



July 6, 2006

Donald Silawsky
Office of Petroleum Reserves (FE-47)
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585-0301

**Re: Comments of Dominion Natural Gas Storage, Inc.
On the Draft Environmental Impact Statement
"Site Selection for the Expansion of the Strategic Petroleum Reserve"
(DOE/EIS-0385)**

Dear Mr. Silawsky:

Dominion Natural Gas Storage, Inc. (DNGS) hereby submits comments on the U.S. Department of Energy (DOE) Draft Environmental Impact Statement (DEIS) "Site Selection for the Expansion of the Strategic Petroleum Reserve." Specifically, DNGS reiterates its support for the environmental compatibility of DNGS's salt cavern storage facilities located in West Hackberry, Louisiana adjacent to DOE's existing West Hackberry Strategic Petroleum Reserve (SPR) facility.

The DEIS considers the expansion of the existing DOE West Hackberry facility through the annexation, or acquisition, of the DNGS salt cavern storage facilities. A summary of the benefits of the DNGS/West Hackberry site, as described in the DEIS, are highlighted below:

- ❖ DOE's West Hackberry site can be readily expanded into the existing DNGS storage facilities since they are immediately adjacent to each other.
- ❖ The DNGS storage facility can expeditiously provide 15 million barrels of storage within approximately six months after being selected.
- ❖ The existing DOE-SPR West Hackberry facility currently has all of the required infrastructure in place to integrate the three DNGS salt caverns at minimal expense.
- ❖ As detailed in the DEIS, there are no significant environmental impacts associated with the DNGS/West Hackberry site and it is the least environmentally invasive expansion option under consideration.
- ❖ The DNGS/West Hackberry site is the most economical expansion option under consideration.

Specific comments regarding the various environmental resources as considered and addressed in the DEIS in relation to the DNGS/West Hackberry site are attached.

We appreciate your consideration of these comments as DOE finalizes the EIS and subsequent selection of the most appropriate sites for expansion of the SPR. Please contact either Dave Kohler or Anne E. Bomar if you have any questions about these comments regarding the West Hackberry site.

Respectfully submitted,

Anne E. Bomar
Vice President
Federal Regulation

Enclosure

**SITE SELECTION FOR THE EXPANSION OF THE
STRATEGIC PETROLEUM RESERVE
(DOE/EIS-0385)**

WEST HACKBERRY EXPANSION SITE:

***SUMMARY OF BENEFITS REFERENCED IN THE DOE DEIS PUBLISHED MAY 2006
OR REFERENCED IN THE COMMENTS RECEIVED BY DOE***

EXPANSION OF AN EXISTING SITE

- 1) The West Hackberry site is a strong candidate: existing infrastructure, minor upgrades, cost effective, ease in complying with regulatory permit requirements, minimal environmental impact, timely expansion and operational startup. (LA, DNR, Office of Conservation 12/9/05 comments).
- 2) The West Hackberry site would capitalize on existing site infrastructure and operations and thereby minimize development time and construction and operations costs. New storage sites may take up to 10 years to complete. (pg. S-5).
- 3) At the West Hackberry site no site preparation, building construction, solution mining, drilling, or offsite pipeline construction would be required for the expansion. At most, only minor onsite construction activities would occur. (pg. 3-101).
- 4) As an existing SPR site, expansion of the West Hackberry site would be a logical extension of activity. There are no known competing uses proposed for this site or in the adjacent area that would compete with or add to development of the site as SPR expansion. (pg. 4-21).
- 5) Expansion would not require significant upgrades to the RWI facility, crude oil distribution capabilities, or the brine disposal system. Only minor construction would take place to connect the acquired caverns to the SPR storage site. (pg. 2-62).

WATER RESOURCES

- 1) The West Hackberry site would include no new offsite pipelines and no significant upgrades to the RWI facility, crude oil distribution capabilities, or the brine disposal system. In addition, the ICW would continue to serve as the source of raw water for the site, as it has in the past. (pg. 3-173)).
- 2) Because there is no offsite pipeline construction associated with this proposed site, potential construction impacts to surface water would be limited to the vicinity of the West Hackberry site itself. Brine would be disposed of via deep well injection, and would not affect surface water. The West Hackberry site would withdraw raw water from the ICW. Impacts associated with raw water withdrawal from the ICW are expected to be minimal. (pg. 3-174).
- 3) West Hackberry would use an existing injection system. (S-25). The West Hackberry expansion would use the existing SPR brine disposal facilities, which DOE has previously assessed and determined would not result in adverse impacts to groundwater. (pg. S-26).
- 4) Best management practices described in section 3.6.2.2 would result in very low probability of a discharge or significant impact to groundwater. (pg. 3-177).
- 5) The West Hackberry expansion would use the existing SPR brine disposal facilities and the proposed maximum brine disposal rate for the West Hackberry expansion would be well below the disposal rate considered for the 1977 EIS. (pg. 3-177).

- 6) The current site monitoring there includes 11 monitoring wells and 15 recovery wells, which are showing improvement in groundwater quality. If there should be a release at the West Hackberry site in the future, this monitoring network would help with early identification and rapid remedial response. (pg. 3-178).
 - 7) DOE has determined that the cumulative impact to water resources, including surface water and groundwater from the West Hackberry ecoregion alternative and the other planned or reasonably foreseeable projects would not be adverse. (pg. 4-22).
 - 8) West Hackberry has the least water requirement for construction and operation. (pg. 5-5).
 - 9) West Hackberry would use deep-aquifer brine injection. These sites have confined aquifers separated by impermeable strata. (pg. S-36).
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FLOODPLAIN

- 1) No new onsite construction would be required within the floodplain. West Hackberry would not require any new offsite construction in the floodplain. Therefore, no impacts to floodplains in the project area would result from project construction or operation. (pg. 3-174).
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BIOLOGICAL RESOURCES

- 1) West Hackberry would not affect any Federally listed species or any special (biological) status areas. (pgs. S-40, 41).
 - 2) The area of expansion consists of previously disturbed habitat. (pg. 3-287).
 - 3) A review of the conditions at West Hackberry and consultations with the USFWS and the Louisiana Department of Fisheries and Wildlife revealed that the portion of the expansion area that would be disturbed does not provide suitable habitat for any federally or state-listed threatened or endangered species, species proposed for listing, or candidate species. The expansion would have no impact on special status areas. (pgs. 3-288, 289).
 - 4) DOE has determined that the cumulative impacts to biological resources from the West Hackberry alternative and other planned or foreseeable projects would not be adverse. (pg. 4-22).
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COASTAL ZONE / HURRICANES

- 1) Although the West Hackberry site was in the path of Hurricane Rita, the site received no substantial long-term effects from the hurricane. (pg. 3-42).
 - 2) Additional site controls (such as water barriers, canals, or pumps) required to mitigate potential impacts from tidal influences and heavy precipitation events, would have minimal land use impact and, if they are needed, would allow for continued safe and effective SPR operations. (pg. 3-43).
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LAND USE / AESTHETICS

- 1) Expanding the existing West Hackberry storage site would maintain current land use at the site and in the region. Construction activities would require additional site disturbance, but this disturbance would not conflict with any existing SPR operations or surrounding land uses. Considering the

existing SPR operations at the site, the land would not be compatible with or desirable for most non-industrial purposes. Expanding the facility would not change land use patterns in any substantial way. There would be minimal conflict with other established land uses. (pg. 3-42, 43).

- 2) West Hackberry is an existing SPR site. There are no special visual resource issues associated with expanding storage capacity at this site. (pg. 3-43).

GEOLOGY

- 1) DOE expects that the impact of subsidence at West Hackberry would be negligible to geological resources. With the roof thickness greater than 1,500 feet, the occurrence of collapse is very unlikely. (pg. 3-66).

AIR QUALITY

- 1) Because full construction (not including cavern development) at other sites is unlikely to cause air quality impacts, the impacts from construction at West Hackberry can be considered negligible. (pg. 3-101).
- 2) The West Hackberry site is located in an air quality attainment area. (LA DEQ 10/20/05 comments).

ARCHAEOLOGICAL / CULTURAL RESOURCES

- 1) The Louisiana SHPO indicated that no known archaeological sites or historic properties would be affected by the undertaking at any of the Louisiana locations proposed for new storage facilities or expansion (LeBreux 2005). For the 1976 EIS for West Hackberry, DOE reviewed National Register listings and requested that the Louisiana SHPO review state registers. No National Register sites were listed for Cameron or Calcasieu Parish and none of three historic markers in Calcasieu Parish was located in the facility area (DOE 1976). (pg. 3-317).
- 2) Based on the response from the Louisiana SHPO, no construction or operations and maintenance impacts have been identified at the West Hackberry facility location. Impacts to historic structures are unlikely, except in the perimeter zone. (pg. 3-317).
- 3) There are no cultural or archaeological sites within the area. (Chitimach Tribe of LA 12/19/05 comments).

WETLANDS

- 1) DOE would refine the conceptual site plan to avoid filling in jurisdictional wetlands and would preserve onsite emergent wetlands to the maximum extent practicable. DOE would submit a permit application under Section 404/401 of the CWA, which would require a comprehensive analysis of the steps taken to avoid, minimize, and compensate for impacts to jurisdictional wetlands. DOE would implement compensation measures described in the Common Impacts (section 3.7.2) and in accordance with the 404 permit and 401 Water Quality Certificate from the USACE and the Louisiana Department of Environmental Quality. Specifically, DOE would preserve, restore, or

create wetlands or contribute to a mitigation bank in the region in accordance with the permit to compensate for the jurisdictional wetland impacts.

- 2) On June 28, 2006, U.S. Army Corps of Engineers personnel Mr. Ronnie Duke and Mr. Gary Couret visited the DNGS/West Hackberry site under consideration by the DOE. The purpose of the site visit was to assess any wetland and environmental impacts associated with this expansion option.

Based on the site visit, it was concluded that, should the DOE-SPR adhere to their development plan as outlined in the "Site Selection for the Expansion of the Strategic Petroleum Reserve Draft Environmental Impact Statement" (DOE/EIS-0385), dated May, 2006, then:

- There would be no disturbance or impact to any wetlands.
- A wetland permit would not be required.
- This is the least environmentally intrusive expansion option under consideration.