

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Natural Gas Pipeline Company of America

Docket No. CP05-405-000

ORDER ISSUING CERTIFICATE

(Issued January 23, 2006)

1. On August 29, 2005, Natural Gas Pipeline Company of America (Natural) filed an application under section 7(c) of the Natural Gas Act (NGA) and part 157 of the Commission's regulations, for a certificate of public convenience and necessity authorizing it to construct and operate certain facilities at its North Lansing Storage Field (North Lansing), located in Harrison County, Texas. Natural states that its proposed project will provide an additional 10.0 Bcf of working gas capacity and increase peak day withdrawal capacity and late season withdrawal capability at North Lansing. As discussed below, we will grant the requested certificate authorization subject to condition.

Background

2. Natural's gas transmission system consists of the Amarillo mainline, the Gulf Coast mainline, and the A/G line which connects the Amarillo and Gulf Coast mainlines. The Amarillo line extends from gas producing areas in New Mexico, Texas, and Oklahoma to termination points near the Chicago, Illinois metropolitan area. The Gulf Coast line extends from onshore and offshore gas producing areas of Louisiana and Texas to termination points near the Chicago metropolitan area. The A/G line runs from Carter County, Oklahoma to Cass County, Texas. Natural also owns and operates underground storage facilities in Texas, Oklahoma, Iowa, and Illinois.

3. The Commission initially authorized Natural to develop North Lansing in orders issued in 1975 and 1976.¹ Since that time, Natural has received further certificate

¹ *Natural Gas Pipeline Company of America*, 54 FPC 1374 (1975) and 55 FPC 54 (1976).

authorization to develop North Lansing.² At present, the maximum total inventory of the North Lansing field is 156 Bcf with a maximum daily deliverability of 1,100 MMcf. North Lansing is at the south end of Natural's system, and is accessible to customers serving Gulf Coast and East Coast markets.

4. Natural currently operates 68 injection/withdrawal (I/W) wells and seven compressor units that total 37,000 horsepower (hp) at North Lansing. The compression is used for both injection and power withdrawal.³

Natural's Proposal

5. Natural requests authority to construct and operate facilities to allow 10 Bcf of cushion gas to be converted into working gas (increasing working gas capacity from 85.2 Bcf to 95.2 Bcf, which will result in an aggregate maximum daily quantity of 137,333 Dth of additional firm service under Rate Schedule NSS (Nominated Storage Service). Natural states that the proposal will not result in an increase in the current certificated maximum inventory level of 156 Bcf at North Lansing. Natural states its proposal will also result in an increase in North Lansing's peak day withdrawal capacity and its late season withdrawal capability. Thus, Northern seeks authority to increase North Lansing's certificated peak day withdrawal level from 1,100 MMcf/d to 1,240 MMcf/d.

6. Specifically, Natural proposes to construct and operate 12 new I/W wells; one 13,000 hp electric compressor unit; 8.7 miles of 30-inch pipeline to loop a portion of the existing lateral between the North Lansing Compressor Station 388 (CS388) and Natural's Gulf Coast mainline, along with a 30-inch tap on the mainline; looping on various field pipes; and new and upgraded metering facilities.

² *Natural Gas Pipeline Company of America*, 56 FPC 1770 (1976); 58 FPC 2724 (1977); 1 FERC ¶ 61,296 (1977); 11 FERC ¶ 62,058 (1980); 48 FERC ¶ 62,217 (1989); 52 FERC ¶ 61,190 (1990); 56 FERC ¶ 61,369 (1991); 68 FERC ¶ 62,159 (1994), 101 FERC ¶ 61,361 (2002); and 113 FERC ¶ 62,113 (2005).

³ North Lansing is a high-pressure reservoir where most of the early season withdrawal volumes occur under free flow conditions. However, if market conditions require late season deliverability, North Lansing can be produced under "power withdrawals" utilizing compression. This method permits Natural to up its withdrawal rate by increasing the pressure draw down and delivery rate at low working gas inventories.

7. Natural will directionally drill the 12 new wells to their bottom hole locations, utilizing one new well pad and 6 existing well pads. The new wells will have associated metering facilities, and Natural will construct approximately 1.8 miles of 12-inch field lines to connect the new wells to the compressor station. The 13,000 hp of additional compression will be used for withdrawal purposes only. The new wells, with the additional compression, will provide for much of the increase in deliverability. Natural will increase metering capacity at 9 existing wells by upgrading existing metering facilities.

8. Natural will construct the new 13,000 hp compressor unit and 16-inch ultrasonic meter within the existing, permanent site of its CS388. The existing compressor station building will be extended approximately 50 feet north in order to accommodate the new unit.

9. Natural proposes to construct 8.7 miles of 30-inch pipeline to loop a portion of the existing lateral between CS388 and Natural's Gulf Coast mainline. A 30-inch tap and crossover pipe will be added to the mainline.

10. Natural also intends to recompleting 16 existing I/W wells by side tracking them approximately 25 feet horizontally from their original bottom hole location which will provide part of the increase in late season deliverability.⁴

11. Natural estimates that the total cost for the construction of the section 7(c) facilities will be \$49.2 million.⁵ Natural developed incremental recourse rates for the expansion volumes under its existing Rate Schedule NSS. Natural proposes an incremental rate for firm service with a monthly reservation rate of \$7.23 per Dth of

⁴ In its application, Natural considers these well recompletions as section "2.55 facilities" which do not require certificate authorization. We find these facilities are not eligible to be treated under section 2.55 because the construction is designed to provide incremental storage capacity rather than to maintain the current level of service for existing customers. Therefore, we find it appropriate here to authorize the requested construction and operation of these wells under section 7(c).

⁵ Natural states that it will construct and operate certain auxiliary equipment on its existing facilities at North Lansing under section 2.55(a) of the Commission's regulations. Natural estimates that the total cost for these section 2.55(a) facilities (including the well completions discussed above) will be \$13.4 million, which is included in its initial cost-of-service for the project.

contract demand. Natural also proposes to charge the existing NSS fuel retention factor applicable to all volumes tendered for injection.

12. Natural held an open season for the proposed incremental storage capacity from February 28 to March 18, 2005.⁶ Although potential customers responded to the open season, Natural states it received no conforming bids. However, Natural states that following negotiations with the shippers who had expressed interest in the open season, Natural executed four binding precedent agreements for firm service with one affiliated shipper and two non-affiliated shippers, with negotiated rates for the additional storage service on Natural's Gulf Coast system. Natural states that the incremental shippers have signed five-year fixed-rate contracts for the entire volume.⁷ Natural maintains the fixed-rate contracts constitute a negotiated rate pursuant to Section 49 of the General Terms and Conditions (GT&C) of Natural's FERC Gas Tariff.⁸

13. Natural states it will track and clearly identify the capacity that is associated with this North Lansing expansion. As NSS capacity becomes available in the future, Natural states it will identify which recourse rate is associated with the capacity becoming available.

Notice, Interventions, and Comments

14. Notice of Natural's application was published in the *Federal Register* on September 13, 2005 (70 *Fed. Reg.* 54039). MidAmerican Energy Company; People Gas Light and Coke Company and North Shore Gas Company; Northern Illinois Gas Company (Nicor Gas); and BP America Production Company and BP Energy Company filed timely, unopposed motions to intervene. Timely unopposed motions to intervene

⁶ Natural states that it offered service at both negotiated and recourse rates and included a solicitation for customers to turn back their existing capacity. No customers turned back capacity.

⁷ Specifically, the precedent agreements provide that Natural will provide firm storage service to Enserco Energy Inc. for 13,344 Dth per day; Kinder Morgan Tejas Pipeline, LP in separate agreements for 27,332 and 70,000 Dth per day; and Occidental Energy Marketing, Inc. for 26,667 Dth per day

⁸ Natural states that it will file with the Commission either a tariff sheet setting forth the particulars of the negotiated rate deal or the negotiated rate contracts themselves no later than the date on which Natural commences service.

are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure.⁹

15. Northern Indiana Public Service Company (NIPSCO) filed a motion to intervene out of time. The Commission finds that granting the late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. Therefore, for good cause shown, we will grant the late filed motion to intervene.¹⁰

16. NIPSCO filed comments requesting the Commission to ensure that the proposed modifications to North Lansing do not adversely affect the quality of services provided to Natural's existing customers. NIPSCO's concern is discussed below.

17. Nicor Gas comments that it does not take a position regarding the proposal to convert 10 Bcf of cushion gas to cycled working gas as long as Natural's customers who have contracted for the converted North Lansing capacity are allocated such capacity located in Harrison County, Texas. Nicor Gas states it does not wish to have any more storage capacity located in Harrison County, Texas allocated to it because of the local tax implications.¹¹ We find that nothing in this order would affect the location of Nicor Gas's current storage service.

Discussion

18. Since the proposed facilities will be used to transport natural gas in interstate commerce, subject to the jurisdiction of the Commission, the construction, and operation of the facilities are subject to the requirements of subsections (c) and (e) of section 7 of the NGA.

Public Convenience and Necessity

19. On September 15, 1999, the Commission issued a Policy Statement to provide guidance as to how we will evaluate proposals for certificating new construction.¹² The

⁹ 18 CFR § 385.214 (2005).

¹⁰ 18 CFR § 385.214(d) (2005).

¹¹ Nicor Gas notes that it is currently in litigation with the government of Harrison County, Texas over the appropriateness of local tax applied to natural gas held in storage.

¹² *Certification of New Interstate Natural Gas Pipeline Facilities* (Policy Statement), 88 FERC ¶ 61,227 (1999), *order clarifying statement of policy*, 90 FERC ¶ 61,128, *order further clarifying statement of policy*, 92 FERC ¶ 61,094 (2000).

Policy Statement established criteria for determining whether there is a need for a proposed project and whether the proposed project will serve the public interest. The Policy Statement explained that in deciding whether to authorize the construction of major new pipeline facilities, we balance the public benefits against the potential adverse consequences. Our goal is to give appropriate consideration to the enhancement of competitive transportation alternatives, the possibility of overbuilding, subsidization by existing customers, the applicant's responsibility for unsubscribed capacity, the avoidance of unnecessary disruptions of the environment, and the unneeded exercise of eminent domain in evaluating new pipeline construction.

20. Under this policy, the threshold requirement for pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. The next step is to determine whether the applicant has made efforts to eliminate or minimize any adverse effects the project might have on the applicant's existing customers, existing pipelines in the market and their captive customers, or landowners and communities affected by the route of the new pipeline. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, we will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. This is essentially an economic test. Only when the benefits outweigh the adverse effects on economic interests will we proceed to complete the environmental analysis where other interests are considered.

21. The threshold requirement is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. Natural's project will not be subsidized by its existing customers. Natural proposes to charge a separately stated incremental rate under its existing Rate Schedule NNS for service using the additional capacity proposed. Thus, there is no risk of subsidization of this project by existing customers. Therefore, Natural's proposal meets the threshold test of the Certificate Policy.

22. The project should not adversely affect Natural's existing customers, or other pipelines and their customers. The proposed facilities are designed to provide the incremental service without degradation of service to Natural's existing customers and Natural proposes no other changes to its existing services. Thus, NIPSCO's concern that the proposed modifications to North Lansing not adversely affect the quality of services provided to Natural's existing customers is adequately addressed. In addition, since the storage proposal is designed to meet increased demand on Natural's Gulf Coast system, there is no evidence that service on other pipelines will be displaced or bypassed. Also, no storage or pipeline company, or their customers, have protested or objected to Natural's proposal. Thus, we conclude that Natural's proposal will have no adverse impact on existing pipelines or their captive customers.

23. Natural has designed the project to minimize the impact on landowners and the environment. The Commission received no adverse comments from landowners. At North Lansing, the effects on landowners will be minimal because construction will take place mainly on property already owned by Natural or adjacent to current surface easements. Thus, we find that any adverse impacts on landowners and communities near the storage field or along the pipeline route will be minimal.

24. Because Natural's proposal will provide public benefits without significant adverse economic impacts on existing customers and pipelines or on landowners and the surrounding communities, we find Natural's proposal to construct and operate facilities to expand the working gas capacity and increase peak day withdrawal capacity and late season withdrawal capability at North Lansing is in the public convenience and necessity.

Rates and Pro Forma Tariff

25. Natural proposes to charge incremental rates under Rate Schedule NSS for the expansion facilities.¹³ The proposed maximum cost-based reservation rate is \$7.23 per Dth per month. This rate is based on a cost-of-service of \$11.9 million and a rate design volume of 137,333 Dth per day based on the design capacity of the project. In developing the cost of service, Natural has used the pretax rate of return and depreciation rate underlying the currently effective NSS service rates approved by the Commission in Docket No. RP95-326-000.¹⁴ Natural proposes a \$0.2377 per Dth authorized overrun service charge (AOS) consistent with the derivation of the AOS charge applicable to its other NSS shippers. Natural also proposes to recover fuel by assessing the incremental shippers the Rate Schedule NSS fuel factor. The currently effective storage fuel retention factor is 1.7 percent and applicable to all NSS volumes injected.

26. The Commission finds that Natural's proposed initial recourse rates under Rate Schedule NSS are appropriate given they are designed to recover the cost-of-service of

¹³ Under Rate Schedule NSS, Natural provides a 75-day, no-notice service with no injection or withdrawal limitations.

¹⁴ See *Natural Gas Pipeline Company of America*, 81 FERC ¶ 61,160 (1997) (approving settlement based on, among other things, a 14.98 percent pre-tax return and a 2.32 percent depreciation rate).

the North Lansing expansion project and, consistent with the Policy Statement, there will be no rate impact on or subsidy by Natural's existing customers.¹⁵

27. Natural commits to tracking and identifying the new capacity for cost allocation purposes. Natural must maintain its records for the expansion facilities in a manner to comply with the requirements of section 154.309 of the Commission's regulations.

28. Regarding the four precedent agreements containing negotiated rates, we will not approve those agreements here consistent with our policy in certificate cases. Rather, prior to commencing service, Natural must make a filing under section 4 of the NGA that complies with the Commission's Alternative Rate Policy Statement, which among other things, addresses the Commission's procedures and requirements for charging negotiated rates.¹⁶ In addition, Natural is required to maintain separate and identifiable accounts for volumes stored, billing determinants, rate components, surcharges, and revenues associated with the negotiated rate agreements in sufficient detail to allow identification of the incremental NSS service in Statements G, I and J in any future NGA section 4 or 5 rate proceeding.¹⁷

29. Natural's application also includes pro forma tariff sheets that revise Rate Schedule NSS and the related rate sheet, and add definitions to reflect the new incremental service. Specifically, Natural proposes to revise: (1) the rate sheet applicable to Rate Schedule NSS to add the \$7.23 per Dth maximum recourse rate and the \$0.2377 per Dth authorized overrun charge (Pro Forma Sheet No. 20); (2) Rate Schedule NSS at section 6.1 to provide that Natural will separately identify the North Lansing NSS Project for purposes of cost allocation (Pro Forma Sheet No. 176A); and, (3) the definitions in its GT&C to reference the new incremental capacity, the related agreements, the shippers, and the rates (Pro Forma Sheet Nos. 203 A, B and C).

¹⁵ The proposed \$7.23 per Dth incremental rate exceeds the existing \$3.07 per Dth system-wide NSS rate.

¹⁶ *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Transportation Services of Natural Gas Pipelines*, 74 FERC ¶ 61,076 (1996), *reh'g and clarification denied*, 75 FERC ¶ 61,024 (1996), *reh'g denied*, 75 FERC ¶ 61,066 (1996); *petition for review denied, Burlington Resources Oil & Gas Co. v. FERC*, 172 F.3d (D.C. Cir. 1998); *Modification of Negotiated Rate Policy*, 104 FERC ¶ 61,134 (2003), *reh'g pending*.

¹⁷ *See Tennessee Gas Pipeline Co.*, 110 FERC ¶ 61,047 at P38 (2005).

30. With respect to the pro forma tariff sheets, we find that the proposed changes are appropriate and consistent with previous tariff changes accepted by the Commission for comparable incrementally-priced projects.¹⁸ Thus, we will require Natural to file actual tariff sheets placing the incremental rates approved herein, as well as the related tariff references, into effect no less than 30 days, but no more than 60 days, prior to commencing service.

Environmental Analysis

31. On October 5, 2005, we issued a Notice of Intent to Prepare an Environmental Assessment for the Proposed North Lansing NSS Project and Request for Comments on Environmental Issues (NOI). We received responses to the NOI from the Army Corps of Engineers, the Texas Parks and Wildlife Department, the Texas Commission on Environmental Quality, and the Caddo Tribe of Oklahoma. Our staff addressed all substantive comments in the environmental assessment (EA) prepared for Natural's proposal. The EA addresses geology, soils, water resources, wetlands, vegetation, wildlife, endangered and threatened species, land use, cultural resources, air and noise quality, reliability and safety, and alternatives.

32. Based on the discussion in the EA, we conclude that if constructed and operated in accordance with Natural's application and supplements, including responses to staff's data requests, approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

33. Any state or local permits issued with respect to the jurisdictional facilities authorized herein must be consistent with the conditions of this certificate. We encourage cooperation between interstate pipelines and local authorities. However, this does not mean that state and local agencies, through application of state or local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by this Commission.¹⁹

¹⁸ See *Natural Gas Pipeline Company of America*, 110 FERC ¶ 61,361 (2005) (approving incremental initial rates under Rate Schedule NSS for Natural's 2003 expansion).

¹⁹ See, e.g., *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988); *National Fuel Gas Supply v. Public Service Commission*, 894 F.2d 571 (2d Cir. 1990); and *Iroquois Gas Transmission System, L.P., et al.*, 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).

34. Natural shall notify the Commission's environmental staff by telephone or facsimile of any noncompliance identified by other federal, state, or local agencies on the same day that such agency notifies Natural. Natural shall file written confirmation of such notification with the Secretary of the Commission (Secretary) within 24 hours.

Engineering

35. The engineering staff analyzed Natural's application and concluded that if constructed as proposed, the 12 new wells, the additional compressor, and the other facilities are technically sound, and will increase the peak day withdrawal rate and the late season deliverability as noted, enabling Natural to convert 10 Bcf of cushion gas to working gas capacity without any affect on existing service provided from the field. The total inventory of the field will remain 156 Bcf with a maximum shut-in reservoir pressure of 3,191 psia. The working gas capacity will increase to approximately 95.2 Bcf and the cushion gas will decrease to approximately 60.8 Bcf. The peak day withdrawal rate will be 1,240 MMcf/d.

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

The Commission orders:

(A) In Docket No. CP05-405-000, a certificate of public convenience and necessity is issued to Natural authorizing it to construct and operate the facilities at North Lansing, as described more fully in this order and in the application.

(B) The certificate issued in ordering paragraph (A) is conditioned on Natural's compliance with all applicable Commission regulations under the NGA including, but not limited to, Parts 154 and 284, and paragraphs (a), (c), (e), and (f) of section 157.20 of the regulations.

(C) This certificate authorization is conditioned upon Natural's compliance with the environmental conditions set forth in the appendix to this order.

(D) Natural's facilities shall be constructed and made available for service within eighteen months of the date of the order in this proceeding as required by section 157.20(b) of the Commission's regulations.

(E) Natural shall notify the Commission's environmental staff by telephone or facsimile of any environmental noncompliance identified by other federal, state, or local

agencies on the same day that such agency notifies Natural. Natural shall file written confirmation with the Secretary of the Commission within 24 hours.

(F) Natural's request to charge its proposed incremental rates as initial rates for service utilizing the capacity created by facilities authorized by this order is granted. Natural must maintain its records for the facilities in a manner to comply with the requirements of section 154.309 of the Commission's regulations.

(G) Natural must file, no less than 30 days, but no more than 60 days, prior to commencing service, actual tariff sheets consistent with its pro forma tariff sheets.

(H) Natural shall not commence construction until it executes firm contracts equal to the capacity to which its customers have committed to in signed precedent agreements, as described herein.

(I) The certificate issued is further conditioned upon the following:

1. The maximum inventory of natural gas stored in North Lansing shall not exceed the certificated levels of 156 Bcf at 14.73 psia and 60 degrees Fahrenheit, and the maximum shut-in storage pressure shall not exceed 3,191 psia, without prior authorization of the Commission; and
2. North Lansing shall be operated in such manner as to prevent/minimize gas loss or migration.

(J) NIPSCO's motion to intervene out of time is granted.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

Appendix

As recommended in the EA, this authorization includes the following conditions:

1. Natural shall follow the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests) and as identified in the environmental assessment (EA), unless modified by this Order. Natural must:
 - a. request any modification to these procedures, measures, or conditions in a filing with the Secretary of the Commission (Secretary);
 - b. justify each modification relative to site-specific conditions;
 - c. explain how that modification provides an equal or greater level of environmental protection than the original measure; and
 - d. receive approval in writing from the Director of the Office of Energy Projects (OEP) before using that modification.
2. The Director of OEP has delegated authority to take whatever steps are necessary to ensure the protection of all environmental resources during construction and operation of the project. This authority shall allow:
 - a. the modification of conditions of this Order; and
 - b. the design and implementation of any additional measures deemed necessary (including stop work authority) to assure continued compliance with the intent of the environmental conditions as well as the avoidance or mitigation of adverse environmental impact resulting from project construction and operation.
3. Prior to any construction, Natural shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors, and contractor personnel will be informed of the environmental inspector's authority and have been or will be trained on the implementation of the environmental mitigation measures appropriate to their jobs **before** becoming involved with construction and restoration activities.
4. The authorized facility locations shall be as shown in the EA. **As soon as they are available, and before the start of construction**, Natural shall file with the Secretary any revised detailed survey alignment maps/sheets at a scale not smaller than 1:6,000 with station positions for all facilities approved by this Order. All

requests for modifications of environmental conditions of this Order or site-specific clearances must be written and must reference locations designated on these alignment maps/sheets.

5. Natural shall file with the Secretary detailed alignment maps/sheets and aerial photographs at a scale not smaller than 1:6,000 identifying all route realignments or facility relocations, and staging areas, pipe storage yards, new access roads, and other areas that would be used or disturbed and have not been previously identified in filings with the Secretary. Approval for each of these areas must be explicitly requested in writing. For each area, the request must include a description of the existing land use/cover type, and documentation of landowner approval, whether any cultural resources or federally listed threatened or endangered species would be affected, and whether any other environmentally sensitive areas are within or abutting the area. All areas shall be clearly identified on the maps/sheets/aerial photographs. Each area must be approved in writing by the Director of OEP **before construction in or near that area.**

This requirement does not apply to extra workspace allowed by the *Upland Erosion Control, Revegetation, and Maintenance Plan*, minor field realignments per landowner needs and requirements which do not affect other landowners or sensitive environmental areas such as wetlands.

Examples of alterations requiring approval include all route realignments and facility location changes resulting from:

- a. implementation of cultural resources mitigation measures;
 - b. implementation of endangered, threatened, or special concern species mitigation measures;
 - c. recommendations by state regulatory authorities; and
 - d. agreements with individual landowners that affect other landowners or could affect sensitive environmental areas.
6. Natural shall employ at least one environmental inspector per construction spread. The environmental inspector shall be:
 - a. responsible for monitoring and ensuring compliance with all mitigation measures required by this Order and other grants, permits, certificates, or other authorizing documents;
 - b. responsible for evaluating the construction contractor's implementation of the environmental mitigation measures required in the contract and any other authorizing document;

- c. empowered to order correction of acts that violate the environmental conditions of this Order, and any other authorizing document;
 - d. responsible for documenting compliance with the environmental conditions of this Order, as well as any environmental conditions/permit requirements imposed by other federal, state, or local agencies; and
 - e. responsible for maintaining status reports.
7. Natural shall file updated status reports prepared by the environmental inspector with the Secretary on a **biweekly** basis **until all construction and restoration activities are complete**. On request, these status reports will also be provided to other federal and state agencies with permitting responsibilities. Status reports shall include:
 - a. the current construction status of the project, work planned for the following reporting period, and any schedule changes for stream crossings or work in other environmentally sensitive areas;
 - b. a listing of all problems encountered and each instance of noncompliance observed by the environmental inspector during the reporting period (both for the conditions imposed by the Commission and any environmental conditions/permit requirements imposed by other federal, state, or local agencies);
 - c. corrective actions implemented in response to all instances of noncompliance, and their cost;
 - d. the effectiveness of all corrective actions implemented;
 - e. a description of any landowner/resident complaints which may relate to compliance with the requirements of this Order, and the measures taken to satisfy their concerns; and
 - f. copies of any correspondence received by Natural from other federal, state or local permitting agencies concerning instances of noncompliance, and Natural's response.
8. Natural must receive written authorization from the Director of OEP before **commencing service** from the project. Such authorization will only be granted following a determination that rehabilitation and restoration of the right-of-way and other areas affected by the project are proceeding satisfactorily.
9. **Within 30 days of placing the certificated facilities in service**, Natural shall file an affirmative statement with the Secretary, certified by a senior company official:

- a. that the facilities have been constructed in compliance with all applicable conditions, and that continuing activities will be consistent with all applicable conditions; or
 - b. identifying which of the certificate conditions Natural has complied with or will comply with. This statement shall also identify any areas affected by the project where compliance measures were not properly implemented, if not previously identified in filed status reports, and the reason for noncompliance.
10. Natural shall file with the Secretary a plan for the open-cut crossing of Caney Creek if the directional drill is unsuccessful or infeasible. This shall be a site-specific plan that includes scaled drawings identifying all areas that would be disturbed by construction. Natural shall file the plan concurrent with the appropriate state and federal applications for any required permits or approvals to construct the crossing using this plan. The Director of OEP must review and approve the plan in writing **before construction of the crossing**.
11. **Prior to construction**, Natural shall consult with Texas Parks and Wildlife Department (TPWD) to identify any recommended measures to avoid or minimize impacts to the state-listed threatened and endangered species. Natural shall file with the Secretary copies of all correspondence and responses to any TPWD recommendations.
12. **Prior to construction**, Natural shall submit a drilling noise analysis, mitigation and compliance plan for review and approval by the Director of OEP. This plan shall demonstrate that noise emissions due to drilling operations are below 55 dBA L_{dn} at the nearest NSAs and specify all noise mitigation equipment necessary to reduce noise below 55 dBA L_{dn} . Natural shall detail the method by which they would ensure compliance and where ambient noise surveys indicate that noise attributable to drilling exceeds 55 dBA L_{dn} , Natural shall:
 - a. immediately stop drilling and mitigate the noise at the affected NSA(s) to reduce the noise levels to 55 dBA L_{dn} or below, or
 - b. offer temporary housing until L_{dn} levels at the NSA(s) are 55 dBA or below.