] respective heating and cooling needs." There are two objections to the latter statement. First, Sherwin Alumina Company (Sherwin) also generates waste heat, which Cheniere once considered using, and may explore the use of again. Perhaps IEC could use Sherwin's heat since it is already designing a waste heat exchange system. Second, since IEC considers it practicable to pipe its dredged material west of Sherman, it may be inferred that with suitable "piping" IEC could place its regasification equipment at the Cheniere site and still exchange heat and gases with the Occidental Chemical manufacturing complex.

II-8

The DEIS should provide a broader look at ways of making the cumulative impacts of the three proposed LNG projects more environmentally acceptable in combination than they are separately.

II-9

II Continued, page 2 of 6

II-5 Ingleside San Patricio indicated in its *Comments of Ingleside Energy Center LLC and San Patricio Pipeline LLC on Draft Environmental Impact Statement*, that its preferred dredge disposal area is the Alcoa bauxite residue tailing ponds. Ingleside San Patricio has identified DMPA 13 as an alternative. Sections 2.2.1.1 and 3.5 of the EIS have been revised.

II-6 Ingleside San Patricio has identified potential interconnections between the proposed pipeline and nine intrastate and interstate pipeline systems. In their March 28, 2005 response to staff's March 18, 2005 data request, the applicant reported that these pipelines have a combined design capacity of over 4.3 Bcf per day and average available capacity in excess of 1.9 Bcf per day. The applicant, as well as the other LNG developers in the Corpus Christi area, will compete with each other and domestic suppliers for markets served by these pipelines. The applicant could utilize available capacity in these pipelines, compete with and displace existing suppliers using capacity on these pipelines, or replace declining supplies. Also, it should be noted that the applicant intends to provide gas supplies to Occidental's adjacent chemical facility. It is uncertain at this juncture whether expansions of the pipelines will be necessary in the future. However, if expansions of the interstate pipeline are required in the future to move supplies from the Corpus Christi area, the project sponsors are required by section 7 of the Natural Gas Act to seek FERC authorization to do so. As the lead Federal agency, FERC staff would prepare an environmental assessment or EIS to comply with the requirements of NEPA.

II-7 See response to comment II-1.

II-8 As indicated in section 1.1 of this EIS, one of the stated objectives of the Ingleside Energy Center LNG Project is to integrate its LNG terminal with the adjacent Occidental Chemical manufacturing complex in order for the two facilities to offset the other's respective heating and cooling needs. In its comments on the draft EIS, Ingleside San Patricio stated that there is no evidence that there is sufficient waste heat from the Sherwin Alumina Company for Ingleside San Patricio's stated purpose. Ingleside San Patricio also stated that two pairs of six-mile-long 52-inch supply and return lines would be required to make this alternative possible. Because of the environmental impacts that would result from the pipeline, locating Ingleside San Patricio's LNG terminal at the Cheniere site would not likely be economically viable nor would it be an environmentally preferable alternative to the proposed site.

II-9 See response to comment II-1.

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Section 2.2.2.2, pp 3-12,13: This section discusses the alternative of combining IEC with the Compass Port Project, a GBS-type LNG facility proposed off the shore of Alabama. The DEIS states that "Construction of the two GBSs would require approximately 70 acres of land adjacent to a navigable channel with a minimum depth of 50 feet," that "Additional environmental impacts associated with an expanded Compass Port facility would include up to 140 acres of land for construction of the GBSs, an offshore footprint that would be nearly triple of that proposed, and a subsea construction disturbance for the pipelines," and that "Thus, the environmental impact [sic] associated with the expansion of the Compass Port Project would be similar to, if not greater, than those associated with the construction of [IEC]."

What the DEIS does not mention is that the site of the proposed GBS construction for Compass Port is the Kiewit Offshore Services (Kiewit) fabrication facility, located a mile and a half away down the La Quinta Channel from IEC's site. According to the U.S. Army Corps of Engineers, Mobile District's February 22, 2005 Public Notice of Permit Application No. AL03-03985-U (PN), the La Quinta Channel at Kiewit is only 45 feet deep, and its GBS construction requires a 101-acre fabrication site and a 38-acre mainland dredged material placement site. Furthermore, in order to launch the GBSs once completed, the project requires the placement of approximately 700,000 cubic yards of dredged material in either DMPA 13 or Berry Island, another authorized public DMPA.

The March 2005 Cheniere FEIS adds a little bit of specific impact information about Kiewit in its Cumulative Impacts section, but, more importantly, it also reveals that the Corpus Christi area is being considered for mere GBS graving docks at three of four alternative locations, identified in the Cheniere FEIS only as the Welder, McDermott, Gulf Marine and Zachry sites. The Cheniere FEIS adds that these graving docks would provide the GBSs for the Port Pelican, Pearl Crossing and Gulf Landing LNG Projects, that the GBSs would be constructed between 2005 and 2008, and that the estimated total dredging required for all three graving docks would be 2.1 million cubic yards.

In their February 2005 DEIS on the Compass Port Project, the U.S. Coast Guard and the Maritime Administration add still more light, and some confusion, to the alternative GBS graving dock situation, by connecting the McDermott site to the Port Pelican Project, and by showing the location of the Kiewit, Zachry, and McDermott sites in a figure. However, that same figure also shows a new site, called the Reclaim site, and fails to show any Welder or Gulf Marine site.

It is obviously necessary to correct the statements quoted from this section of the DEIS to reflect the PN's information, and to expand the DEIS's own Cumulative Impacts section in light of the four to six potential GBS graving dock sites identified by the Cheniere FEIS and the Compass Port DEIS. [Hopefully, the IEC SDEIS will at last produce a single comprehensive treatment of how many sites are where and connected to which project.] Among the things that should be considered is whether it would be possible to build more than two GBSs at any one of the six (?) graving dock sites under consideration in the Corpus Christi area, either simultaneously or sequentially. For example, would it be feasible to build four GBSs at once at the Kiewit site, or to reuse that site repeatedly to build and launch two at a time? If either of these alternative GBS construction methods are feasible, it might be possible to reduce the demand for dredged material placement capacity significantly, in part because the material might be recycled for the reconstruction of the berm separating the graving basin from the La Quinta Channel. If the second of these alternatives is not feasible, then these projects could result in the permanent loss of hundreds of acres of channel-side industrial real estate, leaving only water-filled gaps, and the DEIS should devote some space to analyzing that trend.

Section 3.2.2.4, pp 3-14, 15: In this section the DEIS examines the alternative of substituting, among other things, a GBS offshore LNG facility for the IEC proposal, but ultimately rejects it because the alternative would require a graving dock, "a complete redesign of the entire facility such that the feasibility concerning the operational and economic objectives of the proposal," and the ultimate evaluation of the construction and operation of a type of facility whose feasibility of construction and operation have not yet been demonstrated in practice. The section concludes: "Although offshore storage and vaporization structures may eventually find a

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II-10

II-10 Section 3.2.2 and section 4.13 of this EIS have been revised to include the gravity based structures and the associated graving dock locations under consideration in the Corpus Christi Bay area.

II-11

II-11 Sections 3.2.2 and 4.13 of this EIS have been updated with available and relevant information. The proposed gravity based structures and their associated fabrication site(s) are reviewed by the Coast Guard, in conjunction with the proposed deepwater port and offshore pipeline. The alternative of constructing more than one gravity based structure at a fabrication site, if feasible, would be under the review of the Coast Guard. In looking at the effects on cumulative impacts resulting from concurrent use, we believe that the effects are resource-specific. That is, while a larger area may be affected by increased dredging, the resources affected would incur only one impact event. Ultimately, we agree that potential concurrent use of the Kiewit site could have a bearing on the cumulative impacts. However, the potential changes could be both positive and negative and taken as a whole would not alter our conclusions.

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role for importing LNG into the U.S.[,] the current level of information and limited operation experience is not sufficient to justify consideration of this emerging application or [sic] offshore technology as a reasonable alternative to the proposed [IEC] LNG Project."

As the proposals for four GBS graving docks in IEC's project area demonstrate, the requirement for them is hardly unusual. Furthermore, it is apparent from the investment-backed expectations of all the associated GBS offshore LNG projects, at least one of which already has the Maritime Administration's (MA) approval, that, however new and untried their technology, such projects are viable alternatives due closer examination than that provided in the DEIS. I suggest that the DEIS concentrate less on speculation about the GBS technology, over which Congress assigned the Coast Guard and MA lead authority, and spend more time on the problems associated with piping the gas through the Texas coastal environments, an area of special FERC expertise and authority.

Section 3.2.2.5, p 3-17: The last paragraph in this section discusses the construction of the GBSs associated with the Port Pelican and Gulf Landing projects, but does not mention that the graving docks for them, like the ones proposed for the Compass Port and Pearl Crossing projects, may be constructed in the DEIS's project area. The DEIS should be updated to provide specific locations and accurate descriptions of the graving docks' dimensions, environmental impacts, and potentials to produce GBSs for IEC's LNG.

Section 4.3.2.1, p 4-16: The section states: "[IEC] anticipates that the materials generated during maintenance dredging would be pumped to the PCCA's DMPA No. 13 or Alcoa's tailings ponds, if they are still available, or another permitted disposal area." This statement deserves clarification. What conditions would preclude the availability of the tailings ponds, and what other permitted disposal area besides DMPA 13 has IEC considered?

Section 4.4.1, pp 4-25,26: This section concludes with a discussion of the need to mitigate for the direct impacts of dredging the IEC terminal on estuarine resources, particularly wetlands, and includes a staff recommendation that the IEC complete a mitigation plan responding to those impacts before construction. In the first place, the DEIS does not include consideration of the secondary impacts of the proposed placement of dredged material in DMPA 13, which would hasten the need to expand or replace it, most likely by filling more bay bottom. Secondly, by not providing details of the mitigation plan in the DEIS, the public is denied the opportunity provided by the National Environmental Policy Act (NEPA) to review it, determine its adequacy, and provide meaningful comments. Not to provide this opportunity for public review and comment and to provide the FERC's response in the EIS are other NEPA violations. The first item is relevant not only because it violates still another section of the NEPA regarding consideration of secondary impacts, but also because it would violate the 404(b)(1) Guidelines to permit that filling when a less environmentally damaging practicable alternative exists. The FERC should deny IEC the more damaging alternative of using DMPA 13 for disposal of its initial and maintenance dredged material, and issue a SEIS containing, among other things, a description, map, and analysis of the mitigation plan for the public's review and comment.

Section 4.12.5.2, pp 4-124 et seq.: This section regarding marine safety in the Corpus Christi and La Quinta Channels needs to be updated and expanded to substitute traffic associated with construction of GBSs for offshore oil rigs at the Kiewit site, and to add similar discussions of traffic effects from the other GBS construction sites. Again, a map showing the channels and the existing and proposed facilities along them would be most helpful in describing the overall development trends adjacent to these channels and the interactions with barge and ship movements that may be expected to occur. In the same vein, such a map should show where the DMPAs are located in relation to the channels and the facilities, in part because the spoil islands shelter the shipping lanes, but also because they are essential to keeping those public channels open by providing convenient and economical disposal sites for the federal government. The section should include a

I1 Continued, page 4 of 6

I1-12

I1-12 Comment noted.

I1-13

I1-13 See response to comment I1-10.

I1-14

I1-14 As indicated in section 2.4.1.2 of the EIS, Ingleside San Patricio proposes that materials generated during construction and maintenance dredging would be pumped to Alcoa's tailing ponds. If Ingleside San Patricio deemed the tailing ponds unavailable for any reason, they would request from the COE and FERC a modification to the proposed dredge disposal area. In addition, Ingleside San Patricio would consult and comply with the applicable permitting agencies and their requirements and develop a Dredge Disposal Plan. Ingleside San Patricio has not identified any other dredge disposal areas.

I1-15

I1-15 See response to comment I1-2. We fully recognize the responsibility of the COE to finalize mitigation for impacts to resources covered under Section 404 of the Clean Water Act. Further, we trust the ability of the COE to ensure that the mitigation adequately compensates for those impacts while being responsive to any agreements with other agencies. While staff wishes to accurately report the mitigation being developed by the COE and the applicant, we also understand that the final mitigation plan is the one that is approved and included in the COE permit. We have included a recommendation in the final EIS that would require that Ingleside San Patricio complete an approved mitigation plan prior to construction of the terminal. Final approval of the mitigation, of course, continues to be under the authority of the COE.

I1-16

I1-16 A discussion of the cumulative effect of the three proposed LNG projects and the gravity based structures under consideration in the Corpus Christi Bay area are discussed in section 4.13 of this EIS and a map showing ship channels, proposed LNG project sites, and graving dock sites has been included (see figure 4.13-1). We have revised this EIS to reflect Ingleside San Patricio's proposed DMPA is the Alcoa tailing ponds. Discussions on the DMPA and natural resources that would be affected by the Ingleside Energy Center LNG Project can be found in sections 2.0 and 4.0 of this EIS. Figure 2.4-1 has been included to show the Project and DMPA location.

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description of each DMPA, the channel reach(es) each serves, any natural resources such as bird rookeries or wetlands it supports, the average annual rate at which each is being filled, how much of that filling is contributed by maintenance or expansion of the public channels, how much of that filling comes from private dredging, the date at which each DMPA's remaining capacity will be exhausted, and the most likely location of each DMPA's expansion or replacement.

II-16

At the top of p 4-131, the FERC staff recommends that IEC "evaluate the quantity of dredging required to accommodate the maneuvering of LNG vessels up to 254,000 [cubic meters] capacity through the Corpus Christi and La Quinta Channels. This information should be provided as comments on the draft EIS for inclusion and evaluation in the final EIS." This recommendation is in apparent reference to IEC's lack of a proposal to deepen the area of the "Y," or intersection between the two channels, as V&D proposed. IEC had indicated to me in response to this situation that the smaller ships it intended to use did not need the extra space to navigate the Y, but the staff's recommendation to evaluate the use of bigger vessels is appropriate. However, that evaluation and its discussion belong in the SDEIS so that the public can review and comment on them before the FEIS is prepared.

II-17

Section 4.13, pp 4-149 *et seq.*. This section is the probably the most deficient in the whole DEIS because, despite correctly and repeatedly defining cumulative impacts, it omits the most significant contributions to them, and then fails to analyze and respond to the trends they demonstrate.

The section begins: "Cumulative impacts result when effects associated with a proposed project are superimposed upon, or added to, other impacts associated with past, present, or reasonably foreseeable future projects within the area affected by the proposed Project. Although the individual impacts of the separate projects may be minor, the collective effects from the projects taken together could be significant." In this case, the section claims the staff "looked at potential impacts from known projects existing or proposed between the City of Ingleside and the west end of the La Quinta Channel at Portland, Texas." Although the area affected by the IEC undoubtedly also extends beyond Ingleside and northeastward up the Corpus Christi Ship Channel along the route proposed to be taken by the project's LNG vessels, even if the narrow scope of assessment used in this section is accepted, the discussion and table of resource impacts don't include the largest impacts of all: those resulting from the dredging and maintenance of the La Quinta Channel itself. Those past and present activities came at a cost to the existing environment greater than all the others cited in this section, and must inevitably cost still more if the dredged material from private projects, such as IEC, V&D, and the GBS construction at Kiewit, when added to the material generated by the construction, enlargement and maintenance of the La Quinta Channel by the Corps of Engineers, cumulatively fill the PCCA's public DMPAs.

II-18

The section on cumulative impacts should also have included the impacts of the existing private basins and channels along the La Quinta, like those of Sherwin Alumina and IEC's parent company, Occidental Chemical, and of their contributions of spoil to the DMPAs. In fact, the only past and existing projects the section addresses are the U.S. Navy's Homeport/Naval Station Ingleside and the Mine Warfare Center of Excellence, and the Navy sets a good example by in part providing its own disposal area outside of the DMPAs.

II-19

Having listed the complete set of projects contributing to the cumulative loss of open bay habitat and some fringing wetlands, the section's next steps should have been to sum their impacts, analyze the trend, predict the consequences to the estuary if the trend continues unchecked, and offer measures to mitigate the trend's adverse environmental effects. Since avoidance of impacts is the first and most effective form of mitigation, the obvious conclusion is that the FERC staff should recommend at the end of the section that IEC not contribute to the loss of DMPA capacity, but instead place all its dredged material on the Alcoa tailings piles on some other private site away from the bay.

II-20

The reason we have placed so much emphasis on the Cumulative Impacts section of the DEIS and its analysis of those cumulative effects on the DMPAs is that their current handling there is strikingly similar to the legally inadequate treatment given by the U.S. Army Corps of Engineers to development on West Galveston Island. In

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II-17 Ingleside San Patricio continues to assert that its facility would not likely be used to accommodate the larger vessels. However, we have included a recommendation in this FEIS that Ingleside San Patricio evaluate the need for additional dredging, and the quantity of dredging that would be required, to accommodate the maneuvering of LNG vessels up to 254,000 m³ capacity through the Corpus Christi and La Quinta Channels. We have recommended that this study be done in consultation with the COE, Coast Guard, and the Aransas Corpus Christi Pilots Association, and to file the results with the Secretary for the review and approval prior to the use of LNG ships over 140,000 m³ in capacity.

II-18 The cumulative impacts section of this EIS has been updated and revised to include additional information.

II-19 See response to comment II-18.

II-20 See response to comment II-18. The EIS has been revised to reflect that Ingleside San Patricio's proposed DMPA is the Alcoa tailing ponds.

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Lafitte's Cove at Pirates' Beach Nature Society v. U.S. Army Corps of Engineers, Civil Action No. G-04-185 (Galveston Division, Southern District of Texas, Dec. 2004), the Court ruled in pertinent part:

The Corps failed to conduct a sufficient cumulative impacts analysis in its EA for Permit 22790. The cumulative impacts section does not provide enough information upon which the Corps could base a reasoned decision on whether to grant the permit, nor does it actually analyze what information it does provide on cumulative impacts. Also, the Corps did not adequately consider the loss of spoil disposal area A in the context of the Pirate's Cove development and other developments.

This recent case law clearly sets the standard concerning cumulative impacts for this DEIS and all the other ongoing NEPA analyses within the Southern District of Texas. Accordingly, I again strongly recommend the FERC supplement this DEIS to correct this and other deficiencies.

This concludes my comments on the DEIS. I look forward to seeing its supplement.

Sincerely,

Johnny D. French

Save the dirt.

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OFFICE OF THE
SECRETARY

ORIGINAL

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P.O. Box 24
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March 23, 2005

FEDERAL ENERGY
REGULATION COMMISSION
Magalie R., Salas, Secretary
Federal Energy Reg. Commission
888 First St., N.E. Room 1A
Washington, D.C. 20426

Ingleside Energy Center,
San Patricio Pipeline, LLC
Docket#CP05-11-000, CP05-12-
12-000, CP05-12-000, and
CP05-14-000

DEAR M. SALAS:

In reply to your request for comments regarding Ingleside Energy Center, San Patricio Pipeline, LLC's request for LNG facility and proposed pipeline route, we are hereby informing you that we do not approve of the project in its entirety for the following reasons:

1. We believe that we should not be importing LNG or any fuel from any foreign country, but should be totally reliant on gas and oil from production obtained from our own country. There are many huge reserves of oil and gas in the United States and Alaska that have not even been discovered. Oil and Gas companies can produce oil and gas without destroying the environment.

I2-1

2. At present, we are trying to give Russia the islands in the Aleutians, which have huge reserves of oil and gas, which belong to us and our country could develop oil and gas from without damaging the islands.

3. Importing fuel from foreign countries gives the foreign countries the opportunity to hold the United States hostage for our fuel, and enables foreign countries to withhold fuel from us and also raise the price to suit themselves.

4. When large oil and gas plants and pipelines, as you are proposing, use good producing farming and ranching land, this land can never be used for subdivisions, such as for homes and businesses and cannot be built next to the large lines.

I2-2

5. Using our own land for drilling and production of oil and gas would give our own citizens jobs and good paying wages.

I2-3

6. When you all take land for plants and pipelines, under threat of "Eminent Domain", you only offer current market price for this land, instead of price for subdivision, which is highly possible as the pipelines you all are proposing are close proximity to the city of Portland, Texas.

I2-4

7. Also, you all do not offer enough money for crop and land damages. You need to make provisions for crop and land damages.

I2-5

I2 Mary Leona Murff

- I2-1 The FERC staff is required to review the applications before the Commission and make a determination as to whether they can be constructed and operated in an environmentally acceptable manner. The No Action Alternative, including a discussion of alternative sources of energy is included in section 3.1. The question of whether the United States should rely on foreign sources of energy is outside the scope of this EIS.
- I2-2 The LNG terminal and pipeline would be located in areas dominated by industrial and agricultural land uses. We are not aware of any planned residential or commercial developments within one mile of the proposed pipeline or LNG terminal (see section 4.7.2). Construction of homes or buildings within the 50-foot-wide permanent pipeline right-of-way would generally not be allowed. However, unless otherwise restricted, the land use outside of the permanent right-of-way would not be affected and could be developed. Further, much of the pipeline route is adjacent to existing utility rights-of-way (about 86.7 percent). Consequently, the development of a new utility corridor that could in some way discourage future development is not being proposed by Ingleside San Patricio.
- I2-3 A new source of competitively priced natural gas, such as that which would be provided by the proposed Project, would generally benefit the local and regional economies. Conversely, higher natural gas prices could adversely influence the regional economy by reducing realized household incomes and business profits (see section 1.1). We recognize that not all sectors of the economy would necessarily benefit equally. During construction of the LNG terminal, Ingleside San Patricio would employ an average of about 350 workers. About 550 workers would be employed during the peak construction period, when the LNG terminal and pipeline are both under construction. Ingleside San Patricio expects to utilize predominately local workers who reside within 100 miles of the Project and would employ 34 full-time workers to maintain and operate the LNG terminal facilities (see section 4.8 of this EIS).
- I2-4 Please see response to comment I2-2.
- I2-5 If the project is approved, the specific terms of landowner compensation would be negotiated between the landowner and Ingleside San Patricio. Regardless of the compensation, the FERC would require Ingleside San Patricio to implement our Plan in order to minimize construction-related impacts and restore agricultural lands. It has been our experience that, by following plans similar to this, agricultural areas can be fully restored within one growing season of construction. If crop yields in areas disturbed by pipeline construction are not similar to adjacent undisturbed portions of the same field, Ingleside San Patricio would be required to take additional steps to restore the field (see section VII.A of our Plan).

I2

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that will occur in the future, not just for one or two years. | I2-5

8. These large, high pressure lines will always be a danger to people, homes and equipment. | I2-6

We thank you for soliciting our comments and give the comments your full attention and consideration.

Sincerely,

Mary Leona Murff
MARY LEONA MURFF

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I2-6 Section 4.12.7 of the EIS includes a discussion of pipeline reliability and safety issues.