



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

KENAI FIELD OFFICE
Regulatory Division (1145)
CEPOA-RD
805 Frontage Road, Suite 200C
Kenai, Alaska 99611-7755

PUBLIC NOTICE DATE: January 11, 2013
EXPIRATION DATE: February 11, 2013
REFERENCE NUMBER: POA-2012-196
WATERWAY: Cook Inlet

Interested parties are hereby notified that a Department of the Army permit application has been received for work in waters of the United States as described below and shown on the enclosed project drawings.

Comments on the described work, with the reference number, should reach this office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision. Please contact **Andy Mitzel** at (907) 283-3519, by fax at (907) 283-3981, or by email at **andy.mitzel@usace.army.mil** if further information is desired concerning this notice.

APPLICANT: ENSTAR Natural Gas Company, P.O. Box 190288, Anchorage, AK 99519.

LOCATION: The project site is located within T. 5 S., R. 14 W., T. 5 S., R. 15 W., T. 6 S., R. 13 W., and T. 6 S., R. 14 W., Seward Meridian; USGS Quad Maps Seldovia C-4, C-5, and D-5, Kenai Peninsula Borough, Alaska.

PURPOSE: The applicant's stated purpose is to provide natural gas supply for homes and businesses in the City of Homer and Kachemak City.

PROPOSED WORK: ENSTAR is proposing to place up to 111,155 cubic yards of material into 15.02 acres of wetlands while trenching across 44,322 linear feet of wetlands for the installation of a gas trunk line, distribution main pipelines, and individual service pipelines.

The trunk line would involve the placement of up to 20,777 cubic yards of material into 2.56 acres of wetlands while trenching across 5,610 linear feet of wetlands. The material would be excavated from wetlands while the soil is frozen, stockpiled and returned to the trench once the 8 inch diameter pipe is installed.

The distribution main lines would involve the placement of up to 86,081 cubic yards of material into 10.68 acres of wetlands while trenching across 23,242 linear feet of wetlands. The trench would be 3' to 5' deep and 4' to 6' wide. The material would be excavated from wetlands, stockpiled on geotextile material

adjacent to the trench, and returned to the trench once the pipe is installed. The distribution line would also be installed along Lake St. through Beluga Slough. Beluga Slough is subject to the ebb and flow of the tide and is regulated under Section 10 of the Rivers and Harbors Act.

The service lines would involve the placement of up to 4,297 cubic yards of material into 1.775 acres of wetlands while excavating the location where the service line would connect to the distribution line and the vibratory plowing to service connection across 15,470 linear feet of wetlands.

Table summarizing the various impacts, listed above, to Waters of the U.S.

| System | Cubic Yards | Acres | Length (ft) | Pipe Diameter (in) |
|--------------------|-------------|-------|-------------|--------------------|
| Trunk Line | 20,777 | 2.56 | 5,610 | 4" to 8" |
| Distribution Mains | 86,081 | 10.68 | 23,242 | 2" to 8" |
| Service Lines | 4,297 | 1.775 | 15,470 | 5/8" to 2" |
| Total | 111,155 | 15.02 | 44,322 | N/A |

ENSTAR proposes to begin wetland construction activities February 28, 2013. The trunk line would be completed by October 31, 2013. ENSTAR expects the Homer and Kachemak primary distribution system would be completed October 31, 2013. Upon completion of the 2013 build-out, ENSTAR would continue to install distribution mains and service lines as new subdivisions are developed and existing buildings are converted from existing heating sources to natural gas.

All work would be performed in accordance with the project plans (sheets 1-129), dated November 16, 2012. The drawings can be accessed at online:
<http://www.poa.usace.army.mil/Missions/Regulatory/PublicNotices.aspx>

ADDITIONAL INFORMATION: The Trunk Line would transport natural gas from ENSTAR's existing Regulator Station in Anchor Point to Homer and Kachemak City. The Trunk Line would be the backbone of the Homer gas distribution system, and can be tapped at any location for natural gas service. Distribution main pipelines (distribution mains) extend from the trunk-line to neighborhoods and subdivisions. Individual service lines would then connect the distribution mains to the customer's service location.

The Homer trunk line would be approximately 23 miles long. Trunk Line construction and installation would begin in Anchor Point at the intersection of the Old Sterling Highway and New Sterling Highway. The pipeline would proceed southerly along the Old Sterling Highway for approximately 8 miles to where the Old Sterling Highway reconnects with the Sterling Highway. The line would continue southerly along the Sterling Highway to the intersection of West Hill Road. The Trunk line would leave the Sterling Highway right of way and continue northerly along West Hill Road, then east along Fairview Avenue to East End Road, where it would extend to Waterman Street. The pipeline would initially be 8" diameter, and would be reduced to 4-inches once it reaches Kachemak City. The Trunk line would be installed within existing state, borough, and city rights-of-way.

The Homer Primary Distribution System mains would be installed along existing state, borough or city rights-of-way and existing utility or public easements. Typical state, borough, and city utility permit authorizations require utilities to be placed within five feet (5FT) of the outer edge of rights-of-way.

Service lines provide natural gas from the distribution main to the customer's home or business. These lines are typically 5/8" to 2" in diameter and operate at the system pressure of 60 psi. Once the distribution system is

installed, potential customers may choose to apply for gas service. Once they have applied, ENSTAR would install the service line. It is expected that most improved parcels served by the Primary Distribution System would apply for natural gas service, and would be installed in the first two years. ENSTAR expects to install about 2,000 service lines in the initial build-out. Service lines would be installed on developed properties only.

ENSTAR would install 236,645 lineal feet of distribution mains and up to 2,000 service lines during the summer construction season within Zones 1 and 2 with open-cut trenching construction method. A majority of the construction would take place within the road prism in uplands and disturbed lands that are not subject to DA jurisdiction.

For project specific information regarding this project, Mr. Andrew Frasier, with ENSTAR may be contacted at (907) 334-7743.

APPLICANT PROPOSED MITIGATION: The applicant proposes the following mitigation measures to avoid, minimize, and compensate for impacts to waters of the United States from activities involving discharges of dredged or fill material.

a. Avoidance: The applicant stated that impacts are being avoided to an estimated 2.24 acres of wetlands, by boring beneath 4,884 lineal feet of wetlands. To avoid impacts to other waters of the U.S., including an anadromous stream, ENSTAR is proposing to bore under the Anchor River, Diamond Creek, and 13 other water bodies. To avoid impacts to wetlands and other waters of the U.S., has eliminated mains that would have extended to undeveloped parcels that contained wetlands. Additionally, ENSTAR proposes to install all service lines along driveways and existing developed pads in areas that may contain wetlands. This is expected to avoid an estimated 13.42 acres of impacts to wetlands for service line installation

b. Minimization: ENSTAR proposes to construct within 5,610 linear feet of wetlands during winter to both minimize wetland impacts from equipment, to aid in the reestablishment of vegetation by replacing frozen clumps of vegetative mat that would be stockpiled separately from excavated organic soils.

c. Compensatory Mitigation: ENSTAR proposes compensatory mitigation for unavoidable losses to waters of the U.S. to occur through a payment of a fee in lieu of mitigation to The Conservation Fund.

Additionally, ENSTAR proposes: 1) To determine the appropriate amount mitigation by reviewing the sites disturbed in the growing seasons after the disturbance, to determine the what permanent impacts have occurred; 2) Upon completion of the project, ENSTAR and USACE would inspect wetlands to determine successful site rectification; 3) Successful site rectification shall include reestablishment of pre-project substrate composition, contours, and elevations and re-establishment of a plant community with at least 70% of the pre-project cover and composition, as established by the baseline survey; and 4) At the end of USACE determined number of growing seasons, compensatory mitigation for the remaining unmitigated temporal impacts (where re-establishment of plant communities is below 70% of pre-project cover and composition), would occur through a payment of a fee in lieu of mitigation to the Conservation Fund or other approved entity.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued

until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

CULTURAL RESOURCES: A Cultural Resource Survey was conducted for the presence or absence of historic properties, including those listed in or eligible for inclusion in the National Register of Historic Places. There are no listed or eligible properties in the vicinity of the worksite. The Cultural Resource Survey constitutes the extent of cultural resource investigations by the District Commander at this time, and he is otherwise unaware of the presence of such resources. This application is being coordinated with the State Historic Preservation Office (SHPO). Any comments SHPO may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work.

ENDANGERED SPECIES: No threatened or endangered species are known to use the project area.

We have determined the described activity would have no effect on any listed or proposed threatened or endangered species, and would have no effect on any designated or proposed critical habitat, under the Endangered Species Act of 1973 (87 Stat. 844). Therefore, no consultation with the U.S. Fish and Wildlife Service or the National Marine Fisheries Service is required. However, any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH).

We have determined the described activity would not adversely affect EFH in the project area.

TRIBAL CONSULTATION: The Alaska District fully supports tribal self-governance and government-to-government relations between Federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Alaska District on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This Public Notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts of the proposed activity and

its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur. The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

AUTHORITY: This permit will be issued or denied under the following authorities:

(X) Perform work in or affecting navigable waters of the United States - Section 10 Rivers and Harbors Act 1899 (33 U.S.C. 403).

(X) Discharge dredged or fill material into waters of the United States - Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Project drawings and a Notice of Application for State Water Quality Certification are enclosed with this Public Notice.

District Commander
U.S. Army, Corps of Engineers

Enclosures

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
401 Certification Program
Non-Point Source Water Pollution Control Program

ANCHORAGE

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
WQM/401 CERTIFICATION
555 CORDOVA STREET
ANCHORAGE, ALASKA 99501-2617
PHONE: (907) 269-7564/FAX: (907) 334-2415

NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' Public Notice No. POA-2012-196, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.