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FEDERAL ENERGY REGULATORY COMMISSION

D'Lo Gas Storage, LLC

Docket No. CP12-39-000

NOTICE OF INTENT TO PREPARE AN ENVIRONMENTAL ASSESSMENT  
FOR THE PROPOSED **D'LO GAS STORAGE PROJECT**,  
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES, AND  
NOTICE OF ONSITE ENVIRONMENTAL REVIEW

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 D'Lo Gas Storage Project involving construction and operation of facilities by D'Lo Gas Storage, LLC (DGS) in Simpson and Rankin Counties, Mississippi. The Commission will use this EA in its decision-making process to determine whether the project is in the public convenience and necessity.

This notice announces the opening of the scoping process the Commission will use to gather input from the public and interested agencies on the project. Your input will help the Commission staff determine what issues they need to evaluate in the EA. Please note that the **scoping period will close on March 5, 2012**. Further details on how to submit written comments are provided in the Public Participation section of this notice.

The Office of Energy Projects staff will conduct an onsite environmental review of the project area to gather data for its environmental analysis of the proposed project. Viewing of this area is anticipated to be from public access points and DGS's right-of-way and property. All interested parties are invited to attend but must provide their own transportation. Those attending should meet at the following location and time:

**FERC Onsite Environmental Review**

**D'Lo Gas Storage Project**  
**February 16, 2012 at 10:00 am Central Time**  
**Country Fisherman Parking Area**  
**3809 Simpson Highway 49**  
**Mendenhall, Mississippi**

This notice is being sent to the Commission's current environmental mailing list for this project. State and local government representatives should notify their constituents of this proposed project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, a pipeline company representative may contact you about the acquisition of an easement to construct, operate, and maintain the proposed facilities. The company would seek to negotiate a mutually acceptable agreement. However, if the Commission approves the project, 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 where compensation would be determined in accordance with state law.

DGS provided landowners with a fact sheet prepared by the FERC entitled "An Interstate Natural Gas Facility On My Land? What Do I Need To Know?". 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 also available for viewing on the FERC website ([www.ferc.gov](http://www.ferc.gov)).

### **Summary of the Proposed Project**

DGS proposes to construct and operate a new natural gas storage facility in the D'Lo Salt Dome formation in Simpson County, Mississippi. The D'Lo Gas Storage Project would provide approximately 24 billion cubic feet of working natural gas storage and have interconnections with five existing natural gas transmission pipelines in Simpson and Rankin Counties, Mississippi.

The D'Lo Gas Storage Project would consist of the construction and operation of the following facilities:

- three salt dome storage caverns;
- a Solution Mining Facility;
- a Compression Facility with four 8,000 horsepower and one 4,735 horsepower gas engine driven compressors;
- four primary and three secondary source water wells;
- four primary and one secondary brine disposal wells;
- 3.7 miles of 20-inch-diameter source water and brine disposal pipelines;
- 0.2 miles of 24-inch-diameter natural gas pipeline for the Cavern Well Corridor;
- 0.4 miles of 30-inch-diameter natural gas pipeline with an interconnect and meter station to Boardwalk Pipeline;

- 0.8 miles of 24-inch-diameter natural gas pipeline with an interconnect and meter station to Southern Natural Gas Company (SONAT);
- 3.2 miles of 30-inch-diameter natural gas pipeline with an interconnect and meter station to Kinder Morgan Midcontinent Express Pipeline;
- a 12-inch-diameter tap, an interconnect, and meter station to Southcross Pipeline;
- 1.0 mile of 12-inch-diameter natural gas pipeline with an interconnect and meter station to Gulf South Pipeline; and
- 0.4 miles of nonjurisdictional electric right-of-way for utility lines to the storage facility and an electrical substation.

The general location of the project facilities is shown in appendix 1.<sup>1</sup>

### **Land Requirements for Construction**

Construction of the proposed facilities would disturb about 172 acres of land for the aboveground facilities and the pipelines. Following construction, DGS would maintain about 123 acres for permanent operation of the project facilities; the remaining acreage would be restored and revert to former uses.

### **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<sup>2</sup> 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, the Commission requests public comments on the scope of the issues to address in the EA. We will consider all filed comments during the preparation of the EA.

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

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<sup>1</sup> The appendices referenced in this notice will not appear in the Federal Register. Copies of appendices were sent to all those receiving this notice in the mail and are available at [www.ferc.gov](http://www.ferc.gov) using the link called “eLibrary” 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.

<sup>2</sup> “We,” “us,” and “our” refer to the environmental staff of the Commission’s Office of Energy Projects.

- geology and soils;
- land use;
- water resources, fisheries, and wetlands;
- cultural resources;
- vegetation and wildlife;
- air quality and noise;
- socioeconomics;
- endangered and threatened species; and
- public safety.

We will also evaluate reasonable 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.

The EA will present our independent analysis of the issues. The EA will be available in the public record through eLibrary on the FERC website. Depending on the comments received during the scoping process, we may also publish and distribute the EA to the public for an allotted comment period. We will consider all comments on the EA before making our recommendations to the Commission. To ensure we have the opportunity to consider and address your comments, please carefully follow the instructions in the Public Participation section beginning on page 5.

With this notice, we are asking agencies with jurisdiction by law and/or special expertise with respect to the environmental issues of this project to formally cooperate with us in the preparation of the EA<sup>3</sup>. Agencies that would like to request cooperating agency status should follow the instructions for filing comments provided under the Public Participation section of this notice.

### **Consultations Under Section 106 of the National Historic Preservation Act**

In accordance with the Advisory Council on Historic Preservation's implementing regulations for section 106 of the National Historic Preservation Act, we are using this notice to initiate consultation with the Mississippi State Historic Preservation Office (SHPO), and to solicit their views and those of other government agencies, interested Indian tribes, and the public on the project's potential effects on historic properties.<sup>4</sup> We

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<sup>3</sup> The Council on Environmental Quality regulations addressing cooperating agency responsibilities are at Title 40, Code of Federal Regulations, Part 1501.6.

<sup>4</sup> The Advisory Council on Historic Preservation's regulations are at Title 36, Code of Federal Regulations, Part 800. Those regulations define historic properties as any prehistoric or historic district, site, building, structure, or object included in or

will define the project-specific Area of Potential Effects (APE) in consultation with the SHPO as the project develops. On natural gas facility projects, the APE at a minimum encompasses all areas subject to ground disturbance (examples include construction right-of-way, contractor/pipe storage yards, compressor stations, and access roads). Our EA for this project will document our findings on the impacts on historic properties and summarize the status of consultations under section 106.

### **Public Participation**

You can make a difference by providing us with your specific comments or concerns about the project. Your comments should focus on the potential environmental effects, reasonable alternatives, and measures to avoid or lessen environmental impacts. The more specific your comments, the more useful they will be. To ensure that your comments are timely and properly recorded, please send your comments so that the Commission receives them in Washington, DC **on or before March 5, 2012**.

For your convenience, there are three methods which you can use to submit your comments to the Commission. In all instances please reference the project docket number (CP12-39-000) with your submission. The Commission encourages electronic filing of comments and has expert staff available to assist you at (202) 502-8258 or [efiling@ferc.gov](mailto:efiling@ferc.gov).

- (1) You can file your comments electronically using the [eComment](#) feature on the Commission's website ([www.ferc.gov](http://www.ferc.gov)) under the link to [Documents and Filings](#). This is an easy method for interested persons to submit brief, text-only comments on a project;
- (2) You can file your comments electronically using the [eFiling](#) feature on the Commission's website ([www.ferc.gov](http://www.ferc.gov)) under the link to [Documents and Filings](#). With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on "[eRegister](#)." You must select the type of filing you are making. If you are filing a comment on a particular project, please select "Comment on a Filing"; or

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eligible for inclusion in the National Register of Historic Places.

- (3) You can file a paper copy of your comments by mailing them to the following address:

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street NE, Room 1A  
Washington, DC 20426

### **Environmental Mailing List**

The environmental mailing list includes federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Native American Tribes; other interested parties; and local libraries and newspapers. This list also includes all affected landowners (as defined in the Commission's regulations) who are potential right-of-way grantors, whose property may be used temporarily for project purposes, or who own homes within certain distances of aboveground facilities, and anyone who submits comments on the project. We will update the environmental mailing list as the analysis proceeds to ensure that we send the information related to this environmental review to all individuals, organizations, and government entities interested in and/or potentially affected by the proposed project.

If we publish and distribute the EA, copies will be sent to the environmental mailing list for public review and comment. **If you would prefer to receive a paper copy of the document instead of the CD version or would like to remove your name from the mailing list, please return the attached Information Request (appendix 2).**

### **Becoming an Intervenor**

In addition to involvement in the EA scoping process, you may want to become an "intervenor" which is an official party to the Commission's proceeding. Intervenors play a more formal role in the process and are able to file briefs, appear at hearings, and be heard by the courts if they choose to appeal the Commission's final ruling. An intervenor formally participates in the proceeding by filing a request to intervene. Instructions for becoming an intervenor are in the User's Guide under the "e-filing" link on the Commission's website.

### **Additional Information**

Additional information about the project is available from the Commission's Office of External Affairs, at **(866) 208-FERC**, or on the FERC website at [www.ferc.gov](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 (i.e.,

CP12-39). Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at [FercOnlineSupport@ferc.gov](mailto:FercOnlineSupport@ferc.gov) or toll free at (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 [www.ferc.gov/esubscribenow.htm](http://www.ferc.gov/esubscribenow.htm).

Site visits and any public meetings will be posted on the Commission's calendar located at [www.ferc.gov/EventCalendar/EventsList.aspx](http://www.ferc.gov/EventCalendar/EventsList.aspx) along with other related information.

Finally, to request additional project information or to obtain updated information directly from the project sponsor, you may call DGS's representative at the toll free number 1-855-4DLOGAS, or access its website ([www.dlogasstorage.com](http://www.dlogasstorage.com)).

Dated: February 3, 2012

Kimberly D. Bose,  
Secretary.