

EXECUTIVE SUMMARY

INTRODUCTION

This draft environmental impact statement (EIS) has been prepared by the staff of the Federal Energy Regulatory Commission (Commission) to satisfy the requirements of the National Environmental Policy Act.

The purpose of this document is to make public our analysis of the environmental impacts that would likely result from the construction and operation of the proposed Southeast Expansion Project (Project) and to request comments on our analysis.

This document has been prepared in cooperation with the following federal agencies: the U.S. Fish and Wildlife Service (FWS), the U.S. Army Corps of Engineers (COE), and the U.S. Environmental Protection Agency (EPA).

PROJECT BACKGROUND

On June 28, 2006, we¹ approved the Gulf South Pipeline Company, LP's (Gulf South) request to use the Commission's Pre-Filing Review Process for the proposed Southeast Expansion Project. The purpose of our pre-filing review is to work in partnership with the project sponsor, other federal and state agencies, as well as concerned citizens and non-governmental organizations, to identify and address project-related issues prior to the filing of an application with the Commission for a Certificate of Public Convenience and Necessity (Certificate).

On December 11, 2006, Gulf South filed an application with the Commission pursuant to Section 7(c) of the Natural Gas Act and Part 157 of the Commission's regulation for a Certificate to construct, operate, and maintain an interstate natural gas pipeline and associated ancillary and aboveground facilities, collectively known as the Project. We have prepared our analysis based on this application and subsequent filings by Gulf South.

PROPOSED ACTION

In order to transport natural gas from producers in eastern Texas and northern Louisiana, Gulf South proposes to construct and operate approximately 110.8 miles of natural gas pipeline and associated ancillary facilities capable of transporting up to approximately 1.272 billion cubic feet per day of natural gas. Specifically, Gulf South proposes to construct and operate:

- Approximately 110.8 miles of 42-inch-diameter natural gas pipeline in Simpson, Smith, Jasper, and Clarke Counties, Mississippi; and Choctaw County, Alabama.
- Three new compressor stations: the Delhi Compressor Station located in Richland Parish, Louisiana, and the Harrisville and Destin Compressor Stations located in Simpson and Clarke Counties, Mississippi, respectively.
- Other ancillary facilities, including five meter and regulation (M/R) facilities, eight mainline valves, one side valve, and two pig launcher and/or receiver facilities.

¹ "We," "us," and "our" refer to the environmental staff of the Federal Energy Regulatory Commission's Office of Energy Projects.

Dependent upon Commission approval, Gulf South proposes to complete construction and begin operating the proposed Project in January 2008.

PUBLIC OUTREACH AND COMMENTS

As described previously, Gulf South used the Commission's Pre-Filing Review Process prior to filing an application with the Commission for a Certificate to construct and operate the proposed Project. As part of our pre-filing review, we issued a *Notice of Intent to Prepare an Environmental Impact Statement, Request for Comments on Environmental Issues* for the Southeast Expansion Project on September 5, 2006. The notice was published in the Federal Register and sent to affected landowners; federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; local libraries and newspapers; and other interested parties.

As a result of engineering changes and customer requests made after the September 2006 NOI, Gulf South added two additional compressor stations (Delhi and Destin compressor stations) to the proposed Project. To ensure that the public surrounding these compressor station locations had adequate knowledge of the compressor stations and an adequate avenue in which to comment, the FERC staff issued a letter on November 28, 2006, to those landowners within a 0.5-mile radius of each of the two new compressor stations in order to invite them to participate in FERC's process.

In response to our notices and three public meetings held along the proposed Project route, we received numerous written and verbal comments from landowners, concerned citizens, public officials, and government agencies representing the public. These comments expressed concerns with the location of the proposed pipeline and the affects of the proposed Project on numerous resources and land uses, including soils, waterbodies, wetlands, wildlife, vegetation, threatened and endangered species, safety and reliability, timber production, and Conservation Reserve Program (CRP) lands administered by the Farm Service Agency (FSA).

In addition to the comments provided by the general public, we consulted with several federal and state agencies. Numerous informal conversations as well as interagency meetings were held to discuss the proposed action, the impacts of constructing and operating the proposed Project, cumulative impacts of constructing and operating other interstate pipelines proposed or planned nearby, and possible mitigation measures to minimize Project-related impacts.

Comments filed with the Commission as well as interagency meeting notes have been placed in the Commission's public record for the proposed Project and are available for review by the public on the Commission's eLibrary system.

ENVIRONMENTAL IMPACTS AND MITIGATION

Construction and operation of the proposed Project would result in impacts to soils, groundwater, surface water, wetlands, vegetation, wildlife, fisheries, threatened and endangered species, cultural resources, and air and noise quality. The primary issues associated with the proposed Project are related to impacts to wetlands, waterbodies, land use, and special interest areas. Commenters in general are concerned about the width of and potential multiple uses of the right-of-way. Our recommendation to reduce the permanent right-of-way to 50 feet, down from Gulf South's proposed 60 feet, as well as to further justify the need for its extra workspace in side slope areas, would slightly reduce permanent impacts and the acreage needed for the operational right-of-way.

Construction of the proposed pipeline would cross 254 surface waterbodies. Conventional open-cut construction techniques would be used to cross all but 18 of these waterbodies which would be

crossed using horizontal directional drills (HDD). Proposed HDD's would be used to cross four major and/or navigable streams, two Nationwide Rivers Inventory (NRI)-listed streams (the Strong and the Chickasawhay Rivers), the rivers most likely to contain habitat for federally-listed fish species (Dabbs Creek, West Tallahalla Creek, the Bucatunna River, and the Leaf River), and the three impaired waterbodies that occur along the proposed Project route.

Construction of the proposed Project would affect 129 wetlands, disturbing approximately 88.6 acres. The most significant impacts to wetlands resulting from construction and operation of the proposed Project would be the long-term impacts to forested wetlands. Specifically, 47.6 acres would be cleared during construction, converted to emergent and scrub-shrub wetlands, and maintained in those states within the permanent right-of-way during operation.

Construction and operation of the proposed Project, specifically the maintenance of the permanent right-of-way, would affect and preclude certain uses of maintained lands, resulting in short- and long-term impacts to forests, timber production, and special interest areas. The proposed Project would cross the NRI-listed Strong and Chickasawhay Rivers, potentially affecting boating activities for short periods during hydrostatic test water withdrawal, and involve potential short-term impacts to vegetation cover and/or ability to participate in the CRP lands managed by the FSA.

Because construction activities are temporary in nature, most of the impacts resulting from construction would also be temporary. Detailed descriptions of environmental impacts, impacts to other resources, including land uses and socioeconomics, and a description of cumulative impacts are described in Section 3.0 of this document.

In order to minimize and mitigate the environmental impacts of constructing and operating the proposed Project, Gulf South has developed and would implement several proposed measures and plans, including but not limited to the following:

- Upland Erosion Control, Revegetation, and Maintenance Plan (Plan)
- Wetland and Waterbody Construction and Mitigation Procedures (Procedures)
- Plan for the Unanticipated Discovery of Contaminated Media
- Spill Prevention, Control, and Countermeasures Plan
- Plan for the Containment of Inadvertent Release of Drilling Mud During Horizontal Directional Drilled Wetland and Waterbody Crossings (HDD Plan)
- Plan for the Unanticipated Discovery of Historic Properties, Human Remains, or Potential Paleontological Evidence During Construction

Gulf South's proposed Plan and Procedures are consistent with our guidance documents regarding erosion control and the mitigation of impacts on wetlands and waterbodies.

In addition to the implementation of these measures and plans, Gulf South would be required to obtain several federal, state, and local permits and authorizations that would also minimize and mitigate environmental impacts resulting from construction and operation of the proposed Project. Specifically, Gulf South would comply with the requirements of the COE, the FWS, the FSA, and the EPA.

To further avoid, minimize, and mitigate environmental impacts, Gulf South sited its proposed pipeline parallel to existing pipeline easements for approximately 66% of the route. We are also making several site-specific recommendations regarding construction- and operation-related impacts on threatened and endangered species, land uses, and special interest areas. We are recommending that Gulf South provide site-specific construction plans in forested wetland areas containing mature tupelo and/or cypress trees, and plans that address additional measures to minimize impacts to soils, water resources, cultural resources, residences, and vegetation. We are also recommending that Gulf South continue consultations with the FWS, the Natural Resources Conservation Service (NRCS), the COE, the Federal Aviation Administration (FAA), State Historic Preservation Office (SHPO), and other federal and state agencies regarding the need for additional requirements or recommendations to further reduce impacts.

A detailed description of Gulf South's proposed mitigation measures, as well as our recommendations to further minimize and mitigate impacts, are included in Sections 3.0 and 4.0 of this document.

ALTERNATIVES CONSIDERED

We have evaluated the No Action Alternative, the Postponed Action Alternative, alternative energy sources, the potential effects of energy conservation, system alternatives, route variations, and aboveground facility site alternatives to determine whether they would be technically and economically feasible and environmentally preferable to the proposed action. In this analysis we also considered the potential impacts to environmental resources and land uses, and evaluated alternatives that would avoid or minimize impacts to environmental resources, such as wetlands and waterbodies and land uses such as orchards, timber production, and residences. In conclusion, we have determined that the proposed Project, as modified by our recommended mitigation and minor route variation, is the preferred alternative.

CONCLUSION

As part of our review, we developed measures we believe would appropriately and reasonably avoid, minimize, or mitigate environmental impacts that would result from construction and operation of the proposed Project. We are recommending that these mitigation measures be attached as conditions to any authorization issued by the Commission. We conclude that if the proposed Project is found to be in the public interest and is constructed and operated in accordance with Gulf South's proposed minimization and mitigation measures, as well as our recommended mitigation measures, the proposed facilities would have acceptable limited environmental impacts and would be an environmentally acceptable action. In support of this conclusion, we offer the following:

- The proposed pipeline route would be collocated with or parallel to existing rights-of-way for approximately 73 miles, or about 66 percent of the proposed Project;
- Gulf South would implement its Plan and Procedures which would minimize and mitigate impacts to natural resources during construction and operation of the Project;
- Gulf South would implement an environmental inspection and monitoring program that would ensure compliance with all proposed and recommended mitigation measures;
- Consultation with the FWS as required by Section 7 of the Endangered Species Act would be completed, and appropriate mitigation measures would be in place before construction would be allowed to commence;

- Consultation with the State Historic Preservation Officers and Advisory Council on Historic Preservation, as required by Section 106 of the National Historic Preservation Act, would be complete before construction would be allowed to commence; and
- Gulf South would develop site-specific wetland crossing plans for significant areas containing mature cypress and tupelo trees, in consultation with federal and state resources agencies, and would compensate for all unavoidable wetland impacts through the purchase of wetland mitigation bank credits in the area of the proposed Project.