

**NOTICE OF INTENT / NOTICE OF PREPARATION
OF A DRAFT ENVIRONMENTAL IMPACT STATEMENT /
ENVIRONMENTAL IMPACT REPORT,
NOTICE OF MEETING, AND REQUEST FOR PUBLIC COMMENTS**

DATE: September 19, 2007

TO: Responsible, Trustee, and Cooperating
Agencies and Interested Parties

FROM: U.S. DEPARTMENT OF HOMELAND SECURITY
U.S. Coast Guard

U.S. DEPARTMENT OF TRANSPORTATION
Maritime Administration

CALIFORNIA STATE LANDS COMMISSION

PROJECT: Clearwater Port Liquefied Natural Gas
Deepwater Port

APPLICANT: Clearwater Port LLC

PROJECT LOCATION: Ventura and Los Angeles Counties, California

DOCKET #: USCG-2007-28676

STATE CLEARINGHOUSE #: 2007091106

SUMMARY: The Maritime Administration and the U.S. Coast Guard, in coordination with the California State Lands Commission (CSLC), announce their intent to prepare an environmental impact statement/environmental impact report (EIS/EIR) in connection with this application for a proposed liquefied natural gas (LNG)

deepwater port (DWP) that would be located in the Pacific Ocean approximately 10.5 statute miles offshore of Ventura County, California. The EIS/EIR will be prepared with the CSLC because the applicant has filed a land lease application with the CSLC for the construction, use and maintenance of a 36-inch diameter subsea pipeline on submerged lands in State waters to deliver natural gas onshore. The EIS/EIR will meet the requirements of both the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA). Publication of this notice begins a scoping process that will help identify and determine the scope of environmental issues to be addressed in the EIS/EIR. This notice requests public participation in the scoping process, provides information on how to participate, and serves as a notice of preparation (NOP) for the purposes of compliance with CEQA.

This public notice may be requested in an alternative format, such as Spanish translation, audiotape, large print, or Braille by contacting Crystal Spurr, CSLC, (916) 574-0748 (spurrc@slc.ca.gov).

DATES: Material submitted in response to the request for comments must be received by the Docket Management Facility or the CSLC by 2:00 PM Pacific Daylight Time on October 18, 2007 (see "Request for Comments" for the address and instructions on how to submit comments). Public meeting dates are October 3,

2007 in Oxnard, California, and October 4, 2007 in Santa Clarita, California.

ADDRESSES: The public meetings and informational open houses will be held at the following times and places:

October 3, 2007

Performing Arts and Convention Center

800 Hobson Way

Oxnard, California 93030

Telephone: (805) 486-2424

Open Houses: 12:30 PM to 1:30 PM and 5:30 PM to 6:30 PM

Public Scoping Meetings: 1:30 PM to 3:30 PM and 6:30 PM to 8:30 PM

October 4, 2007

Santa Clarita Activities Center, Santa Clarita Room

20880 Centre Pointe Parkway

Santa Clarita, California 91350

Telephone: (661) 250-3701

Open House: 4:00 PM to 6:00 PM

Public Scoping Meeting: 6:00 PM to 8:00 PM

FOR FURTHER INFORMATION REGARDING THE PUBLIC MEETINGS AND

INFORMATIONAL OPEN HOUSES: Contact Ray Martin, U.S. Coast Guard, at (202) 372-1449 or email at Raymond.W.Martin@uscg.mil; Kevin Tone, U.S. Coast Guard, at (202) 372-1441 or email at Kevin.P.Tone@uscg.mil; Scott Davies, U.S. Maritime

Administration, at (202) 366-2763 or Scott.Davies@dot.gov, or contact Crystal Spurr, California State Lands Commission, at (916) 574-0748 or email at spurrc@slc.ca.gov.

SUPPLEMENTAL INFORMATION:

Public Meeting and Open House

We invite you to learn about the proposed deepwater port at an informational open house, and to comment at a public meeting on environmental issues related to the proposed deepwater port. Your comments will help us identify and refine the scope of the environmental issues to be addressed in the EIS/EIR.

You may submit written material at the public meeting, either in place of or in addition to speaking. Written material should include your name and address, and will be included in the public docket.

Public docket materials will be made available to the public on the Docket Management Facility's Docket Management System (DMS). See "Request for Comments" for information about DMS and your rights under the Privacy Act.

All public meeting locations are wheelchair-accessible. If you plan to attend the open house or public meeting, and need special assistance such as sign language interpretation or other reasonable accommodation, please notify the U.S. Coast Guard (see FOR FURTHER INFORMATION CONTACT) at least 3 business days

in advance. Include your contact information as well as information about your specific needs.

Request for Comments

We request public comments or other relevant information on environmental issues related to the proposed deepwater port. The public meeting is not the only opportunity you have to comment. In addition to or in place of attending a meeting, you can submit comments to the Docket Management Facility during the public comment period (see DATES). We will consider all comments and material received during the comment period. You can address comments/docket submissions to either of the following agencies:

Department of Transportation
Docket Management Facility
West Building
Ground Floor, Room W12-140
1200 New Jersey Avenue, SE
Washington, DC 20590

You can submit your comments by electronic submission to DMS, <http://dms.dot.gov>; or by fax, mail, or hand delivery to the Docket Management Facility. Faxed or hand delivered submissions must be unbound, no larger than 8½ by 11 inches, and suitable for copying and electronic scanning. If you mail your submission and want to know when it reaches the Facility,

include a stamped, self-addressed postcard or envelope. The Docket Management Facility accepts hand-delivered submissions, and makes docket contents available for public inspection and copying at this address, in room W12-140, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket Management Facility's telephone is 202-366-9329, its fax is 202-493-2251.

California State Lands Commission

Attn: Crystal Spurr

100 Howe Avenue, Suite 100 South

Sacramento, California 95825-8202

The telephone number at the California State Lands Commission is (916) 574-1900, and the fax is (916) 574-1885. You can submit your comments by electronic submissions to the CSLC, spurrc@slc.ca.gov; or by fax, mail, or hand delivery to the CSLC. Faxed or hand delivered submissions must be unbound, no larger than 8½ by 11 inches, and suitable for copying and electronic scanning. If you mail your submission and want to know when it reaches the CSLC, include a stamped, self-addressed postcard or envelope.

Submissions should include:

- Docket number USCG-2007-28676.
- Your name and address.
- Your reasons for making each comment or for bringing information to our attention.

Regardless of the method used for submitting comments or material, all submissions will be posted, without change, to the DMS website (<http://dms.dot.gov>), and will include any personal information you provide. Therefore, submitting this information makes it public (see PRIVACY ACT).

Docket submissions may be viewed at the Docket Management Facility, or electronically on the DMS website. If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone: 202-493-0402.

Additionally, information pertaining to the proposed Clearwater Port is available online at <http://dms.dot.gov> or <http://www.slc.ca.gov>.

Background

A notice of application for the proposed Clearwater Port Liquefied Natural Gas Deepwater Port was published in the Federal Register on August 31, 2007. Information about deepwater ports, the statutes and regulations governing their licensing, and the receipt of the current application for the

proposed Clearwater Port LNG deepwater port appears at 72 FR 50445, August 31, 2007.

Consideration of a deepwater port license application and CSLC land lease application includes review of the proposed environmental impacts. The U.S. Coast Guard, in coordination with the Maritime Administration, determines the scope of this review. In this case, these federal agencies have determined that review must include preparation of an EIS. The CSLC, as the State lead agency under CEQA, has determined that an EIR is required. Because of the many similarities between an EIS and an EIR, the U.S. Coast Guard (in coordination with the Maritime Administration) and the CSLC have agreed to cooperate in preparing a single document that satisfies both the NEPA and the CEQA. This notice of intent is required by 40 CFR 1508.22, and briefly describes the proposed action, possible alternatives, and the proposed scoping process. For the State of California's purposes, this notice serves as a notice of preparation, notice of public scoping meetings, and request for comments as described in the CEQA Guidelines Section 15082. You can address any questions or comments about the proposed action, the scoping process, or the EIS/EIR to the U.S. Coast Guard and CSLC contact persons identified in the FOR FURTHER INFORMATION CONTACT section. Comments need not be submitted to more than one

agency, all comments received by one agency will be shared with and entered into the record of the other agencies.

Proposed Action/ Project Description

Clearwater Port LLC (a subsidiary of NorthernStar Natural Gas Inc.) is proposing to construct Clearwater Port, an offshore liquefied natural gas receiving terminal and regasification facility located in federal waters approximately 10.5 statute miles offshore of Ventura County, California in Federal Outer Continental Shelf (OCS) Lease Block OCS-P 0217. Clearwater Port will be comprised primarily of Platform Grace; an offset dual berth (ODB) Satellite Service Platform that would be installed adjacent to Platform Grace for docking of the LNG carriers; and a new 36-inch subsea pipeline to transport vaporized natural gas from the platform connecting at a junction point onshore to a Southern California Gas Company (SoCalGas) pipeline located in Rancho Santa Clara near Camarillo, California. The pipeline would come ashore within the Reliant Energy Mandalay Power Generating Station and connect with a new gas receiving and metering facility. The onshore components of the project would consist of approximately 63 miles of new pipeline by expanding the SoCalGas pipeline system as follows: a 36-inch pipeline extending 12.9 miles from the Reliant Energy Mandalay Power Generating Station to the existing Center Road Station; a 36-inch pipeline extending 37 miles to loop the existing Line 324

for transport of additional capacities from the Center Road Station to the existing Saugus Station; an 8.75-mile leg of 36-inch pipeline to loop the existing Line 225 for transport of additional capacities from the existing Honor Rancho Station to the Quigley Station; and, a final 4.5-mile leg of 36-inch pipeline to extend the existing Line 3008 (currently from the Quigley Valve Station to the Newhall Valve Station) for transport of additional capacities from the existing Quigley Valve Station to the existing Balboa Station. Refer to Figure 1 for the location of the proposed action/project.

The deepwater port would be able to receive approximately 139 LNG carriers annually and accommodate two LNG carriers ranging from 70,000 m³ to 220,000 m³ in capacity. The carriers would transfer LNG one carrier at a time through a conventional marine loading arm system to the platform via a cryogenic pipe-in-pipe where it would be regasified by an ambient air vaporizer (AAV) system. The AAV would have the capacity to achieve an average hourly rate of 2300 m³, an average daily gas send-out of 1.2 Bcfd, and a peak sendout capacity of 1.4 Bcfd. Construction of the deepwater port could be expected to take three (3) years; with start-up of commercial operations following construction, should a Federal license and the required California State lease and permits be issued. The deepwater port would be designed, constructed and operated in accordance with applicable codes and

standards and would have an expected operating life of approximately 30 years.

Currently Identified Environmental Issues

The EIS/EIR for Clearwater Port will discuss, among other issues: the purpose and need for this LNG project; project alternatives and the no action/no project alternative; the affected environment/baseline; the environmental impacts of the proposed action/project and alternatives; and proposed mitigation measures. The EIS/EIR will assess the impacts of the project and alternatives on the environment, including approving or not approving (no action/no project alternative) the state lease and the federal license to construct and operate the DWP.

Environmental issues that will require detailed analysis include, but are not necessarily limited to:

- Aesthetics - alter the onshore and offshore view sheds; light and glare;
- Air Quality - onshore and offshore impacts on regional air quality; impacts of greenhouse gas emissions;
- Geological Resources and Soils - impacts from seismic hazards, erosion, and loss of unique paleontological resources;
- Hazardous Materials - impacts from hazardous material spills or pipeline rupture;
- Marine Transportation - impacts on marine traffic;
- Onshore Transportation - impacts from construction traffic and temporary lane closures;
- Marine Biology - impacts on sea turtles, marine mammals, benthic communities, or other special status species;
- Recreation - impacts on boating and commercial and recreational fishing, and impacts on public beach access;

- Hazards and Risk / Safety - impacts from LNG/gas release (The EIS/EIR will include an independent, site-specific risk assessment);
- Noise and Vibration - impacts of noise on local residents, boaters, passengers on marine vessels, fish, sea turtles, and marine mammals;
- Terrestrial Biology - impacts from construction, operation and maintenance activities on biological resources;
- Water Quality - impacts from spills, releases of LNG, erosion;
- Environmental Justice - potential disproportionate effects on minority and low income populations in the project area;
- Agricultural Resources - impacts on farmland and crops.
- Cultural Resources - impacts to shipwrecks and Native American, archaeological, and historic resources;
- Energy and Mineral Resources - restrictions on the future availability of exploitable oil and gas resources;
- Land Use - potential conflicts with existing land uses;
- Socioeconomics - impacts on community character, population, housing, public services, employment;
- Cumulative Impacts - The EIS/EIR will evaluate the cumulative effects of the project, if any, associated with each environmental issue area.
- Alternatives - The EIS/EIR will evaluate the No Action/No Project Alternative. Other alternatives that may be analyzed include: Alternative Offshore Locations; Alternative Onshore Locations; Alternative Capacity; Alternative Onshore and Offshore Pipeline Routes; Alternative Methodologies; Alternative Technologies and Design Concepts.

Agency Involvement

The major Federal and State permit, approval, and consultation requirements for Clearwater Port include, but are not necessarily limited to, the following:

FEDERAL: DOT/Maritime Administration-DWP license; DHS/U.S. Coast Guard-DWP design and operational requirements; U.S. Environmental Protection Agency-Clean Air Act and Clean Water Act permits; U.S. Army Corps of Engineers-Clean Water Act Section 404 and Rivers and Harbors Act Section 10 permits; U.S. Fish and Wildlife Service-Section 7 Endangered Species Act consultation; U.S. Department of Defense; U.S. State Department; U.S. Department of Interior, Minerals Management Service;

National Oceanic and Atmospheric Administration-Section 7 Endangered Species Act consultation; NOAA Fisheries-Magnuson-Stevens Fisheries Management and Conservation Act consultation; NOAA Fisheries-Marine Mammal Protection Act consultation.

CALIFORNIA: California Coastal Commission-Compliance with California Coastal Act and consistency with California Coastal Management Program; California State Historic Preservation Officer-National Historic Preservation Act Section 106 and California historic preservation consultation and compliance.

Availability of EIS/EIR

Once the scoping process is complete, the Maritime Administration, U.S. Coast Guard, and the CSLC will prepare a draft EIS/EIR. A notice of availability (NOA) will be published in the Federal Register when the draft EIS/EIR is available, and CSLC will issue notices of availability and completion. The draft EIS/EIR in hard-copy or electronic format will be distributed to agencies and interested parties that have requested copies. Anyone who wishes to comment on the draft report will be provided with an opportunity to review the draft EIS/EIR and to offer comments on the environmental effects of the Project. Comments received during the draft EIS/EIR review period will be available in the public docket and responded to in the final EIS/EIR. An NOA of the final EIS/EIR will also be published in the Federal Register, and CSLC will issue notices of availability and completion.

Privacy Act

The electronic form of all comments received into the DOT docket are available to any person and may be searched by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the Federal Register published on April 11, 2000 (Volume 65, Number 70; Pages 19477-78) or you may visit <http://dms.dot.gov>.

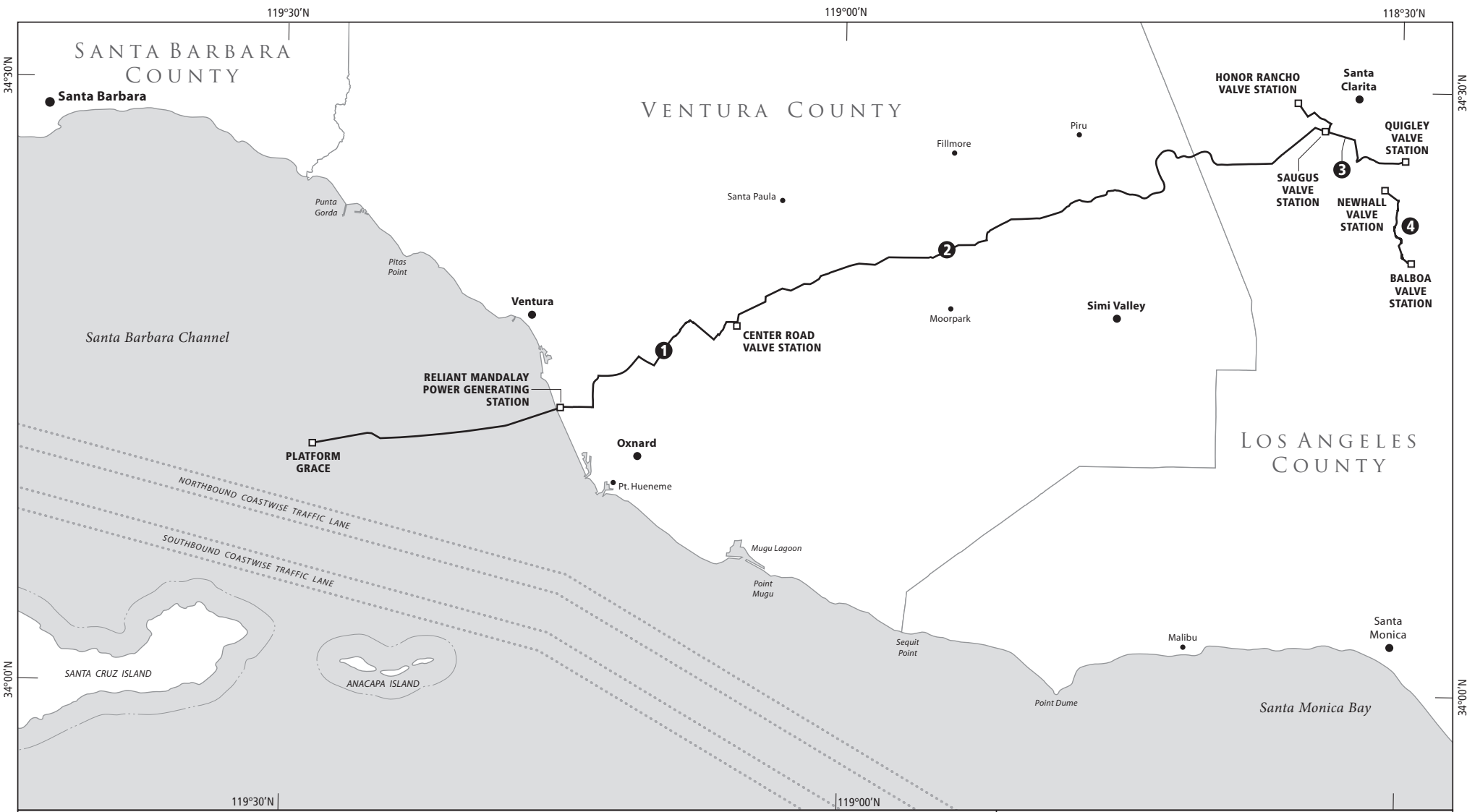
(Authority 49 CFR 1.66)

By Order of the Maritime Administrator.

Dated: September 19, 2007

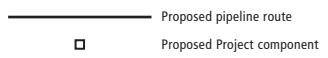


Paul D. Thayer
Executive Officer, California State Lands Commission

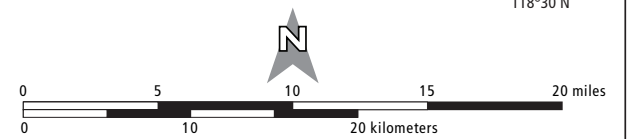


PROPOSED PIPELINE ROUTES

- 1 Northern Mandalay to Center Road Pipeline**
(Reliant Mandalay Power Generating Station to Center Road Valve Station)
- 2 Line 324 Pipeline Loop**
(Center Rd. Valve Station to Saugus Valve Station)
- 3 Line 225 Pipeline Loop**
(Honor Rancho Valve Station to Quigley Valve Station)
- 4 Line 3008 Pipeline Extension**
(Balboa Valve Station to Newhall Valve Station)



Note: This is the Applicant's proposed route for the Project. Alternative routes also will be developed and evaluated as part of the environmental review process for the proposed Project.



**CLEARWATER PORT LIQUIFIED NATURAL GAS DEEPWATER PORT
Project Overview**