

In Reply Refer To:
OEP/DG2E/Gas 2
Transwestern Pipeline Company, LLC
FERC Docket No. CP06-459-000

TO THE PARTY ADDRESSED:

The environmental staffs of the Federal Energy Regulatory Commission (Commission or FERC); the U.S. Department of the Interior, Bureau of Land Management (BLM); the U.S. Department of Agriculture, Forest Service (FS); the U.S. Department of Transportation, Office of Pipeline Safety (OPS); the U.S. Department of the Interior, Bureau of Indian Affairs (BIA); and the Navajo Nation, collectively referred to as the Agency Staffs, have prepared this draft environmental impact statement (draft EIS) to address Transwestern Pipeline Company, LLC's (Transwestern) proposed expansion of its natural gas pipeline system. A draft General Conformity Determination was also prepared by the FERC to assess the potential air quality impacts associated with construction and operation of the proposed project and is included as Appendix Q of this draft EIS.

This draft EIS was prepared to satisfy the requirements of the National Environmental Policy Act (NEPA). The Agency Staffs have concluded that if the project is constructed and operated in accordance with applicable laws and regulations, Transwestern's proposed mitigation, and the Agency Staffs' additional mitigation measures, it would have limited adverse environmental impact.

The FERC is the lead federal agency and will use the EIS to consider the environmental impacts that could result if it issues Transwestern a Certificate of Public Convenience and Necessity under section 7 of the Natural Gas Act.

The BLM and the FS are federal land management agencies affected by Transwestern's proposal and have elected to act as cooperating agencies in preparing this draft EIS. The BLM will use the document to meet its NEPA responsibilities in considering Transwestern's application for a Right-of-Way Grant and obtain Temporary Use Permits for the portion of the project on federal lands under section 185(f) of the Mineral Leasing Act of 1920. The BLM would issue the Right-of-Way Grant and Temporary Use Permits for the crossing of BLM-managed lands and the Kaibab and Prescott National Forests, which are managed by the FS, and for crossing lands managed by the U.S. Department of the Interior, Bureau of Reclamation (BOR). The BLM would consider the concurrence or non-concurrence of the FS and BOR, as well as FERC approval or denial, in making its decision whether to issue the Right-of-Way Grant and Temporary Use Permits. The BLM's decision would be documented in a Record of Decision.

The OPS is participating as a cooperating agency in preparing this draft EIS because it is responsible for ensuring the safe, reliable, and environmentally sound operation of the nation's transportation system and for providing oversight for oil and natural gas pipelines. The OPS' authority is found under the Natural Gas Pipeline Safety Act of 1968 (49 USC 1671 et seq.) and the Hazardous Liquids Pipeline Safety Act of 1979 (49 USC 2001 et seq.).

The BIA and the Navajo Nation have also elected to act as cooperating agencies in preparing this draft EIS because the proposed project would be near tribal lands in Arizona and would cross two classes of

Navajo Nation lands in New Mexico: tribal lands and allotted lands. Tribal lands are owned in fee by the Navajo Nation, and access to these lands would be acquired through direct negotiation between Transwestern and officials of the Navajo Nation Tribal Headquarters in Window Rock, Arizona. Allotted lands are held in trust by the United States government and managed by the BIA for the benefit of individual allottees.

The Phoenix Expansion Project is designed to transport up to 500 million cubic feet per day of natural gas to the Phoenix area, which is one of the fastest-growing regions in the United States. The project would not only help to satisfy the increasing demand for electricity and natural gas, but would also increase competition in the regional energy market, thereby working to stabilize costs to the consumer.

This draft EIS addresses the potential environmental effects of the construction and operation of the following facilities proposed by Transwestern:

- 24.6 miles of new 36-inch-diameter pipeline loop¹ (the San Juan Lateral Loops A and B) extending along the existing San Juan Lateral in San Juan and McKinley Counties, New Mexico;
- 259.3 miles of new 42- and 36-inch-diameter lateral² pipeline (the Phoenix Lateral), consisting of 95.7 miles of 42-inch-diameter pipeline extending from milepost (MP) 0.0 in Yavapai County, Arizona to MP 95.2 in Maricopa County, Arizona, and 163.6 miles of 36-inch-diameter pipeline extending from MP 95.2 in Maricopa County, Arizona to MP 255.1 in Pinal County, Arizona;
- 1.4 miles of new 24-, 20-, 16-, and 6-inch-diameter lateral pipeline (the customer laterals) connecting the Phoenix Lateral to meter stations that are not located immediately adjacent to the Phoenix Lateral right-of-way;
- minor piping and pressure control modifications at the existing Bloomfield Compressor Station in San Juan County, New Mexico and at the existing Seligman Compressor Station No. 1 in Mohave County, Arizona;
- installation of the Ash Fork Facility at MP 0.0 of the Phoenix Lateral in Yavapai County, Arizona including 2 filter separators, odorant injection facilities, and telecommunications equipment; and
- installation of 4 taps, 31 valves, 11 meter stations, 6 pig launchers, and 3 pig receivers.

Transwestern would also acquire an undivided interest in the existing East Valley Lateral consisting of 36.7 miles of 24-inch-diameter lateral pipeline in Pinal and Maricopa Counties, Arizona.

¹ A loop is a segment of pipeline that is usually installed adjacent to an existing pipeline and connected to it at both ends. The loop allows more gas to be moved through the system.

² A lateral pipeline typically takes gas from the main system to deliver it to a customer, local distribution system, or another interstate transmission system.

Comment Procedures and Public Meetings

Any person wishing to comment on the draft EIS and/or draft General Conformity Determination is encouraged to do so. To ensure consideration prior to a Commission decision on the proposal, it is important that your comments be received before the date specified below.

Please note that the Commission strongly encourages electronic filing of any comments, interventions, or protests to this proceeding. See Title 18 CFR 385.2001(a)(1)(iii) and the instructions on the FERC Internet website (www.ferc.gov) under the eFiling link and the link to the User's Guide. Before you can submit comments, you will need to create a free account by clicking on "Sign-up" under "New User." You will be asked to select the type of submission you are making. This type of submission is considered a "Comment on Filing." Comments submitted electronically must be submitted by **June 18, 2007**.

If you wish to mail comments, please mail your comments so that they will be received in Washington, DC on or before **June 18, 2007**. **Please carefully follow these instructions to ensure that your comments are received in time and properly recorded:**

- Send an original and two copies of your comments to:

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First St. NE; Room 1A
Washington, DC 20426;
- Reference Docket No. CP06-459-000; and
- Label one copy of your comments for the attention of Gas 2, DG2E.

In addition to or in lieu of sending written comments, the FERC and the cooperating agencies invite you to attend public meetings the Agency Staffs will conduct in the project area to receive comments on the draft EIS and draft General Conformity Determination. The dates, times, and locations of these meetings are as follows:

<u>Date</u>	<u>Location</u>
Monday, June 4, 2007 7:00 PM (MST)	Central Arizona Seniors Association 9360 East Manzanita Circle Prescott Valley, AZ 86314 (928) 772-3337
Tuesday, June 5, 2007 7:00 PM (MST)	Albins Civic Center Black Canyon Community Association 19055 East K-Mine Road Black Canyon City, AZ 85375 (623) 374-5553
Wednesday, June 6, 2007 7:00 PM (MST)	Buckeye Community Center 201 East Centre Avenue Buckeye, AZ 85326 (623) 349-6600

Date
Thursday, June 7, 2007
7:00 PM (MST)

Location
Hotel Casa Grande
Cotton/Copper Room
777 North Pinal Avenue
Casa Grande, AZ 85222
(520) 426-3500

Tuesday, June 12, 2007
1:00 PM (MST)

Navajo Technical College
(former Crownpoint Institute of Technology)
Lower Point Road and State Highway 371
Crownpoint, NM 87313
(505) 786-4100

These public meetings will be posted on the FERC's calendar located at <http://www.ferc.gov/EventCalendar/EventsList.aspx>. Interested groups and individuals are encouraged to attend and present written or oral comments on the draft EIS and/or draft General Conformity Determination. Transcripts of the meetings will be prepared.

After the comments are reviewed, any significant new issues are investigated, and necessary modifications are made to the draft EIS and draft General Conformity Determination, a final EIS, including a final General Conformity Determination, will be published and distributed. The final EIS will contain the Agency Staffs' responses to timely comments filed on the draft EIS and draft General Conformity Determination that are related to environmental issues.

Comments will be considered by the Commission and the cooperating agencies 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 Procedure (Title 18 CFR Part 385.214).

Anyone may intervene in this proceeding based on this draft EIS and draft General Conformity Determination. You must file your request to intervene as specified above.³ **You do not need intervenor status to have your comments considered.**

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

Federal Regulatory Energy Commission
Public Reference Room
888 First St. NE; Room 2A
Washington, DC 20426
(202) 208-1371

A limited number of copies are available from the FERC's Public Reference Room identified above. These copies may be requested in hard copy or as .pdf files on a CD that can be read by a computer with a CD-ROM drive. The draft EIS, including the draft General Conformity Determination, is also available for viewing on the FERC Internet website at www.ferc.gov. In addition, copies of the document have been mailed to federal, state, and local government agencies; elected officials; Native American tribes; affected landowners; local libraries and newspapers; intervenors to the FERC's proceeding; and other interested

³ Interventions may also be filed electronically via the Internet in lieu of paper. See the previous discussion on filing comments electronically.

parties. Hard copies of the draft EIS, including the draft General Conformity Determination, can be viewed at the following libraries in the project area:

Ash Fork Public Library 518 Lewis Avenue Ash Fork, AZ 86320	Avondale-Goodyear Public Library 328 West Western Avenue Avondale, AZ 85323	Black Canyon City Community Library 34701 South Old Black Canyon Hwy Black Canyon, AZ 85324
Buckeye Public Library 310 North 6th Street Buckeye, AZ 85032	Casa Grande Public Library 449 North Dry Lake Casa Grande, AZ 85222	Chino Valley Public Library 1020 West Palomino Road Chino Valley, AZ 86323
Coolidge Public Library 160 West Central Avenue Coolidge, AZ 85228	Flagstaff Public Library 300 West Aspen Flagstaff, AZ 86001	Fredonia Public Library 118 North Main Street Fredonia, AZ 86022
Mayer Public Library 10004 Wicks Street Mayer, AZ 86333	Arizona State Library 1700 West Washington Street Phoenix, AZ 85007	North Central Regional Library 17811 North 32 nd Street Phoenix, AZ 85032
Yavapai County Library District 172 East Merritt Street, Suite E Prescott, AZ 86301	Prescott Public Library 215 East Goodwin Prescott, AZ 86303	Prescott Valley Public Library 7501 East Civic Circle Prescott Valley, AZ 86314
Williams Public Library 113 South First Street Williams, AZ 86046	Bloomfield Public Library 333 South First Street Bloomfield, NM 87413	Farmington Public Library 100 West Broadway Farmington, NM 87401-6420
Octavia Fellin Public Library 115 West Hill Gallup, NM 87301		

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 on the FERC Internet website 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 that 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. To register for this service, go to the eSubscription link on the FERC Internet website.

Information concerning the involvement of the cooperating agencies in the EIS process may be obtained from:

U.S. Department of the Interior,
Bureau of Land Management
Mark Mackiewicz, (435) 636-3616

Prescott National Forest
Ken Simeral, (928) 443-8010

U.S. Department of Agriculture,
Forest Service

Kaibab National Forest
Tom Mutz, (928) 635-5661

U.S. Department of Transportation,
Office of Pipeline Safety
John Pepper, (713) 272-2849

U.S. Department of the Interior,
Bureau of Indian Affairs
Navajo Area Office
Harrilene Yazzi, (505) 863-8286

Phoenix Area Office
Amy Heuslein, (602) 379-6750

Navajo Nation
Ron Maldonado, (928) 871-7139

Kimberly D. Bose
Secretary