

**FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426**

OFFICE OF ENERGY PROJECTS

In Reply Refer To:
OEP/DG2E/Gas Branch 2
Southern Natural Gas Company
Docket No. CP09-36-000, et al

May 26, 2011

Mr. John C. Griffin, Senior Counsel
Southern Natural Gas Company
569 Brookwood Village, Suite 501
Birmingham, Alabama 35202-2563

Re: Authorization of Construction and Variances

Dear Mr. Griffin:

I approve your March 11, 2011 request, as supplemented on May 6 and 25, 2011, to begin construction of the Elmore Replacement in Elmore County, Alabama, the Gallion Loop in Hale and Perry Counties, Alabama, the Bay Springs Loop in Clarke County, Mississippi, and the Ellerslie Compressor Station in Harris County, Georgia. These are Phase III facilities of Southern Natural Gas Company's (SNG) South System Expansion III Project (SSEIII Project) approved in the Federal Energy Regulatory Commission's August 27, 2009 Order (Order) for the above-referenced docket. The approval for these facilities is in accordance with Environmental Conditions reviewed in previous authorizations to begin construction for the SSEIII Project and for Environmental Conditions 6, 16, 17, 18, 20, 21, 22, and 23 specific to the Phase III facilities. In considering this notice to proceed, we have determined that SNG's Implementation Plan (filed on March 11, 2011) included the information, pertinent to the requested activities, to meet the pre-construction conditions in the Order. In addition, we have confirmed the receipt of all federal authorizations relevant to the activities approved herein.

In compliance with environmental condition 5, SNG requests approval of certain variances to the SSEIII Project for Phase III facilities, as listed below and described more fully in the March 11 and May 6 and 25, 2011 filings.

However, for Variance SML037 which is near milepost (MP) 226.72 on the Elmore Replacement in Elmore County, Alabama, and adds temporary access road AR226.72, comments from the Alabama Historical Commission (AHC) are pending.



Therefore, SNG **may not** use AR226.72 until it files concurrence from the AHC and re-files its request for this variance.

Bay Springs Loop

- Variance SML028 is near MP 67.22. It adds about 20 acres of additional temporary workspace (ATWS) within the existing Enterprise Compressor Station property for use during pipeline and aboveground facility construction and to hydrostatic testing activities. The existing land use of this area is commercial industrial.
- Variance SML026 is between MPs 66.65 and 66.81. It adds two temporary access roads, AR66.65 and AR66.81 to provide additional access to the construction right-of-way from U.S. Highway 11. They would affect about 1.0 acre.
- Variance SML027 is between MPs 67.02 and 67.10. It adds one temporary access road, AR67.10 to provide additional access from U.S. Highway 11, and about 0.51 acre of ATWS for parking.

Elmore Replacement

- Variance SML018 is near MP 223.95. It adds about 1.19 acres of ATWS east of Tailrace Canal for a hydrostatic test pump, access to hydrostatic test water, and additional parking. This ATWS will be within 50 feet of wetland W1BEL010 and a waterbody. All appropriate erosion control devices will be installed.
- Variance SML019 is between MPs 225.14 and 225.29. It adds about 1.12 acres of ATWS west of the Coosa River for a hydrostatic test pump, access to hydrostatic test water, and additional parking. This ATWS will be within 50 feet of a waterbody, the Coos River. All appropriate erosion control devices will be installed. Further, all appropriate mitigation measures to avoid impacts on cultural resources will be used and maintained.
- Variance SML038 is near MP 228.41. It adds about 0.08 acre of temporary workspace east of Old Montgomery Road for spoil storage and equipment location for the bored crossing of this road. SNG will maintain a 25-foot offset from existing structures.
- Variance SML048 is between MPs 233.27 and 233.36. It extends the pipeline by approximately 215 feet within SNG's existing pipeline right-of-way and adds about 0.65 acre of temporary workspace. The facility modification is requested because of limitations created by topography and existing structures at the approved location. SNG states that extending the pipeline will allow it to construct the aboveground facility at a more suitable location. The temporary workspace will be within 50 feet of wetland W1AEL001. All appropriate erosion control devices will be installed.

- Variance SML029 is near MP 222.64. It adds a temporary access road, AR222.6, to the construction right-of-way.
- Variance SML030 is along approved access road AR222.9. It will widen the access road along a sharp curve to facilitate the safe movement of construction vehicles along the road.
- Variance SML031 is between MPs 223.57 and 223.86. It will add about 4.51 acres of ATWS within SNG's existing pipeline right-of-way west of Tailrace Canal for access to the hydrostatic test water source, for staging the hydrostatic test pump, and equipment transport to and from the HDD drill entry site. This ATWS will cross wetland W1BEL008 and W1BEL009 impacting about 0.76 acres including about 0.1 acre of forested wetland. SNG will use mats over the wetlands and all appropriate erosion control devices will be installed.
- Variance SML032 is between MPs 223.97 and 224. It adds two ATWS within SNG's existing right-of-way effecting about 1.73 acres, and adds an ATWS effecting about 1.25 acres all on the east side of Tailrace Canal. These areas will be used to stage the exit side of the HDD of the canal and for additional parking. The ATWS will be impact about 0.49 acre of wetland W1BEL010 including about 0.16 acre of forested wetland. SNG will use mats over the wetlands. The ATWS will be within 50 feet of waterbodies S1BEL023 and S1BEL023-ext. All appropriate erosion control devices will be installed.
- Variance SML034 is between MPs 225.12 and 225.13. It adds about 0.56 acre of ATWS east of the Coosa River to stage the HDD entry side and to store spoil.
- Variance SML035 is between MPs 225.39 and 225.56. It adds about 2.56 acres of ATWS on the east side of the Coosa River for access to the hydrostatic test water source, staging the hydrostatic test pump, and parking. The ATWS will effect about 0.24 acre of wetland W1BEL027 and will be within 50 feet of the Coosa River. SNG will use mats over the wetlands. All appropriate erosion control devices will be installed.
- Variance SML036 is between MPs 226.13 and 226. It adds about 5.01 acres of ATWS, effecting about 0.3 acres of wetland W1BEL030, within SNG's existing right-of-way. The ATWS will be used for the HDD pull back, a temporary travel lane, and parking. SNG will use mats over the wetlands. All appropriate erosion control devices will be installed.
- Variance SML039 is near MP 228.54. It adds temporary access road AR228.54 that extends from Harrowgate Spring Road to the construction right-of-way.
- Variance SML040 is near MP 232.71. It adds temporary access road AR232.71 that extends from Fire Tower Road to the construction right-of-way.
- Variance SML045 is between MPs 228.09 and 228.35. It adds about 1.61 acres of ATWS at three locations within SNG's existing right-of-way where it passes through a residential area. The ATWS will be within 50 feet of a waterbody, S1BEL009. All appropriate erosion control devices will be installed.

- Variance SML082 is near MP 233.36. It adds about 0.11 acre of ATWS for spoil storage to avoid aboveground facilities.

Gallion Loop

- Variance SML021 is between MPs 149.75 and 149.80 in Hale County, Alabama. It adds about 1.71 acres of ATWS to provide an additional construction entrance/exit from Alabama State Highway 61, to work around existing aboveground facilities, and for temporary parking.
- Variance SML022 is near MP 150.54 in Perry County, Alabama. It adds temporary access road AR150.51 which extends from County Road 68 to the construction right-of-way.

Ellerslie Compressor Station

- Variance 087 is at the existing Ellerslie Compressor. It involves a modification of the temporary and permanent impacts, about 24.77 acres and 0.66 acre, respectively. The ATWS is for job trailers, and vehicle and equipment storage. The permanent impact reflects a modification to the facility footprint.

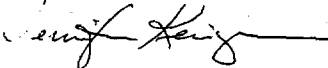
SNG has also revised certain aboveground facilities based on review of its pipeline system engineering. On the Elmore Replacement it has eliminated aboveground facilities (valves) at MPs 223.6, 224.1, 225.0, and 225.6; modified the approved aboveground facilities at MP 221.6 and 233.3; and has added a new aboveground facility (a valve) at MP 228.3. On the Gallion Loop, it has modified the approved aboveground facilities at MPs 149.8 and 155.0. On the Bay Springs Loop, it has modified the approved aboveground facilities at MPs 64.7 and 67.2. The modifications to the approved aboveground facilities involve minor changes to their design and would not result in any additional construction outside the approved construction workspaces.

Additional surveys were conducted for some of these variances. In letters dated March 8 and April 22, 2011, the AHC stated that the SSEIII Project's activities will have no adverse effect on cultural resources eligible for or listed on the National Register of Historic Places (NRHP). In a letter dated April 1, 2011, the Georgia Department of Natural Resources, Historic Preservation Division stated the modified components of the SSEIII Project do not require additional surveys and that there will be no effect to archeological resources or historic structures that are listed in or are eligible for listing in the NRHP. In a letter dated April 22, 2011, the Mississippi Department of Archives and History stated that the proposed variances to the project design are unlikely to have an adverse impact on significant archeological resources. In a letter dated January 6, 2011, the U.S. Fish and Wildlife Service (USFWS) stated that the proposed project changes (in Georgia) may be conducted under its blanket clearance without adversely affecting federally listed species, as further described, and that this blanket clearance was valid

through December 31, 2013. On April 21, 2011, the USFWS, Daphne Field Office stated that the proposed project changes will not have the potential to adversely affect federally listed threatened or endangered species in Alabama. In a letter dated April 7, 2011, the USFWS, Mississippi Field Office stated that the proposed changes will have no effect on federally listed species in Mississippi. We concur with these conclusions. SNG states that it has obtained landowner agreements for use of these areas. Therefore, I approve these variances.

I remind you that SNG must comply with all applicable terms and conditions of the Order and procedures stipulated in your previous filings. **Please note that this approval does not allow construction or use of any facilities or areas other than the ones specified above.** If you have any questions regarding this approval, please contact Jennifer Kerrigan at (202) 502-8954.

Sincerely,



Jennifer Kerrigan
Project Manager
Gas Branch 2

cc: Public File, Docket No. CP09-36-000, et al