

**U.S. Army Corps
of Engineers**
Baltimore District

Public Notice

In Reply to Application Number
CENAB-OP-RMS(NAB-2008-01241-M05 (2008-61276) (DOMINION COVE
POINT LNG/PIER REINFORCEMENT PROJECT)

PN-08-49

Comment Period: July 18, 2008 to August 18, 2008

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Dominion Cove Point LNG, LP

Docket No. PF08-20-000

**NOTICE OF INTENT TO PREPARE AN
ENVIRONMENTAL ASSESSMENT FOR THE PROPOSED
PIER REINFORCEMENT PROJECT AND
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES**

The Federal Energy Regulatory Commission (FERC or Commission), the U.S. Department of Homeland Security, U.S. Coast Guard (Coast Guard), and the U.S. Army Corps of Engineers (Corps) are evaluating the Pier Reinforcement Project proposed by Dominion Cove Point LNG, LP (DCP). The Pier Reinforcement Project would involve modifications to the existing offshore pier in the Chesapeake Bay at the Cove Point Liquefied Natural Gas (LNG) import terminal in Calvert County, Maryland. The proposed project would allow DCP to accommodate larger-sized LNG vessels carrying cargoes of up to 267,000 cubic meters of LNG. Currently, LNG vessels with a capacity of no greater than 148,000 cubic meters are authorized.

The FERC will be the lead federal agency in the preparation of an environmental assessment (EA) to address the environmental impacts of the proposed project, including the effects of proposed LNG vessel traffic on the waterway, and to satisfy the requirements of the National Environmental Policy Act of 1969 (NEPA). We have requested the formal cooperation of other federal and state resource agencies with jurisdiction or special expertise with respect to environmental issues. To date, the Corps and the Coast Guard have agreed to serve as cooperating agencies during preparation of the EA. The Commission will use the EA in its decision-making process to determine whether or not to authorize the project under section 3 of the Natural Gas Act. The Corps will use the EA to fulfill the requirements of its regulations and the Clean Water Act Section 404(b)(1) Guidelines. The Coast Guard will review the EA as part of its decision-making process to determine the suitability of the waterway for LNG marine traffic. The determination of suitability will be made in a Letter of Recommendation pursuant to Title 33 of the Code of Federal Regulations (CFR), Section 127.009.

This Notice of Intent to Prepare an Environmental Assessment for the Proposed Pier Reinforcement Project (NOI) explains the scoping process we¹ will use to gather environmental input from the public and interested agencies, and summarizes the project review process for the FERC and our cooperating agencies. Details on how to submit comments are provided in the Public Participation section of this notice. **Please note that the comment period will close on August 15, 2008.**

We have prepared this NOI with the cooperation of the Corps and Coast Guard staff. The NOI is being sent to federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American groups; other interested parties; and local libraries and newspapers. We encourage government representatives to notify their constituents of this planned project and encourage them to comment on their areas of concern. Your input will help the Commission determine the issues that need to be evaluated in the EA.

In accordance with Department of the Army (DA) permit procedures, the Corps is soliciting comments from the public; federal, state, and local agencies and officials; Indian tribes; and other interested parties in order to consider and evaluate the impacts of the proposed project to waters of the United States, including jurisdictional wetlands. The Corps project number is NAB-2008-01241-M05 (200861276 T61277) (DOMINION COVE POINT LNG/PIER REINFORCEMENT PROJECT). Any comments received will be considered by the Corps to determine whether to issue, modify, condition or deny a permit for the proposal.

The Coast Guard is also soliciting comments from the public; federal, state, and local agencies and officials; Indian tribes; and other interested parties in order to consider and evaluate the environmental impacts of its final suitability determination for the waterway for LNG marine traffic. This determination will be contained in its Letter of Recommendation (LOR). To make this determination, the Coast Guard will use comments received to assess environmental impacts on the entire waterway, including impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors, described in more detail below.

Summary of the Proposed Project

DCP is planning the Pier Reinforcement Project to upgrade its existing pier located approximately 1.1 miles offshore of the Cove Point LNG Terminal. The project would enable the safe docking, discharge, and departure of larger vessels than currently authorized. The larger vessels would carry cargoes of up to 267,000 cubic meters of LNG. To the extent that larger vessels are utilized, comparable quantities of LNG could be delivered using fewer vessels. Therefore, the proposed project may modify the size and frequency of LNG marine traffic transiting the waterway from the territorial sea to the Cove Point LNG Terminal. The terminal would remain capable of receiving the types of vessels that are in use today. The general location of the proposed facilities and a depiction of the waterway for LNG marine traffic are

¹ "We," "us," and "our" refer to the environmental staff of the FERC's Office of Energy Projects.

shown in the figures included as Appendix 1.²

The existing pier consists of two berths, referred to as the North Berth and South Berth. Proposed construction includes the addition of four new mooring dolphins and two new breasting dolphins³ at both the North Berth and the South Berth; new walkways to connect the mooring dolphins to the existing pier; service platform modifications; replacement of the existing gangway system with an automated gangway; upgrading the docking control system; and relocating some security systems. The proposed construction would increase the overall length of the pier by 300 feet. The modified pier would be able to accommodate vessels approximately 1,150-feet-long and 187-feet-wide, with a maximum draft of 39.4 feet.

To accommodate deeper-draft vessels, DCP would dredge approximately 150,000 cubic yards of sediment directly around the pier to achieve a final water depth of approximately 45 feet below mean lower low water. Depending on the chemical and physical properties of the dredged material, DCP may use the dredged material for beneficial use, but is also identifying a confined disposal facility in the case that beneficial use is not feasible.

Dredging and constructing the mooring and breasting dolphins would permanently impact approximately 25 acres of Chesapeake Bay bottom and would increase the footprint of the pier by 1.03 acres. All offshore construction activities would occur from the existing pier structure and temporary barges. Onshore impacts would be limited to a staging area for construction equipment and materials. DCP is currently identifying likely staging areas in the project vicinity.

DCP proposes to file a formal application with the Commission in December 2008. Pending Commission approval and receipt of applicable permits, DCP would begin construction in the third quarter of 2009. Work would extend approximately 18 months, and would be phased to allow construction on one berth while the other berth remains operational.

The EA Process

NEPA requires the Commission to take into account the environmental impacts that could result from an action when it considers whether or not an LNG import terminal should be approved. The FERC and our cooperating agencies will use the EA to consider the environmental impact that could result if the project is authorized. NEPA also requires us to discover and address the public's concerns about proposals that require federal authorizations. This process is referred to as "scoping." The main goal of the scoping process is to focus the

² The appendices referenced in this notice are not being printed in the Federal Register. Copies of all appendices are available on the Commission's website at the "eLibrary" link or from the Commission's Public Reference Room, 888 First Street, N.E., Washington, D.C. 20426, or call (202) 502-8371. For instructions on connecting to eLibrary refer to the Public Participation section of this notice. Copies of the appendices were sent to all those receiving this notice in the mail.

³ Dolphins are marine structures mounted on piles, against which a moored ship rests (breasting dolphin) and is secured to the pier (mooring dolphin).

analysis in the EA on the important environmental issues. With this NOI, we are requesting public comments on the scope of the issues to be addressed in the EA. All comments received will be considered during preparation of the EA.

Although no formal application has been filed with the Commission, the FERC staff has initiated its review of the project under its NEPA Pre-filing Process to encourage the early involvement of stakeholders and to identify and resolve issues before an application is filed. As part of our Pre-Filing Process, we have begun to contact federal and state agencies to discuss their involvement in the scoping process and the preparation of the EA. In addition, the Coast Guard has received a Letter of Intent from DCP dated May 5, 2008, requesting that the Coast Guard approve the suitability of the planned Cove Point construction. The Coast Guard must determine the suitability of the waterway for LNG marine traffic pursuant to 33 CFR 127.009. Representatives from the FERC and the Coast Guard participated in a public open house sponsored by DCP in Solomons, Maryland on June 16, 2008, during which they discussed the agencies' regulatory responsibilities and explained the environmental review process to interested stakeholders.

By this notice, we are formally announcing our preparation of the EA and requesting additional agency and public comments to help focus our analysis on potentially significant environmental issues related to the proposed actions. The EA will discuss impacts that could occur as a result of the construction and operation of the proposed project, and the associated LNG marine traffic in the waterway, under the general headings of geology and soils; land use; water resources, fisheries, and wetlands; cultural resources; vegetation and wildlife; threatened and endangered species; air quality and noise; safety and reliability; and cumulative impacts. The EA will also evaluate reasonable alternatives to the proposed project, alternatives for agency actions, and make recommendations on how to lessen or avoid impacts on affected resources.

The Corps is responsible for evaluating DCP's application for a DA Individual permit pursuant to Section 404 of the Clean Water Act (33 U.S.C. 1344) and Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403) for proposed structures in and under navigable waters, dredging and the discharge of dredged, excavated, and/or fill material into waters of the United States, including wetlands. The Corps staff has initiated its review of the project under pre-application coordination although no formal application has been filed. The EA will serve as the DA permit application for this proposed project.

The Corps decision whether to issue the permits will be based on an evaluation of the probable impacts, including cumulative impacts, of the proposed project on the public interest. The evaluation of the impact on the public interest will include application, by the Corps, of the guidelines [Section 404(b)(1)] promulgated by the Administrator, U.S. Environmental Protection Agency, under authority of Section 404 of the Clean Water Act.

The Corps' decision will reflect the national concern for the protection and utilization of important resources. The benefits, which would be reasonably expected to accrue from the proposed project, must be balanced against its reasonably foreseeable detriments. All factors, which may be relevant to the proposed work, will be considered, including the cumulative effects thereof; among those are conservation, economics, aesthetics, general environmental concerns,

wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply, and conservation, water quality, energy needs, safety, food and fiber production, consideration of property ownership, and in general, the needs and welfare of the people.

If applicable, the applicant is required to obtain a Water Quality Certification in accordance with Section 401 of the Clean Water Act from the Maryland Department of the Environment (MDE). The Section 401 certifying agency has a statutory limit of one year in which to make their decision. Additionally, for Corps permitting purposes, the applicant is required to obtain Coastal Zone Management Consistency concurrence from the MDE, as well. It should be noted that the MDE has a statutory limit of six months in which to make its consistency determination.

The Coast Guard Letter of Recommendation Process

The Coast Guard's proposed action will be the issuance of a Letter of Recommendation (LOR), as required by regulation, as to the suitability of the waterway for the proposed LNG marine traffic associated with the project.

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 of an LNG facility immediately before the receiving tanks. The Coast Guard also has authority for LNG facility security plan review, approval, and compliance verification pursuant to Title 33 CFR Part 105, and recommendations for siting as it pertains to the management of vessel traffic in and around the LNG facility.

More specifically, the Coast Guard is required to issue a LOR, as to the suitability of the waterway for LNG vessel traffic pursuant to 33 CFR 127.009. DCP submitted a Letter of Intent (which initiates the LOR process), on May 5, 2008 to the Coast Guard Captains of the Port Baltimore and Hampton Roads, proposing to modify the Cove Point LNG Terminal pier and requesting an LOR regarding the suitability of the waterway for LNG marine traffic. Upon receipt of a Letter of Intent, the Coast Guard Captains of the Port request that the applicant conduct an analysis of the suitability of the waterway for LNG vessel traffic *i.e.*, a Waterway Suitability Assessment (WSA). This will address the suitability of the waterway relating to the proposed changes to LNG vessel traffic. The WSA will be submitted to the Coast Guard to assist it in making its preliminary determination as to whether the waterway is suitable for proposed changes to LNG vessel traffic associated with the project. This preliminary determination will be contained in a Waterway Suitability Report (WSR) issued by the Coast Guard to the applicant.

The following factors, along with comments received during the public comment period, and the EA (and any other appropriate NEPA documentation), will be evaluated by the Coast Guard prior to its final determination as to the suitability of the waterway for the proposed LNG marine traffic to be contained in a LOR:

- the physical location and description of the facility;
- the layout of the facility and its berthing and mooring arrangements;
- the LNG vessels' characteristics and frequency of facility shipments;
- charts showing waterway channels and identifying commercial, industrial, environmentally sensitive, and residential areas in and adjacent to the waterway used by the LNG vessels en route to the facility within 15.5 miles of the facility;
- density and character of the marine traffic on the waterway;
- locks, bridges, or other man-made 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 pipelines and cables; and
 - distance of berthed LNG vessels from the channel, and the width of the channel.

A LOR will be issued to the owner or operator of the LNG facility, DCP, and to the state and local governments having jurisdiction over the facility.

Currently Identified Environmental Issues

We have already identified issues that we think deserve attention based on preliminary agency consultations and information filed with the Commission. This preliminary list of issues, presented below, may be revised based on your comments and our continuing analyses.

- Potential impacts to the marine environment from construction activities and dredging including habitats, water quality, and aquatic life;
- Potential impacts to the public and environment from operation of larger LNG vessels along the entire waterway, including but not limited to, habitats, water quality, and aquatic life;
- Alternative dredge material disposal sites;
- Potential impacts on Essential Fish Habitat and state and/or federally-listed threatened and endangered species and marine mammals, both in the project area and along the entire waterway;
- Potential impacts to public use resulting from any modification of the safety and security zone, including the zone around the pier;
- Potential impacts to the coastal zone;
- Potential cumulative effects upon the entire waterway; and
- Potential noise impacts due to pile driving.

The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996 (Public Law 04-267), requires all federal agencies to consult with the National Marine Fisheries Service (NMFS) on all actions, or proposed actions, permitted, funded, or undertaken by the agency that may adversely effect Essential Fish Habitat (EFH). The project site lies in or adjacent to EFH for the *Scophthalmus aquosus* (windowpane flounder) juvenile and adult; *Pomatomus saltatrix* (blue fish) juvenile and adult; *Peprilus triacanthos* (Atlantic butterfish) eggs, larvae, juvenile, and adult; *Paralichthys dentatus* (summer flounder) larvae, juvenile, and adult; *Centropristus striata* (black sea bass) juvenile and adult, and the eggs, larvae, juvenile, and adult stages of *Sciaenops ocellatus* (red drum), *Scomberomorus cavalla* (king mackerel), *Scomberomorus maculatus* (spanish mackerel), and *Rachycentron canadum* (cobia). The project has the potential to adversely affect EFH or the species of concern by loss of spawning, nursery, forage, and/or shelter habitat. The project area is not a Habitat Area of Particular Concern and is not colonized by submerged aquatic vegetation species. The Corps Baltimore District has preliminarily determined that the adverse effects of this project would be more than minimal, although not substantial, and an abbreviated consultation will be conducted with NMFS. NMFS will also be consulted regarding potential effects on EFH resulting from LNG vessel traffic along the waterway.

Public Participation

You can make a difference by providing us with your specific comments or concerns about the Pier Reinforcement Project, and proposed larger LNG vessels transiting along the entire waterway. Your comments should focus on the potential environmental effects, including impacts to people, reasonable alternatives, and measures to avoid or lessen environmental

impacts. All filed comments will be posted to the FERC's public record. To ensure timely and proper recording, please send in your comments so that they will be received in Washington, DC on or before **August 15, 2008**.

For your convenience, there are three methods you can use to submit your comments to the Commission. In all instances please reference the FERC's project docket number **PF08-20-000** with your submission. The Commission encourages electronic filing of comments and has dedicated eFiling staff available to assist you at 202-502-8258 or efiling@ferc.gov.

- (1) You may file your comments electronically by using the Quick Comment feature, which is located on the Commission's internet website at <http://www.ferc.gov> under the link to Documents and Filings. A Quick Comment is an easy method for interested persons to submit text-only comments on a project;
- (2) You may file your comments electronically by using the eFiling feature, which is located on the Commission's internet website at <http://www.ferc.gov> under the link to Documents and Filings. eFiling involves preparing your submission in the same manner as you would if filing on paper, and then saving the file on your computer's hard drive. You will attach that file as your submission. New eFiling users must first create an account by clicking on "Sign up" or "eRegister." You will be asked to select the type of filing you are making. A comment on a particular project is considered a "Comment on a Filing;" or
- (3) You may file your comments via mail to the Commission by sending an original and two copies of your letter to:

Kimberly D. Bose, 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, PJ11.3.

You may also submit comments directly to the Corps. All comments received by the Corps will become part of the Corps' administrative record and will be considered by the Corps in evaluating the DA permit application. The Corps project number is NAB-2008-01241-M05 (200861276 T61277) (DOMINION COVE POINT LNG/PIER REINFORCEMENT PROJECT). Copies of any written statements expressing concern for aquatic resources may be submitted to:

Mrs. Kathy Anderson
Corps of Engineers, CENAB-OP-RMS
P.O. Box 1715
Baltimore, Maryland 21203-1715

In addition, you may submit comments directly to the Coast Guard. All comments received will become part of the Coast Guard's administrative record and will be considered by the Coast Guard in preparing the LOR regarding the suitability of the waterway for LNG vessel traffic. Comments may be submitted by mail to the below address:

U.S. Coast Guard Sector Baltimore
2401 Hawkins Point Road
Attn: Waterways Management Div (BLDG 70)
Baltimore, MD 21226-1791

or email at Amy.M.Beach@uscg.mil

Once DCP formally files its application with the FERC, 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 a Commission proceeding by filing a request to intervene. Instructions for becoming an intervenor are included in the User's Guide under the "e-filing" link on the Commission's web site. **Please note that you may not request intervenor status at this time.** You must wait until a formal application is filed with the Commission.

Environmental Mailing List

We may mail the EA for comment. If you are interested in receiving the EA for review and/or comment, please return the Mailing List Retention Form (Appendix 2). **If you do not return the Mailing List Retention Form, you will be taken off the mailing list.** All individuals who provide written comments will remain on our environmental mailing list for this project.

Additional Information

Additional information about the project is available from the Commission's Office of External Affairs, at **1-866-208-FERC (3372)** or on the FERC Internet website (<http://www.ferc.gov>) using the "eLibrary link." Click on the eLibrary link, select "General Search" and enter the project docket number excluding the last three digits in the "Docket Number" field (i.e., PF08-20). 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 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 rule makings.

In addition, the FERC 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 <http://www.ferc.gov/esubscribenow.htm>.

Fact sheets prepared by the FERC are also available for viewing on the FERC Internet website (www.ferc.gov), using the "For Citizens" link. These fact sheets, including "A Guide to LNG - What All Citizens Should Know" and "Guide to Electronic Information at FERC," address a number of typically asked questions about LNG and provide instructions on how to participate in the Commission's proceedings.

Finally, DCP has established an Internet website at http://www.dom.com/about/gas-transmission/covepoint/pier_reinforcement/pdf/cove_point_pier_reinforcement.pdf to provide the public with information about the Pier Reinforcement Project. DCP's website will be updated as the project review progresses. You may also use DCP's toll free telephone number, 1-888-330-2092.

Kimberly D. Bose,
Secretary.

Figure 1: Waterway for LNG Marine Traffic

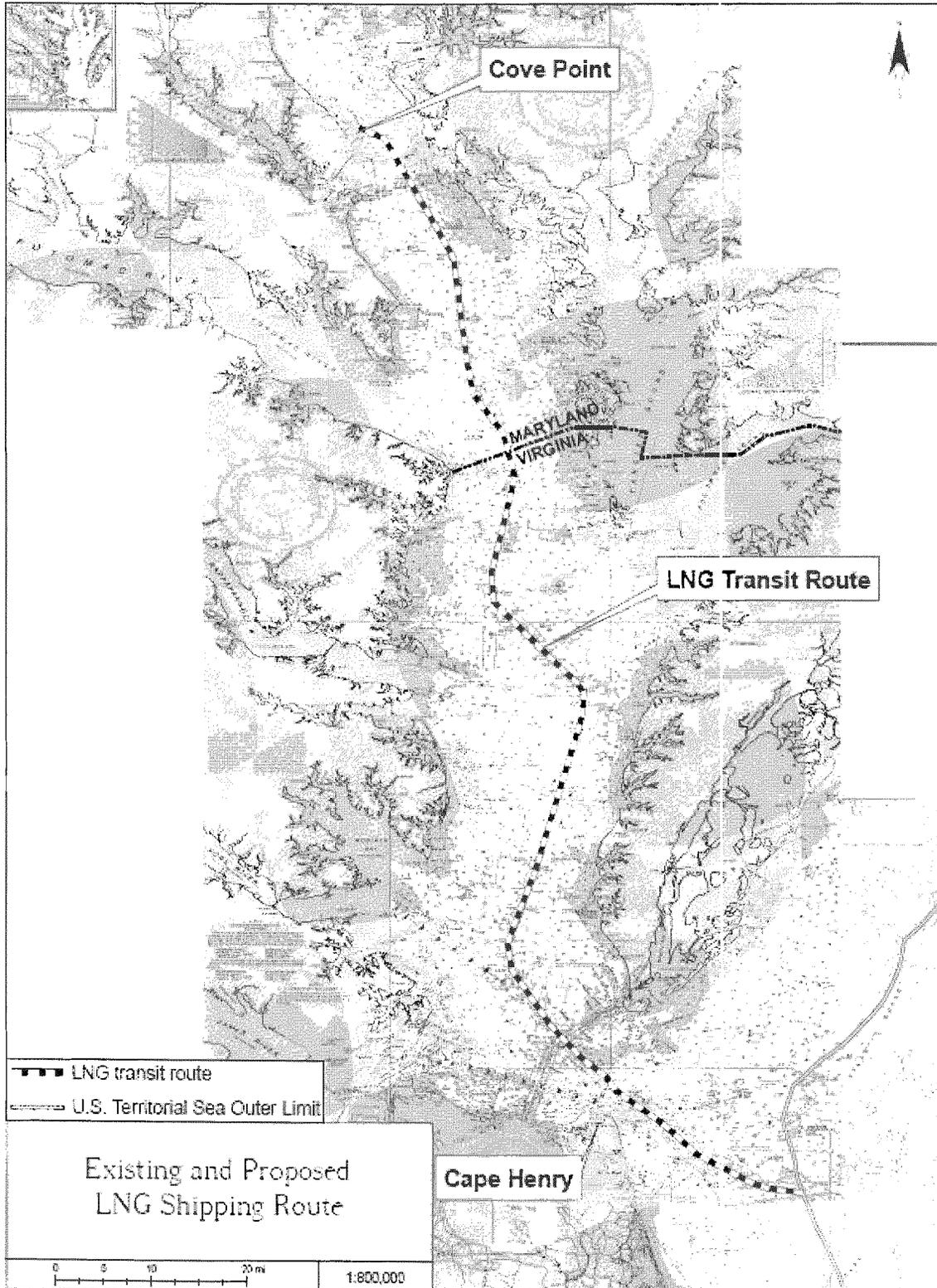
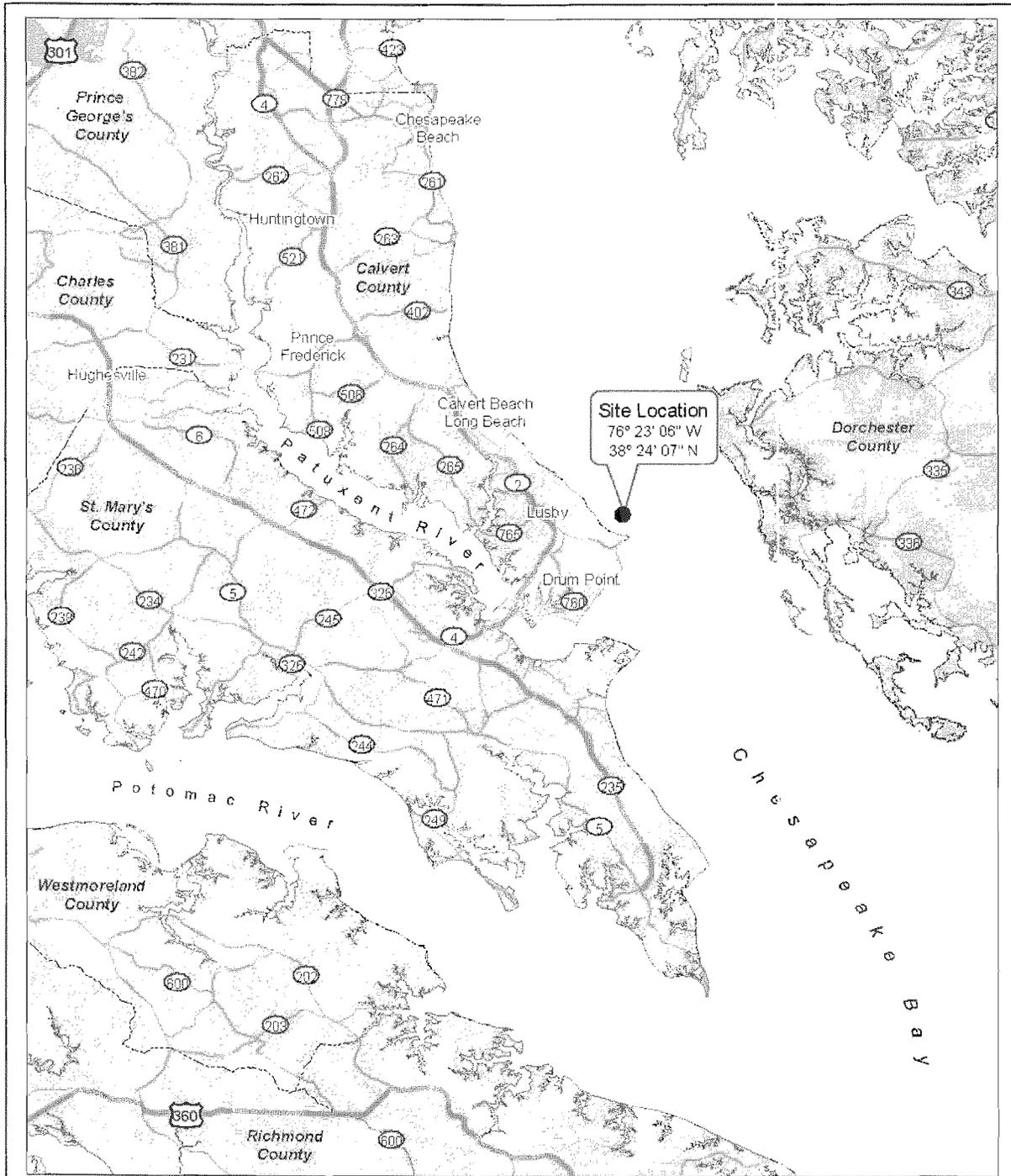
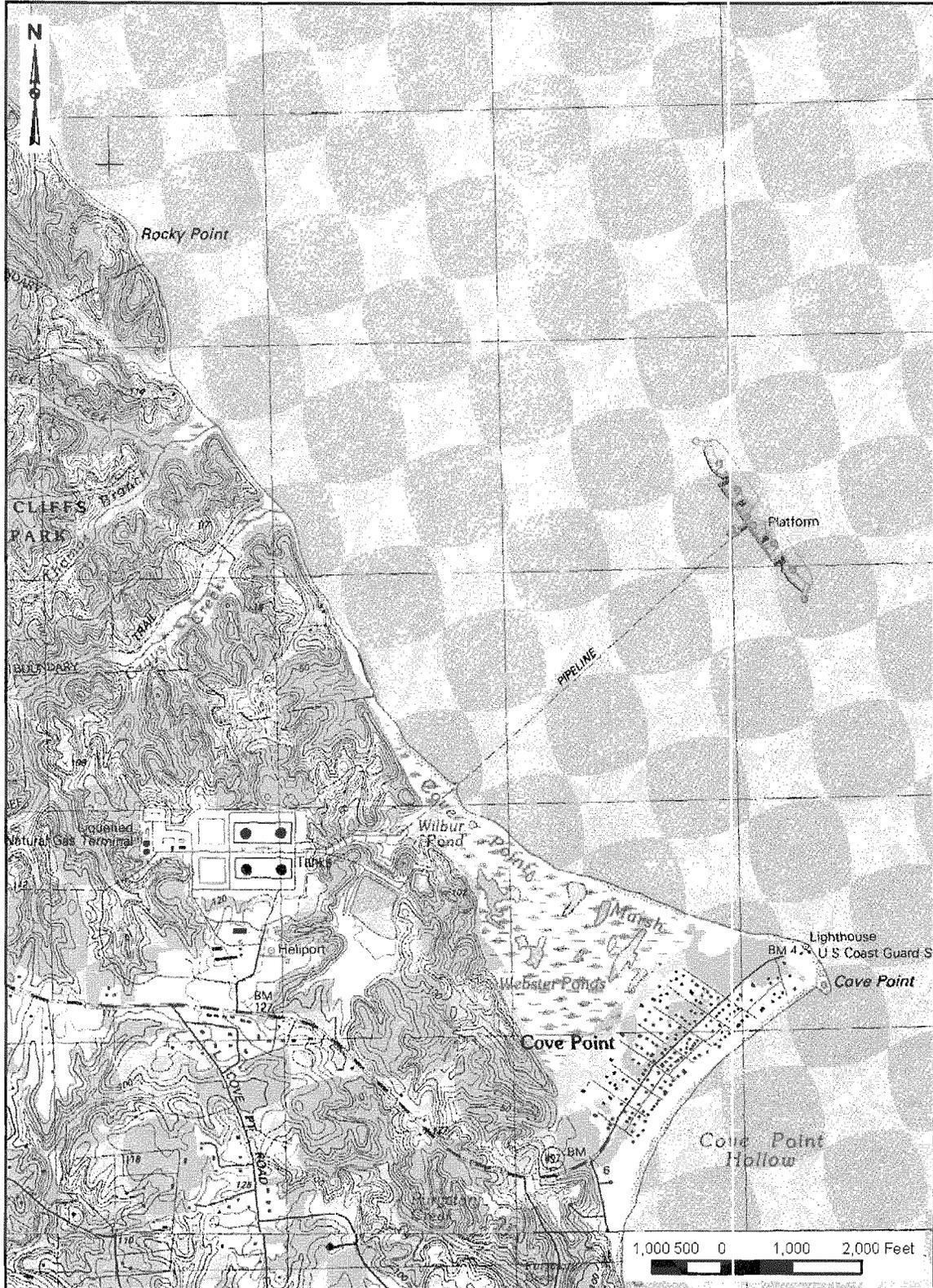


Figure 2: General Project Location Map



<p>Appendix 1 Figure 1: General Project Location Map</p>	<p>Cove Point LNG Terminal Calvert County, Maryland</p>	<p>Dominion Cove Point LNG, LP</p>
<p>SCALE</p>		<p>DATE March 20, 2008</p>

**Figure 3: Topographic Base Map of the Cove Point LNG Terminal
Calvert County, Lusby, Maryland**



Mailing List Retention Form

Docket No. PF08-20-000

Please keep my name on the mailing list for the Dominion Cove Point LNG Pier Reinforcement Project.

Name _____

Affiliation (if applicable) _____

Address _____

City _____ **State** _____ **Zip Code** _____

(fold on line)

FROM _____

ATTN: OEP - Gas 3, PJ - 11.3
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

(Pier Reinforcement Project--Docket No. PF08-20-000)

Staple or Tape Here