

112 FERC ¶ 61,258
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeen G. Kelly.

Columbia Gas Storage, LLC

Docket No. CP05-402-000

ORDER GRANTING EXEMPTION
FOR TEMPORARY ACTS AND OPERATIONS

(Issued September 8, 2005)

1. On August 9, 2005, Columbia Gas Storage, LLC (Columbia), filed a petition¹ requesting exemption, pursuant to section 7(c)(1)(B) of the Natural Gas Act (NGA),² from the certificate requirements of NGA section 7(c) to drill a test well and perform other activities to determine the feasibility of developing a natural gas storage facility in Benton County, Washington.

2. We find that it is in the public interest to grant Columbia's requested exemption for the proposed temporary activities, subject to the conditions herein, to facilitate the development of storage facilities in the Pacific Northwest.

Proposed Activities

3. Columbia is not a natural gas company as defined by section 2(6) of the NGA, and holds no NGA section 7 certificate. Columbia seeks an exemption from NGA section 7(c) certificate requirements to explore and assess the technical and economic feasibility of developing an underground natural gas storage facility in Benton County, Washington.

¹ Rule 207 of the Commission's regulations requires a person to file a petition when seeking an action which is in the Commission's discretion and for which no other form of pleading is prescribed. 18 C.F.R. § 385.207 (a)(5)(2005).

² Section 7(c)(1)(B) of the NGA permits the Commission to exempt "temporary acts or operations for which the issuance of a certificate will not be required in the public interest."

4. Columbia requests an exemption from NGA section 7(c) in order to drill a 2,000 foot well to test one or more of the Sentinel Bluffs members of the Grande Rhone Basalt to determine its suitability for natural gas storage. Upon completion of the well, Columbia will conduct well tests to further define aquifer properties. Columbia will drill and test the well in accordance with all requirements of the Washington State Department of Natural Resources as well as those environmental conditions set forth in section 157.206(b) of the Commission's regulations.

Notice and Intervention

5. Notice of Columbia's petition was published in the *Federal Register* on August 19, 2005, 70 *Fed. Reg.* 48691. No motions to intervene or protests were filed.

Discussion

6. Columbia's proposed activities are a necessary preliminary phase in the development and construction of a natural gas storage facility. Depending on the outcome of the tests, an aquifer storage facility for the storage of natural gas may or may not be developed. We therefore consider the proposed activities as a necessary phase in the construction of a jurisdictional storage facility, and as such, the proposed activities are subject to the certificate requirements of NGA section 7(c).

7. However, pursuant to NGA section 7(c)(1)(B), if we find it in the public interest, we may exempt certain temporary acts or operations from the certificate requirement that would otherwise apply. Previously, we have granted exemptions to allow operations of a temporary nature that have no effects on the ratepayer, on the quality of service provided by a pipeline, or on the public as a whole.³

8. Columbia emphasizes that its proposed exploratory activities are temporary and will be conducted in order to determine the feasibility of developing an aquifer storage complex. No service will be rendered. The certificate authorization exemption will be used solely for exploratory activities to obtain geological and engineering data. Since Columbia is not currently a natural gas company and has no existing jurisdictional facilities, it has no current services or customers that might be affected.

³ See, e.g., *Desert Crossing Gas Storage and Transportation System LLC*, 98 FERC ¶ 61,277 (2002); *Copper Eagle Gas Storage L.L.L.*, 97 FERC ¶ 62,193 (2001); and *Central New York Oil and Gas Co., LLC*, 89 FERC ¶ 61,006 (1999).

9. Under the circumstances described in Columbia's petition, we find that the proposed activities constitute temporary acts or operations within the meaning of NGA section 7(c)(1)(B), and we find it in the public interest to exempt the proposed activities from the certificate requirements of NGA section 7(c). We find that Columbia must perform the proposed activities in order to make an informed business and engineering decision regarding the feasibility of developing a new storage complex to meet the increased need for natural gas in the Pacific Northwest. Accordingly, we will exempt Columbia from the NGA section 7(c) certificate requirements in order to engage in the activities specified herein, subject to the conditions set forth below.

10. Columbia states that it will comply with the environmental requirements of section 157.206(b) of the Commission's regulations while conducting the well-testing activities. Columbia also has been issued a permit from the Washington State Department of Natural Resources with mandatory environmental construction and mitigation conditions.

11. Based on the limited and temporary nature of the proposed action, and requirements to minimize disturbance and restore disturbed areas in accordance with all applicable environmental laws and regulations, the Commission concludes that Columbia's actions would not constitute a major federal action significantly affecting the human environment.

12. The certificate exemption granted herein is without prejudice to any decision the Commission may make regarding any application Columbia may file for authorization for a storage project at the site or related pipeline construction.

13. The Commission on its own motion received and made a part of the record in this proceeding all evidence, including the petition and exhibits thereto, submitted in support of the authorization sought herein, and upon consideration of the record,

The Commission orders:

(A) Upon the terms and conditions of this order pursuant to NGA section 7(c)(1)(B), Columbia is granted an exemption from the NGA section 7(c) certificate requirements to undertake the activities specified in this order and in Columbia's petition.

(B) Columbia shall notify the Commission within 10 days after commencing activities within the exemption granted in Ordering Paragraph (A).

(C) Columbia shall allow inspection by Commission staff at any time.

(D) The exemption granted in Ordering Paragraph (A) is effective upon issuance of this order.

(E) The exemption granted in Ordering Paragraph (A) may be revoked if the actions are determined to be inconsistent with this order or with state or federal law and regulations. The Commission may halt work authorized under this exemption until any required consistency determination is completed.

(F) The authorized drilling and testing activities shall be completed within one year of the date of this order.

(G) Columbia shall comply with the environmental requirements of section 157.206(b) of the Commission's regulations in implementing the drilling and testing activities.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.