

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

In Reply Refer To:
OEP/DG2E/Gas Branch 2
Bayou Casotte Energy, LLC
Docket No. CP05-420-000

TO THE PARTY ADDRESSED:

The staff of the Federal Energy Regulatory Commission (FERC or Commission) in cooperation with the U.S. Coast Guard (Coast Guard); U.S. Army Corps of Engineers (COE); U.S. Environmental Protection Agency (EPA), U.S. Department of the Interior, Fish and Wildlife Service (FWS); U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NOAA Fisheries); and the Mississippi Department of Marine Resources (MDMR) has prepared this final Environmental Impact Statement (EIS) for the construction and operation of the liquefied natural gas (LNG) import terminal and natural gas pipeline facilities, and including operation of LNG vessels in the waterway from the territorial seas until moored at the facility, all referred to as the Casotte Landing LNG Project, as proposed by Bayou Casotte Energy, LLC in the above-referenced docket.

This final EIS was prepared to satisfy the requirements of the National Environmental Policy Act (NEPA). The staff concludes that approval of the Casotte Landing LNG Project, with appropriate mitigating measures as recommended, would have limited adverse environmental impact. The Coast Guard proposed action requiring NEPA, is issuance of a Letter of Recommendation (LOR) finding the waterway suitable for LNG vessel traffic with the conditions referenced in the Description of the Proposed Action (Section 2.0 in the EIS). The final EIS evaluates alternatives to the proposed actions (*i.e.*, FERC's proposed approval of the Project and the Coast Guard's proposed action of issuing a Letter of Recommendation finding the waterway to be suitable for LNG vessel traffic with conditions), including the Coast Guard alternatives, system alternatives, alternative sites for the LNG import terminal, and pipeline alternatives. The final EIS also contains our Essential Fish Habitat Assessment.

The general purpose of the Casotte Landing LNG Project is to provide up to 1.3 billion cubic feet per day (Bcf/d) of natural gas to markets in the United States.

The final EIS addresses the potential environmental effects of construction and operation of the following facilities near the City of Pascagoula in Jackson County, Mississippi:

- a ship unloading facility with a single berth capable of receiving LNG ships with cargo capacities of up to 200,000 cubic meters (m³);
- three 160,000 m³ (net capacity) full containment LNG storage tanks;
- a closed-loop intermediate fluid vaporizer system utilizing cooling water from the adjacent Chevron Pascagoula Refinery as a heat source, sized for a normal sendout of 1.3 Bcf/d;
- various ancillary buildings and facilities;

- five pipeline interconnects originating from a 1.5-mile-long, 36-inch-diameter spur ;
- associated pipeline support facilities, including two meter stations at interconnects with the existing pipeline systems; and
- integrally related nonjurisdictional facilities would include a natural gas liquid (NGL) extraction system and pipeline, electric transmission lines, an electric substation, a waste heat water circulation system, and the relocation of two of the Chevron Pascagoula Refinery crude oil tanker berths.

The analysis also includes operation of LNG vessels in the waterway from the territorial seas until moored at the proposed LNG terminal.

The final 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 and Files Maintenance Branch
888 First Street N.E., Room 2A
Washington, DC 20426
(202) 502-8371

A limited number of copies of the final EIS are available from the Public Reference and Files Maintenance Branch identified above. In addition, CD copies of the final EIS have been mailed to federal, state, and local agencies; elected officials; public interest groups; individuals and affected landowners; libraries; newspapers; and parties to these proceedings.

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 authorization for the Casotte Landing LNG Project for the proposed action, it would be subject to a 30-day rehearing period. Therefore, the FERC could issue its decision concurrently with the EPA's NOA.

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 (<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 or toll free at 1-866-208-3676, or for TTY at (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.

Information about the project is also available from the Coast Guard by contacting Captain James Bjostad, Captain of the Port, Sector Mobile, at (251) 441-5960.

Magalie R. Salas,
Secretary