

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Kinder Morgan Illinois Pipeline LLC

Docket No. CP06-455-000

NOTICE OF INTENT TO PREPARE AN
ENVIRONMENTAL ASSESSMENT FOR THE PROPOSED
KINDER MORGAN ILLINOIS PIPELINE PROJECT AND
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES

(October 13, 2006)

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental assessment (EA) that will discuss the environmental impacts of the Kinder Morgan Illinois Pipeline Project involving construction and operation of facilities by Kinder Morgan Illinois Pipeline LLC (KMIP) in Cook, Kankakee and Will Counties, Illinois.¹ KMIP proposes to install approximately 3.1 miles of new 24-inch-diameter pipeline and three new meter stations. In addition, KMIP plans to lease 360,000 decatherms/day (Dth/day) in about 26 miles of existing pipeline facilities owned by Natural Gas Pipeline Company of America (Natural). This EA will be used by the Commission in its decision-making process to determine whether the project is in the public convenience and necessity.

This notice announces the opening of the public comment period that will be used to gather environmental input from the public and interested agencies on the project. Comments are requested by **November 13, 2006**.

With this notice, the FERC staff is asking other federal, state, local and tribal agencies with jurisdiction and/or special expertise with respect to environmental issues to cooperate with us in the preparation of the EA. These agencies may choose to participate once they have evaluated KMIP's proposal relative to their responsibilities. Agencies that would like to request cooperating status should follow the instructions for filing comments described in Appendix 1.

If you are a landowner receiving this notice, you may be contacted by a pipeline company representative about the acquisition of an easement to construct, operate, and maintain the proposed facilities. The pipeline company would seek to negotiate a mutually acceptable agreement. However, if the project is approved by the Commission,

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

that approval conveys with it the right of eminent domain. Therefore, if easement negotiations fail to produce an agreement, the pipeline company could initiate condemnation proceedings in accordance with state law.

A brochure prepared by the FERC entitled "An Interstate Natural Gas Facility On My Land? What Do I Need To Know?" is available for viewing on the FERC website at www.ferc.gov. This fact sheet addresses a number of typically asked questions, including the use of eminent domain and how to participate in the Commission's proceedings.

Summary of the Proposed Project

KMIP seeks authority to construct and operate the following pipeline facilities:

Cook County, IL

- About 2.6 miles of new 24-inch-diameter pipeline, installed along existing utility corridors. The new pipeline would connect a new KMIP – Natural meter station to Natural's existing Calumet #3 pipeline;
- A new meter station with a capacity of up to 360,000 Dth/day, installed adjacent to an existing Natural meter station and would measure gas flow from the Natural system to the KMIP pipeline;

Will County, IL

- Approximately 0.47 mile of new 24-inch-diameter pipeline, installed along existing utility corridors. The new pipeline would connect a new KMIP-ANR meter station with Natural's existing Herscher-Dyer pipeline;
- A new meter station with a capacity of up to 360,000 Dth/day, installed adjacent to ANR Pipeline Company's (ANR's) existing meter station and would measure gas flow from the ANR system to the new KMIP-ANR pipeline connector; and

Kankakee County, IL

- A new meter station with a capacity of up to 360,000 Dth/day, installed adjacent to Natural's existing meter station located along the border of Illinois and Indiana. The new meter station would measure gas flow from the Northern Border Pipeline (NBPL) system to the KMIP system.

The general location of the project facilities is shown in Appendix 2.²

²The appendices referenced in this notice are not being printed in the Federal Register. Copies of all appendices, other than Appendix 2 (map), are available on the

Land Requirements

Construction of the proposed pipeline and aboveground facilities would affect about 54.1 acres of land and includes access roads, pipe/contractor yards, and extra work areas. Following construction, roughly 4.63 acres would be permanently maintained. The remaining 49.5 acres land would be restored and allowed to revert to its former use.

The EA Process

The National Environmental Policy Act (NEPA) requires the Commission to take into account the environmental impacts that could result from an action whenever it considers the issuance of a Certificate of Public Convenience and Necessity. NEPA also requires us to discover and address concerns the public may have about proposals. This process is referred to as "scoping". The main goal of the scoping process is to focus the analysis in the EA on the important environmental issues. By this Notice of Intent, the Commission staff requests public comments on the scope of the issues to address in the EA. All comments received are considered during the preparation of the EA. State and local government representatives are encouraged to notify their constituents of this proposed action and encourage them to comment on their areas of concern.

Our³ independent analysis of the issues will be in the EA. Depending on the comments received during the scoping process, the EA may be published and mailed to federal, state and local agencies, public interest groups, interested individuals, affected landowners, newspapers, libraries and the Commission's official service list for this proceeding. A comment period will be allotted for review if the EA is published. We will consider all comments on the EA before we make our recommendations to the Commission.

Commission's website at the "eLibrary" link or from the Commission's Public Reference Room, 888 First Street, N.E., Washington, D.C. 20426, or call (202) 502-8371. For instructions on connecting to eLibrary refer to the last page of this notice. Copies of the appendices were sent to all those receiving this notice in the mail.

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

Currently Identified Environmental Issues

In the EA, we will discuss impacts that could occur as a result of the construction and operation of the proposed project. We will also evaluate reasonable alternatives to the proposed project or portions of the project.

We have already identified the following issues that we think deserve attention based on a preliminary review of the proposed facilities and the environmental information provided by KMIP:

- One residence located within 50 feet of the construction workspace;
- Three public water supply wellhead protection areas within 150 feet of the construction workspace;
- Three private water wells located within 150 feet of the construction workspace;
- Two septic tank fields within 200 feet of the construction workspace;
- Six waterbody crossings; and
- Six wetlands

The above preliminary list of issues may be changed based on your comments and our analysis.

Public Participation

You can make a difference by providing us with your specific comments or concerns about the project. By becoming a commentator, your concerns will be addressed in the EA and considered by the Commission. You should focus on the potential environmental effects of the proposal, alternatives to the proposal (including alternative locations and routes), and measures to avoid or lessen environmental impact. The more specific your comments, the more useful they will be. Please carefully follow the instructions below to ensure that your comments are received in time and properly recorded:

- Send **an original and two** copies of your letter to:

Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First St., N.E., Room 1A
Washington, DC 20426

- Label one copy of the comments for the attention of **Gas Branch 3**.
- Reference **Docket No. CP06-455-000**.
- Mail your comments so that they will be received in Washington, DC **on or before November 13, 2006**.

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

The determination of whether to distribute the EA for public comment will be based on the response to this notice. **If you are interested in receiving a copy of the EA, please return the Information Request form (Appendix 3)**. Please also indicate on the form whether you would prefer a paper or an electronic copy of the EA. An effort is being made to send this notice to all individuals affected by the proposed project. This includes all landowners who are potential right-of-way grantors, whose property may be used temporarily for project purposes, or who own homes within distances defined in the Commission's regulations of certain aboveground facilities.

Becoming an Intervenor

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

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

Environmental Mailing List

If you wish to remain on our environmental mailing list, please return the Information Request form included in Appendix 3. **If you do not return this form, you will be removed from our mailing list.**

Additional Information

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

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

Finally, public meetings or site visits will be posted on the Commission's calendar located at <http://www.ferc.gov/EventCalendar/EventsList.aspx> along with other related information.

Magalie R. Salas
Secretary

Appendix 1

Appendix 1

COOPERATING AGENCIES

The following federal agencies are asked to indicate whether they want to be cooperating agencies for purposes of producing an EA:

Advisory Council on Historic Preservation
Natural Resources Conservation Service
Department of Army - U.S. Army Corps of Engineers
Department of Commerce - National Marine Fisheries Service
Department of the Interior - Fish and Wildlife Service
Department of Transportation - Federal Highway Administration
Environmental Protection Agency

The following Illinois state agencies are asked to indicate whether they want to be cooperating agencies for purposes of producing an EA:

Department of Agriculture
Illinois Environmental Protection Agency
Illinois Historical Society
Department of Natural Resources
Illinois Department of Transportation

These, or any other federal, state, or local agencies wanting to participate as a cooperating agency should send a letter describing the extent to which they want to be involved. Follow the instructions below if your agency wishes to participate in the EA process or comment on the project:

- Address your letter to:

**Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First St., N.E., Room 1A
Washington, DC 20426**

- Reference Docket No. CP06-455-000.
- Send a copy of your letter to:

Gas Branch 3, PJ-11.3
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

- **Mail your letter so that it will be received in Washington, DC, on or before November 13, 2006.**

Cooperating agencies are encouraged to participate in the scoping process and provide us written comments. Agencies are also welcome to suggest format and content changes that will make it easier for them to adopt the EA. However, we will decide what modifications will be adopted in light of our production constraints.

Appendix 2

Appendix 3

INFORMATION REQUEST

Docket No. CP06-455-000

- Please keep my name on the mailing list for the Kinder Morgan Illinois Pipeline Project.**

Name _____

Agency _____

Address _____

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

- Please send me a paper copy of the environmental document instead of a CD.**

FROM _____

**ATTN: OEP – Gas 3, PJ – 11.3
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426**

Docket No. CP06-455-000

Staple or Tape Here