

*Draft Environmental Impact Statement*

**CALHOUN LNG TERMINAL AND  
PIPELINE PROJECT**

Calhoun LNG, L.P.  
Point Comfort Pipeline Company, L.P.

Docket Nos. CP05-91-000  
CP05-380-000

FERC/EIS – 0197D



**Federal Energy Regulatory Commission**  
Office of Energy Projects  
Washington, DC 20426



**Cooperating Agencies**



**US Army Corps  
of Engineers**



**June 2006**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Calhoun LNG, L.P.

Docket No. CP05-91-000

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TO THE PARTY ADDRESSED:

The staff of the Federal Energy Regulatory Commission (FERC or Commission) in cooperation with the U.S. Army Corps of Engineers (Corps), U.S. Coast Guard, (Coast Guard), U.S. Fish and Wildlife Service (FWS); National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NOAA Fisheries); U.S. Environmental Protection Agency (EPA); and the U.S. Department of Transportation (DOT) has prepared a draft Environmental Impact Statement (EIS) for a liquefied natural gas (LNG) import terminal and natural gas pipeline facilities proposed by Calhoun LNG, L.P. and Point Comfort Pipeline Company, L.P. (collectively referred to as Calhoun Point Comfort) in the above-referenced dockets. The draft EIS was prepared to satisfy the requirements of the National Environmental Policy Act (NEPA). The draft EIS addresses federally listed species, cultural resources, and essential fish habitat issues.

The FERC staff concludes that approval of the proposed project with appropriate mitigating measures, as recommended, would have limited adverse environmental impact.

The draft EIS addresses the potential environmental effects of the construction and operation of the following LNG terminal and natural gas pipeline facilities:

- a new marine terminal along Lavaca Bay that would include one berth to unload up to 120 LNG ships per year;
- four 16-inch-diameter stainless steel unloading arms;
- two single containment LNG storage tanks each with a nominal working volume of approximately 160,000 m<sup>3</sup> (1,006,000 barrels);
- three in-tank pumps per LNG storage;
- four low pressure (LP) and four high pressure (HP) sendout pumps;
- six first-stage submerged combustion vaporizers (SCV) and six second-stage SCVs;

- a boil-off gas (BOG) and vapor removal system;
- a flare system that would include a 100-foot flare stack;
- various support buildings and piping structures at the LNG terminal site;
- 27.1 miles of 36-inch-diameter natural gas pipeline;
- a 0.25 mile of 8-inch-diameter lateral and 0.25 mile of 16-inch-diameter lateral;
- ten delivery points/interconnects; and
- a pig launcher facility and mainline valves.

The Calhoun County Navigation District (CCND) is developing plans to augment the existing harbor by dredging a new turning basin at the confluence of the Point Comfort Channel and the Alcoa Industrial Channel located north and west of the LNG terminal site. This augmentation would encompass construction of Calhoun Point Comfort's new ship berth as well as the CCND's new turning basin and require the dredging of about 4.2 million cubic yards of material from Lavaca Bay. This activity is essential to the operation of the Calhoun LNG Project. Calhoun Point Comfort would use the CCND's turning basin to maneuver its LNG ships.

The proposed Calhoun LNG Project would provide facilities necessary to import, store, and vaporize on average about 1.0 billion cubic feet per day (bcfd) of liquefied natural gas (LNG) to provide a competitive supply of natural gas to local industrial customers, such as Formosa Hydrocarbons Company and Formosa Plastics Corporation, and other energy-consuming customers in Texas, and deliver natural gas into existing interstate and intrastate natural gas pipelines near Edna, Texas.

The U.S. Coast Guard (Coast Guard) within the U.S. Department of Homeland Security is also participating as a cooperating agency in the preparation of the EIS because it exercises regulatory authority over LNG facilities that affect the safety and security of port areas and navigable waterways under Executive Order 10173; the Magnuson Act (50 USC section 191); the Ports and Waterways Safety Act of 1972, as amended (33 USC section 1221, et seq.); and the Maritime Transportation Security Act of 2002 (46 USC section 701). The Coast Guard also has authority for LNG facility plan review, approval and compliance verification as provided in Title 33 CFR Part 105, and siting as it pertains to the management of vessel traffic in and around the LNG facility. As required by its regulations, the Coast Guard is responsible for issuing a Letter of Recommendation (LOR) as to the suitability of the waterway for LNG marine traffic.

Comment Procedures and FERC Public Meetings/Corps Public Hearings

Any person wishing to comment on the draft EIS may do so. To ensure consideration prior to a Commission decision on the proposal, it is important that we receive your comments before the date specified below. **Please carefully follow these instructions to ensure that your comments are received and properly recorded:**

- Send an original and two copies of your comments to:  
Magalie R. Salas, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E., Room 1A  
Washington, D.C. 20426
- Reference Docket Nos. CP05-91-000 and CP05-380-000.
- Label one copy of the comments for the attention of the Gas Branch 2.
- **Mail your comments so that they will be received in Washington, D.C. on or before August 21, 2006.**

Please note that the Commission strongly encourages electronic filing of any comments or interventions or protests to this proceeding. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site at <http://www.ferc.gov> under the "e-Filing" link and the link to the User's Guide. Before you can file comments you will need to create a free account, which can be created by clicking on "Login to File" and then "New User Account." You will be asked to select the type of filing you are making. This filing is considered a "Comment on Filing."

In lieu of sending written comments, you are invited to attend the public scoping meeting scheduled as follows:

**August 17, 2006, 7:00 p.m.(CST)**  
**Bauer Community Center**  
**2300 N. Highway 35, Port Lavaca, Texas 77979**  
**Telephone: (361) 552-1234**

Interested groups and individuals are encouraged to attend and present oral comments on the draft EIS. Transcripts of the meetings will be prepared.

After these comments are reviewed, any significant new issues are investigated, and modifications are made to the draft EIS, a final EIS will be published and distributed by the staff. The final EIS will contain the staff's responses to timely comments received on the draft EIS.

Comments will be considered by the Commission but will not serve to make the commentor a party to the proceeding. Any person seeking to become a party to the proceeding must file a motion to intervene pursuant to Rule 214 of the Commission's Rules of Practice and Procedures (18 CFR 385.214). Anyone may intervene in this proceeding based on this draft EIS. You must file your request to intervene as specified above.<sup>1</sup> **You do not need intervenor status to have your comments considered.**

The draft EIS has been placed in the public files of the FERC and is available for distribution and public inspection at:

Federal Energy Regulatory Commission  
Public Reference Room  
888 First Street, N.E., Room 2A  
Washington, D.C. 20426  
(202) 208-1371

Hard-copies of the draft EIS have been mailed to federal, state, and local agencies; public interest groups; individuals and affected landowners who requested a copy of the draft EIS or provided comments during scoping; libraries; newspapers; and parties to this proceeding. A limited number of documents and CD-ROMs are available from the Public Reference Room identified above.

Additional information about the project is available from the Commission's Office of External Affairs, at **1-866-208-FERC** or on the FERC Internet website ([www.ferc.gov](http://www.ferc.gov)) using the eLibrary link. Click on the eLibrary link, click on "General Search" and enter the docket number excluding the last three digits in the Docket Number field. Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or toll free at 1-866-208-3676, or for TTY, contact (202) 502-8659. The eLibrary link on the FERC Internet website also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rulemakings.

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<sup>1</sup> Interventions may also be filed electronically via the Internet in lieu of paper. See the previous discussion on filing comments electronically.

In addition, the Commission now offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries and direct links to the documents. Go to the eSubscription link on the FERC Internet website.

It is requested that you communicate the foregoing information concerning the proposed work to any persons known by you to be interested and not being known to this office, who did not receive a copy of this notice.

Magalie R. Salas,  
Secretary