

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket No. CP07-90-000]

Tres Palacios Gas Storage LLC; Notice of Intent To Prepare an Environmental Assessment for the Proposed Tres Palacios Gas Storage Project and Request for Comments on Environmental Issues

March 28, 2007.

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental assessment (EA) that will discuss the environmental impacts of the Tres Palacios Gas Storage Project involving construction and operation of a new salt dome cavern gas storage project and pipelines by Tres Palacios Gas Storage LLC (Tres Palacios) in Matagorda and Wharton Counties, Texas.¹ This EA will be used by the Commission in its decision-making process to determine whether the project is in the public convenience and necessity.

If you are a landowner receiving this notice, you may be contacted by a pipeline company representative about the acquisition of an easement to construct, operate, and maintain the proposed facilities. The pipeline company would seek to negotiate a mutually acceptable agreement. However, if the project is approved by the Commission, that approval conveys with it the right of eminent domain. Therefore, if easement negotiations fail to produce an agreement, the pipeline company could initiate condemnation proceedings in accordance with state law.

A fact sheet prepared by the FERC entitled "An Interstate Natural Gas Facility On My Land? What Do I Need To Know?" was attached to the project notice (Tres Palacios) provided to landowners. This fact sheet addresses a number of typically asked questions, including the use of eminent domain and how to participate in the Commission's proceedings. It is available for viewing on the FERC Internet Web site (<http://www.ferc.gov>).

Summary of the Proposed Project

Tres Palacios is proposing to provide a total of about 36.04 billion cubic feet (Bcf) of storage capacity, supported by about 17.95 Bcf of cushion gas capacity, and be capable of injecting gas at maximum rate of 1.0 Bcf per day and

withdrawing and delivering gas at a maximum rate of 2.5 Bcf per day. Tres Palacios seeks authority to undertake the following construction-related activities in Texas:

- Convert three existing solution-mined caverns in Matagorda County that were previously used for brine production;
- Drill a second well into each of the three solution-mined caverns in Matagorda County to support gas injections and withdrawals;
- Construct a gas handling facility in Matagorda County consisting of ten 4,800-horsepower natural gas-engine driven compressors;
- Construct a pipeline header system consisting of: North Pipeline Corridor—a 30.3-mile-long segment of dual 24-inch-diameter pipeline in Matagorda and Wharton Counties and a second 0.7 mile-long segment of single 24-inch-diameter pipeline in Wharton County; and South Pipeline Corridor—a 6.4-mile-long segment of dual 24-inch-diameter pipeline and a second 4.4-mile-long segment of single 24-inch-diameter pipeline in Matagorda County;
- Construct eight meter and regulator stations and ten interconnect facilities in Matagorda and Wharton Counties; and
- Construct eight main line block valves in Matagorda and Wharton Counties.

Tres Palacios would connect its pipeline header system with Valero Natural Gas Pipe Line Company, Tennessee Gas Pipeline Company, Transcontinental Gas Pipe Line Corporation, Natural Gas Pipeline Company of America, Gulf South Pipeline Company, LP, Crosstex Gulf Coast Transmission Company, LLC, Kinder Morgan Tejas Pipeline, L.P., Florida Gas Transmission Company, LLC, Channel Pipeline Company, and Texas Eastern Transmission, L.P.

The location of the project facilities is shown in Appendix 1.²

Land Requirements for Construction

Construction of the proposed facilities would require about 498.2 acres of land. Following construction, about 174.7 acres would be maintained as new aboveground facility sites and permanent rights-of-way. The remaining

323.5 acres of land would be restored and allowed to revert to its former use.

The EA Process

The National Environmental Policy Act (NEPA) requires the Commission to take into account the environmental impacts that could result from an action whenever it considers the issuance of a Certificate of Public Convenience and Necessity. NEPA also requires us to discover and address concerns the public may have about proposals. This process is referred to as "scoping". The main goal of the scoping process is to focus the analysis in the EA on the important environmental issues. By this Notice of Intent, the Commission staff requests public comments on the scope of the issues to address in the EA. All comments received are considered during the preparation of the EA. State and local government representatives are encouraged to notify their constituents of this proposed action and encourage them to comment on their areas of concern.

In the EA we³ will discuss impacts that could occur as a result of the construction and operation of the proposed project under these general headings:

- Geology and soils.
- Land use.
- Water resources, fisheries, and wetlands.
- Cultural resources.
- Vegetation and wildlife.
- Air quality and noise.
- Endangered and threatened species.
- Hazardous waste.
- Public safety.

We will also evaluate possible alternatives to the proposed project or portions of the project, and make recommendations on how to lessen or avoid impacts on the various resource areas.

Our independent analysis of the issues will be in the EA. Depending on the comments received during the scoping process, the EA may be published and mailed to federal, state, and local agencies, public interest groups, interested individuals, affected landowners, newspapers, libraries, and the Commission's official service list for this proceeding. A comment period will be allotted for review if the EA is published. We will consider all comments on the EA before we make our recommendations to the Commission.

To ensure your comments are considered, please carefully follow the

¹ Tres Palacios' application was filed with the Commission under Section 7 of the Natural Gas Act.

² The appendices referenced in this notice are not being printed in the **Federal Register**. Copies of all appendices, other than Appendix 1 (maps), are available on the Commission's Web site at the "eLibrary" link or from the Commission's Public Reference Room, 888 First Street, NE., Washington, DC 20426, or call (202) 502-8371. For instructions on connecting to eLibrary refer to the last page of this notice. Copies of the appendices were sent to all those receiving this notice in the mail.

³ "We", "us", and "our" refer to the environmental staff of the Office of Energy Projects (OEP).

instructions in the public participation section below.

Public Participation

You can make a difference by providing us with your specific comments or concerns about the project. By becoming a commentor, your concerns will be addressed in the EA and considered by the Commission. You should focus on the potential environmental effects of the proposal, alternatives to the proposal, and measures to avoid or lessen environmental impact. The more specific your comments, the more useful they will be. 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 letter to: Philis Posey, Acting Secretary, Federal Energy Regulatory Commission, 888 First St., NE., Room 1A, Washington, DC 20426.
- Label one copy of the comments for the attention of Gas Branch 3.
- Reference Docket No. CP07-90-000.
- Mail your comments so that they will be received in Washington, DC on or before April 30, 2007.

The Commission strongly encourages electronic filing of any comments or interventions or protests to this proceeding. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's Web site at <http://www.ferc.gov> under the "e-Filing" link and the link to the User's Guide. Before you can file comments you will need to create a free account which can be created on-line.

We may mail the EA for comment. If you are interested in receiving it, please return the Information Request (Appendix 3). If you do not return the Information Request, you will be taken off the mailing list.

Becoming an Intervenor

In addition to involvement in the EA scoping process, you may want to become an official party to the proceeding, or "intervenor". To become an intervenor you must file a motion to intervene according to Rule 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.214). Intervenor has the right to seek rehearing of the Commission's decision. Motions to Intervene should be electronically submitted using the Commission's eFiling system at <http://www.ferc.gov>. Persons without Internet access should send an original and 14 copies of their motion to the Secretary of the Commission at the address indicated previously. Persons filing Motions to

Intervene on or before the comment deadline indicated above must send a copy of the motion to the Applicant. All filings, including late interventions, submitted after the comment deadline must be served on the Applicant and all other intervenors identified on the Commission's service list for this proceeding. Persons on the service list with e-mail addresses may be served electronically; others must be served a hard copy of the filing.

Affected landowners and parties with environmental concerns may be granted intervenor status upon showing good cause by stating that they have a clear and direct interest in this proceeding which would not be adequately represented by any other parties. You do not need intervenor status to have your environmental comments considered.

Environmental Mailing List

An effort is being made to send this notice to all individuals, organizations, and government entities interested in and/or potentially affected by the proposed project. This includes all landowners who are potential right-of-way grantors, whose property may be used temporarily for project purposes, or who own homes within distances defined in the Commission's regulations of certain above-ground facilities. By this notice we are also asking governmental agencies, especially those in Appendix 2, to express their interest in becoming cooperating agencies for the preparation of the EA.

Additional Information

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 Web site (<http://www.ferc.gov>) using the eLibrary link. Click on the eLibrary link, click on "General Search" and enter the docket number excluding the last three digits in the Docket Number field. Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FercOnlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY, contact (202) 502-8659. The eLibrary link 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 which 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. Go to <http://www.ferc.gov/esubscribenow.htm>.

Finally, public meetings or site visits will be posted on the Commission's calendar located at <http://www.ferc.gov/EventCalendar/EventsList.aspx> along with other related information.

Philis J. Posey,

Acting Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 12628-001]

The City of Nashua, IA; Notice of Intent To File License Application, Filing of Pre-Application Document, and Approving Use of the Traditional Licensing Process

March 28, 2007.

a. *Type of Filing:* Notice of Intent to File License Application and Request to Use the Traditional Licensing Process.

b. *Project No.:* 12628-001.

c. *Dated Filed:* January 18, 2007.

d. *Submitted By:* The City of Nashua, Iowa.

e. *Name of Project:* Cedar Lake Dam Hydroelectric Project.

f. *Location:* The project would be located at the existing Cedar Lake Dam, on the Cedar River, in Chickasaw County, Iowa. The project would not occupy any Federal land.

g. *Filed Pursuant to:* 18 CFR 5.3 of the Commission's regulations.

h. *Potential Applicant Contact:* Ms. Rebecca Neal, The City of Nashua, 402 Main Street, Nashua, IA 50658; (641) 435-4156.

i. *FERC Contact:* Michael Watts, (202) 502-6123, or michael.watts@ferc.gov.

j. The City of Nashua filed its request to use the Traditional Licensing Process on January 18, 2007. The City of Nashua provided public notice of its request on January 31, 2007. In a letter dated March 23, 2007, the Director of the Office of Energy Projects approved the City of Nashua's request to use the Traditional Licensing Process.

k. With this notice, we are initiating informal consultation with: (a) The U.S. Fish and Wildlife Service under section 7 of the Endangered Species Act; and (b) the Iowa State Historic Preservation Officer, as required by section 106, National Historical Preservation Act, and the implementing regulations of the Advisory Council on Historic Preservation at 36 CFR 800.2.

l. The City of Nashua filed a Pre-Application Document (PAD; including