

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[FERC Docket No. PF06-4-000, BLM Reference No. AZA-33350]

Transwestern Pipeline Company, LLC; Notice of Intent To Prepare an Environmental Impact Statement and Proposed Land Use Plan Amendment for the Proposed Phoenix Expansion Project, Request for Comments on Environmental Issues, and Notice of Public Scoping Meetings

February 6, 2006.

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental impact statement (EIS) that will discuss the environmental impacts of Transwestern Pipeline Company, LLC's (Transwestern) proposed Phoenix Expansion Project. This notice explains the scoping process that will be used to gather input from the public and interested agencies on the project. Your input will help determine which issues need to be evaluated in the EIS. Please note that the scoping period for the project will close on March 8, 2006.

Comments may be submitted in written form or verbally. In lieu of or in addition to sending written comments, you are invited to attend the public scoping meetings that have been scheduled in the project area. These meetings are scheduled for February 27, 2006 in Black Canyon City, Arizona; February 28, 2006 in Casa Grande, Arizona; March 1, 2006 in Prescott Valley, Arizona; and March 2, 2006 in Avondale, Arizona. Further instructions on how to submit comments and additional details of the public scoping meetings are provided in the public participation section of this notice.

The FERC will be the lead Federal agency for the preparation of the EIS. The document will satisfy the requirements of the National Environmental Policy Act (NEPA) and will be used by the FERC to consider the environmental impacts that could result if it issues Transwestern a Certificate of Public Convenience and Necessity under section 7 of the Natural Gas Act.

The Bureau of Land Management (BLM) is participating as a cooperating agency in the preparation of the EIS because the project would cross Federal land under the jurisdiction of the Farmington Field Office in New Mexico and the Hassayampa and Lower Sonoran Field Offices within the Phoenix District Office in Arizona. The U.S. Department of Agriculture, Forest

Service (FS) is participating as a cooperating agency in the preparation of the EIS because the project would cross the Kaibab and Prescott National Forests. The U.S. Army Corps of Engineers (COE) is also participating as a cooperating agency in the preparation of the EIS to satisfy its NEPA responsibilities under section 404 of the Clean Water Act.

Under section 185(f) of the Mineral Leasing Act of 1920, the BLM has the authority to issue Right-of-Way Grants for all affected Federal lands. This would be in accordance with Title 43 Code of Federal Regulations (CFR) parts 2800 and 2880, subsequent 2800 and 2880 Manuals, and Handbook 2801-1. As a cooperating agency, the BLM would adopt the EIS per Title 40 CFR 1506.3 to meet its responsibilities under NEPA in considering Transwestern's application for a Right-of-Way Grant and Temporary Use Permit for the portion of the project on Federal land, including the Kaibab and Prescott National Forests. The concurrence or non-concurrence of the FS would be considered in the BLM's decision as well as impacts on resources and programs and the proposed project's conformance with land use plans.

The BLM is currently in the process of preparing a new resource management plan (Agua Fria National Monument and Bradshaw-Harquahala Resource Management Plan and Environmental Impact Statement) for the Phoenix District Office that would modify the currently designated utility corridor. It is not expected, however, that the plan would be finalized before the environmental review process for the Phoenix Expansion Project is completed. Therefore, for the proposed project, the EIS will be used by the BLM to consider amending the current Phoenix Resource Management Plan (approved September 29, 1989), which would be necessary for any pipeline construction outside of a designated utility corridor. Additional discussion of the BLM's plan amendment process is presented later in this notice.

With this notice, the staffs of the FERC, BLM, FS, and COE (Agency Staffs) are asking other Federal, state, local, and tribal agencies with jurisdiction and/or special expertise with respect to environmental issues to cooperate with us in the preparation of the EIS. These agencies may choose to participate once they have evaluated Transwestern's proposal relative to their responsibilities. Agencies that would like to request cooperating status should follow the instructions for filing comments described later in this notice.

This notice is being sent to affected landowners; Federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; other interested parties; and local libraries and newspapers. The Agency Staffs encourage government representatives to notify their constituents of this planned project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, you may be contacted by a Transwestern 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 FERC, 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?" is available for viewing on the FERC Internet Web site (<http://www.ferc.gov>). This fact sheet addresses a number of typically asked questions, including the use of eminent domain and how to participate in the FERC's proceedings.

Summary of the Proposed Project

Transwestern has announced its intention to expand its existing system by constructing new pipeline facilities in San Juan and McKinley Counties, New Mexico, and Yavapai, Coconino, Maricopa, and Pinal Counties, Arizona. The project would involve the construction of the Phoenix Lateral consisting of approximately 260 miles of 36-inch-diameter lateral¹ pipeline and ancillary facilities from the existing mainline in Yavapai County, Arizona to delivery points in the Phoenix, Arizona area. For the majority of the route, the pipeline would be collocated with utility and transportation corridors. Transwestern would also construct approximately 25 miles of 36-inch-diameter pipeline in two loops² along its existing San Juan Lateral: Loop A is an approximately 16-mile-long loop in McKinley County, New Mexico; Loop B is an approximately 9-mile-long loop in

¹ A lateral pipeline typically takes gas from the main system to deliver it to a customer, local distribution system, or another interstate transmission system.

² A loop is a segment of pipeline that is usually adjacent to an existing pipeline and connected to it at both ends. The loop allows more gas to be moved through the system.

San Juan County, New Mexico. Nearly 100 percent of the proposed loop pipeline route would parallel Transwestern's existing pipeline system. Figures of the proposed facilities are provided in Appendix 1.³

The proposed project would also include construction of three customer laterals, ranging in length from 0.1 mile to 1.5 miles, to deliver natural gas from the Phoenix Lateral to side taps and meter stations associated with major delivery points. One customer lateral would be located in Maricopa County, Arizona (24-inch-diameter pipeline) and two customer laterals would be located in Pinal County, Arizona (16-inch-diameter pipelines). In addition, Transwestern would add compression at its existing Compressor Station 4 near Klagetoh, Arizona; construct a new aboveground facility at the intersection of its existing mainline and the Phoenix Lateral, approximately 1 mile southeast of Ash Fork, Arizona (Ashfork Facility); and construct various mainline valves and pig⁴ launcher and receiver facilities in New Mexico and Arizona.

Transwestern proposes to begin construction of the expansion project in July 2007, with a projected in-service date of April 2008.

Land Requirements

Construction of Transwestern's proposed pipeline and aboveground facilities would require about 5,680 acres of land, including land requirements for the nominal construction right-of-way, temporary extra work areas, access roads, pipe and contractor yards, and aboveground facilities. Following construction, about 1,680 acres would be retained as permanent right-of-way for the pipeline and operation of the aboveground facility sites. The remaining 4,000 acres would be restored and allowed to revert to its former use.

Phoenix Lateral

The 36-inch-diameter Phoenix Lateral would generally be installed adjacent to and within existing utility and transportation corridors within a 100-

foot-wide construction right-of-way. At certain locations (e.g., road, railroad, and waterbody crossings), extra workspaces would be required. Transwestern would retain a 50-foot-wide permanent right-of-way for the pipeline.

San Juan Lateral Loops

The 36-inch-diameter San Juan Lateral Loops would generally be installed parallel to and 25 feet from Transwestern's existing pipeline within a 100-foot-wide construction right-of-way. In most areas Transwestern would require 25 feet of new permanent right-of-way. The construction right-of-way would consist of all or part of the new and existing permanent right-of-way plus 50 feet of temporary workspace. In some areas the loops would be separated from the existing pipeline due to the presence of foreign pipelines or other obstacles.

Customer Laterals

The 24-inch- and 16-inch-diameter customer laterals would generally be installed within a 100-foot-wide construction right-of-way. Transwestern would retain a 50-foot-wide permanent right-of-way for the laterals.

Aboveground Facilities

The activities at Compressor Station 4 would occur within the existing fenced property. Transwestern's mainline valves and pig launcher and receiver facilities would generally be constructed within the permanent pipeline right-of-way and would not require additional permanent right-of-way. The Ashfork Facility would be located within an approximate 2-acre parcel.

The EIS Process

NEPA requires the FERC 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. The EIS will give the Agency Staffs the information needed to do that.

Although no formal application has been filed, the Agency Staffs have already initiated a NEPA review under the FERC's Pre-Filing Process, which was established in Docket No. RM05-31-000 and Order No. 665. The purpose of the Pre-Filing Process is to seek public and agency input early in the project planning phase and encourage involvement by interested stakeholders in a manner that allows for the early identification and resolution of environmental issues. The BLM, the FS, and the COE have agreed to conduct their reviews in conjunction with the FERC's Pre-Filing Process. The Agency

Staffs will work with all interested stakeholders to identify and attempt to address issues before Transwestern files its application with the FERC. A diagram depicting the environmental review process for the proposed project is attached to this notice as Appendix 2.

As part of the Pre-Filing Process review, FERC staff representatives participated in public open houses sponsored by Transwestern in the project area on January 9-12, 2006 and January 25, 2006 to explain the environmental review process to interested stakeholders and take comments about the project. In February and March 2006, the Agency Staffs plan to continue their Pre-Filing Process review by conducting interagency scoping meetings in the project area to solicit comments and concerns about the project from other jurisdictional agencies.

By this notice, the Agency Staffs are formally announcing their preparation of the EIS and requesting agency and public comments to help focus the analysis in the EIS on the potentially significant environmental issues related to the proposed action. If you provide comments at an interagency scoping meeting, you do not need to resubmit the same comments in response to this notice.

The Agency Staffs' independent analysis of the issues will be included in a draft EIS. The draft EIS will be mailed to Federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; affected landowners; other interested parties; local libraries and newspapers; and the FERC's official service list for this proceeding. It is currently expected that a 90-day comment period will be allotted for review of the draft EIS to comply with the BLM's plan amendment process regulations. If, however, the Agua Fria National Monument and Bradshaw-Harquahala Resource Management Plan and Environmental Impact Statement referred to above has been finalized by the time the draft EIS is issued, a 45-day comment period will be allotted. The Agency Staffs will consider all timely comments on the draft EIS and revise the document, as necessary, before issuing a final EIS.

The BLM's Plan Amendment Process

As discussed above, the BLM will use the EIS to consider amending the Phoenix Resource Management Plan. Publication of this notice formally initiates the plan amendment process and begins the scoping process.

³ The appendices referenced in this notice are not being printed in **Federal Register**. Copies (including maps) are available on the Commission's Internet Web site (<http://www.ferc.gov>) at the "eLibrary" link or from the Commission's Public Reference Room at (202) 502-8371. For instructions on connecting to eLibrary, refer to the end of this notice. Copies of the appendices were sent to all those receiving this notice in the mail. Requests for detailed maps of the proposed facilities should be made directly to Transwestern by calling its Phoenix Right-of-Way toll-free at 1-888-998-1764 or (602) 298-1764.

⁴ A pig is an internal tool that can be used to clean and dry a pipeline and/or to inspect it for damage or corrosion.

The BLM regulations in Title 43 CFR part 1600 and the NEPA process detailed in the Council on Environmental Quality regulations in Title 40 CFR parts 1500–1508 guide preparation of plan amendments. The process is tailored to the anticipated level of public interest and potential for significant impacts.

Plan amendments (see Title 43 CFR part 1610.5–5) change one or more of the terms, conditions, or decisions of an approved land use plan. These decisions may include those relating to desired outcomes; measures to achieve desired outcomes, including resource restrictions; or land tenure decisions. Plan amendments are required to consider any proposal or action that does not conform to the plan.

An applicant may request that the BLM amend the land use plan to allow an otherwise non-conforming proposal. The amendment and any implementation actions (*i.e.*, granting the Right-of-Way and Temporary Use Permit) may be considered together. However, at the decision stage, the land use plan decisions must be separated from the implementation decisions.

Additional information regarding the plan amendment process can be found in the BLM's Land Use Planning Handbook (http://www.blm.gov/nhp/200/wo210/landuse_hb.pdf).

Currently Identified Environmental Issues

The EIS will discuss impacts that could occur as a result of the construction and operation of the proposed project. The Agency Staffs have already identified a number of issues and alternatives that they think deserve attention based on a preliminary review of the proposed facilities, the environmental information provided by Transwestern, and the scoping comments received to date. This preliminary list of issues and alternatives may be changed based on your comments and the Agency Staffs' additional analysis.

- Geology and Soils:
 - Assessment of potential geological hazards.
 - Effect on prime farmland soils.
 - Desert construction and erosion control.
 - Right-of-way restoration and revegetation in an arid environment.
 - Evaluation of noxious weed control.
 - Need for a rock disposal plan.
 - Construction in steep terrain, including blasting.
 - Water Resources:
 - Impact of dry crossings of irrigation canals and drains.

- Impact of open-cut crossings of dry washes.
- Impact on wetland hydrology and assessment of wetland mitigation options.
- Effect of pipeline crossings on perennial and intermittent waterbodies.
- Assessment of alternative waterbody crossing methods.
- Assessment of hydrostatic test water sources and discharge locations.
- Effects on the wild and scenic river characteristics of the Verde River.
 - Fish, Wildlife, and Vegetation:
 - Effect on coldwater and sensitive fisheries.
 - Effect on wildlife resources and their habitat.
 - Effect on migratory birds.
 - Assessment of construction time window restrictions.
 - Effect on riparian vegetation.
 - Assessment of measures to successfully revegetate the right-of-way.
 - Special Status Species:
 - Potential effect on federally listed or proposed species.
 - Potential effect on state-listed sensitive species.
 - Cultural Resources:
 - Effect on historic and prehistoric sites, including the high concentration of cultural resources along the Black Canyon portion of the project.
 - Native American and tribal concerns, including impacts on traditional cultural properties.
 - Land Use, Recreation and Special Interest Areas, and Visual Resources:
 - Impacts on the Agua Fria and Sonoran Desert National Monuments.
 - Impacts on agricultural land and residences.
 - Future residential growth.
 - Amendment to the Phoenix Resource Management Plan.
 - Impacts associated with contaminated sites.
 - Visual impacts.
 - Off-highway vehicle impacts on public lands.
 - Socioeconomics:
 - Effects on transportation and traffic.
 - Effects of construction workforce demands on public services and temporary housing.
 - Air Quality and Noise:
 - Effects on local air quality and noise environment from construction and operation of the proposed facilities.
 - Reliability and Safety:
 - Assessment of hazards associated with natural gas pipelines.
 - Alternatives:
 - Assessment of existing systems and alternative routes to reduce or avoid environmental impacts.

—Deviations from a designated utility corridor.

- Cumulative Impact:
 - Cumulative impact of multiple utilities.
 - Assessment of the effect of the proposed project when combined with other past, present, or future actions in the same region.

Public Participation

You are encouraged to become involved in this process and provide your specific comments or concerns about Transwestern's proposal. 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 expedite the Agency Staffs' receipt and consideration of your comments, electronic submission of comments is strongly encouraged. See Title 18 CFR 385.2001(a)(1)(iii) and the instructions on the FERC Internet Web site (<http://www.ferc.gov>) under the eFiling link and the link to the User's Guide. Before you can submit comments you will need to create a free account by clicking on "Sign-up" under "New User." You will be asked to select the type of submission you are making. This type of submission is considered a "Comment on Filing." Comments submitted electronically must be submitted by March 8, 2006.

If you wish to mail comments, please mail your comments so that they will be received in Washington, DC on or before March 8, 2006 and carefully follow these instructions:

Send an original and two copies of your letter to:

- Magalie R. Salas, Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Room 1A, Washington, DC 20426;

- Label one copy of your comments for the attention of Gas 2, DG2E; and
- Reference Docket No. PF06–4–000 on the original and both copies.

The public scoping meetings are designed to provide another opportunity to offer comments on the proposed project. Interested groups and individuals are encouraged to attend the meetings and to present comments on the environmental issues they believe should be addressed in the EIS. A transcript of the meetings will be generated so that your comments will be accurately recorded. All meetings will begin at 7 p.m. (MST), and are scheduled as follows:

| Date | Location |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Monday, February 27, 2006 | Albins Civic Center, Black Canyon Community Association, 19055 East K-Mine Road, Black Canyon City, AZ 85324, (623) 374-5553. |
| Tuesday, February 28, 2006 | Holiday Inn-Copper/Cotton Room, 777 North Pinal Avenue, Casa Grande, AZ 85222, (520) 426-3500. |
| Wednesday, March 1, 2006 | Central Arizona Seniors Association, 9360 East Manzanita Circle, Prescott Valley, AZ 86314, (928) 772-3337. |
| Thursday, March 2, 2006 | Estrella Mountain Community College, North Community Room, 3000 North Dysart Road, Avondale, AZ 85323, (623) 935-8493. |

Environmental Mailing List

Everyone who responds to this notice or provides comments throughout the EIS process will be retained on the mailing list. If you do not want to send comments at this time but still want to stay informed and receive copies of the draft and final EISs, you must return the Mailing List Retention Form (Appendix 3). If you do not send comments or return the Mailing List Retention Form asking to remain on the mailing list, you will be taken off the mailing list.

Availability of Additional Information

Additional information about the Project is available from the FERC'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 on the FERC Internet Web site also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rule makings.

In addition, the FERC now offers a free service called eSubscription that allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. To register for this service, go to the eSubscription link on the FERC Internet Web site.

Information concerning the proposed land use plan amendment and the involvement of the BLM in the EIS and plan amendment process may be obtained from Mark Mackiewicz, PMP, Project Manager, at (435) 636-3616.

Information concerning the involvement of the FS in the EIS may be obtained from Chip Ernst at (928) 635-8317 or Tom Mutz at (928) 635-5661

(Kaibab National Forest) or from Vicki Clay at (928) 443-8013 or Ken Simeral at (928) 443-8010 (Prescott National Forest).

Finally, Transwestern has established an Internet Web site for its project at <http://www.crosscountryenergy.com/about/tw.shtml>. The Web site includes a description of the project, Transwestern's answers to frequently asked questions, and links to related documents. Transwestern will continue to update its Web site with information about the project. You can also request additional information by calling Transwestern directly at its Phoenix Right-of-Way Office toll-free at 1-888-998-1764 or (602) 298-1764.

Magalie R. Salas,

Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 9184-013]

Flambeau Hydro, LLC; Notice of Application Ready for Environmental Analysis and Soliciting Comments, Recommendations, Terms and Conditions, and Prescriptions

February 7, 2006.

Take notice that the following hydroelectric license application has been filed with the Commission and is available for public inspection.

a. *Type of Application:* Subsequent License.

b. *Project No.:* P-9184-013.

c. *Date Filed:* June 10, 2005.

d. *Applicant:* Flambeau Hydro, LLC.

e. *Name of Project:* Danbury Hydroelectric Project.

f. *Location:* Located on the Yellow River in Burnett County, Wisconsin. This project does not occupy federal lands.

g. *Filed Pursuant to:* Federal Power Act 16 U.S.C. 791 (a)-825(r).

h. *Applicant Contact:* Scott Klabunde, North American Hydro, Inc., P.O. Box

167, Neshkoro, WI 54960; 920-293-4628 ext. 14.

i. *FERC Contact:* Timothy Konnert, (202) 502-6359,

timothy.konnert@ferc.gov.

j. *Deadline for filing comments, recommendations, terms and conditions, and prescriptions:* 60 days from the issuance date of this notice; reply comments are due 105 days from the issuance date of this notice.

All documents (original and eight copies) should be filed with: Magalie R. Salas, Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426.

The Commission's Rules of Practice and Procedure require all intervenors filing documents with the Commission to serve a copy of that document on each person whose name appears on the official service list for the project. Further, if an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency.

Comments, recommendations, terms and conditions, and prescriptions may be filed electronically via the Internet in lieu of paper. The Commission strongly encourages electronic filings. See CFR 385.2001 (a)(1)(iii) and the instructions on the Commission's Web site (<http://www.ferc.gov>) under the "eFiling" link.

k. This application has been accepted, and is ready for environmental analysis at this time.

l. The existing Danbury Project consists of: (1) A 35-foot-high concrete dam with a 48-foot-wide spillway with three sections, each of which is equipped with 7-foot-high slide gates; (2) a 300-foot-long earthen dike connecting to the right side of the concrete dam; (3) a powerhouse (Plant 1) integral to the dam containing a 176-kW turbine generating unit and a 300-kW turbine generating unit; (4) a 255-acre reservoir with a negligible net storage capacity at a water surface elevation of 929.21 feet NGVD from April through October and 928.11 feet NGVD from November through March; (5) a 2,500-foot-long power canal that