

IMPLEMENTATION PLAN NOVEMBER 2002

Interagency Agreement on Early Coordination of Required Environmental and Historic Preservation Reviews Conducted in Conjunction with the Issuance of Authorizations to Construct and Operate Interstate Natural Gas Pipelines Certificated by the Federal Energy Regulatory Commission (the “Interagency Agreement”)

A. Establishment of Interagency Natural Gas Pipeline Working Group. The Participating Agencies hereby establish an Interagency Natural Gas Pipeline Working Group (the “Working Group”) to help implement the Interagency Agreement. The Working Group will be responsible for undertaking the actions outlined in this Implementation Plan and for addressing any programmatic issues that may arise pursuant to the Interagency Agreement. The FERC will appoint a Working Group chair that will convene the Working Group as appropriate. Each of the other Participating Agencies will appoint a representative to serve in the Working Group. The representatives to the Working Group will be of sufficient seniority to adequately present agency positions and make agency decisions on programmatic issues related to the Interagency Agreement. The Working Group will work on a consensus basis.

B. Development of Agency Guidance. The Working Group will assist the Participating Agencies in developing guidance to be distributed on an agency-wide basis describing its role in the Interagency Agreement and guidelines as to how to implement the Interagency Agreement. This guidance may include:

- A list of any specific steps to be taken;
- Key agency contact information in regional, field and headquarters offices;
- Protocol for circulating information;
- Detailed information about the role of each agency in FERC’s pre-filing process (a brief description of FERC’s pre-filing process is attached hereto as an appendix);
- A model plan for notifying impacted state, tribal and local governments of the implementation of the Interagency Agreement and how it may affect them;
- Material related to the Interagency Agreement that may be appropriate for posting in the Participating Agencies’ websites;
- Dissemination of any information which may further the objectives of the Interagency Agreement; and
- The Working Group will coordinate with each Participating Agency to assure, to the greatest extent possible, that each agency’s guidance for implementation of the

Interagency Agreement is consistent with the guidance from other Participating Agencies.

C. Monitoring Implementation of the Interagency Agreement. The Working Group will assist FERC in monitoring implementation of the Interagency Agreement. To assist FERC in this effort, the Working Group will, from time to time, prepare a list for circulation to the Participating Agencies of pending applications and pre-filing requests with FERC.

D. Periodic Evaluation of the Effectiveness of the Interagency Agreement. The Working Group will develop an outline of elements to be assessed on a periodic basis to measure the effectiveness and progress of the Interagency Agreement in meeting the goals included therein. This outline may be used to prepare periodic evaluations of the implementation efforts by the Participating Agencies for presentation to the signatories of the Interagency Agreement. Evaluations may recommend further steps that the Working Group and the Participating Agencies may wish to undertake to assure effective implementation of the Interagency Agreement. The Working Group will also assist the FERC in consulting with Participating Agencies and stakeholders, as appropriate, on their experiences relating to implementation of the Interagency Agreement and in soliciting their recommendations for improving the historic preservation and NEPA review processes.

APPENDIX TO IMPLEMENTATION PLAN NOVEMBER 2002

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FERC’s Pre-Filing Docket Option

A. FERC’s Pre-Filing Docket Option. To encourage the pipeline industry to engage in early project-development involvement with the public and agencies contemplated by NEPA and the CEQ regulations, the FERC staff has recently begun offering an option to commence the NEPA work early through a pre-filing procedure for applications for interstate natural gas projects. The pre-filing NEPA process begins with an informational discussion between a prospective applicant and the Office of Energy Projects (OEP) about the project and staff involvement. The engagement of a third-party contractor will be required to participate in this pre-filing option. Projects opting for this process will be assigned a “PF” (Pre-filing) docket number.

B. Criteria for Eligibility to Participate in FERC’s Pre-filing Procedure. To reach agreement on beginning a NEPA pre-filing review of a project, including starting the preparation of an environmental assessment (EA) or draft environmental impact statement (DEIS), a prospective applicant must submit a written request to FERC that:

1. Explains why the project sponsor needs/wants to do NEPA pre-filing, including timing considerations;
2. Identifies other Federal and state agencies in the project area with relevant permitting requirements, and verifies that they are aware of and agree to participate in a pre-filing process;
3. Identifies other interested persons and organizations who have been contacted about the project;
4. Details what work has been done already, i.e., landowners contacts, agency consultations, engineering, and route planning;
5. States that the project sponsor will provide third-party contractor options for staff selection;

6. Acknowledges that a complete Environmental Report and complete application are still required at the time of filing; and
7. Details a plan that identifies specific tools and actions to facilitate stakeholder communications and public information, including establishing a single point of contact.

If successful pre-filing cooperation is likely, the request for staff assistance will be granted. If approved, a written acceptance will be issued by OEP and a PF docket number will be assigned. (Note that staff will not be a 'project' advocate, but a 'process' advocate and will stress the benefits of working together).

C. Informational Website Encouraged. FERC encourages prospective applicants to establish a project website, which interested parties can consult and use to gather information such as copies of applications to agencies. (See page 20 the final report of the Keystone Dialogue on Natural Gas Infrastructure –Expanding Natural Gas Infrastructure To Meet The Growing Demand For Cleaner Power, issued in March 2002, for further guidance. Contact: <http://www.keystone.org> or call 202-452-1590 for information.) Preliminary corridor or route maps are highly encouraged.

D. Staff and third-party contractor involvement. The third-party contractor will work at FERC's direction and his fees and expenses will be for the account of the prospective applicant. Staff and third-party involvement will be designed to fit each project and will include some or all of the following:

1. Assisting the applicant in developing initial information about the proposal and identifying affected parties (including landowners and agencies);
2. Issuing a Scoping Notice and conduct scoping for the proposal;
3. Facilitating issue identification, study needs and issue resolution;
4. Conducting site visits, examining alternatives, meeting with agencies and stakeholders, and participating in the applicant's public information meetings;
5. Initiating the preparation of a preliminary EA or preliminary DEIS, which may include cooperating agency review; and
6. Reviewing draft Resource Reports for the FERC application.

The most up-to-date version of this guidance is available at <http://www.ferc.gov-gas>.