

EXECUTIVE SUMMARY

INTRODUCTION

This Environmental Impact Statement (EIS) for the Kinder Morgan Louisiana Pipeline Project (Project) has been prepared by the staff of the Federal Energy Regulatory Commission (FERC or Commission) to fulfill the requirements of the National Environmental Policy Act (NEPA). The purpose of this document is to inform the public, the Commission, and federal and state agencies about the potential adverse and beneficial environmental impacts of the Project and its alternatives, and to recommend mitigation measures that would avoid or reduce any significant adverse impacts to the maximum extent possible. This document has been prepared in coordination with our¹ federal cooperating agencies for the Project, the U.S. Army Corps of Engineers (COE) and the U.S. Fish and Wildlife Service (FWS).

This EIS was filed with the U.S. Environmental Protection Agency (EPA) and a formal notice of availability was published in the Federal Register. In accordance with the Council on Environmental Quality (CEQ) regulations implementing NEPA, the public was given the opportunity to comment on a draft of this EIS published on January 26, 2007, in the form of written comments or during two public meetings that were held in the Project area on February 26 and 27, 2007. We reviewed and used the comments to prepare this final EIS for the Project. All timely and substantive comments received on the draft EIS are addressed in this final EIS.

The vertical line in the margin identifies text that has been modified in the final EIS and differs from the corresponding text in the draft EIS.

PROJECT BACKGROUND

Kinder Morgan Louisiana Pipeline LLC (KMLP) filed a request to implement the Commission's Pre-filing process on January 31, 2006. We approved this request on February 17, 2006, and established a Pre-filing docket number (PF06-16-000) to file related documents into the public record.

On September 8, 2006, KMLP filed an application with the Commission, pursuant to section 7(c) of the Natural Gas Act (NGA), as amended, and Parts 157 and 284 of the Commission's regulations. Under Docket No. CP06-449-000, KMLP seeks a Certificate of Public Convenience and Necessity (Certificate) to construct, own, operate, and maintain the natural gas pipelines and associated infrastructure to deliver regasified liquefied natural gas (LNG) from the Sabine Pass LNG Terminal into the national pipeline and underground gas storage grid.

On March 15, 2007, the Commission issued a *Preliminary Determination on Non-Environmental Issues and Preliminary Determination on Abandonment Authority* for the KMLP Project. This Preliminary Determination found that construction and operation of the Project is in the public interest, subject to the completion of the environmental review and issuance of a final order. Final approval of the Project, therefore, is dependent on the environmental impact assessment and mitigation development described herein, and the Commission's consideration of those issues.

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

PROPOSED ACTION

The Project would deliver gas to 10 existing interstate pipelines and one existing intrastate pipeline via 14 interconnect installations with a total take-away capacity of about 4.0 billion cubic feet per day (Bcf/d) and a total downstream interconnecting capacity of about 11.4 Bcf/d. Having such broad access to markets in the Gulf Coast, Northeast, Mid-Atlantic, South, Midwest, and Southeast, through multiple pipeline connections, would allow shippers to redirect supplies as pipeline capacity is available and in response to market dynamics. The pipeline system would provide natural gas delivery flexibility in addition to widespread market access. Specifically, the Project facilities would include:

- Leg 1 – 132.2 miles of 42-inch-diameter pipeline beginning within the Sabine Pass LNG Terminal in Cameron Parish and extending northward and easterly through Calcasieu, Jefferson Davis, and Acadia Parishes until it connects with an existing Columbia Gulf Transmission (CGT) interstate pipeline in Evangeline Parish, Louisiana.
- Leg 2 – 1.2 miles of 36-inch-diameter pipeline beginning within the Sabine Pass LNG Terminal and extending to a point of interconnection with the existing Natural Gas Pipeline Company of America (NGPL) pipeline just south of State Highway (SH) 82 in Cameron Parish, Louisiana.
- The Florida Gas Transmission (FGT) Lateral – 2.3 miles of 24-inch-diameter pipeline extending eastwardly from Leg 1 at approximately milepost (MP) 110.6 until it connects with the existing FGT Company's Compressor Station #7 near the town of Williams in Acadia Parish, Louisiana.
- Associated mainline block valves (MLVs), metering, tie-in, and pigging facilities.

KMLP proposes to commence construction on Leg 1 and Leg 2 in November 2007, and on the FGT Lateral in October 2008. Leg 2 and interconnects would be completed by April 2008, and brought into service by October 1, 2008. Leg 1, the FGT Lateral, and their respective interconnects would be completed by November 2008, and brought into service by April 1, 2009.

PUBLIC OUTREACH AND COMMENTS

As part of the Pre-filing process, we issued a *Notice of Intent To Prepare an Environmental Impact Statement for the Proposed Kinder Morgan Pipeline Project and Request for Comments on Environmental Issues* (NOI) on March 24, 2006. We sent the NOI to 1,642 interested parties including federal, state, and local officials; agency representatives; conservation organizations; local libraries and newspapers; and property owners along the pipeline routes. We received comment letters in response to our NOI from the National Oceanic and Atmospheric Administration National Marine Fisheries Service (NOAA Fisheries Service), FWS, and Louisiana Department of Wildlife and Fisheries (LDWF). We received no comment letters from landowners or other stakeholders.

On April 26, 2006, we issued a *Notice of Site Visit and Public Meetings* to provide notice to the public of our site visit and three scheduled public scoping meetings, which were held on May 8, 9, and 11, 2006, in Ville Platte, Sulphur, and Iowa, Louisiana, respectively. At each of the meetings, we heard comments from two individuals. Transcripts of these comments are part of the public record for the KMLP Project. On May 10, 2006, we conducted an aerial review of the Project by helicopter and we took a boat tour of the pipeline route in the northern end of Sabine Lake and vicinity. On May 9 and 11, 2006, we conducted a ground-based site visit of the entire route, which was open to the public.

We also conducted agency consultations and participated in interagency meetings to identify issues that should be addressed in the draft EIS. These consultations included interagency meetings on

May 11 and October 5, 2006, both in Lake Charles, Louisiana. Participants at both meetings included representatives from the COE, FWS, NOAA Fisheries Service, and LDWF. We used the scoping comments to help focus the analysis in the draft EIS on potentially significant environmental issues related to the proposed action.

We prepared a draft EIS for the KMLP Project, and on January 26, 2007, issued a *Notice of Availability of the Draft Environmental Impact Statement for the Proposed Kinder Morgan Louisiana Pipeline Project*. The draft EIS was filed with the EPA, and a formal notice was published in the Federal Register announcing that the draft EIS was available and had been mailed to individuals and organizations on the draft EIS mailing list for the Project. In accordance with CEQ regulations implementing NEPA, a public comment period was established, ending on March 19, 2007, to allow the public to comment on the draft EIS in the form of written comments. Public comment meetings to receive comments on the draft EIS were held on February 26, 2007, in Lake Charles, Louisiana and on February 27, 2007, in Jennings, Louisiana. One person commented and three other people asked questions at the Lake Charles meeting. Nobody commented or asked questions at the Jennings meeting. Transcripts of both meetings are also part of the public record for the KMLP Project.

We received comment letters from the COE, FWS, NOAA Fisheries Service, Natural Resources Conservation Service (NRCS), EPA, and LDWF, as well as written comments from KMLP. No comment letters were filed by any landowners or other stakeholders. Comments on the draft EIS and our responses to those comments are provided in appendix N of this document. As noted previously, all substantive changes in this final EIS are indicated by vertical bars that appear in the margins. The changes were made 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.

This final EIS was mailed to the agencies, individuals, and organizations on the mailing list included in appendix A and was filed with the EPA for formal notice of availability. In accordance with the CEQ regulations implementing NEPA, no agency decision on a proposed action may be made until 30 days after the EPA publishes a notice of availability 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 as the notice of the final EIS is published, allowing both periods to run concurrently. Should the Commission authorize the proposed project, it would be subject to a 30-day rehearing period. Therefore, the Commission could issue its decision concurrently with the EPA's notice of availability.

ENVIRONMENTAL IMPACTS

Construction and operation of the Project would result in numerous impacts to the environment. We evaluated the impacts to geology, soils, water resources, wetlands, vegetation, wildlife and aquatic resources, threatened and endangered species, land use, socioeconomics, cultural resources, air quality, noise, and safety. We also considered the cumulative impacts of this Project with current and foreseeable projects in the area. The primary issues with the Project were related to impacts to wetlands and waterbodies. Major findings and conclusions are summarized below.

Most of the land affected by the Project is agricultural land, open land (consisting of rangeland, non-forested wetlands, transitional areas, and sandy areas), and open water. Construction would affect a total of 3,030.7 acres. Operation of the Project would affect 840.9 acres, including 821.7 acres of the permanent right-of-way, 12.3 acres of aboveground facilities, and 6.9 acres of the permanent access roads. All construction would follow our *Upland Erosion Control, Revegetation and Maintenance Plan*

(Plan) and *Wetland and Waterbody Construction and Mitigation Procedures* (Procedures), with a few minor alternative measures that we have specifically reviewed and found acceptable.

The Project would be constructed across 310 waterbodies, including Sabine Lake, the Gulf Intracoastal Waterway (GIWW), and the Calcasieu River. To minimize impacts, KMLP proposed to conduct 21 horizontal directional drill (HDD) operations to install the pipeline under 26 waterbodies (some of the HDDs would encompass more than one waterbody). In addition, 147 waterbodies would be crossed by bore and one would be crossed using a flume. Based on the characteristics of the identified waterbodies, KMLP's proposed construction methods and operations procedures, its implementation of waterbody-related measures described in our Procedures, and our recommended measures, we believe that effects to surface waters resulting from construction and operation of the Project would be temporary and localized.

Sabine Lake is a large waterbody with important aquatic resources such as essential fish habitat (EFH) and oyster resources. KMLP proposes to cross Sabine Lake by HDD at the lake's southern and northern shorelines and via open-cut construction methods requiring the use of spud barges across the lake's open water. The use of HDD crossing methods at the northern and southern banks of Sabine Lake would avoid impacts to shoreline erosion, oyster reefs, and EFH wetlands. Open-cut construction across approximately 13 miles of Sabine Lake would affect water quality during construction, temporarily causing sediment resuspension and related impacts in the water column. The Project would not directly affect known oyster reefs, but oysters inhabiting the area could be affected by increased turbidity or by deposition of sediments suspended by construction activities. KMLP would compensate LDWF for each bottom substrate directly impacted by pipeline construction and has committed to compensate LDWF for the three-year average dockside value of live oysters impacted by sedimentation within 1,500 feet of construction. Specific requirements to provide compensation for impacts to oysters, as well as additional provisions to further protect the public oyster tonging area in Sabine Lake, would be included in the Louisiana Department of Natural Resource's (LDNR's) Coastal Use Permit (CUP).

The Project would be constructed in areas of extensive estuarine and palustrine wetlands. The construction right-of-way would affect 352 wetlands covering approximately 504.2 acres of wetlands. Of this total, about 99.5 acres are considered EFH wetlands. Most of the wetlands affected by pipeline construction would be restored, reseeded, and allowed to naturally revegetate and return to preconstruction conditions. Where wetlands would be reseeded, we are recommending that appropriate plant species from local commercial nurseries or vegetation that came from the right-of-way before construction be used instead of plants from adjacent wetlands, which are already stressed as a result of Hurricane Rita in 2005. Forested wetlands within the permanent right-of-way would be converted and maintained as an emergent or scrub-shrub wetland. Operation of the pipeline facilities would result in the permanent conversion of 14.9 acres of forested wetlands. The COE has not yet verified the KMLP wetland delineation for the Project; therefore, the acreage of wetlands affected by the Project may change. The impact to 14.9 acres of forested wetlands would be further reduced because KMLP is proposing to use the HDD method at two additional waterbodies and associated wetlands (Tiger Point Gulley along Leg 1 and Bayou des Cannes along the FGT Lateral) and is proposing to use a narrower construction right-of-way width for the Leg 1 crossing of Bayou Barwick, in response to COE concerns. To minimize temporary construction impacts on wetlands, KMLP would implement protective measures in our Procedures, the recommendations made in this EIS, and the mitigation measures described in an Aquatic Resources Management Plan. KMLP also would cross several wetlands along the Project using the HDD method, which would avoid impacts on these wetlands. In addition, we are requiring KMLP to reduce the width of its construction right-of-way in wetlands.

Based on consultations and comments received from FWS and NOAA Fisheries Service, we evaluated the impacts of the Project on the bald eagle, brown pelican, red-cockaded woodpecker (RCW),

and five species of sea turtles. We have determined that there would be no adverse effects for the bald eagle or brown pelican, and we have determined that the Project is not likely to adversely affect the RCW. With the protective measures recommended by NOAA Fisheries Service, the impacts on sea turtles are expected to be temporary, localized, and minor; therefore, the Project would not adversely affect these species. We are recommending that KMLP not begin construction until we complete our consultation with FWS and NOAA Fisheries Service, and KMLP receives written notification from the Director of Office of Energy Projects (OEP) that construction and/or implementation of conservation measures may begin.

Detailed descriptions of all impacts, proposed mitigation measures to minimize these impacts, and our recommendations to further avoid, minimize, and mitigate these impacts are described in section 4.0 of this EIS.

ALTERNATIVES CONSIDERED

We evaluated the no action or postponed action alternatives, which would eliminate the short- and long-term environmental impacts identified in this EIS. However, the objectives of the Project would not be met, and KMLP would not be able to deliver regasified LNG to markets in Louisiana and the rest of the United States as proposed. We evaluated system alternatives to examine whether other existing or proposed natural gas pipeline systems would meet the Project objectives while offering an environmental advantage over the Project. Currently, there is no existing pipeline system that could be used to meet the Project objectives and we determined that two system alternatives involving proposed pipeline systems, including the approved Sabine Pass Pipeline, do not offer significant environmental benefits relative to the proposed action. We also evaluated four major route alternatives to the Project route. However, none of these major route alternatives would offer significant environmental advantages over the proposed route, and we eliminated them from further consideration. Lastly, we evaluated 17 route variations to avoid or reduce construction impacts to localized, specific resources. Variations that lessened environmental impacts were adopted by KMLP as part of the proposed Project route.

In summary, with KMLP's proposed mitigation and our recommendations, the proposed route is environmentally least damaging and we are recommending use of the proposed route as the preferred alternative.

CONCLUSIONS

We have determined that construction and operation of the KMLP Project would result in limited adverse environmental impacts based on information provided by KMLP and data developed from information requests; field investigations; literature research; alternatives analysis; comments from federal, state, and local agencies; and public input. These limited impacts would be most significant during the construction period.

All required consultations with other agencies are either complete or in process and required to be completed prior to construction. Under section 106 of the NHPA, the Louisiana SHPO has concluded that the Project is not expected to affect any significant marine cultural resources. Present evidence suggests that no historic properties eligible for the NRHP would be affected, although surveys have not been completed for about 9.9 miles of the proposed pipeline route and a few ancillary areas where landowner permission is pending. The SHPO's comments on these areas are awaited. Under section 7 of the ESA, FWS has concluded that the Project is not likely to adversely affect any threatened and endangered species and consultation with NOAA Fisheries Service regarding sea turtles is still ongoing. Under section 307 of the CZMA, KMLP has filed its Coastal Use Permit application with Louisiana CMD as part of a Joint Permit Application with COE. CMD is in the process of reviewing that application to determine if the Project is consistent with Louisiana's Coastal Zone Management Program.

COE has also participated as a cooperating agency on this EIS and we have incorporated all of COE's comments and recommendations.

As part of our review, we developed specific mitigation measures that we believe would appropriately and reasonably reduce the environmental impacts resulting from construction and operation of the Project. We believe that environmental impacts would be minimized if the Project is constructed and operated in accordance with applicable laws and regulations, KMLP's proposed mitigation, and our additional mitigation measures. The primary reasons for our conclusion are:

- About 54 percent of the proposed route would collocate with or parallel existing rights-of-way;
- KMLP would use HDD across most sensitive areas, including major waterbodies, oyster reefs, several wetlands, congested pipeline corridors, and select roads and developed areas;
- KMLP would consult with resource agencies to further avoid and minimize impacts to wetlands, EFH, and threatened and endangered species; and
- Construction would be done in accordance with our Plan and Procedures and all applicable permits and authorizations, and an environmental inspection and monitoring program would ensure compliance with all mitigation measures that become conditions of any Commission authorization.