

## 1.0 INTRODUCTION

The staff of the Federal Energy Regulatory Commission (Commission or FERC) has prepared this draft environmental impact statement (DEIS) to assess the environmental impact of a new pipeline system proposed by Millennium Pipeline Company, L.P. (Millennium) and referred to in this DEIS as the Millennium Pipeline Project.

On December 22, 1997, Millennium filed an application in Docket No. CP98-150-000, under Section 7(c) of the Natural Gas Act (NGA) and Part 157 of the Commission's regulations for a Certificate of Public Convenience and Necessity (Certificate) to construct, acquire, own, and operate a 424.0-mile-long natural gas mainline that would extend from an interconnection in Lake Erie at the Canada/United States (U.S.) border, through southern New York to Mount Vernon, New York. In addition, Millennium requested a Presidential Permit authorizing construction, operation, and maintenance of facilities at the International Border in Lake Erie for the importation of natural gas. On the same date, Columbia Gas Transmission Corporation (Columbia) filed an application in Docket No. CP98-151-000 to abandon in place about 129.8 miles of pipeline in New York; to abandon and remove about 92.2 miles of pipeline in New York; and to abandon and convey to Millennium about 21.0 miles of pipeline and 27 measuring stations in New York, and 5.8 miles of pipeline, 1 compressor station, and 1 measuring station in Pennsylvania that would become part of the new Millennium pipeline system.

### 1.1 PURPOSE AND NEED

Millennium does not presently own any pipeline facilities but proposes to construct the above pipeline facilities and acquire others from Columbia. The purpose of the Millennium Pipeline Project would be to transport up to 700,000 decatherms per day (dth/d) and provide firm transportation services for ten shippers for natural gas service beginning on November 1, 2000 (see table 1.1-1).<sup>1/</sup> In addition, Millennium would transport 14,000 dth/d per day for customers on Columbia's existing Line A-5 pipeline (see table 2.1-2 for a complete listing of Columbia's facilities that would be acquired by Millennium). Figure 1.1-1 shows the proposed Millennium pipeline system.

Millennium states that the proposed pipeline system would:

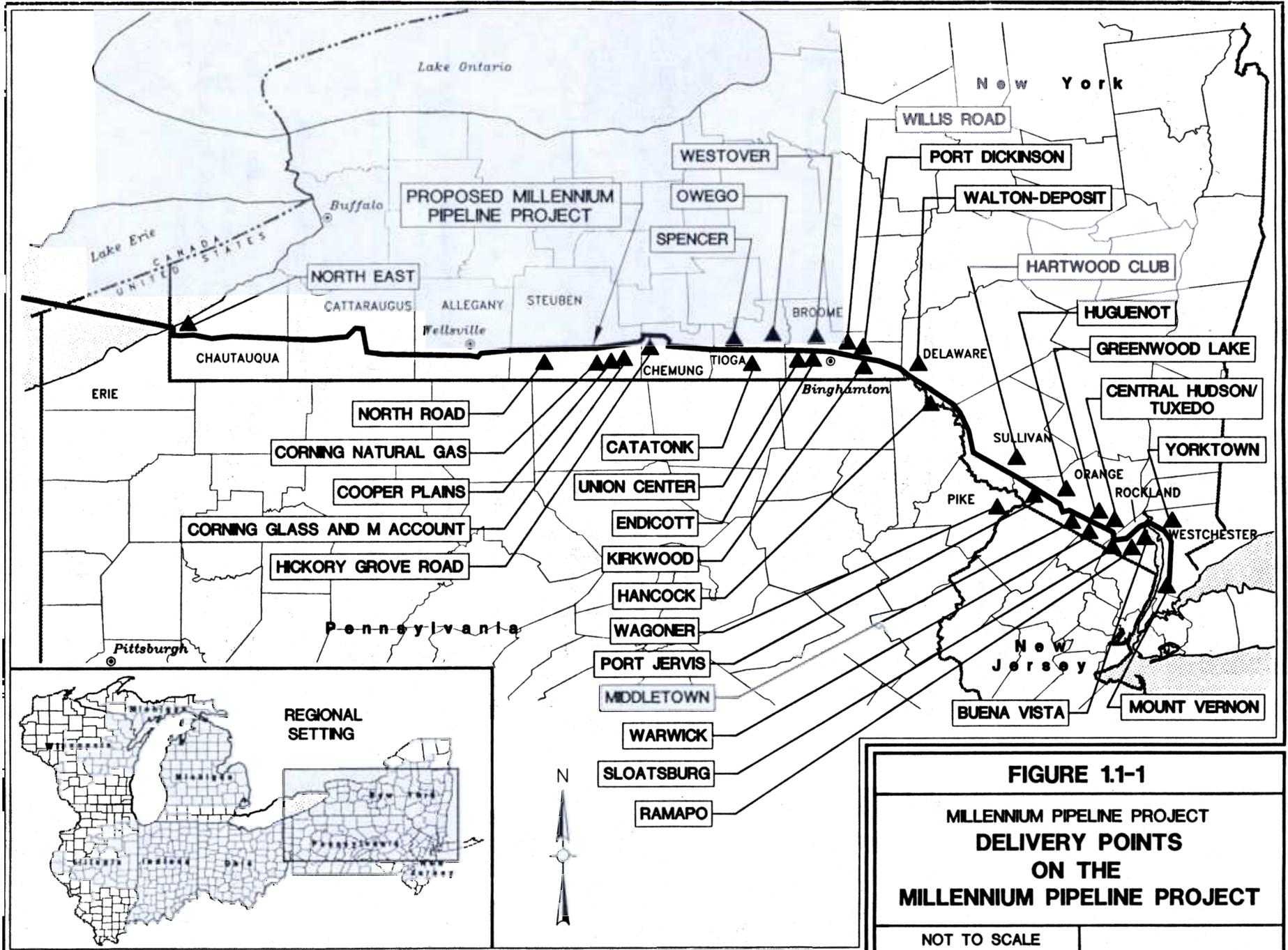
be the most economic and efficient means to transport U.S. and Canadian gas to growth markets in the eastern U.S., including Pennsylvania, New York, and New Jersey;

- provide a greater diversity of supply for existing customers and a new source of supply for unserved markets; and
- expand competition for emerging markets, including local distribution companies.

The Millennium Pipeline Project would connect with new Canadian facilities that would be constructed from the Dawn Compressor Station near Sarnia, Ontario to the shores of Lake Erie near Patrick Point, Ontario (about 15.5 miles southwest of Port Stanley), and across Lake Erie to the interconnection with the Millennium pipeline at the Canada/U.S. border in Lake Erie.

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<sup>1/</sup> On June 3, 1998, Millennium filed a request to change its in-service date from November 1, 1999 to November 1, 2000.



**TABLE 1.1-1**  
**List of Millennium Pipeline Project Precedent Agreements**

Customer	Firm Contract Quantity (dth/d)	Term of Service (yrs)
CoEnergy Trading Company	65,000	20
Columbia Energy Services	78,400	15
Duke Energy Trading & Marketing, L.L.P.	23,500	15
Engage Energy (U.S.) L.P.	235,100	10
International Business Machines Corp.	1,000	10
North East Heat & Light Company	7,500	15
PanCanadian Energy Services, Inc.	25,000	10
Renaissance Energy (U.S.) Inc.	19,600	10
Stand Energy Corporation	8,000	20
TransCanada Gas Services, A Division of TransCanada Energy Ltd.	235,100	10

The Canadian facilities would be constructed by St. Clair Pipelines Ltd. (St. Clair) and TransCanada Pipelines Ltd. (TransCanada) and would have an initial capacity of 700 million cubic feet per day (MMcf/d). St. Clair would construct and operate about 46.0 miles of 36-inch-diameter pipeline extending from the Dawn Compressor Station to Patrick Point and the interconnection with TransCanada (the Millennium West Pipeline). TransCanada would construct the 93.3-mile-long Lake Erie crossing that would extend from the landfall at Patrick Point, Ontario to landfall near Ripley, New York (the Lake Erie Crossing). In Lake Erie, about 60.4 miles of the new 36-inch-diameter pipeline would be in Canadian waters and 32.9 miles would be in Pennsylvania and New York state waters of the U.S. The St. Clair and TransCanada projects are collectively referred to as the Canadian Millennium Project. Both companies plan an in-service date of November 1, 2000.

In September 1997, St. Clair and TransCanada filed a "Notice of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment" for their respective projects. In December 1998, both companies filed applications with the Canadian National Energy Board (NEB) for authority to construct and operate the Canadian Millennium Project. The NEB has forwarded the proposed project to the Minister of Environment for referral to a review panel and preparation of an environmental assessment required by the Canadian Environmental Assessment Act (CEAA). At a later date, the NEB will announce the procedure for considering the St. Clair and TransCanada applications.

Ultimately the Commission will determine the need for this project and whether it should issue Millennium a certificate of public convenience and necessity under section 7 of the Natural Gas Act. The Commission will take into account all aspects of the proposal including the customers, cost, financing, rates, engineering, economic risk, and environmental impact when weighing these factors to make that decision.

## **1.2 PURPOSE AND SCOPE OF THIS STATEMENT**

The FERC is the Federal agency responsible for evaluating applications filed for authority to construct and operate interstate natural gas facilities. Certificates are issued under Section 7(c) of the NGA and Part 157 of the Commission's regulations if the FERC determines that the project is required by the public convenience and necessity.

The FERC is the lead agency for this DEIS. The U.S. Army Corps of Engineers (COE) is a cooperating Federal agency for this project. A cooperating Federal agency has jurisdiction by law or special expertise with respect to any environmental impact involved with the proposal. By agreement with the Commission, a state or local agency of similar qualifications may become a cooperating agency. The New York State Department of Agriculture and Markets (NYSDA&M) is also a cooperating agency for this DEIS.

Our <sup>2/</sup> principal purposes in preparing this DEIS are to:

identify and assess the potential impact on the natural and human environment that would result from the implementation of the proposed project;

assess reasonable alternatives to the proposed action that would avoid or minimize adverse impact on the environment;

identify and recommend specific mitigation measures to minimize environmental impact; and

encourage and facilitate public involvement in identifying significant environmental impact.

### 1.3 PUBLIC REVIEW AND COMMENT

On February 27, 1998, the FERC issued a Notice of Intent to Prepare an Environmental Impact Statement for the Proposed Millennium Pipeline Project and Request for Comments on Environmental Issues (NOI). The NOI was sent to about 2,237 individuals and organizations, including Federal, state, county, and local agencies; state and local conservation organizations; elected officials (U.S. representatives, senators and state governors, local and state representatives); local newspapers and libraries; potential right-of-way grantors; and other individuals. The NOI was also published in the Federal Register. The NOI requested written comments on the scope of the analysis for the DEIS and also outlined how to become an intervenor in the proceeding. <sup>3/</sup> A form was provided as part of the NOI for interested parties to request a copy of the DEIS.

Public scoping meetings to provide the general public with an opportunity to learn more about the project and to comment on environmental issues to be addressed in the DEIS were held in North East, Pennsylvania (March 16, 1998); and in Wellsville (March 17, 1998), Binghamton (March 18, 1998), Yonkers (March 24, 1998), and Port Jervis, New York (March 25, 1998). Forms were available at the public meetings for comments and for requests for a copy of the DEIS.

A transcript of each scoping meeting, as well as all written comments received, are part of the public record for the Millennium Pipeline Project. We received statements from a total of 85 individuals at the scoping meetings and additional written comments (including 330 form letters and 95 requests to intervene) from a total of 752 individuals representing Federal and state agencies, counties, municipalities, organizations, and concerned citizens. A number of commenters commented several times. Table 1.3-1

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<sup>2/</sup> "We", "us", and "our" refer to the environmental staff of the Office of Pipeline Regulation, part of the Commission staff.

<sup>3/</sup> An intervenor has the right to receive copies of case-related FERC documents and filings by other intervenors and must also provide copies of its filings to all other intervenors. Further, an intervenor has certain legal standing with respect to any hearing held by the Commission with respect to any court review of Commission decisions.

tabulates the number of commenters by county; table 1.3-2 summarizes the issues and concerns identified by the commenters and, with the exception of need, identifies the DEIS section in which these comments are addressed in the DEIS. Project need is determined by the Commission and is not addressed in this DEIS.

On December 22, 1998, we sent copies of the Preliminary Draft Environmental Statement (PDEIS) to the cooperating agencies, the NYSDA&M (two copies) and the COE, Buffalo District (one copy) to solicit specific comments on issues and to take part in the actual drafting of the document. We received comments from both agencies and have incorporated them into the DEIS, as appropriate.

This DEIS has been filed with the U.S. Environmental Protection Agency (EPA), which will issue formal notice that the DEIS is available, and it has been mailed to the individuals on the DEIS mailing list (see appendix A). In accordance with the Council on Environmental Quality (CEQ) regulations implementing the National Environmental Policy Act (NEPA), the public will have 45 days to comment on this DEIS. We will review and use the comments to prepare a final environmental impact statement (FEIS) for the Millennium Pipeline Project. All timely comment letters received on the DEIS will be responded to in the FEIS as appropriate.

#### **1.4 SCOPE OF NONJURISDICTIONAL FACILITY ANALYSIS**

Under Section 7 of the NGA, the FERC is required to consider, as part of a decision to certificate jurisdictional facilities, all factors bearing on the public convenience and necessity. The jurisdictional facilities for the Millennium Pipeline Project are summarized at the beginning of this section and described in detail in section 2.1. Millennium has identified no nonjurisdictional facilities associated with the Millennium Pipeline Project, with the exception of the measuring and regulation facility at Mount Vernon at the interconnection with Consolidated Edison Corporation (ConEd). However, the only known construction activity at this location would be associated with the Mount Vernon Station which is analyzed in this DEIS as part of the jurisdictional facilities.

St. Clair and TransCanada propose to construct about 106.4 miles of pipeline in Canada that would extend from the Dawn Compressor Station to the interconnection with Millennium at the Canada/U.S. border in Lake Erie. These Canadian facilities are beyond the Commission's jurisdiction and are under the jurisdiction of the NEB, Canada's equivalent of the FERC. As the responsible authority under the CEAA, the NEB would conduct an environmental review of the St. Clair and TransCanada facilities that is similar in scope and detail to that presented in this DEIS. Therefore, any analysis of the St. Clair or TransCanada facilities in the FERC document would be duplicative. The sole authority for the analysis and approval of the facilities in Canada is the NEB. The NEB received the applications for the Canadian facilities from St. Clair and TransCanada in December 1998.

**TABLE 1.3-1**  
**Number of Comments Received by Location**

County	Number of Speakers at the Public Meeting	Number of Comment Letters Received	Total
Erie County, PA Public Scoping Meeting - North East	14	3	17
Chatauqua County, NY		57	57
Cattaraugus County, NY		26	26
Allegany County, NY Public Scoping Meeting - Wellsville	16	7	23
Steuben County, NY		13	13
Chemung County, NY		42	42
Tioga County, NY		27	27
Broome County, NY Public Scoping Meeting - Binghamton	35	184	219
Delaware County, NY		17	17
Sullivan County, NY		11	11
Orange County, NY Public Scoping Meeting - Port Jervis	9	33	42
Rockland County, NY		65	65
Westchester County, NY Public Scoping Meeting - Yonkers	11	22	33
State Agencies		38	38
Federal Agencies		9	9
Others (not in project area) <sup>a/</sup>		198	198
<b>TOTAL</b>	<b>85</b>	<b>752</b>	<b>837</b>

<sup>a/</sup> Includes intervenors, and other interested parties with addresses outside of the affected counties.

TABLE 1.3-2

## Issues Identified and Comments Received During the Public Scoping Process

Issue	Specific Comments	Number of Comments	DEIS Section Where Comment is Addressed
GENERAL	Purpose and need, public notice, construction techniques, right-of-way maintenance, extended post-construction monitoring period.	406	1.1, 1.3.2, 2.3
GEOLOGY	Blasting, earthquakes and faults, steep grades, bluestone quarry, Ramapo Fault, Rock City State Forest, old existing gas/oil pipelines, Chautauqua Gorge.	17	4.1, 5.1
SOILS	Effects on agricultural land, topsoil segregation and restoration, drainage tiles, erosion, black dirt soils, noxious weeds, erosion control and restoration procedures, Line A-5 abandonment.	38	4.2, 5.2, appendix E
WATER RESOURCES	Water quality; public water supply watersheds and protection districts; spill prevention, containment, and control plan; private water wells and springs, Amish water supplies. Waterbody construction and restoration procedures, dry versus open cut crossing techniques, costs and limitations of horizontal directional drilling, Genesee River flood control berm, public water supplies, potential damage to Catskill aqueduct from pipeline emergency, Old Croton aqueduct, hydrostatic testing. Lake Erie and Hudson River/Haverstraw Bay crossings, navigation, ice scour study in Lake Erie, contaminant testing and sediment transport modeling in the Hudson River.	100	4.3, 5.3, appendix E
FISH AND WILDLIFE	Blasting impacts, trout fisheries, wildlife habitat, Mongaup Wildlife Management Area, designated Significant Fish and Wildlife Habitat, Haverstraw Bay.	54	4.4, 5.3.4
VEGETATION	Maintenance of right-of-way, deforestation, old growth hemlock and maple forest, unique vegetational communities, Chautauqua Creek Gorge.	59	4.4, 4.5, 5.4, 5.5
ENDANGERED AND THREATENED SPECIES	Biological assessment, bald eagle, peregrine falcon, bog turtle, shortnose sturgeon, dwarf wedge mussel (Neversink River), Northern wild monkshood, state-listed species.	10	4.6, 5.6
WETLANDS	Wetland habitat, wetland construction and restoration procedures, state-regulated wetlands, directional drilling of wetlands.	24	4.7, 5.7, appendix E
LAND USE	Eminent domain, land use impacts (land use affected, storage yards, access roads, aboveground facilities, cathodic protection beds), timber production, sugar bush stands, construction on powerline rights-of-way (Orange & Rockland, NYSEG, ConEd), Coastal Zone Management consistency, Land Preservation and Enhancement Program. Residential properties, septic systems, construction and restoration mitigation procedures. Aesthetics and visual impacts.	198	4.8.1, 4.8.2, 4.8.4, 5.8.1, 5.8.2, 5.8.4, appendix E
RECREATION AND PUBLIC INTEREST AREAS	Parks (including Village of Port Dickenson, Harriman State Parks), trails (including Appalachian Trail), Mongaup Wildlife Management Area, Soaring Eagles/Mark Twain State Park, Sterling Forest, Rockland County park land, hazardous waste sites,	18	4.8.3, 5.8.3

TABLE 1.3-2 (cont'd)

Issue	Specific Comments	Number of Comments	DEIS Section Where Comment is Addressed
CULTURAL RESOURCES	Historic resources, Native American consultation, ship wrecks in Lake Erie, Murphey House, Bronx River Parkway and Old Croton Aqueduct, tannery in Mayville, pre-civil war stone walls, Chenango Canal, Franklin D. Roosevelt Veteran's Hospital, Sherwood House, and historic houses.	13	4.9, 5.9
SOCIOECONOMICS	Constuction workforce, agricultural and timber land compensation, property values, taxes, local workforce, secondary growth, environmental justice.	348	4.10, 5.10
AIR AND NOISE	Horizontal directional drill and valve noise.	16	5.1
RELIABILITY AND SAFETY	Pipe corrosion, pipe leaks, pipe rupture.	375	5.12
CUMULATIVE IMPACTS	Multi-utility development in Deposit, Warwick, and New City; ANR, Independence, and Transco pipeline projects.	106	5.13
ALTERNATIVES	Pipeline system alternatives, major route alternatives (Lake Erie, State Route 17, Hudson River, Norfolk/Southern and CSX Railroad, Horseheads, Palisades Park, Consolidated Edison), route variations (Lake Erie Landfall, Union Center, Bradley Creek, Micha, Bauer, Yonkers, Hagerdon Hill Road, Nichol, Five Mile Road, Moss Hill Road, Kuzel, Neversink River, New City), line changes incorporated into the proposed route, replacement alternatives.	449	3.0, 6.0