

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

September 26, 2006

Mr. R. David Hendrickson
Associate General Counsel
Southern Natural Gas
1900 Fifth Avenue North
Birmingham, Alabama 35203

In Reply Refer To:
OEP/DG2E/Gas Branch 1
Cypress Pipeline Project
Docket No. CP05-388-000

Re: Notice to Proceed with Construction of the Cypress Pipeline Project, Phase 1

Dear Mr. Hendrickson:

I grant your September 7, 2006 request to commence construction on Phase 1 of the Cypress Pipeline Project in the above-referenced docket. In considering this notice to proceed, we have reviewed Southern Natural Gas Company's (Southern) June 26, 2006 Implementation Plan, as supplemented on June 29, 2006 and August 18, 2006, which included the information necessary to meet all pre-construction conditions of the Commission's Order issued in the above-referenced docket.

Please note, **no construction activities may occur** at this time on Phases 2 and 3 of the Cypress Pipeline Project. I remind you that Southern must comply with all applicable remaining terms and conditions of the Commission's June 15, 2006 Order in the above-referenced docket. If you have any questions, please call Rich McGuire, Project Manager, at (202) 502-6177.

Sincerely,

Michael J. Boyle, Chief
Environmental Gas Branch 1
Office of Energy Projects

cc: Public File, Docket No. CP05-388-000