INTRODUCTION

SECTION 1

1.0 INTRODUCTION

On September 29, 2006, Southern LNG Inc. (Southern LNG), Elba Express Company, LLC (EEC), and their parent company Southern Natural Gas Company (Southern), a subsidiary of El Paso Corporation, filed a set of five companion applications with the Federal Energy Regulatory Commission (FERC or Commission) to construct, own, operate, expand, and abandon various facilities associated with a proposal to increase the amount of liquefied natural gas (LNG) received at the existing Elba Island LNG Import Terminal (Terminal) and transport revaporized gas to new delivery locations in Georgia and South Carolina via a new pipeline system. In these filings:

- Southern LNG seeks an authorization under Section 3(a) and a Certificate of Public Convenience and Necessity (Certificate) under Section 7(b) of the Natural Gas Act (NGA) to import additional supplies of LNG, expand and modify its existing Terminal, and abandon certain LNG unloading facilities that are no longer needed, all in Chatham County near Savannah, Georgia. This portion of the overall project is referred to as the "Terminal Expansion Project" (Docket No. CP06-470-000).
- EEC seeks Certificates under Section 7(c) of the NGA to (a) construct and operate about 188 miles of new 42- and 36-inch-diameter pipeline, a new 10,000-horsepower (hp) compressor station, and appurtenant facilities to transport the revaporized natural gas between the existing Port Wentworth Meter Station in Chatham County, Georgia, and new points of delivery with Southern in Georgia and Transcontinental Gas Pipe Line Corporation (Transco)[1] in Hart County, Georgia and Anderson County, South Carolina (the "Elba Express Pipeline"); and (b) acquire an undivided interest in Southern's existing twin 30-inch-diameter pipelines which extend about 13 miles between the Terminal and the Port Wentworth Meter Station (Docket No. CP06-471-000). EEC also requested Blanket Certificates under Parts 157 and 284 of the Commission's regulations to conduct blanket-type transportation services, and blanket-type construction and operation of certain facilities[2] (Docket Nos. CP06-472-000 and -473-000).
- Southern seeks authorization under Sections 7(b) and 7(c) of the NGA to abandon by sale an undivided interest in its twin 30-inch-diameter pipelines[3] extending between the Terminal and the Port Wentworth Meter Station, and to acquire an undivided interest in the southernmost 10 miles of EEC's new Elba Express Pipeline (between the Port Wentworth Meter Station and Rincon in Effingham County, Georgia) (Docket No. CP06-474-000).

Taken collectively (and as more fully described in section 2.2), these actions and facilities comprise the proposed action, which is referred to in this Environmental Impact Statement (EIS) as the Elba III Project (Project). As part of the Commission's consideration of these

[1] Transco is a wholly owned subsidiary of Williams Gas Pipeline Corporation.
[2] Under the Commission's regulations, Blanket Certificate requests are categorically excluded from review under the National Environmental Policy Act of 1969 (see Title 18 of the CFR, Part 380). As such, these activities will not be referenced further in this document.
[3] Southern's proposal is also categorically excluded from environmental review under the Commission's regulations.

applications, the Commission's environmental staff has prepared this EIS to assess the environmental impact resulting from construction and operation of the facilities proposed by Southern LNG, EEC, and Southern (Applicants) in accordance with the requirements of the National Environmental Policy Act of 1969 (NEPA).

The existing LNG import facility is located on Elba Island in Chatham County, Georgia, approximately 8.5 miles upstream from the mouth of the Savannah River. Southern LNG's proposed Terminal Expansion Project would add 8.4 billion cubic feet equivalent (Bcfe) of LNG storage to the existing facility, bringing the total storage capacity to 15.7 Bcfe and increasing the existing send-out capacity by an additional 0.9 Bcf per day (Bcfd) of natural gas to 2.1 Bcfd. In addition, the marine berthing slip and unloading docks at the Terminal would be modified and unloading facilities at an existing River Dock located on the main stem of the Savannah River would be dismantled.

The proposed Terminal Expansion facilities would be constructed in two phases, A and B. If Southern LNG receives FERC authorization for the proposed Phase A facilities, this phase would be constructed and placed in service as early as January 2010. This phase would have a firm send-out capacity of 405 million cubic feet per day (MMcfd) of natural gas and include the following facilities:

- one 200,000 cubic meter (m^3) tank (1.25 million barrels [bbls]) with a storage capacity of 4.2 Bcfe of LNG, one associated boil-off gas recondenser, and three boil-off gas compressors;
- three submerged combustion vaporizers, each with a peak capacity of 180 MMcfd; and
- modification of the marine berthing slip and unloading docks to accommodate new, larger LNG vessels and allow simultaneous unloading of two LNG vessels.

If Southern LNG receives FERC authorization for the proposed Phase B facilities, this phase would be constructed and placed in service no later than December 2012. This phase would have a firm send-out capacity of 495 MMcfd and include the following facilities:

- one 200,000 m^3 tank (1.25 million bbls) with a storage capacity of 4.2 Bcfe of LNG; and
- three submerged combustion vaporizers, each with a peak capacity of 180 MMcfd.

Each of the two phases (A and B) would include all necessary ancillary equipment, including pumps; piping; controls and appurtenances; and other systems (electrical, mechanical, civil, instrumentation, hazard detection, fire protection and buildings) necessary to accommodate the associated tanks and vaporizer units. The Terminal Expansion Project would include upgrades to the Terminal's send-out meter station to accommodate the proposed increase in send-out capacity.

The existing Terminal delivers revaporized natural gas into Southern's twin 30-inch-diameter pipelines, which have sufficient takeaway capacity to accommodate the volumes associated with the proposed Terminal Expansion Project. The proposed Elba Express Pipeline would originate at an interconnection (the Port Wentworth Meter Station) at the end of Southern's existing twin 30-inch-diameter pipelines and terminate about 188 miles to the northwest at interconnections

with Transco on the east and west sides of the Savannah River in Hart County, Georgia and Anderson County, South Carolina. EEC would acquire from Southern an undivided interest in the twin 30-inch-diameter pipeline system for a capacity equal to the subscribed volume on the Elba Express Pipeline. The acquisition of the undivided interest would provide EEC with a contiguous flow path from Elba Island to the Transco Pipeline System.

Like the proposed Terminal Expansion facilities, the proposed Elba Express Pipeline facilities would also consist of two phases, A and B. Although EEC's schedule to construct and place in-service each phase would be based on customers' preferences and is subject to change, EEC presented an anticipated schedule for each phase based on precedent agreements for the proposed capacity and the Terminal Expansion Project schedule. Our[4] analysis in this EIS is based on this anticipated schedule.

EEC proposes to begin Phase A construction in the summer of 2009, with a desired in-service date of no later than July 1, 2011. Phase A would consist of the following facilities:

- 104.8 miles of a 42-inch-diameter pipeline, extending between the Port Wentworth Meter Station (milepost [MP] 0.0) and Southern's Wrens Compressor Station in Jefferson County, Georgia (MP 104.8). This "Southern Segment" would be collocated with either two or three existing Southern pipelines (depending on the location);
- 83.1 miles of mixed-diameter pipeline, extending between Wrens Compressor Station and interconnections with the Transco Pipeline System in Hart County, Georgia and Anderson County, South Carolina. This "Northern Segment" would consist of:
    - 10.0 miles of 42-inch-diameter pipeline (MP 104.8 to MP 114.8); and
    - 73.1 miles of 36-inch-diameter pipeline (MP 114.8 to MP 187.9).
- Eight new meter stations and interconnection facilities;
- One new mixing station; and
- Associated pipeline facilities, including eleven mainline valves (MLVs), and four pig[5] launchers and receivers.

EEC proposes to begin Phase B construction in the summer of 2012, with a desired in-service date of no later than January 1, 2013. Phase B would consist of a new 10,000-horsepower compressor station (the "Elba Express Compressor Station") located near Millen at MP 58.3 in Jenkins County, Georgia.

1.1 PROJECT PURPOSE AND NEED

The primary purpose of the Elba III Project is to provide an incremental source of, and the transportation infrastructure required to deliver, firm, long-term, and competitively-priced natural gas to the Georgia and South Carolina interstate natural gas markets, and other markets in the southeastern and eastern United States (U.S.). Several government studies demonstrate an increasing demand and a need for additional supplies of natural gas (U.S. Department of Energy

[4] "We", "us", and "our" refer to the environmental staff of the FERC's Office of Energy Projects.
[5] A pipeline "pig" is a device to clean or inspect the pipeline. A pig launcher/receiver is an aboveground facility where pigs are inserted or retrieved from the pipeline.

[DOE], Energy Information Administration, 2004, 2006). Increased imports of LNG are viewed as a means of meeting the projected shortfalls in natural gas supplies as demand increases. Further, LNG marine transportation is recognized as a viable way of accessing "stranded" natural gas reserves in production areas throughout the world that are inaccessible by conventional pipelines, thereby increasing availability of existing worldwide supplies to the U.S.

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

In response to this need, Southern LNG and EEC have proposed the Elba III Project, with the following specific project objectives:

- to offer direct access to a reliable source of LNG supply for the southeastern and eastern U.S. markets to supplement traditional domestic supplies;
- to provide a competitively-priced natural gas transportation infrastructure that would attract incremental global LNG supplies into the southeastern and eastern U.S. natural gas market to help meet the growing demand for clean energy;
- to secure new pipeline transportation services under agreements with BG LNG Services LLC and Shell NA LNG LLC; and
- to provide firm interstate natural gas pipeline capacity that can move gas from the Elba Island Terminal to major pipeline interconnects with 1) the existing Southern Pipeline System in its Zone 3 near the end of its South Main Line, 2) the existing Transco Pipeline System at the end of its Zone 4, and 3) the existing Transco Pipeline System at the beginning of its Zone 5.

The Elba III Project would provide an incremental source of natural gas supply, further diversifying the U.S. supply portfolio, and increasing the U.S. ability to meet future natural gas consumption needs.

1.2 PURPOSE AND SCOPE OF THIS STATEMENT

The principal purposes in preparing an EIS are to:

- identify and assess potential impacts on the human environment that would result from the implementation of the proposed action;
- identify and assess reasonable alternatives to the proposed action that would avoid or minimize adverse affects on the human environment;
- identify and recommend specific mitigation measures to minimize environmental impacts; and
- facilitate public involvement in identifying significant environmental impacts.

This EIS focuses on the facilities that are under the FERC's jurisdiction (*i.e.*, the Terminal Expansion Project, the Elba Express Pipeline, and associated facilities proposed by Southern LNG, EEC, and Southern) and the waterway used for LNG vessel traffic to reach the Terminal.

The topics addressed in this EIS include geology; soils; water use and quality; wetlands; vegetation; wildlife, fisheries, marine invertebrates and essential fish habitat (EFH); threatened, endangered, and special status species; land use, recreation, and visual resources; socioeconomics; cultural resources; air quality and noise; reliability and safety; cumulative impacts; and alternatives. This EIS describes the affected environment as it currently exists, discusses the environmental consequences of the proposed Project, and compares the Project's potential impact to that of alternatives. This EIS also presents our conclusions and recommended mitigation measures.

The FERC is the federal agency responsible for authorizing applications to construct and operate onshore LNG import and interstate natural gas transmission facilities. As such, the FERC is the "lead federal agency" responsible for preparation of this EIS. This effort was undertaken with the participation and assistance of the U.S. Coast Guard (Coast Guard) and the U.S. Army Corps of Engineers (COE), who acted as "cooperating agencies" under NEPA. Cooperating agencies have jurisdiction by law or special expertise with respect to environmental impacts involved with the proposal. The roles of the FERC, Coast Guard, and COE (Savannah and Charleston Districts) in the Project review process as described below. The EIS will provide a basis for coordinated federal decision making in a single document, avoiding duplication between federal processes. In addition to the lead and cooperating agencies, other federal, state, and local agencies may use the EIS in approving or issuing permits or approvals for all or part of the proposed Project. Federal, state, and local permits, approvals, and consultations for the Project are discussed in section 1.5.

1.2.1 FERC

As the federal agency responsible for authorizing applications to construct and operate onshore LNG import and interstate natural gas transmission facilities, the FERC is the lead agency for preparation of this EIS in compliance with the requirements of NEPA, the Council on Environmental Quality (CEQ) regulations for implementing NEPA (Title 40 of the Code of Federal Regulations [CFR], Parts 1500-1508 [40 CFR 1500-1508]), and the FERC regulations implementing NEPA (18 CFR 380).

As the lead federal agency for the Elba III Project, the FERC is required to comply with Section 7 of the Endangered Species Act of 1973 (ESA), the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA), Section 106 of the National Historic Preservation Act (NHPA), and Section 307 of the Coastal Zone Management Act of 1972 (CZMA). Each of these statutes has been taken into account in the preparation of this EIS. The FERC will use the document to consider the environmental impacts that could result if it issues an authorization to Southern LNG and Certificates to EEC and Southern under Sections 3 and 7, respectively, of the NGA.

The EIS will consider the environmental issues, including our recommended mitigation measures, and will be used as an element of the Commission's review of the Applicants' filings to determine whether to authorize the Project. The FERC will also consider non-environmental issues in its review of the Applicants' filings. Final authorizations will be granted only if the

FERC finds that the proposed Project is in the public interest. Environmental impact assessment and mitigation development discussed herein are important factors in these final determinations.

In accordance with Council on Environmental Quality (CEQ) regulations implementing NEPA, no agency decision on a proposed action may be made until 30 days after the U.S. Environmental Protection Agency (EPA) publishes a Notice of Availability of the final EIS in the Federal Register. However, the CEQ regulations provide an exception to this rule when an agency decision is subject to a formal internal appeal 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 by the EPA, allowing both periods to run concurrently. The Commission's decision for this proposed action is subject to a 30-day rehearing period.

1.2.2 U.S. Coast Guard

The Coast Guard is the federal agency responsible for determining the suitability of the waterway for LNG marine traffic. The Coast Guard exercises regulatory authority over LNG facilities that affect the safety and security of port areas and navigable waterways under Executive Order 10173; the Magnuson Act (Title 50 of the United State Code [USC] Section 191 [50 USC 191]); the Ports and Waterways Safety Act of 1972, as amended (33 USC 1221, et seq.), and the Maritime Transportation Security Act of 2002 (46 USC 701). The Coast Guard is responsible for matters related to navigation safety, vessel engineering and safety standards, and all matters pertaining to the safety of facilities or equipment located in or adjacent to navigable waters up to the last valve immediately before the receiving tanks. The Coast Guard also has authority for LNG facility security plan review, approval and compliance verification as provided in 33 CFR 105, and siting as it pertains to the management of vessel traffic in and around the LNG facility to a point 12 nautical miles seaward from the coastline (to the territorial seas). See section 4.12.4 for additional discussion of marine safety.

As required by its regulations, the Coast Guard is responsible for issuing a Letter of Recommendation (LOR) as to the suitability of the waterway for LNG marine traffic. The LOR would be based on the following items:

- environmental impacts along the LNG vessel transit route from the territorial seas to the LNG facility berth;
- implications to maritime and port security;
- density and character of marine traffic;
- locks, bridges, or other manmade obstructions in the waterway; and
- the following factors adjacent to the facility:
    - depth of water;
    - tidal range;
    - protection from high seas;
    - natural hazards, including reefs, rocks, and sandbars;
    - underwater pipes and cables; and
    - distance of berthed vessels from the channel and the width of the channel.

The Coast Guard's preferred alternative is the issuance of an LOR with conditions. Conditions for current vessel transit would remain in effect/be reiterated in the LOR for the expansion. The conditions on the current LOR are as follows:

- LNG operations in the port must follow the Coast Guard approved LNG Vessel Transit and Emergency Plan;
- all LNG operations must be in accordance with the Regulated Navigation Area outlined in 33 CFR 165.756; and
- the turning basing adjacent to the facility berth must be dredged.

Because the Elba Island facility is already an established, operational import terminal, the proposed project is unique. In the Coast Guard's revised Waterway Suitability Report (WSR), issued June 18, 2007[6], the Captain of the Port (COTP) Savannah preliminarily determined (contingent on completed NEPA analysis) that the Savannah River is suitable for the increase in LNG marine traffic and the use of larger LNG vessels[7] associated with the proposed project. Conditions proposed for addition to the Elba III LOR include:

- appropriate resources must be available to implement the required security measures outlined in the Waterway Suitability Assessment (WSA) or the most current Coast Guard policy on Ports, Waterways, and Coastal Security; and
- throughout the period of construction and until such time when the LNG facility goes into operation, the applicant must conduct an annual review of the WSA to identify changes that have occurred to the project scope and/or port community since submission of the initial WSA. The applicant must provide a written statement to the COTP annually coinciding with the date of the WSR attesting as to whether or not any changes have occurred. If this annual review identifies changes to the project and/or port that may invalidate portions of the WSA, the applicant must describe the changes in detail and describe any actions necessary to update the WSA. If updating the WSA is required, the applicant must include a timeline for actions to take place. Prior to the start of operations, the applicant must conduct a final review of the WSA and submit documentation to the COTP attesting that the most recent WSA on file with the COTP is current and up to date. Documentation of the final review must be submitted to the COTP between 30 and 60 days prior to the start of operations.

In accordance with 33 CFR 127.007, each Applicant must submit a Letter of Intent (LOI) to the local COTP to begin the LOR process. On June 14, 2005, the Coast Guard issued a *Navigation and Vessel Inspection Circular – Guidance on Assessing the Suitability of a Waterway for LNG Marine Traffic* (NVIC 05-05). The purpose of this NVIC is to provide Coast Guard Captains of the Port/Federal Maritime Security (MARSEC) Coordinators, members of the LNG industry, and port stakeholders with guidance on assessing the suitability of a waterway for LNG marine

[6] The Coast Guard's revised WSR, dated June 18, 2007, replaces an earlier WSR dated January 8, 2007. The earlier WSR was included as appendix L of the draft EIS, while the revised WSR is presented in appendix L of this EIS.
[7] Hereinafter, the phrase "increase in LNG marine traffic" shall be taken to include both an additional number of vessels required to increase import volumes, as well as the use of larger vessels which may become available in the future.

traffic that takes into account conventional navigation safety/waterway management issues contemplated by the existing LOI/LOR process, but in addition, will also take completely into account MARSEC implications. In accordance with this guidance, each LNG project Applicant is to submit a WSA to the cognizant COTP. The WSA is to address the transportation of LNG from the LNG vessel's entrance into U.S. territorial waters, through its transit to and from the LNG receiving facility, including operations at the vessel/facility interface. In addition, the WSA should address the navigational safety issues and port security issues introduced by the proposed LNG operations. The NVIC 05-05 also provides specific guidance on the timing and scope of the WSA.

Southern LNG submitted its WSA to the Coast Guard on September 20, 2006. The COTP Savannah reviewed the WSA and completed a WSR that is included as Appendix L of this EIS. As part of the WSR, the COTP Savannah preliminarily determined that the Savannah River is suitable for the increase in LNG marine traffic associated with the expansion. The WSR provides an overview of the process including the safety and security assessment, risk management strategies, potential resource requirements and recommendations to further reduce security risks to LNG vessels.

1.2.3 U.S. Army Corps of Engineers

The Department of the Army's COE has jurisdictional authority pursuant to Section 404 of the Clean Water Act (CWA) (33 USC 1344), which governs the discharge of dredged or fill material into waters of the United States, and Section 10 of the Rivers and Harbors Act (33 USC 403), which regulates any work or structures that potentially affect the navigable capacity of a waterbody. Because the Department of the Army would need to evaluate and approve several aspects of the Elba III Project and must comply with the requirements of NEPA before issuing permits under the above statutes, it has elected to participate as a cooperating agency in the preparation of this EIS. The COE would adopt the EIS per 40 CFR 1506.3 if, after an independent review of the document, it concludes that its comments and suggestions have been satisfied. The Terminal Expansion Project occurs within the Savannah District, whereas the Elba Express Pipeline occurs within both the Savannah and Charleston Districts of the COE South Atlantic Division. Staff from each COE district office participated in the NEPA review and each district will evaluate its portion of the Project for district-specific COE authorizations, as applicable. However, the Savannah District Office is considered the COE lead in preparation of this EIS.

Actions Requiring COE Authorizations and Approvals

The primary decisions to be addressed by the COE or Department of the Army include:

- issuance of a Section 404 Permit for expansion of the existing Terminal and for wetland impacts associated with construction of the Elba Express Pipeline;
- issuance of an easement where the Elba Express Pipeline would cross COE-managed lands;
- adoption of modifications to existing Mitigation Lands; and
- approval for a large fuel-carrying pipeline across federal property.

This EIS contains information needed by the Department of the Army to reach decisions on these issues. Through the coordination of this document, the COE will obtain the views of the public and natural resource agencies prior to reaching the Department of the Army's decisions on the Project.

As an element of its review, the COE must consider whether a proposed project avoids, minimizes, and compensates for impacts on existing aquatic resources, including wetlands, to strive to achieve a goal of no overall net loss of values and functions.

Based on its participation as a cooperating agency and its consideration of the final EIS (including responses to public comments), the COE would issue a Record of Decision to formally document its decision on the proposed action, including section 404 (b)(1) analysis and required environmental mitigation commitments.

COE-Managed Lands Crossed by the Elba Express Pipeline

In addition to the COE authority under Section 404 of the CWA, the agency owns and manages property at multiple locations along the proposed pipeline route. Two types of lands managed by the COE would be crossed by the proposed pipeline:

Mitigation Lands: Pursuant to Section 2(c) of the Fish and Wildlife Coordination Act of 1958 (PL85-624), a Fish and Wildlife Mitigation report (HD 97-244) was completed in September 1982 which detailed mitigation requirements for the construction and operation of the Richard B. Russell Project. Mitigation requirements that pertain to the pipeline include intensive wildlife management on the 8,046 acre Di-Lane Wildlife Management Area and 20,590 acres of "collar land" surrounding Richard B. Russell Lake. Collar lands extend for a distance of 300 feet from the shoreline. As stated in HD 97-244 pertaining to the collar land, "The Corps of Engineers should manage the 300' policy lands for wildlife excepting those that may be licensed to the states in the recreation programs."

Project Lands: The South Atlantic Division, COE policy for Evaluating Land Use Requests on Civil Works Water Resources Development Projects dated 8 March 2002, requires mitigation on <u>all</u> projects lands to make the project "whole". This is based, in part, on Engineering Regulation 1130-2-540 (1-2), where in reference to Environmental stewardship, "….Corps lands and waters are left in a condition equal to or better than their condition when acquired…"

Should the proposed route of the Elba Express Pipeline be chosen, EEC would coordinate with the COE regarding impacts and mitigation on these lands. Mitigation would be required to offset habitat losses on both existing Mitigation Land, as well as other COE Project Lands before the necessary easements for access to COE-managed property would be granted. Coordination with the COE would be required to determine appropriate mitigation requirements. Site-specific mitigation plans for crossing COE-managed lands will be presented in the final EIS.

1.3 PUBLIC REVIEW AND COMMENT

On January 24, 2006, the Applicants filed a request with the FERC to use our Pre-Filing (PF) review process. At that time, Southern LNG and EEC were in the preliminary design stage of the Project and no formal application had been filed with the FERC. The request to use our PF review process was approved on February 1, 2006, and a pre-filing docket number (PF06-14-000) was established to place information filed by Southern LNG and EEC and related documents issued by the FERC into the public record. The PF review process provides opportunities for interested stakeholders to become involved early in project planning, facilitates interagency cooperation, and assists in the identification and resolution of issues prior to a formal application being filed with the FERC.

On February 15, 16, 21, 22, 23, and 28, 2006, the Applicants sponsored open houses in Sylvania, Pooler, Thomson, Washington, Elberton, and Waynesboro, Georgia, respectively. The purpose of the open houses was to inform agencies and the general public about the proposed Project and to provide them an opportunity to ask questions and express their concerns. The FERC participated in these open houses and provided information on the environmental review process. On February 16, 2006, we met with representatives of the COE and Coast Guard to discuss coordination of agency review, permit requirements and status, and each agency's interest in participating in our environmental review as a cooperating agency. In addition, we conducted site visits of the Terminal and various portions of the proposed pipeline route on February 16, 17, 22, and 23, 2006.

On March 24, 2006, the FERC and the Coast Guard issued a *Notice of Intent to Prepare an EIS and Coast Guard LOR for the Proposed Elba III Project, Request for Comments on Environmental Issues, and Notice of Public Comment Meetings* (NOI). This notice was sent to almost 1,800 interested parties including federal, state, and local officials; agency representatives; conservation organizations; Native American tribes; local libraries and newspapers in the Project area; residents within a 0.5 mile of Elba Island and the proposed compressor station location; and property owners along the proposed pipeline route.

In April 2006, we conducted public scoping meetings in Pooler (April 10, 2006), Sylvania (April 11, 2006), Thomson (April 12, 2006), and Washington (April 13, 2006), Georgia, to provide an opportunity for the public to learn more about the Project and to provide oral comments on environmental issues to be addressed in the EIS. We also conducted a site visit, open to the public, of the Terminal Expansion site and Elba Express Pipeline route. A total of 44 people presented oral comments at the scoping meetings.[8] Comments primarily expressed concerns about the impact of the Terminal Expansion Project on public safety and other commercial port users, and the impact of the pipeline on private property and future property uses. Transcripts of these comments are part of the public record for the Elba III Project, and are available for

[8] There were 14 oral comments collected at the Pooler meeting, 7 at the Sylvania meeting, 8 at the Thomson meeting, and 15 at the Washington meeting.

inspection at the FERC web site in the Elba III Project dockets.[9] During this period, we also conducted additional agency consultations to identify issues that should be included in the EIS. On April 11, 2006, we met with representatives of the COE, Coast Guard, National Oceanic and Atmospheric Administration's National Marine Fisheries Service (NOAA Fisheries), and Georgia Department of Natural Resources (GDNR) to discuss the roles and responsibilities of participation as a cooperating agency, agency coordination, and specific resource concerns to be addressed in the EIS.

Publication of the NOI established a 30-day public comment period for the submission of comments, concerns, and issues related to the environmental aspects of the proposed Project. Although the comment period closed on April 24, 2006, we continued to receive correspondence through late July 2006. Additional comment letters were received in October and November 2006, following the filing of formal FERC applications by the Applicants. In total, 38 letters from 34 entities were received in response to the NOI and the FERC's *Notice of Applications*, issued October 6, 2006.[10]

Issues identified during the public comment process are summarized in table 1.3-1.

TABLE 1.3-1

Issues Identified and Comments Received during the Public Scoping Process for the Elba III Project

Issue/Specific Comment	EIS Section Addressing Comment
GENERAL	
Purpose and need	1.1
PROJECT DESCRIPTION	
Proposed Project facilities including the Terminal Expansion Project, Elba Express Pipeline, and compressor station	2.2
Operational and maintenance dredging including volumes of dredged material and confined disposal facilities	2.2.1
Proposed facility operation, maintenance, and safety	2.7, 2.8
ALTERNATIVES	
No action or postponed action	3.1
Alternative sources of energy	3.1
LNG system alternatives (on- and off-shore)	3.2
LNG site alternatives. (on- and off- shore)	3.2.2
Pipeline route alternatives	3.3.2
Pipeline route variations	3.3.3

[9] Public meeting transcripts and a summary of the issues discussed during the agency scoping meetings are available for viewing on the FERC internet website (http://www.ferc.gov). Using the "eLibrary" link, select "General Search" from the eLibrary menu, enter the selected date range and "Docket No." (CP06-470-000), and follow the instructions. (For assistance, call 1-866-208-3676, or e-mail FERCOnlineSupport@ferc.gov.) Because scoping was conducted during the PF review (before the Applicants filed formal applications with the FERC on September 29, 2006), PF06-14 must be used in the "Docket No." field to view the public scoping transcripts.

[10] Written correspondences included letters, Return Mailers (attached to our NOI), and electronic mail. The Commission also received one Congressional correspondence (included in the total).

TABLE 1.3-1

Issues Identified and Comments Received during the Public Scoping Process for the Elba III Project

Issue/Specific Comment	EIS Section Addressing Comment
SOILS AND SEDIMENTS	
Shoreline erosion at the Terminal site and along the LNG vessel transit corridor	4.1.3
Construction and maintenance impacts on soils and sediments, restoration, and effects on cultivated and non-cultivated areas	4.2
Erosion and sedimentation control measures	4.2.4
WATER RESOURCES	
Impacts on water quality and aquatic wildlife from dredging and confined disposal facilities	4.3.3
Impacts on the Savannah River Channel from operation of the Terminal	4.3.3
Impacts on waterbodies and wetlands from construction and operation of the Terminal and pipeline	4.3.3, 4.4
Hydrostatic testing	4.3.3
Construction procedures across 303(d) waterbodies	4.3.3
WETLANDS	
Wetland construction and mitigation procedures	4.4.2
VEGETATION	
Construction and maintenance impacts on vegetation and restoration techniques	4.5
WILDLIFE AND AQUATIC RESOURCES	
Impacts on aquatic resources from construction noise and hydrostatic testing	4.6.2.2
Impacts on aquatic resources from ballast water intake	4.6.2.3
Impacts on terrestrial wildlife from construction and operation of the Terminal and pipeline	4.6.1
Impacts on EFH	Appendix J
Invasive species introduction to aquatic resources from LNG vessels	4.6.2.3
THREATENED, ENDANGERED, AND OTHER SPECIAL STATUS SPECIES	
Impacts on Federally and State listed threatened and endangered species and suitable habitat from pipeline construction and mitigation	4.7
Impacts on NOAA-protected species and mitigation	4.7
LAND USE, RECREATION, AND VISUAL RESOURCES	
Easements requirements	4.8.1
Impact on private conservation use easements under local, state, and federal programs	4.8
Temporary and permanent impacts on land use and restrictions on future use	4.8
Access control measures (gates and other measures) to prohibit trespassing where pipeline crosses publicly-owned rights-of-way	4.8
Impacts on agriculture from pipeline construction and operation	4.8
Mitigation measures to restore land to pre-construction conditions	4.8
SOCIOECONOMICS	
Impacts on landowners near or adjacent to the Terminal and pipeline	4.9
Impact assessment and mitigation to reduce impacts of safety and security measures on other Port of Savannah traffic and operators	4.9.6.1
Impacts on the proposed Savannah River Harbor Expansion Project and commercial traffic	4.9.6.1
Impacts on harvested timber profits from pipeline construction and operation and proposed mitigation	4.9.2.1
CULTURAL RESOURCES	
Impacts on archaeological resources and proposed measures to protect cultural properties	4.10
Impacts on and proposed protection measures for historical Indian (burial) grounds near Chickasaw Creek	4.10
AIR QUALITY AND NOISE	
Emissions of the Terminal and LNG vessels and mitigation measures	4.11

TABLE 1.3-1

Issues Identified and Comments Received during the Public Scoping Process for the Elba III Project

Issue/Specific Comment	EIS Section Addressing Comment
Impacts on local and global air and noise quality from the construction and operation of the Terminal Expansion Project and pipeline compressor station	4.11
RELIABILITY AND SAFETY	
Security and safety measures for larger LNG vessels in the Port of Savannah	4.12
Safety of LNG storage facilities and no-flight zones	4.12
Berthing and mooring safety procedures to withstand wake action	4.12
Assessment of historic accidents/unanticipated occurrences at U.S. LNG facilities	4.12
Terrorism and Homeland Security	4.12
Pipeline safety	4.12
Safety of the Elba Express Compressor Station	4.12
CUMULATIVE IMPACTS	
Cumulative impacts of existing recent and proposed reasonably foreseeable future projects	4.13

The draft EIS was filed with the U.S. Environmental Protection Agency (EPA) and mailed to about 990 federal, state, and local agencies; elected officials; Native American tribes; newspapers and public libraries in the project area; parties to the FERC's proceeding; potentially affected landowners; and other interested parties. Four public meetings were held in the project area to receive comments on the draft EIS. These meetings were conducted in Washington, Georgia (May 7, 2007), Thomson, Georgia (May 8, 2007), Sylvania, Georgia (May 9, 2007), and Pooler, Georgia (May 10, 2007). Oral comments were received from 12 affected landowners (10 speakers), 2 representatives of landowner groups, and 2 environmental groups (3 speakers). Written comments were received from 3 federal agencies, 1 state agency, 2 environmental groups, 1 landowner group, 4 affected landowners, 29 interested citizens (2 petitions and one individual), and the applicants. The final EIS was mailed to about 1,100 addresses distributed among the same groups as received the draft EIS.

Issues Associated with the Coast Guard's LOR

Several public comments identified in table 1.3-1 relate specifically to the Coast Guard's LOR process for the proposed LNG terminal expansion and increase in LNG vessel size and traffic. These comments requested:

- identification of operational and maintenance dredging and dredged material disposal program and associated impacts on water quality and aquatic wildlife;
- assessment of the potential impacts on shoreline erosion that would be generated by LNG vessel wakes;
- justification for preferred treatment of LNG vessel transit in the Savannah River;
- socioeconomic impact assessment and mitigation measures to reduce impacts on other Port of Savannah vessel traffic and operators;

- assessment of air quality impacts and mitigation measures associated with LNG terminal operations and vessels;
- assessment of historic occurrences of serious accidents, damages, and the effects of unanticipated occurrences at existing LNG facilities in the United States; and
- identification of safety and security measures to mitigate risks associated with LNG vessels and terminal operations, and assessment of associated impacts on other Port of Savannah operators.

1.4 NON-JURISDICTIONAL FACILITIES

Under Section 3(a) of the NGA, the FERC considers all relevant factors bearing on the siting of LNG import facilities. Under Section 7(c) of the NGA, the FERC is required to consider, as part of a decision to certificate jurisdictional facilities, all facilities that are directly related to the Elba III Project where there is sufficient federal control and responsibility to warrant environmental analysis as part of this jurisdictional proceeding. The jurisdictional facilities for the Elba III Project include the Terminal Expansion facilities, the Elba Express Pipeline, and related appurtenances. These are discussed in detail in this EIS.

Occasionally, proposed projects have associated facilities that do not come under the jurisdiction of the FERC. Southern LNG stated that no nonjurisdictional facilities would be constructed as part of the Terminal Expansion Project. However, EEC identified that nonjurisdictional facilities would be required to interconnect EEC's proposed meter stations to gas supply lines at three existing gas-fired electric power plants proposed to be served by the Elba III Project (Effingham, McIntosh, and Rainey). These facilities would consist of the following:

- Plant McIntosh Meter Station – about 380 feet of 16- to 20-inch-diameter pipeline extending between the proposed meter station and the existing gas supply line for the McIntosh Power Plant. The new piping would essentially connect the proposed metering facilities with facilities already in place to serve the power plant, providing the plant with an alternate source of natural gas.
- Effingham Meter Station – about 105 feet of 16- to 20-inch-diameter pipeline extending between the proposed meter station and the existing gas supply line for the Effingham Power Plant. The new piping would extend a short distance between the proposed metering facilities to the existing power plant delivery pipeline, providing the plant with an alternate source of natural gas.
- Plant Rainey Meter Station – about 470 feet of 16- to 20-inch-diameter pipeline extending between the proposed meter station and the existing gas supply line for the Rainey Power Plant. The new piping would connect the proposed metering facilities with the existing power plant delivery pipeline, providing the plant with an alternate source of natural gas.

All of the interconnecting piping would be constructed within or immediately adjacent to areas which would be disturbed during construction of the meter stations and associated facilities. EEC would construct the interconnecting piping under the same permits as the jurisdictional facilities.

1.5 PERMITS, APPROVALS, AND REGULATORY REQUIREMENTS

As federal agencies, the FERC, COE, and Coast Guard are required to comply with a number of regulatory statutes, including, but not limited to, NEPA, Section 7 of the ESA, as amended, the MSFCMA, Section 106 of the NHPA, and Section 307 of the CZMA. At the federal level, required permits and approval authority outside of the FERC's jurisdiction include compliance with the CWA, the Rivers and Harbors Act, the Clean Air Act (CAA), and Coast Guard regulations relating to LNG waterfront facilities. Each of these statutes has been taken into account in the preparation of this document. The major permits, approvals, and consultations required for the Elba III Project are identified in table 1.5-1.

Section 7 of the ESA, as amended, states that any project authorized, funded, or conducted by any federal agency (*e.g.*, FERC) should not "…jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of habitat of such species which is determined…to be critical…" (16 USC 1536(a)(2)(1988)). The FERC, or Southern LNG and EEC as non-federal parties, are required to consult with the U.S. Fish and Wildlife Service (FWS) and the NOAA Fisheries to determine whether any federally listed or proposed endangered or threatened species or their designated critical habitat occur in the vicinity of the proposed Project. If, upon review of existing data or data provided by the Applicant, the FERC determines that these species or habitats may be affected by the Project, the FERC is required to prepare a Biological Assessment (BA) to identify the nature and extent of adverse impact, and to recommend measures that would avoid the habitat and/or species, or would reduce potential impact to acceptable levels. If, however, the FERC determines that no federally listed or proposed endangered or threatened species or their designated critical habitat would be affected by the Project, no further action is necessary under the ESA. See section 4.7.1 of this EIS for the status of this review.

The MSFCMA, as amended by the Sustainable Fisheries Act of 1996 (Public Law 104-267), established procedures designed to identify, conserve, and enhance EFH for those species regulated under a federal fisheries management plan. The MSFCMA requires federal agencies to consult with NOAA Fisheries on all actions or proposed actions authorized, funded, or undertaken by the agency that may adversely affect EFH (MSFCMA §305(b)(2)). Although absolute criteria have not been established for conducting EFH consultations, NOAA Fisheries recommends consolidating EFH consultations with interagency coordination procedures required by other statues, such as NEPA, the Fish and Wildlife Coordination Act, or the ESA (50 CFR 600.920(e)), to reduce duplication and improve efficiency. As part of this consultation process, the FERC has prepared an EFH assessment included as appendix J of this EIS.

Section 106 of the NHPA requires the FERC to take into account the effects of its undertakings on properties listed in or eligible for listing in the National Register of Historic Places (NRHP), including prehistoric or historic sites, districts, buildings, structures, objects, or properties of traditional religious or cultural importance, and to afford the Advisory Council on Historic Preservation (ACHP) an opportunity to comment on the undertaking. Southern LNG and EEC, as non-federal parties, are assisting the FERC in meeting its obligations under Section 106 by preparing the necessary information, analyses, and recommendations under the ACHP regulations in 36 CFR 800. See section 4.10.4 of this EIS for the status of this review.

TABLE 1.5-1

Major Permits, Approvals, and Consultations

Agency	Permit/Approval/Consultation
Federal	
Federal Energy Regulatory Commission	Authorization under Sections 3(a) and 7(c) of the Natural Gas Act
Advisory Council on Historic Preservation	Comment on the Project under Section 106 of the National Historic Preservation Act
Secretary of the Army	Approval for placing fuel-carrying pipeline of at least 24 inches in size across COE-managed lands.
U.S. Army Corps of Engineers, Savannah and Charleston Districts	• Authorization for activities that will occupy, fill or grade land in a floodplain, streambed, or channel of a stream or other waters of the U.S. under Section 10, Rivers and Harbors Act of 1899. • Authorization to discharge dredged or fill material into waters of the U.S. under Section 404 of the Clean Water Act. • Easement to use COE-managed lands for the pipeline. • Approval to modify wildlife Mitigation Lands.
U.S. Department of Commerce National Oceanic and Atmospheric Administration, National Marine Fisheries Services	Consultation with the NOAA Fisheries Protected Resources Division regarding compliance with Section 7 of the Endangered Species Act and the Marine Mammal Protection Act Consultation with the NOAA Fisheries Habitat Conservation Division on threatened and endangered aquatic species, EFH conservation recommendations, and compliance with Section 305 of the Magnuson-Stevens Fishery Conservation and Management Act.
U.S. Department of Interior U.S. Fish and Wildlife Service	Consultation regarding compliance with Section 7 of the ESA; the Migratory Bird Treaty Act; and the Fish and Wildlife Coordination Act.
U.S. Environmental Protection Agency	• Clean Air Act permits for the construction of a stationary source of air pollutant emissions and for operation of the source • Section 404, CWA, National Pollutant Discharge Elimination System • Industrial Storm Water Permit • Section 404, CWA (veto power for wetland permits issued by the COE) • Consultation regarding Sole Source Aquifers
U.S. Department of Homeland Security U.S. Coast Guard	• 33 CFR 127, Waterfront Facilities Handling Liquefied Natural Gas and Liquefied Hazardous Gas • Issuance of Letter of Recommendation • 33 CFR 105, review of security plans • Permission to establish Aids to Navigation
U.S. Department of Defense	Consultation as required by Section 311 of the Energy Policy Act of 2005 and Section 3 of the Natural Gas Act

TABLE 1.5-1 (continued)

Major Permits, Approvals, and Consultations

Agency	Permit/Approval/Consultation
State – Georgia	
Department of Natural Resources	• Air Permit (Prevention of Significant Deterioration) • Air Permit (Title V) • Air Permit (Minor Source Construction/Operating Permit)
Environmental Protection Division	• Section 401, CWA, Water Quality Certification • Water Withdrawal Permit • National Pollution Discharge Elimination System Permit for Stormwater Discharges from construction activities • National Pollution Discharge Elimination System Permit for Discharge of Hydrostatic Test Water • Stream Buffer Variance
Wildlife Resources Division	• State listed threatened and endangered species consultations. • Approval to modify wildlife Mitigation Lands.
Coastal Resources Division	Coastal Zone Management consistency determination
Historic Preservation Division	Review and comment on undertakings potentially affecting cultural resources (Section 106, NHPA)
State Parks and Historic Sites Division	Consultation regarding Public Lands
Department of Transportation	Consultation regarding Planned Public Developments
State Fire Marshall	Approval of Plans and Specifications for Systems Involving the Storage of Liquefied Natural Gas
State – South Carolina	
Department of Natural Resources	Consultation regarding state listed threatened and endangered species
Department of Health and Environmental Bureau of Water	• Coastal Zone Management consistency determination Section 401, CWA, Water Quality Certification • National Pollution Discharge Elimination System Permit for Stormwater Discharges from construction activities • National Pollution Discharge Elimination System Permit for Discharge of Hydrostatic Test Water
Department of Archives and History, State Historic Preservation Office	Review and comment on undertakings potentially affecting cultural resources (Section 106, NHPA)
Department of Transportation	Consultation regarding Planned Public Developments
Local	
County Planning Offices	Consultation regarding Planned Developments

The CZMA calls for the "effective management, beneficial use, protection, and development" of the nation's coastal zone and promotes active state involvement in achieving those goals. As a means to reach those goals, the CZMA requires participating states to develop management programs that demonstrate how these states will meet their obligations and responsibilities in managing their coastal areas. In Georgia, the GDNR administers the Coastal Zone Management Program (CZMP). Because Section 307 of the CZMA requires federal agency activities to be consistent to the maximum extent practicable with the enforceable policies of a management program, the FERC has requested that Southern LNG and EEC seek a determination of consistency with Georgia's CZMP. See section 4.8.7 of this EIS for additional discussion of the Georgia CZMP.

The Energy Policy Act of 2005 (EPAct) and section 3 of the NGA require us to consult with the U.S. Department of Defense (DOD) to determine if there would be any impacts associated with the project on military training or activities on any military installations. No comments or concerns were received from any branch of the military or a military installation in response to the FERC's NOI issued March 24, 2006.

In letters dated May 30, 2007, to appropriate property managers and installation supervisors at the Pentagon representing the Army, Air Force, Navy, and the COE, we informed various offices of the DOD of the Elba III Project and requested any information on impacts on military installations. Because no effects have been identified, we conclude that there would be no impact on military installations associated with this project, and therefore, no concurrence from the Secretary of Defense is required under the EPAct.

The Applicants would be responsible for all permits and approvals required to implement the Elba III Project, regardless of whether they appear in table 1.5-1. However, any state or local permits issued with respect to jurisdictional facilities must be consistent with the conditions of any authorization the Commission may issue. Although the FERC encourages cooperation between Applicants and state and local authorities, this does not mean that state and local agencies, through application of state and local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by the FERC.[11]

[11] See, e.g., Schneidewind v. ANR Pipeline Co., 485 U.S. 293 (1988); National Fuel Gas Supply v. Public Service Commission, 894 F.2d 571 (2d Cir. 1990); and Iroquois Gas Transmission System, L.P., et al., 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).