

other separate sections of the pipeline each being less than 100 feet in length at a total cost of \$175,000. At the conclusion of all work, the company hydrostatically tests the affected segments of pipe to appropriate operating pressure at a cost of \$150,000.

The assessment activity, regardless of whether hydrostatic testing, direct assessment, or other techniques are utilized constitutes work undertaken specifically for the purpose of determining the condition of existing pipeline facilities. Although the assessment did result in identifying a need to replace a segment of line in excess of the designated property unit of 100 feet, only the direct construction costs of \$750,000 and a related portion of the hydrostatic testing costs incurred following completion of the construction work should be capitalized. All of the costs incurred to assess the condition of the existing pipeline should be charged to maintenance expense in the period they are incurred. Also, all of the costs of replacing or sleeving the 3 pipe sections that are each less than a retirement unit, including a portion of the related hydrostatic testing costs incurred after completion of the work should be charged to expense in the period incurred.

#### Example 2

A pipeline company owns and operates a large pipeline system. Its pipeline system is comprised of segments with different size pipe and different maximum allowable operating pressures (MAOP). The company is experiencing capacity constraints on certain pipeline segments because of increased demand for gas in markets it serves.

The company hydrostatically tests a 5 mile segment of its system to assess its compliance with pipeline safety regulations at a cost of \$1,000,000. In conjunction with facility additions of \$200,000, the company uses the opportunity provided by the hydrostatic testing to certify an increase in the MAOP of the 5 mile pipeline segment from 750 pounds per square inch gauge (PSIG) to 1000 PSIG. The increased MAOP of the 5 mile segment now equals the MAOP at the upstream and downstream ends of the pipeline segments of which it is interconnected and the company is able to alleviate an operational constraint and increase the available capacity of its pipeline system.

The costs of the hydrostatic test of \$1,000,000 should be charged to maintenance expense since they were incurred for the purpose of determining the condition of existing pipeline facilities, a maintenance activity. While a benefit of the assessment activity was an increase in the capacity of the pipeline segment, the company would have had to incur the costs to hydrostatic test the pipeline segment to comply with pipeline safety requirements regardless whether an increase in MAOP resulted. Thus, the company cannot capitalize any of the hydrostatic test costs in this instance. The company would, however, be allowed to capitalize the \$200,000 of facility additions.

#### Example 3

A pipeline company previously received approval from the Chief Accountant to capitalize hydrostatic test and smart pigging

costs when the work was done in connection with a major pipeline rehabilitation project involving significant replacements and modifications of facilities. The rehabilitation project significantly extended the overall pipeline system's useful life.

During 20X1, the Company assesses 50 miles of the eastern leg of its system using hydrostatic testing and smart pigging at a cost of \$1.0 million. The assessment was done as part of the pipeline's integrity management program to comply with DOT regulations. As a result of the assessment, the company replaces a continuous 5 mile segment of pipe at a cost of \$1.5 million. In addition, the company undertakes a major rehabilitation of the western leg of its system. As a part of the \$20 million rehabilitation project, the company incurs \$500,000 of hydrostatic test costs to determine the exact nature of replacements to be made, along with incurring \$250,000 of hydrostatic test costs to determine that the replacements were adequately made.

The costs of the hydrostatic and smart pigging assessment activities performed on the eastern leg of the system of \$1.0 million would be expensed as maintenance, since it was performed as a part of the company's integrity management program. The company would be allowed, however, to capitalize the \$1.5 million of direct construction costs it incurred, since they replaced a segment of line in excess of the designated property unit of 100 feet.

In regards to the major rehabilitation project on the western leg of the company's system, the company would be allowed to capitalize assessment related costs, if it has in place appropriate internal controls for distinguishing between costs incurred related to ongoing assessment activities under its pipeline integrity program and those assessment costs that are a part of a rehabilitation project. As a minimum, in order to qualify for capitalization, the company must have controls in place that clearly define the scope of the rehabilitation project, separately budget for the project as a capital item, provides for a projected completion date for the project and adequately sets forth how costs are assigned to construction projects.

If the above capitalization criteria are met, the company would be allowed to capitalize the \$500,000 of hydrostatic test costs it incurred to determine the scope of the replacements needed related to the major rehabilitation of the western leg of its system. The company would also be allowed to capitalize the \$250,000 of hydrostatic test costs it incurred to determine that the replacements were adequately made. Capitalization of hydrostatic test costs in this instance is appropriate since the rehabilitation project significantly extends the useful life of the western leg of the company's system. Previous testing costs related to the rehabilitated segments would of course be retired in accordance with Gas Plant Instruction No. 10.

[FR Doc. E4-3224 Filed 11-18-04; 8:45 am]

BILLING CODE 6717-01-P

## ENVIRONMENTAL PROTECTION AGENCY

[ER-FRL-6657-7]

### Environmental Impact Statements; Notice of Availability

*Responsible Agency:* Office of Federal Activities, General Information (202) 564-7167 or <http://www.epa.gov/compliance/nepa>.

Weekly receipt of Environmental Impact Statements

Filed November 8, 2004, Through November 12, 2004

Pursuant to 40 CFR 1506.9.

EIS No. 040445, FINAL EIS, AFS, WY, ID, High Mountains Heli-Skiing (HMH) Project, Issuance of a New 5-Year Special Use Permit (SUP) to Continue Operating Guided Helicopter Skiing in Portions of the Bridger-Teton National Forest and Caribou-Targhee National Forest (CTNF), Teton and Lincoln Counties, WY and Teton and Bonneville Counties, ID, Wait Period Ends: December 20, 2004, Contact: Ray Spencer (307) 739-5400.

Revision of FR Notice Published on 09/24/2004: CEQ Wait Period Ending 10/25/2004 has been Reestablished to 12/20/2004. Due to Incomplete Distribution of the FEIS at the time of Filing with USEPA under Section 1506.9 of the CEQ Regulations.

EIS No. 040527, DRAFT EIS, AFS, IN, German Ridge Restoration Project, To Restore Native Hardwood Communities, Implementation, Hoosier National Forest, Tell City Ranger District, Perry County, IN, Comment Period Ends: January 3, 2005, Contact: Ron Ellis (812) 275-5987.

EIS No. 040528, DRAFT EIS, FHW, OH, Eastern Corridor Multi-Modal (Tier 1) Project, To Implement a Multi-Modal Transportation Program between the City of Cincinnati and Eastern Suburbs in Hamilton and Clermont Counties, OH, Comment Period Ends: January 3, 2005, Contact: Mark VonderEmbse (614) 280-6854.

EIS No. 040529, DRAFT EIS, COE, MA, Cape Wind Energy Project, Construct and Operate 30 Wind Turbine Generators on Horseshoe Shoal in Nantucket Sound, MA, Comment Period Ends: January 18, 2005, Contact: Karen Adams (978) 318-8338.

EIS No. 040530, FINAL EIS, FRC, LA, Sabine Pass Liquefied Natural Gas (LNG) and Pipeline Project, Construction and Operation LNG Import Terminal and Natural Gas Pipeline Facilities, Several Permits,

Cameron Parish, LA, Wait Period Ends: December 20, 2004, Contact: Thomas Russo (866) 208-3372.

EIS No. 040531, FINAL EIS, AFS, MO, East Fredericktown Project, To Restore Shortleaf Pine, Improve Forest Health, Treat Affected Stands and Recover Valuable Timber Products, Mark Twain National Forest, Potosi/Fredericktown Ranger District, Bollinger, Madison, St. Francois and Ste. Genevieve Counties, MO, Wait Period Ends: December 20, 2004, Contact: Ronnie Raum (573) 364-4621.

EIS No. 040532, FINAL EIS, FHW, IN, IN-25 Transportation Corridor Improvements from I-65 Interchange to U.S. 24, Funding, Right-of-Way and U.S. Army COE Section 404 Permit Issuance, Hoosier Heartland Highway, Tippecanoe, Carroll and Cass Counties, IN, Wait Period Ends: December 20, 2004, Contact: Matt Fuller (317) 226-5234.

EIS No. 040533, FINAL EIS, FHW, WA, WA-104/Edmonds Crossing Project, Connecting Ferries, Bus and Rail, Funding, NPDES Permit and COE Section 10 and 404 Permit, City of Edmonds, Snohomish County, WA, Wait Period Ends: December 20, 2004, Contact: Peter Eun (360) 753-955.

EIS No. 040534, FINAL EIS, COE, FL, Picayune Strand Restoration (formerly Southern Golden Gate Estates Ecosystem Restoration), Comprehensive Everglades Restoration Plan, Implementation, Collier County, FL, Wait Period Ends: December 20, 2004, Contact: Bradley A. Foster (904) 232-2110.

EIS No. 040535, DRAFT EIS, AFS, UT, Duck Creek Fuels Treatment Analysis, To Reduce Fuels, Enhance Fire-Tolerant Vegetation and Provide Fuel Breaks, Dixie National Forest, Cedar City Ranger District, Kane County, UT, Comment Period Ends: January 3, 2005, Contact: David Swank (435) 865-3700.

Dated: November 16, 2004.

**Ken Mittelholtz,**

*Environmental Protection Specialist, Office of Federal Activities.*

[FR Doc. 04-25711 Filed 11-18-04; 8:45 am]

BILLING CODE 6560-50-P

## ENVIRONMENTAL PROTECTION AGENCY

[ER-FRL-6657-8]

### Environmental Impact Statements and Regulations; Availability of EPA Comments

Availability of EPA comments prepared pursuant to the Environmental

Review Process (ERP), under section 309 of the Clean Air Act and section 102(2)(c) of the National Environmental Policy Act, as amended. Requests for copies of EPA comments can be directed to the Office of Federal Activities at (202) 564-7167. An explanation of the ratings assigned to draft environmental impact statements (EISs) was published in the **Federal Register** dated April 2, 2004 (69 FR 17403).

#### Draft EISs

ERP No. D-AFS-J02045-WY Rating EC2, Yates Petroleum Federal #1 Oil and Gas Lease, Application for Permit to Drill (APD), Medicine Bow-Routt National Forests and Thunder Basin National Grassland, Duck Creek, Campbell County, WY.

*Summary:* While the EIS thoroughly discussed environmental impacts and proposed mitigation measures, EPA did express environmental concerns due to groundwater and wildlife impacts if controlled surface use stipulations are waived.

ERP No. D-AFS-L39061-WA Rating EC2, Fish Passage and Aquatic Habitat Restoration at Hemlock Dam, Implementation, Gifford Pinchot National Forest, Mount Adams District, Skamania County, WA.

*Summary:* EPA has no objections to the dam removal alternatives, B and C which promote improved water quality, fish passage and aquatic habitat. EPA expressed environmental concerns with alternatives D, E, and No Action because they continue to impede fish mitigation and/or would not improve water quality or aquatic habitat. The Final EIS should address sediment quality, revegetation, monitoring plans, and consultation with affected Tribes.

ERP No. DS-NRC-E06023-AL Rating EC1, Generic EIS—License Renewal of Nuclear Plants, Joseph M. Farley Nuclear Plants, Units 1 and 2, Supplemental 18 to NUREG-1437 (TAC Nos. MCO768 and MCO769), Houston County, AL.

*Summary:* EPA expressed concern and recommended the radiological monitoring of all plant effluents, and the appropriate storage/disposition of radioactive waste.

#### Final EISs

ERP No. F-AFS-F65045-MN Virginia Forest Management Project Area, Resource Management Activities on 101,000 Acres of Federal Land, Implementation, Superior National Forest, Eastern Region, St. Louis County, MN.

*Summary:* The final EIS addressed EPA's previous concerns regarding

mitigation/monitoring activities for sand and gravel mining and deer herbivore.

ERP No. F-AFS-L65441-OR Easy Fire Recovery Project and Proposed Nonsignificant Forest Plan Amendments, Timber Salvage, Future Fuel Reduction, Road Reconstruction and Maintenance, Road Closure, Tree Planting and Two Non-significant Forest Plan Amendments, Implementation, Malheur National Forest, Prairie City Ranger District, Grant County.

*Summary:* The final EIS addressed EPA's major concerns with impacts from sediment to water quality and temperature. However, given uncertainties with estimating sediment loading EPA encourages the Forest Service to maximize woody debris on slopes after harvest to reduce sediment delivery to streams and the obliteration of road 2600391 in the harvest area.

ERP No. F-COE-K36139-CA Hamilton City Flood Damage Reduction and Ecosystem Restoration, Propose to Increase Flood Protection and Restore the Ecosystem, Sacramento River, Glenn County, CA.

*Summary:* No formal comment letter was sent to the preparing agency.

ERP No. F-FHW-J40164-MT

US-2 Highway Corridor Improvement Project, Reconstruction between Havre to Fort Belknap to Replace the Aging US-2 Facility, U.S. Army COE Section 404 Permit, Hill and Blaine Counties, MT.

*Summary:* EPA is pleased by the selection of the improved two-lane with passing lanes alternative because it involves fewer adverse environmental impacts than a four-lane alternative. EPA's remaining environmental concerns are potential impacts to water quality and aquatic habitat, including wetlands, and impacts to wildlife connectivity and fragmentation.

ERP No. F-NOA-L91022-00

Programmatic EIS—Pacific Coast Groundfish Bycatch Management Plan, Establishment of Policies and Program Direction to Minimize Baycatch in the West Coast Groundfish Fisheries, WA, OR and CA.

*Summary:* No formal comment letter was sent to the preparing agency.

Dated: November 15, 2004.

**Ken Mittelholtz,**

*Environmental Protection Specialist, Office of Federal Activities.*

[FR Doc. 04-25713 Filed 11-18-04; 8:45 am]

BILLING CODE 6560-50-P