

## 1.0 INTRODUCTION

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On June 29, 2005, Southern Natural Gas Company (Southern), a wholly owned subsidiary of El Paso Corporation, filed an application with the Federal Energy Regulatory Commission (Commission or FERC) under section 7 of the Natural Gas Act (NGA), as amended, and Parts 157 and 284 of the Commission's regulations. Southern is seeking a Certificate of Public Convenience and Necessity (Certificate) to construct, install, own, operate, and maintain a new interstate natural gas pipeline and ancillary facilities. Southern's application was assigned Docket No. CP05-388-000 and was noticed in the Federal Register (FR) on July 14, 2005. On October 5, 2005, Florida Gas Transmission Company (FGT), a wholly owned subsidiary of El Paso Corporation, filed an application with the FERC under section 7 of the NGA, as amended, and Parts 157 and 284 of the Commission's regulations. FGT is seeking a Certificate to construct, install, own, operate, and maintain a new natural gas pipeline loop<sup>1</sup> and ancillary facilities downstream of the proposed Southern facilities. FGT's application was assigned Docket No. CP06-1-000 and was noticed in the FR on October 21, 2005. The environmental staff of the FERC prepared this final environmental impact statement (EIS) to assess the environmental impact associated with the construction and operation of the new facilities proposed by Southern and FGT as connected actions in accordance with the requirements of the National Environmental Policy Act (NEPA).

Southern's proposal, referred to in this EIS as the Cypress Pipeline Project, would involve the construction and operation of about 167 miles of new 24-inch-diameter natural gas pipeline, about 10 miles of new 30-inch-diameter loop, three new compressor stations, four new meter stations, and related facilities in various counties in Georgia and Florida. These facilities would be constructed in three phases with planned in-service dates of May 2007 (Phase I), May 2009 (Phase II), and May 2010 (Phase III).

The Cypress Pipeline Project is designed to initially transport 220 million cubic feet per day (MMcf/d) of natural gas in Phase I and increase to 500 MMcf/d upon completion of Phase III. The primary source of natural gas would be imported liquefied natural gas (LNG) through the Elba Island LNG terminal in Savannah, Georgia.<sup>2</sup> The LNG would be supplied by El Paso Energy Marketing Company, the primary holder of the capacity at Elba Island. The proposed Cypress Pipeline Project is described in detail in section 2.0.

FGT's proposed Phase VII Expansion Project, referred to in this EIS as the FGT Expansion Project, would involve the construction of about 33 miles of new 36-inch-diameter loop; modifications at two existing compressor stations; and the installation of miscellaneous piping, regulation, and metering facilities at other existing sites along FGT's system in various counties in Florida. The FGT Expansion Project would be constructed in two phases, with planned in-service dates of May 2007 (Phase I) and May 2009 (Phase II). The FGT Expansion Project is designed to initially transport about 95 MMcf/d of natural gas in Phase I and about 152 MMcf/d upon completion of Phase II.<sup>3</sup> The proposed FGT Expansion Project is described in detail in section 2.0.

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<sup>1</sup> A loop is a segment of pipeline that is usually installed adjacent to an existing pipeline and connected to it at both ends. The loop allows more gas to be moved through the system.

<sup>2</sup> Elba Island is a wholly owned subsidiary of Southern LNG, which is a wholly owned subsidiary of Southern, which is a wholly owned subsidiary of El Paso Corporation.

<sup>3</sup> FGT described its proposed gas volumes in units of British thermal units (Btu), specifically 100,000 MMBtu/day and 160,000 MMBtu/day in Phase I and Phase II, respectively. FGT's volumes were converted to units of cubic feet (cf) by assuming 1 cf per 1,050 Btu.

## 1.1 PROJECT PURPOSE AND NEED

### Cypress Pipeline Project

The primary purpose of the proposed Cypress Pipeline Project is to add pipeline infrastructure in south Georgia and north Florida to support the increased utilization of imported LNG as a source of gas supply in the Southeast. LNG is recognized as an essential supply source in meeting the growing demand for natural gas in the coming years. According to the Energy Information Administration (EIA), annual natural gas consumption in the U.S. is expected to increase, and by 2015 LNG imports are expected to comprise 15 percent of total U.S. consumption, compared to only 2 percent in 2003 (EIA, 2005). Southern's existing pipeline facilities are directly connected to the Elba Island LNG terminal which is one of the few LNG import facilities in the U.S. This existing system is currently supplying natural gas to markets northeast of the proposed Cypress Pipeline Project. By Order dated April 10, 2003, in Docket No. CP02-379-000, the Commission authorized a major expansion of the Elba Island facilities to increase storage capacity from 4.0 billion cubic feet (Bcf) to 7.33 Bcf and increase vaporization capacity from 675 MMcf/d to 1,215 MMcf/d. Southern LNG anticipates completing its expansion facilities by the first quarter of 2006. Any Commission approval of the proposed Cypress Pipeline Project, with its proposed interconnection with FGT's system in Clay County, Florida, would provide a new supply option for the natural gas markets in the Southeast. Natural gas supplies to these markets are currently derived almost entirely from the Gulf of Mexico and the supply associated with the proposed project (Elba Island LNG Terminal) would increase supply reliability in the event of interruption to the current supply (e.g., by hurricane, etc.). According to Southern, this increased access to natural gas supplies would enhance economic development in the geographic areas served by the Cypress Pipeline Project.

The construction of the pipeline in southern Georgia could also have a major impact on the development of new natural gas markets in that part of the state. By the proposed pipeline system being engineered to allow bidirectional flow (either north to south or south to north), it would offer the current users of Southern's and FGT's systems new opportunities to meet their gas requirements and manage their gas supplies. Currently, Southern and FGT tend to have different peak utilization seasons, and having their systems linked as proposed would allow users on one system to meet their needs by using the existing off-peak capacity available on the other system. This allows additional supply diversity, access, and reliability for gas consumers in these markets.

Southern currently has executed two 20-year precedent agreements<sup>4</sup> and one 15-year precedent agreement for firm transportation service on its proposed pipeline. On December 2, 2004, Southern entered into 20-year precedent agreements for the full capacity of the proposed project with BG LNG Services, L.L.C. (BG) and Florida Power Corporation d/b/a/ Progress Energy Florida, Inc. (Progress Energy). The gas amounts to be subscribed by BG and Progress Energy have been phased to conform to their market requirements. Progress Energy's transportation demand would range from about 59 MMcf/d in the first year, to 79 MMcf/d in the second year, and 99 MMcf/d in the third and subsequent years. BG's transportation demand would be about 156 MMcf/d in the first year. This quantity would decrease to 137 MMcf/d in the second year and then increase to 230 MMcf/d in the third year when Phase II is completed. When Phase III is completed, BG's transportation demand would increase to about 391 MMcf/d. The 15-year precedent agreement with the City of Austell, Georgia is for about 5 MMcf/d.

Although not included as firm delivery points in the precedent agreements described above, Southern proposes to construct interconnections and metering facilities at the intersection of its proposed pipeline with existing pipelines owned by Atlanta Gas and Light Company (AGL) in Glynn County,

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<sup>4</sup> A precedent agreement is an agreement between parties which identifies a set of conditions that must be met prior to the execution of a contract.

Georgia and South Georgia Natural Gas (South Georgia) in Nassau County, Florida for up to 75 MMcf/d at each. These interconnects would provide alternative delivery points for all Southern shippers and suppliers and would increase gas supply availability in southcentral and southwestern Georgia.

On November 22, 2005, the Commission issued a Preliminary Determination on Non-Environmental Issues (PD) for the Cypress Pipeline Project. The PD considered such issues as the need for the project and its economic effect on Southern's existing customers, on other pipelines in the area, and on landowners and communities.<sup>5</sup> The Commission also considered the comments and protests relating to issues of gas quality and interchangeability and found that these issues can be most appropriately resolved in the ongoing proceeding in *AES Ocean Express, LLC v. Florida Gas Transmission Company (AES v. FGT)*, in Docket No. RP04-249-001, and thus defers consideration of these issues to that proceeding. The PD indicated that the authorization to construct, operate, and maintain the proposed pipeline facilities under section 7 of the NGA is, on the basis of all pertinent non-environmental issues, consistent with the public interest. The PD further indicated that the proposed pipeline facilities meet the FERC's criteria of public convenience and necessity. The issuance of a PD prior to completion of the environmental review does not prejudice any further actions by the Commission. Final action on the FERC's authorization and Certificate will not occur until after the environmental review is completed, all environmental issues have been appropriately addressed, and a final Order is issued by the Commission.

### **FGT Expansion Project**

The primary purpose of the FGT Expansion Project is to deliver natural gas from the Cypress Pipeline Project to Progress Energy for its Hines Energy Complex, a natural gas-fueled combined-cycle power generation complex in Polk County, Florida. FGT has indicated that Progress Energy is currently expanding the Hines Energy Complex to match the population growth and the subsequent demand for electricity in south Florida. Progress Energy plans to complete additional gas-fueled power generation capacity in 2007 and 2009. As a result, FGT has entered into 20-year firm transportation service agreements with Progress Energy and BG to transport Southern's natural gas on the proposed Cypress Pipeline Project for the Hines Energy Complex. FGT's proposed expansion is planned in two phases to match the increased demand at this power generation complex.

### **1.2 PURPOSE AND SCOPE OF THIS EIS**

The principal purposes for preparing this EIS are to:

- identify and assess the potential direct, indirect, and cumulative impacts on the natural and human environment that would result from the implementation of the proposed projects;
- describe and evaluate reasonable alternatives to the proposed actions that would avoid or substantially lessen any significant adverse effects on the environment;
- identify and recommend specific mitigation measures, as necessary, to avoid or minimize significant environmental effects; and
- encourage and facilitate involvement by the public and interested agencies in the environmental review process.

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<sup>5</sup> The Commission considered the extent to which Southern may need to exercise eminent domain to obtain a right-of-way for the proposed project and balanced that against the benefits to be provided by the project.

The topics addressed in this EIS include alternatives; geology; soils; water resources; wetlands; vegetation; wildlife and aquatic resources; special status species; land use, recreation and special interest areas, and visual resources; socioeconomics; cultural resources; air quality and noise; reliability and safety; and cumulative impacts. The EIS describes the affected environment as it currently exists, discusses the environmental consequences of the proposed project, and compares the project's potential impact to that of the alternatives. The EIS also presents our<sup>6</sup> conclusions and recommended mitigation measures.

The FERC is the lead agency for the preparation of this EIS. The U.S. Army Corps of Engineers (COE) is participating in the preparation of this EIS as a cooperating agency. A cooperating agency has jurisdiction by law or special expertise with respect to environmental impacts involved with the proposal. The roles of the FERC and the COE in the project review process are described below. The federal, state, and local permits, approvals, and consultations for the project are discussed in section 1.5.

### **1.2.1 Federal Energy Regulatory Commission**

The FERC is the federal agency responsible for evaluating applications filed for authorization to construct and operate interstate natural gas pipeline facilities. As such, the FERC is the lead federal agency for the preparation of this EIS in compliance with the requirements of NEPA (42 United States Code (USC) Sections 4321 – 4345), the Council on Environmental Quality (CEQ) regulations for implementing the procedural provisions of NEPA (Title 40 Code of Federal Regulations (CFR) Parts 1500-1508), and the FERC's regulations implementing NEPA (Title 18 CFR Part 380).

As the lead federal agency for the Cypress Pipeline Project and the FGT Expansion Project, the FERC is required to comply with section 7 of the Endangered Species Act of 1973 (ESA), the Magnuson-Stevens Fishery Conservation and Management Act (MSA), section 106 of the National Historic Preservation Act (NHPA), and section 307 of the Coastal Zone Management Act of 1972 (CZMA). Each of these statutes has been taken into account in the preparation of this EIS. The FERC will use the document to consider the environmental impact that could result if it issues Southern and FGT Certificates under section 7 of the NGA.

The FERC will also consider non-environmental issues in its review of Southern's and FGT's applications.<sup>7</sup> Authorizations will be granted only if the FERC finds that the evidence produced on financing, rates, market demand, gas supply, existing facilities and service, environmental impacts, long-term feasibility, and other issues demonstrates that a project is required by the public convenience and necessity. Environmental impact assessment and mitigation development are important factors in the overall public interest determination.

### **1.2.2 U.S. Army Corps of Engineers**

The COE has jurisdictional authority pursuant to section 404 of the Clean Water Act (CWA) (33 USC 1344), which governs the discharge of dredged or fill material into waters of the United States, and section 10 of the Rivers and Harbors Act (33 USC 403), which regulates any work or structures that potentially affect the navigable capacity of a waterbody. Because the COE must comply with the requirements of NEPA before issuing permits under these statutes, it has elected to participate as a cooperating agency in the preparation of this EIS. The COE would adopt the EIS per Title 40 CFR Part 1506.3 if, after an independent review of the document, it concludes that its comments and suggestions

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<sup>6</sup> The pronouns "we," "us," and "our" refer to the environmental staff of the FERC's Office of Energy Projects (OEP).

<sup>7</sup> As previously mentioned, the Commission has issued a PD for the Cypress Pipeline Project and found that authorization of the proposed pipeline facilities under section 7 of the NGA is, on the basis of all pertinent non-environmental issues, consistent with the public interest and meets the FERC's criteria of public convenience and necessity.

have been satisfied. The Cypress Pipeline Project occurs within the Savannah and Jacksonville Districts of the COE South Atlantic Division, and the FGT Expansion Project occurs within the Jacksonville District. Staff from each COE district office will participate in the NEPA review and each district will evaluate the projects for district-specific COE authorizations, as applicable. However, the Jacksonville District Office is considered the COE lead in preparation of this EIS.

As an element of its review, the COE must consider whether a proposed project avoids, minimizes, and compensates for impacts on existing aquatic resources, including wetlands, to strive to achieve a goal of no overall net loss of values and functions.

Although this document addresses environmental impacts associated with the proposed actions as they relate to sections 404 of the CWA and 10 of the Rivers and Harbors Act, it does not serve as a public notice for any COE permits. Such public notice would be issued separately. The COE's Record of Decision resulting from consideration of the EIS will formally document its decision on the proposed actions, including section 404 (b)(1) analysis and required environmental mitigation commitments.

### **1.3 PUBLIC REVIEW AND COMMENT**

#### **Cypress Pipeline Project**

On December 21, 2004, Southern filed a request with the FERC to implement the Commission's Pre-Filing Process for the Cypress Pipeline Project. At that time, Southern was in the preliminary design stage of the project and no formal application had been filed with the FERC. On January 5, 2005, the FERC granted Southern's request and established a pre-filing docket number (PF05-7-000) to place information related to the project into the public record. The purpose of the Pre-Filing Process is to encourage the early involvement of interested stakeholders, facilitate interagency cooperation, and identify and resolve issues before an application is filed with the FERC. The COE agreed to conduct its environmental review of the project in conjunction with the Commission's Pre-Filing Process.

As part of the Pre-Filing Process, Southern mailed notification letters to landowners, government and agency officials, and the general public informing them about the project and inviting them to attend open houses on February 15, 16, and 17, 2005 to learn about the project and to ask questions and express their concerns. Notifications of the open houses were also published in local newspapers. The open houses were held in Savannah and Brunswick, Georgia, and Jacksonville, Florida. FERC staff attended the open houses to explain the environmental review process to interested stakeholders and take comments about the project. The questions and concerns raised by the public at the open houses are addressed in this EIS.

On February 8, 2004, FERC staff attended an interagency meeting in Savannah that was arranged by Southern to introduce the project and identify issues that may need to be addressed. Agencies present at the meeting included the COE Savannah and Jacksonville District Offices; U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NOAA Fisheries); U.S. Environmental Protection Agency (EPA); U.S. Fish and Wildlife Service (FWS); and Georgia Department of Natural Resources (GADNR). During the meeting, the agencies identified a number of issues that are addressed in this EIS. Following that meeting, the FERC met separately with the COE to discuss coordination and communication under the Pre-Filing Process, including the environmental review and approval processes for each agency.

On February 18, 2005, the FERC issued a *Notice of Intent to Prepare an Environmental Impact Statement for the Proposed Cypress Pipeline Project, Request for Comments on Environmental Issues, and Notice of Public Scoping Meetings* (Cypress NOI). The Cypress NOI was sent to 725 parties,

including affected landowners and abutters; federal, state, and local government agencies; elected officials; Native American tribes; environmental and public interest groups; other interested parties; and local libraries and newspapers.<sup>8</sup> The Cypress NOI described the project and environmental review process, provided a preliminary list of project related issues, invited written comments on the environmental issues to be addressed in the EIS, and listed the dates and locations of three public scoping meetings to be held in communities in the project area. These meetings were held in Bloomingdale and Brunswick, Georgia, and Jacksonville, Florida, during the evenings of March 8, 9, and 10, 2005, respectively.

On March 9, 2005, an interagency meeting was held in Brunswick, Georgia, with the COE Savannah District, NOAA Fisheries, FWS, GADNR, Georgia Department of Transportation (GADOT), and Savannah-Ogeechee Canal Society. On March 10, 2005, an interagency meeting was held in Jacksonville, Florida, with the COE Jacksonville and Savannah Districts, FWS, Florida Department of Environmental Protection (FLDEP), and St. Johns River Water Management District. The comment period on the Cypress NOI closed on April 7, 2005; however, the Commission continued to receive and accept comments after the close of the comment period.

Excluding representatives of Southern, FERC staff, and third-party contractor staff, about 26 people attended the public meeting in Bloomingdale, Georgia on March 8, 2005 and 9 people made statements. During the Brunswick, Georgia meeting on March 9, 2005, approximately 15 people attended and 5 provided statements. The Jacksonville, Florida meeting on March 10, 2005 was attended by 6 people and 2 provided statements. In response to the Cypress NOI, we received 7 letters from agencies and 13 letters from the public. Each of the letters was evaluated and divided into individual comments. When combined with the comments received during Southern's open houses and our agency scoping meetings, 191 comments were recorded. A transcript of the public scoping meetings and all written comments are part of the public record for the Cypress Pipeline Project and are available for viewing on the FERC Internet website (<http://www.ferc.gov>).<sup>9</sup>

Of the combined written and oral comments received during the scoping process, approximately 10 percent dealt with non-environmental issues such as general project support or opposition, address corrections, interagency communication and administrative issues, or other non-project-related issues such as the safety of the Elba Island facility. Although we recognize that these issues are of interest to the commentors and other affected landowners, they are beyond the scope of this EIS. The most frequently raised issues for the Cypress Pipeline Project related to questions or concerns about the impacts on waterbodies, wetlands, and vegetation; use of existing powerline corridors; construction and mitigation methods; and justification for the project components in Georgia. There were also multiple comments provided relating to groundwater, vegetation, wildlife, protected species, and fisheries impacts, and the analysis of cumulative impacts and alternatives. Table 1.3-1 summarizes the general environmental issues and specific concerns identified by the commentors during the Cypress Pipeline Project scoping process and identifies the final EIS section in which each issue or comment is addressed.

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<sup>8</sup> Due to additional landowners that were added to our mailing list following Southern's June 29, 2005 application, the FERC sent the Cypress NOI to an additional 158 landowners along the pipeline route on August 16, 2005, and provided a 30-day comment period for these landowners ending on September 15, 2005.

<sup>9</sup> Using the "eLibrary" link, select "General Search" from the eLibrary menu and enter the docket number excluding the last three digits in the "Docket Number" field (i.e., PF05-7 and CP05-388). Be sure to select an appropriate date range.

TABLE 1.3-1

**Issues Identified and Comments Received During the Public Scoping Process for the Cypress Pipeline Project**

Issue/Specific Comment	EIS Section(s) Addressing Comment
<b>General</b>	
Project need or justification, including identification of customers	1.1
Interagency EIS review and other agency review and permitting processes	1.2, 1.3
Describe construction methods and land requirements for construction and operation	2.2, 2.3
Describe basis for system design	2.2, 3.2
Provide environmental training for construction personnel and use acceptable construction practices	2.5
<b>Geology and Soils</b>	
Impacts on soils including compaction of hydric soils, erosion, stormwater runoff, and soil lithology	4.1, 4.2
<b>Water and Wetland Resources</b>	
Impacts on groundwater including aquifers, wells, recharge areas, miocene layer, potential contamination, and conduct groundwater monitoring	4.3.1
Impacts on waterbodies (rivers, creeks, canals), particularly major/significant waterbodies; also floodplains/floodwaters, riparian areas, headwater streams, coastal river systems, future water supplies	4.3.2
Impacts on wetlands including avoidance measures, filling for aboveground facilities, drainage, and tidal systems	4.4
Construction techniques, alternative methods, timing, mitigation measures, and restoration	2.3.2
<b>Vegetation and Wildlife</b>	
Impacts on fisheries including water quality, essential fish habitat, mussels, headwater streams	4.6.2
Impacts on wildlife including game species, unique habitats, migrations, habitat fragmentation, timing	4.6.1
Impacts on vegetation including old growth trees, forest conversions, unique habitats, construction disturbances, and right-of-way maintenance activities	4.5
Impacts on protected species including gopher tortoise and commensal species, red cockaded woodpecker, short-nose sturgeon, and associated mitigation plans	4.7
Invasive species introductions including cogongrass and development of a weed plan	4.5.5
<b>Land Use/Recreation/Visual Resources</b>	
Collocate with existing powerline corridors and avoid widening of existing corridors	2.2.1, 3.2.3
Impacts on property including property access and impacts on future land development, planned subdivisions, silviculture activities, residential impacts	4.8
Impacts on hunting, commercial/recreational fishing, recreational activities, notifications	4.8.5
Land use restrictions after construction	2.2.1, 4.8.1
Impacts on public interest areas including Fort Stewart, state sovereign lands, conservation easements, mitigation banks, and wildlife management areas	4.8.5
Visual aesthetics of aboveground facilities and impacts on visual screening for residences	4.8.7
<b>Cultural Resources</b>	
Impacts on the Savannah-Ogeechee Canal	4.10
<b>Socioeconomics</b>	
Economic impacts including jobs and future growth potential, and losses to ecosystem-based business such as ecotourism, commercial fishing	4.9
<b>Air Quality and Noise</b>	
Noise impacts particularly construction-related noise, work hours, stationary sources, blasting, operation of compressor stations, and attenuation plans	4.11.2
Identify attainment/nonattainment status of affected counties	4.11.2
Air quality impacts due to compressor station emissions, construction emissions, open burning, and Elba Island LNG terminal facility emissions	4.11.1
<b>Safety</b>	
General safety, risks due to accidents, terrorism, road crossings, and natural disasters	4.12
Emergency procedures for leaks	4.12
Impacts of pipeline crossing powerlines	2.3.1, 3.2.3

TABLE 1.3-1 (cont'd)

Issues Identified and Comments Received During the Public Scoping Process for the Cypress Pipeline Project	EIS Section(s) Addressing Comment
<b>Cumulative Impacts</b>	
Additional right-of-way corridors and corridor widths	2.2.1, 3.2.3, 4.13
Past, present, and future project impacts on environmental resources including rivers, wetlands, aquifers, other sensitive resources, habitats, ecosystem functions, fragmentation, global deforestation, and coastal environment	4.13
Secondary project impacts including new power plants, expanded industries, and new housing starts	4.13
Council on Environmental Quality guidance for considering cumulative effects	4.13
<b>Alternatives</b>	
Greater utilization of existing rights-of-way, collocation with utilities, and existing workspace	3.2.3
Analyze alternative locations, routes, facilities, and pipeline systems including the Effingham County route, establishment of a new LNG terminal in Florida, use of an existing pipeline from Alabama, avoidance of state land crossings and sensitive resources	3.0
Compare project costs to potential cost-savings from improvements in conservation and efficiency	3.1
Methods of installation, construction width, maintenance	2.3

## FGT Expansion Project

On April 29, 2005, FGT filed a request with the FERC to implement the Commission's Pre-Filing Process for the FGT Expansion Project. On May 12, 2005, the FERC granted FGT's request and established a pre-filing docket number (PF05-11-000) to place information related to the project into the public record. The COE agreed to conduct its environmental review of the project in conjunction with the Commission's Pre-Filing Process and on the same schedule as its review of the Cypress Pipeline Project.

As part of the Pre-Filing Process, FGT mailed notification letters to landowners, government and agency officials, and the general public informing them about the project and inviting them to attend open houses on June 13 and 14, 2005, to learn about the project and to ask questions and express their concerns. Notifications of the open houses were also published in local newspapers. The open houses were held in Spring Hill and Chiefland, Florida, respectively. FERC staff attended the open houses to explain the environmental review process to interested stakeholders and take comments about the project. Approximately 13 persons attended the open house in Spring Hill and approximately 3 persons attended the open house in Chiefland. The questions and concerns raised by the public at the open houses are addressed in this EIS.

On June 15, 2005, FERC staff facilitated an interagency meeting in Tallahassee, Florida, to discuss the FGT Expansion Project with other jurisdictional agencies and identify issues that may need to be addressed. Agencies invited to the meeting included the COE, NOAA Fisheries, FWS, and FLDEP. However, only the FLDEP and the Florida Fish and Wildlife Commission (FLFWC) were present at the meeting and issues identified by those agencies are addressed in this EIS.

On June 22, 2005, the FERC issued a *Notice of Intent to Prepare an Environmental Impact Statement for the Proposed Phase VII Expansion Project and Request for Comments on Environmental Issues* (FGT NOI). The FGT NOI was mailed to 1,130 parties including affected landowners and abutters; federal, state, and local government agencies; elected officials; Native American tribes; environmental and public interest groups; other interested parties; and local libraries and newspapers. The FGT NOI described the project and environmental review process, provided a preliminary list of EIS issues, and invited written comments on the environmental issues to be addressed in the EIS. The comment period for the NOI closed on July 25, 2005. In response to the FGT NOI, we received eight letters from agencies, one letter from a Native American tribe, one letter from FGT, and one letter from the public. Due to the low number of persons attending the FGT open house meetings and commenting on the FGT NOI, we elected not to hold public scoping meetings.

Each of the scoping comment letters was evaluated and divided into individual comments. When combined with the comments received during FGT's open houses and our interagency scoping meeting, 28 comments were recorded. Of the combined written and oral comments, approximately 17 percent dealt with non-environmental issues such as interagency communication and administrative issues or other non-project-related issues such as requests for detailed maps or copies of the draft EIS. Although we recognize that these issues are of interest to the commentors and other affected landowners, they are not within the scope of this EIS. All written comments are part of the public record for the FGT Expansion Project and are available for viewing on the FERC Internet website (<http://www.ferc.gov>).<sup>10</sup> Table 1.3-2 lists the general environmental issues and specific concerns identified by the commentors during the FGT Expansion Project scoping process and identifies the final EIS section in which each issue or comment is addressed.

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<sup>10</sup> Using the "eLibrary" link, select "General Search" from the eLibrary menu and enter the docket number excluding the last three digits in the "Docket Number" field (i.e., PF05-11 and CP06-1). Be sure to select an appropriate date range.

TABLE 1.3-2

<b>Issues Identified and Comments Received During the Public Scoping Process for the FGT Expansion Project</b>	
Issue/Specific Comment	EIS Section(s) Addressing Comment
<b>General</b>	
Interagency EIS review and other agency review and permitting processes, particularly coastal zone management consistency and environmental resource permit requirements	1.2, 1.3
Document public interest in project	1.3
Clarification regarding permanent and temporary rights-of-way	2.2
FERC should hold town meetings and coordinate with the public	1.3
Quantify construction time frame and discuss effects qualitatively	2.4
Discuss landowner concerns and eminent domain	1.3
<b>Geology and Soils</b>	
Impacts on soils including compaction of hydric soils, erosion, stormwater runoff, and soil lithology	4.1, 4.2
<b>Water and Wetland Resources</b>	
Avoid waterbodies, 303(d) pollutants, use horizontal directional drill and dry-cut methods	4.3.2
Minimize right-of-way in wetlands, maintain 50-foot vegetation buffer, restore natural contours	4.4
Impacts on Southwest Florida Water Management District	1.5
<b>Vegetation and Wildlife</b>	
Impacts on federally protected species	4.7
Potential presence of Florida scrub-jays and southeastern kestrels and/or nest boxes; conduct surveys	4.7
<b>Land Use/Recreation/Visual Resources</b>	
Identify crossings of state-owned lands, particularly recent purchase of LeCanto Sandhills	4.8.5
Impacts on existing and future planned state transportation system right-of-way	4.8.4
Potential effects on traffic from tanker trucks providing uninterrupted service in Suwannee County	4.8.4
<b>Cultural Resources</b>	
Notify representative of Sac & Fox Tribe if Native American remains or objects are uncovered	4.10.3
Determine archaeological impacts	4.10.1
<b>Socioeconomics</b>	
Economic impacts including jobs and future growth potential, and losses to ecosystem-based business such as ecotourism, commercial fishing	4.9
<b>Air Quality and Noise</b>	
Use electrically powered compressors	4.11.1
Consider effects of transmitting and burning imported LNG	4.11.1
Identify attainment/nonattainment status of affected counties	4.11.1
Air quality impacts due to compressor station emissions, construction emissions, open burning, and Elba Island LNG terminal facility emissions	4.11.1
Noise impacts, particularly construction-related noise, work hours, stationary sources, blasting, operation of compressor stations, and attenuation plans	4.11.2
Limit average noise generated to 55 decibels of the A-weighted scale at the property fence line of compressor stations; take measurements	4.11.2
<b>Safety</b>	
Concern about small feeder lines that would connect to the pipeline	4.12
Concern about proximity of the pipeline to the Brookridge and Springridge developments	4.8.3
<b>Cumulative Impacts</b>	
Evaluate impacts of future projects	4.13
<b>Alternatives</b>	
Avoid the existing Brookridge development and the planned Springridge development	3.3.3

The FERC prepared a draft EIS for the Cypress Pipeline and FGT Expansion Projects and issued a Notice of Availability (NOA) of the draft EIS on December 30, 2005. In accordance with CEQ's

regulations implementing NEPA, the NOA established a 45-day comment period ending on February 20, 2006; described procedures for filing comments on the draft EIS; and announced the time, date, and location of public comment meetings. The NOA also indicated that additional project information could be obtained from the Commission's Office of External Affairs and on the FERC's Internet website. A formal notice was also published in the FR on January 12, 2006, indicating that the draft EIS was available and had been mailed to individuals and organizations on the mailing list prepared for the project.

The FERC mailed 1,384 copies of the draft EIS to interested parties, including federal, state, and local officials and agencies; special interest groups; parties to the proceeding; area libraries and newspapers; and individuals and affected landowners who requested a copy of the draft EIS. The FERC also conducted public meetings in Bloomingdale, Georgia on February 6; Brunswick, Georgia on February 7; Jacksonville, Florida on February 8; and Brooksville, Florida on February 9, 2006. A total of seven people provided comments at these four meetings. In addition, we received comment letters from three federal agencies, two state agencies, five companies and organizations, two individuals, Southern, and FGT. Comments on the draft EIS and FERC staff's responses to those comments are provided in Appendix N of this document. The substantive changes in the final EIS are indicated by vertical bars that appear in the margins. The changes were made both in response to comments received on the draft EIS and as a result of updated information that became available after issuance of the draft EIS.

The final EIS was mailed to the agencies, individuals, and organizations on the mailing list provided in Appendix A and submitted to the EPA for formal issuance of a NOA. In accordance with CEQ's regulations implementing NEPA, no agency decision on a proposed action may be made until 30 days after the EPA publishes a NOA of the final EIS. However, the CEQ regulations provide an exception to this rule when an agency decision is subject to a formal internal process that allows other agencies or the public to make their views known. In such cases, the agency decision may be made at the same time the notice of the final EIS is published, allowing both periods to run concurrently. Should the FERC issue Southern and FGT Certificates for the proposed actions, it would be subject to a 30-day rehearing period. Therefore, the FERC could issue its decision concurrently with the EPA's NOA.

#### **1.4 NONJURISDICTIONAL FACILITIES**

Under section 7 of the NGA, the FERC is required to consider, as part of its decision to certificate interstate natural gas facilities, all factors bearing on the public convenience and necessity. Occasionally, proposed projects have associated facilities that do not come under the jurisdiction of the Commission. These "nonjurisdictional" facilities may be integral to the need for the proposed facilities (e.g., a power plant at the end of a pipeline that is under the jurisdiction of the FERC) or they may be merely associated as a minor, non-integral component of the jurisdictional facilities that would be constructed and operated as a result of the proposed facilities.

The FERC has adopted a four-factor procedure to determine the appropriate scope of its environmental review when project-related nonjurisdictional facilities are involved. These factors are:

- whether the regulated activity comprises "merely a link" in a corridor type project (e.g., a transportation or utility transmission project);
- whether there are aspects of the nonjurisdictional facility in the immediate vicinity of the regulated activity that affect the location and configuration of the regulated activity;
- the extent to which the entire project will be within the FERC's jurisdiction; and

- the extent of cumulative federal control and responsibility.

### Cypress Pipeline Project

For the Cypress Pipeline Project, electricity would need to be brought into Compressor Station #2; Compressor Station #3; and the AGL, South Georgia, and FGT Meter Stations. The required nonjurisdictional powerlines are summarized in table 1.4-1. These nonjurisdictional powerlines to Southern’s facilities would be constructed along existing easements and no federal permits are expected to be necessary for their construction. State and local permits for installation of the powerlines would be obtained as necessary by the provider at the time of construction.

After applying the four-factor procedure to the Cypress Pipeline Project, we determined that the FERC’s control and responsibility is not sufficient to extend our environmental review to include the nonjurisdictional electrical facilities.

TABLE 1.4-1 Summary of Nonjurisdictional Facilities Associated with the Cypress Pipeline Project	
Facility	Nonjurisdictional Activity
Compressor Station #2	An existing powerline in this area is old and was built with extremely long conductor spans between poles. A new powerline with new poles and cables would be required. This new powerline would be entirely along the Highway 82 corridor. The powerline would be completed by Okefenoke Rural Electric Membership Corporation (REMC) and begin 4.8 miles east of the Compressor Station #2 site along Highway 82.
Compressor Station #3	About 2.4 miles of an existing powerline would need to be upgraded by installing new wire on existing power poles, with the possibility of a few new poles. Additionally, 0.7 mile of new powerline construction would be required along Highway 108. The new construction would require new poles and cables and be completed by Okefenoke REMC.
AGL Meter Station	About 0.5 mile of new powerline would be run along Southern’s proposed right-of-way from existing facilities on U.S. Highway 341.
South Georgia Meter Station	Power is expected to be obtained from an existing powerline on State Highway 119.
FGT Meter Station	About 0.2 mile of new powerline would be run along the existing FGT pipeline corridor from an existing Florida Power and Light (FPL) powerline.

### FGT Expansion Project

Further expansion of Progress Energy’s Hines Energy Complex in Polk County, Florida is planned to address continuing growth demand for electricity in south and central Florida. This expanded facility would utilize the natural gas subscribed from Southern that would be transported by the proposed FGT Expansion Project. As part of the expansion, a combined cycle power unit called “Hines PB4” is scheduled for commercial operation beginning in 2007. The Hines PB4 Project area would comprise approximately 14 acres of the existing approximate 8,000-acre Hines Energy Complex site property. FGT anticipates that existing access roads would be used and not require modification. The Hines PB4 Project would include the following segments of on-site piping that would connect the fuel gas supply from FGT to Hines PB4:

- about 200 to 300 feet of gas header piping from the outlet flange of the FGT measurement and regulation station to the proposed Hines PB4 fuel blending system. The blending system would allow fuel blending from FGT and other existing delivery stations;
- about 3,200 feet of 16-inch-diameter connection piping from the outlet of the fuel blending system to the inlet of the branch lines; and

- about 1,200 feet of 8-inch-diameter branch line piping to the combustion turbines (approximately 600 feet per combustion turbine).

The only federal permit required for the Hines PB4 Project is a Prevention of Significant Deterioration (PSD) Air Quality Permit. The air quality permitting authority has been delegated by the EPA to the state of Florida. The state of Florida finalized and approved the PSD Air Permit for the Hines PB4 Project in mid June 2005. The appropriate state and local agencies have also reviewed the project and have issued reports indicating their approval of the project, subject to conditions of certification. In addition, the project has been reviewed and approved by the Florida Siting Board, which issued a final Site Certification in early June 2005. After applying the four-factor procedure described above, we determined that the FERC's control and responsibility is not sufficient to extend our environmental review to include the nonjurisdictional Hines PB4 Project.

## **1.5 PERMITS, APPROVALS, AND REGULATORY REQUIREMENTS**

Table 1.5-1 lists the major federal, state, and local permits, approvals, and consultations that would apply to the Cypress Pipeline Project and FGT Expansion Project. Southern and FGT would be responsible for obtaining all permits and approvals required to implement their proposed projects, regardless of whether they appear in table 1.5-1. However, any state or local permits issued with respect to jurisdictional facilities must be consistent with the conditions of any Certificate the Commission may issue. Although the Commission encourages cooperation between interstate pipelines and local authorities, this does not mean that state and local agencies, through application of state and local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by the Commission.

Section 7 of the ESA, as amended, states that any project authorized, funded, or conducted by any federal agency (e.g., the Commission) should not "...jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of habitat of such species which is determined...to be critical..." (16 USC § 1536(a)(2)(1988)). The Commission, or Southern and FGT as non-federal parties, is required to consult with the FWS to determine whether any federally listed or proposed endangered or threatened species or their designated critical habitat occur in the vicinity of the proposed projects. If, upon review of existing data, the Commission determines that these species or habitats may be affected by the proposed projects, the Commission is required to prepare a Biological Assessment (BA) to identify the nature and extent of adverse impact, and to recommend mitigation measures that would avoid the habitat and/or species or that would reduce potential impact to acceptable levels. If, however, the Commission determines that no federally listed or proposed endangered or threatened species or their designated critical habitat would be affected by the proposed projects, no further action is necessary. See section 4.7 of this EIS for the status of this review.

Section 106 of the NHPA requires the FERC to take into account the effects of its undertakings on properties listed or eligible for listing on the National Register of Historic Places (NRHP), including prehistoric or historic-period sites, districts, buildings, structures, objects, or properties of traditional religious or cultural importance, and to afford the Advisory Council on Historic Preservation (ACHP) an opportunity to comment on the undertaking. The Commission has requested that Southern and FGT, as non-federal parties, assist in meeting the Commission's obligations under section 106 by preparing the necessary information, analyses, and recommendations, as required by the ACHP procedures at Title 36 CFR Part 800.

Southern and FGT must comply with sections 401, 402, and 404 of the CWA. Individual states have been authorized by the EPA to administer section 401 of the CWA. Water used for hydrostatic testing that is point-source discharged into waterbodies would require a National Pollutant Discharge

Elimination System (NPDES) permit (section 402) issued by the state with EPA oversight. Based on current plans, both Southern and FGT plan to discharge hydrostatic test water to upland areas.

The COE has responsibility for determining compliance with all regulatory requirements associated with section 404 of the CWA. The EPA also independently reviews section 404 applications for wetland dredge-and-fill applications for the COE and has section 404(c) veto power for wetland permits issued by the COE. The section 404 permitting process regulates the discharge of dredged and fill material associated with the construction of pipelines across streams and in wetlands. Before an individual section 404 permit can be issued, the CWA requires completion of a section 404(b)(1) guidelines analysis. The FERC, in the NEPA review required to prepare this EIS, has analyzed all technical issues required for the section 404(b)(1) guidelines analyses, including analysis of natural resources and cultural resources that would be affected by the proposed project, as well as analyses of alternatives and route variations that would eliminate or minimize the discharge of fill material into the waters of the United States. The results of these studies are presented in this EIS.

In addition to its CWA responsibilities, the COE has jurisdiction over section 10 permits. Section 10 permits would be required for all construction activities in navigable waterways under the Rivers and Harbors Act of 1899.

Ambient air quality is protected by federal regulations under the Clean Air Act (CAA). These regulations include compliance under the New Source Performance Standards (NSPS) and the requirements for the PSD. The EPA has authorized individual states to administer CAA permitting requirements. Although applications are reviewed by both the states and the EPA, the states would determine the need for NSPS or a PSD permit.

Each of the affected states have established CZMA policies regarding the use of land and water within designated coastal zones. Federal and state projects within these coastal zones must be deemed consistent with state management objectives. We received a comment from the FLDEP stating that Southern is in the process of providing additional information to FLDEP permitting staff to complete the Environmental Resource Permit (ERP) application and that, based on the current information, the project is consistent with the Florida Coastal Management Program. The FLDEP indicated that its final coastal zone consistency concurrence would be determined during its environmental permitting stage. Before the Commission can authorize commencement of construction of the projects, Southern and FGT must obtain a determination of consistency with the CZMA plans from the appropriate agencies in Georgia and Florida.

TABLE 1.5-1

**Major Permits, Approvals, and Consultations for the Cypress Pipeline Project and FGT Expansion Project**

Agency	Permit/Approval/Consultation	Agency Action (Status)
<b>FEDERAL</b>		
Advisory Council on Historic Preservation	Section 106 Consultation, National Historic Preservation Act (NHPA)	Has the opportunity to comment on the undertaking. (Consultation Pending)
Federal Energy Regulatory Commission	Certificate of Public Convenience and Necessity	Determines whether the construction and operation of these natural gas pipeline projects is in the public interest. Consider certification of the projects. (Applications submitted in June, 2005, and October, 2005, respectively)
U.S. Department of the Army Corps of Engineers (COE) Jacksonville and Savannah District Offices	Section 404, Clean Water Act (CWA) Section 10, Rivers and Harbors Act	Consider issuance of section 404 permits for the placement of dredge or fill material into all waters of the United States, including wetlands. Considers issuance of section 10 permit for work in or affecting navigable waters of the United States. (Southern's application submitted to Jacksonville District on July 14, 2005 and Savannah District on October 18, 2005. FGT to submit application in spring 2006)
U.S. Department of the Army <sup>a</sup> Fort Stewart Military Reservation (Fort Stewart)	Right-of-Way Grant  Archaeological Resources Protection Act	Consider issuance of a right-of-way grant to Southern to allow project-related activities on Fort Stewart. (Application pending)  Consider Southern's application to conduct archaeological survey within Fort Stewart. (Permits received December 7, 2000 and January 31, 2001)
U.S. Department of Commerce, National Oceanic Atmospheric Administration, National Marine Fisheries (NOAA Fisheries)	Section 7 Endangered Species Act (ESA) Consultation, Biological Opinion (BO)  Essential Fish Habitat Consultation	Consider lead agency finding of impact on federally listed or proposed species. Provide a BO if the projects are likely to adversely affect federally listed or proposed species or their habitats. (Consultation initiated in July, 2001)  Consider lead agency finding of impact on essential fish habitat. Provide recommendations to minimize impact. (Consultation completed August 9, 2005)
U.S. Department of the Interior Fish and Wildlife Service	Section 7 ESA Consultation, BO  Fish and Wildlife Coordination Act  Migratory Bird Treaty Act	Consider lead agency finding of impact on federally listed or proposed species. Provide a BO if the project is likely to adversely affect federally listed or proposed species or their habitats. (Consultation on-going)  Provide comments to prevent loss of and damage to wildlife resources. (Consultation on-going)  Review the proposed projects for consistency with Executive Order 13186. (Consultation on-going)
National Park Service	Wild and Scenic Rivers Act	Review for impacts on designated Wild and Scenic Rivers and Natural Resource Inventory Streams. (Consultation completed April, 2005)

TABLE 1.5-1 (cont'd)

**Major Permits, Approvals, and Consultations for the Cypress Pipeline Project and FGT Expansion Project**

Agency	Permit/Approval/Consultation	Agency Action (Status)
U.S. Environmental Protection Agency	Sections 401, 402, and 404 CWA Compliance  Prevention of Significant Deterioration (PSD) air quality permitting consultation	The EPA can comment on 401 certifications issued by states, has oversight over state issuance of National Pollutant Discharge Elimination System (NPDES) permits, and independently comments to the COE on 404 permit applications. (Southern's consultations started October, 2005 and on-going. FGT anticipates filing in the spring of, 2006)  Review and consult on draft PSD permits issued by states
U.S. Department of Transportation, Federal Highway Administration <sup>b</sup>	Encroachment permit	Consider issuance of permit to work within road right-of-way. (Application planned for submittal in May, 2006)
<b>STATE</b>		
Florida Bureau of Archaeological Research	Archeological Research Permits	Consider issuance of permits to conduct survey within Ralph E. Simmons Memorial Forest and St. Mary's River State Forest. (Permits received October 6 and December 5, 2000)
Florida Department of Environmental Protection Water Resource Management Program	Environmental Resource Permit	Consider issuance of section 401 Water Quality Certification, section 402 General NPDES discharge stormwater permits, and section 404 dredging and filling in wetlands and other surface waters. (Southern application submitted July 14, 2005. FGT application not submitted)
	Submerged Lands Authorization	Consider issuance for any construction on or use of submerged lands. (Southern application submitted July 14, 2005. FGT application not submitted)
Coastal Management Program	Coastal Zone Management Act (CZMA)	Review consistency of the projects with the CZMA. (Consultation initiated June 28, 2005)
Air Resource Management Program	State Construction and Operation Permits	Consider issuance of a permit to construct and operate facilities with the potential for air emissions. (Applications to be submitted in advance of construction)
Florida Department of Transportation	Road Construction and Crossing Permits	Consider issuance of permits to cross and work within the right-of-way of state highways. (Applications pending)
Florida Fish and Wildlife Conservation Commission	Sensitive Species Consultation	Review and comment on activities potentially affecting state-listed species. (Mitigation plan submitted October 11, 2005)
Florida Historic Preservation Office	Cultural Resources Consultation	Review and comment on project activities potentially affecting cultural resources. (Consultation completed July 25, 2005)

TABLE 1.5-1 (cont'd)

<b>Major Permits, Approvals, and Consultations for the Cypress Pipeline Project and FGT Expansion Project</b>		
<b>Agency</b>	<b>Permit/Approval/Consultation</b>	<b>Agency Action (Status)</b>
Georgia Department of Natural Resources <sup>a</sup>		
Coastal Resources Division	CZMA	Review consistency of the project with the CZMA. (Updated information provided September 27, 2005)
Wildlife Resources Division	Sensitive Species Consultation	Review and comment on activities potentially affecting state-listed species. (Mitigation plan modified based on agency comments received October 5, 2005).
Environmental Protection Division	Section 401, CWA, Water Quality Certification	Consider issuance of a permit for stream and wetland crossings in conjunction with COE section 404 permit. (Application submitted October 18, 2005)
	Stormwater Discharge Permit	Consider issuance of a section 402 permit regulating discharge of stormwater from the construction work area. (Application pending)
	Hydrostatic Test Water Discharge Permit	Consider issuance of a section 402 permit regulating hydrostatic test water discharge, and construction dewatering to waters of the state. (Application pending)
	Stream Buffer Variance	Consider issuance of a variance to allow cutting of wooded stream buffers. (Consultation initiated December, 2004. Application to be submitted November, 2005)
	Minor Source Air Permit	Consider issuance of a permit to construct and operate facilities with the potential for air emissions. (Application to be submitted in advance of construction)
Georgia Department of Transportation <sup>a</sup>	Road Construction and Crossing Permits	Consider issuance of permits to cross and work within the right-of-way of state highways. (Applications pending)
Georgia Historic Preservation Office <sup>a</sup>	Cultural Resources Consultation	Review and comment on project activities potentially affecting cultural resources. (Consultation initiated June 13, 2000, and completed August 18, 2005)
<b>LOCAL</b>		
St. John's River Water Management District <sup>a</sup>	Environmental Resource Permits	Consider issuance of permits that may affect wetlands and/or surface waters, including water use and stormwater permits. (Application submitted July 14, 2005)
Suwannee River Water Management District <sup>b</sup>	Environmental Resource Permits	Consider issuance of permits that may affect wetlands and/or surface waters, including water use and stormwater permits. (Application pending)
Southwest Florida Water Management District <sup>b</sup>	Environmental Resource Permits	Consider issuance of permits that may affect wetlands and/or surface waters, including water use and stormwater permits. (Application pending)

TABLE 1.5-1 (cont'd)

<b>Major Permits, Approvals, and Consultations for the Cypress Pipeline Project and FGT Expansion Project</b>		
<b>Agency</b>	<b>Permit/Approval/Consultation</b>	<b>Agency Action (Status)</b>
Various Affected Counties	Road Construction and Crossing Permits	Consider the issuance of permits to cross and work within the right-of-way of county roads. (Applications pending)

<sup>a</sup> Applicable to the Cypress Pipeline Project only.

<sup>b</sup> Applicable to the FGT Expansion Project only.