

136 FERC ¶ 61,129  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Marc Spitzer, Philip D. Moeller,  
John R. Norris, and Cheryl A. LaFleur.

Transcontinental Gas Pipe Line Company, LLC

Docket No. CP11-18-000

ORDER ISSUING CERTIFICATE

(Issued August 25, 2011)

1. On October 29, 2010, Transcontinental Gas Pipe Line Company, LLC (Transco) 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 the Mid-South Expansion Project. The project consists of five new pipeline loops, one new compressor station, compression additions at three existing compressor stations, and modifications to five compressor stations in Alabama, Georgia, South Carolina, and North Carolina.

2. For the reasons discussed below, the Commission will grant the requested certificate authority as modified and conditioned in this order.

**Background and Proposal**

3. Transco is a natural gas pipeline company within the meaning of NGA section 2(6), engaged in the business of transporting natural gas in interstate commerce. Transco's pipeline system extends from Texas, Louisiana, Mississippi, Alabama, and the offshore Gulf of Mexico area, through Georgia, South Carolina, North Carolina, Virginia, Maryland, Pennsylvania, and New Jersey, to termini in the New York City metropolitan area.

4. Transco proposes to construct the Mid-South Expansion Project in two phases.<sup>1</sup> In Phase 1, Transco proposes to construct and operate 22.59 miles of 42-inch diameter

---

<sup>1</sup> Phase 1 has a target in-service date of September 1, 2012, and Phase 2 has a target in-service date of June 1, 2013.

pipeline loop, all on its existing mainlines. Specifically, Transco proposes to construct and operate:

- (a) 3.50 miles of loop in Coosa County, Alabama (Rockford Loop);
- (b) 6.91 miles of loop in Randolph County, Alabama (Randolph Loop);
- (c) 5.94 miles of loop in Gaston County, North Carolina (Gastonia Loop);
- (d) 2.95 miles of loop in Rowan County, North Carolina (Rowan Loop); and
- (e) 3.29 miles of loop in Davidson County, North Carolina (Davidson Loop).

5. Also in Phase 1, Transco proposes to make the following modifications to compression facilities:

- (a) re-wheel the compressor for the existing compressor unit 1 at its Compressor Station 105 in Coosa County, Alabama;
- (b) uprate the existing electric motor-driven compressor unit 3 at Compressor Station 115 in Coweta County, Georgia from 22,000 horsepower (hp) to 25,000 hp, for a net gain of 3,000 hp;
- (c) modify the compressor packages for units 17 and 18 at Compressor Station 120 in Henry County, Georgia to allow the units to operate under the revised design conditions without changing the units' horsepower ratings;
- (d) re-wheel the compressors for existing compressor units 1 and 4 at Compressor Station 125 in Walton County, Georgia;
- (e) uprate the existing compressor unit 14 (an internal combustion-driven Cooper Bessemer 16-V250) at Compressor Station 140 in Spartanburg County, South Carolina from 5,500 to 9,280 hp, for a net gain of 3,780 hp, and make various equipment modifications;
- (f) re-wheel the compressors for existing compressor units 1, 2, and 3 and construct piping modifications within the compressor station yard at Compressor Station 145 in Cleveland County, North Carolina; and
- (g) install various related appurtenant underground facilities and minor above-ground facilities, such as valves and valve operators, pig launchers, and receivers.

6. In addition to the re-wheels described at (d) above, Transco states that it will install a 15,000 hp electric motor-driven compressor unit at Compressor Station 125; however, Transco requests that the unit be certificated at 9,000 hp – the amount of compression needed to provide the services proposed in its application.<sup>2</sup> (Adding 9,000 hp of compression would bring the total certificated compression at Compressor Station 125 to 49,800 hp.) Transco states that it may from time to time operate the new unit above 9,000 hp when other compressor units are unavailable or to achieve most fuel efficient operating conditions for the station or its system, but that it would use the station's automatic control system to ensure that the total horsepower in operation would, at no time, exceed the station's total certificated level of 49,800 hp.

7. In Phase 2, Transco proposes to construct and operate a new compressor station, Compressor Station 95, in Dallas County, Alabama. Compressor Station 95 will include two Solar Mars gas turbine compressor units,<sup>3</sup> each rated at 16,000 hp for a total of 32,000 hp, and gas cooling equipment.

8. The proposed facilities will increase Transco's mainline capacity from the Station 85 Pool in Choctaw County, Alabama to delivery points as far downstream as the interconnection between Transco and Cardinal Pipeline Company, LLC (Cardinal Pipeline), at Transco's Compressor Station 160 in Rockingham County, North Carolina. Specifically, Transco's proposals will increase capacity by an additional 95,000 dekatherms per day in Phase 1 and an additional 130,000 Dth/d in Phase 2, for a total increase in firm capacity of 225,000 Dth/d.

9. Transco held an open season from July 16 to August 19, 2009. As a result, Transco entered into long-term, binding precedent agreements with: (1) the City of LaGrange, Georgia (LaGrange) to transport up to 2,000 Dth/d; (2) Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (Progress Energy) to transport up

---

<sup>2</sup> See Transco's August 10, 2011 letter to the Commission.

<sup>3</sup> Transco states that it used the guidelines in the 2008 Interstate Natural Gas Association of America research study, *Waste Energy Recovery Opportunities for Natural Gas Pipelines*, to determine if it would be economically viable to recover waste heat from these units. The turbines meet the first required threshold of gas turbines with at least 15,000 hp, but since neither is expected to meet the second required threshold of operating at more than a 60 percent load factor, waste heat recovery would not be economical. Therefore, Transco determined that waste heat recovery opportunities are not viable at this time.

to 93,000 Dth/d; and (3) Southern Company Services, Inc. (Southern Company)<sup>4</sup> to transport up to 130,000 Dth/d (collectively the Mid-South Shippers). These precedent agreements are for 100 percent of the incremental firm transportation service to be provided by the project. During the open season, prospective shippers were offered the opportunity to receive service at either a cost-based recourse rate or a negotiated rate. All three precedent agreements call for negotiated rates and require Transco and the Mid-South Shippers to execute firm transportation service agreements upon Transco's receipt and acceptance of the authorizations requested in this proceeding.

10. Transco estimates that the project will cost \$218,749,400, which it will initially finance through short-term loans and funds on hand. Transco states that it will undertake permanent financing later as part of its long-term financing program.

11. Transco proposes incremental firm recourse transportation rates for services using the proposed facilities and states that it used the straight fixed-variable methodology to design the rates. Transco allocated the incremental cost of service for the Phase 1 facilities between the two Phase 1 shippers (LaGrange and Progress Energy) and assigned the incremental cost of service for the Phase 2 facilities to the only Phase 2 shipper, Southern Company. Transco proposes to charge its generally-applicable system fuel retention and electric power rates for the new compression and to roll the project fuel costs into its existing fuel rates.

### **Interventions**

12. Notice of Transco's application was published in the *Federal Register* on November 22, 2010 (75 Fed. Reg. 71,105). The parties listed in Appendix A filed timely unopposed motions to intervene. Timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure.<sup>5</sup> No protests were filed.

### **Discussion**

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

---

<sup>4</sup> Southern Company will act as agent for its affiliates Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Southern Power Company.

<sup>5</sup> 18 C.F.R. § 385.214 (2011).

**A. Application of the Certificate Policy Statement**

14. The Certificate Policy Statement provides guidance for evaluating proposals for certificating new construction.<sup>6</sup> The Certificate 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 Certificate Policy Statement explained that in deciding whether to authorize the construction of major new pipeline facilities, the Commission balances the public benefits against the potential adverse consequences. The Commission's 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.

15. 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 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, pipelines in the market and their 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, the Commission 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 the Commission proceed to complete the environmental analysis where other interests are considered.

16. As noted above, 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. Transco's proposed incremental recourse rates for service exceed the otherwise applicable system rates. Therefore, Transco's proposal satisfies the threshold requirement that existing shippers not subsidize the expansion service.

17. The proposed project will have no adverse impact on Transco's existing customers. The Mid-South Shippers will use the capacity created by the project to serve growing markets, not to replace firm transportation service on any other pipeline. Additionally, no pipeline company in the market area has protested the application.

---

<sup>6</sup>*Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *clarified*, 90 FERC ¶ 61,128 (2000); *further clarified*, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

Thus, the Commission finds that there will be no adverse impact on other pipelines or their captive customers.

18. Further, Transco owns the property where Compressor Station 95 will be constructed, and all other compression-related activities will be performed entirely within existing compressor station facilities, obviating the need to use condemnation proceedings to acquire property or rights-of-way for the project. Since the proposed pipeline facilities are located parallel to existing rights-of-way for most of their length, there should be minimal effects on adjacent landowners. No landowners have protested Transco's proposal. Thus, the Commission finds that Transco has designed the project to minimize impacts on landowners and the environment.

19. The proposed project will enable Transco to provide 225,000 Dth/d of service to the Mid-South Shippers. Thus, based on the benefits the project will provide and the minimal adverse effect on existing shippers, other pipelines and their captive customers, and landowners and surrounding communities, the Commission finds, consistent with the Certificate Policy Statement and section 7 of the NGA, that the public convenience and necessity requires approval of Transco's proposal, subject to the conditions discussed below.

## **B. Rates**

20. Transco based its incremental recourse reservation rates (Exhibit P) on a \$218,749,400 total estimated cost of facilities (Exhibit K), a 2.79 percent depreciation rate,<sup>7</sup> and a 15.34 percent pre-tax return.<sup>8</sup> Transco allocated the cost of service associated with the Phase 1 facilities, i.e., \$33,920,785 (Exhibit P, page 1), between the two Phase 1 shippers, LaGrange and Progress Energy.<sup>9</sup> Transco assigned the cost of service associated with the Phase 2 facilities, i.e., \$13,359,249 (Exhibit P, page 2), to the only Phase 2 shipper, Southern Company. Transco's proposed Phase 1 firm transportation Daily Reservation Rates are \$0.31664 per Dth within Zone 4 and \$0.99248

---

<sup>7</sup> Onshore transmission depreciation rate included in the approved settlement in Docket No. RP06-569, *et al.*; see *Transcontinental Gas Pipe Line Corporation*, 122 FERC ¶ 61,213 (2008).

<sup>8</sup> Pre-tax return underlying the design of Transco's approved Settlement rates in Docket Nos. RP01-245-000 *et al.*; see *Transcontinental Gas Pipe Line Corporation*, 100 FERC ¶ 61,085 (2002).

<sup>9</sup> The cost of service associated with the Phase 1 facilities upstream of LaGrange is allocated between the two Phase 1 shippers, LaGrange and Progress Energy. The cost of service associated with the Phase 1 facilities downstream of the City of LaGrange, Georgia is assigned only to Progress Energy.

per Dth from Zone 4 to Zone 5. Transco's proposed Phase 2 firm transportation Daily Reservation Rates are \$0.28154 per Dth within Zone 4. The Commission finds that the proposed initial incremental recourse rates have been appropriately calculated and directs Transco to file an actual tariff record detailing the proposed incremental rates at least 30 days, and not more than 60 days, prior to commencing service.

21. Under the Commission's Alternative Ratemaking Policy Statement, the Commission permits a pipeline to negotiate rates that differ from the otherwise applicable recourse rates as long as the shipper has the ability to choose to use a recourse rate and the pipeline complies with other conditions.<sup>10</sup> Transco proposes to enter into negotiated rate agreements under Rate Schedule FT with the Mid-South Shippers. Transco must file these negotiated rate agreements, or a tariff record describing the negotiated rate agreements, in accordance with the Alternative Rate Policy Statement and the Commission's negotiated rate policies.<sup>11</sup>

22. To support its proposal to roll project fuel costs into its existing fuel rates, Transco asserts that the proposed facilities will reduce fuel attributable to non-Mid-South shippers and provides a fuel study to support that assertion.<sup>12</sup> Transco states that it uses operational models to analyze system fuel efficiency, make operating decisions that reduce fuel use, and predict expansion facilities' impact on system fuel efficiency. Transco's study estimates fuel consumption with and without the proposed project facilities for ten representative days during 2009 by adding compressor fuel to the fuel equivalent of electricity consumed. The fuel study indicates that the project facilities would have reduced fuel consumption attributable to existing customers in nine out of the ten days Transco chose to study. Based on this study, the Commission will approve Transco's proposal to roll project fuel costs into the generally-applicable fuel retention and electric power charges under Transco's Rate Schedule FT.

### **C. Compressor Station 125**

23. Transco states that it will install a 15,000 hp electric motor-driven compressor unit at Compressor Station 125. However, it requests that the unit be certificated at 9,000 hp. Transco states that it may operate the new unit above 9,000 hp under certain operating

---

<sup>10</sup> See *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines; Regulation of Negotiated Transportation Services of Natural Gas Pipelines*, 74 FERC ¶ 61,076 (1996), *order on clarification*, 74 FERC ¶ 61,194 (1996), *order on reh'g*, 75 FERC ¶ 61,024 (1996) (Alternative Ratemaking Policy Statement).

<sup>11</sup> See, e.g., *Texas Eastern Transmission, LP*, 133 FERC ¶ 61,220 (2010).

<sup>12</sup> See Exhibit Z-1 of the application.

conditions, but that the total horsepower would, at no time, exceed the station's total certificated horsepower.

24. Transco did not notify the Commission until August 10, 2011, of the specific amount of compression to be installed at Compressor Station 125. All of the environmental studies provided by Transco and analyzed by the Commission's staff assumed the use of a 9,000 hp unit at the station. For this reason, the Commission will only certificate the 9,000 hp addition at Compressor Station 125, and cannot permit Transco to operate the unit above 9,000 hp at this time. However, this determination is without prejudice to Transco submitting a future application with supporting environmental studies to operate the unit at more than 9,000 hp.

#### **D. Environment**

25. On March 9, 2009, the Commission granted Transco's request to use the pre-filing process and established Docket No. PF10-13-000. On August 13, 2010, the Commission issued a *Notice of Intent to Prepare an Environmental* (NOI). The NOI was mailed to interested parties, including federal, state, and local officials; agency representatives; environmental and public interest groups; Native American tribes; local libraries and newspapers; and affected property owners.

26. The North Carolina Wildlife Resources Commission (NCWRC), North Carolina Department of Environment and Natural Resources (NCDNR), and a concerned landowner, Mr. Ricky Page, submitted scoping comments in response to the NOI. The primary issues raised in these comments concern the bog turtle, sediment and erosion control measures, air quality, noise, and safety.

27. To satisfy the requirements of the National Environmental Policy Act, the Commission's staff prepared an environmental assessment (EA) for Transco's proposal. The EA addresses geology, soils, water resources, wetlands, vegetation, fisheries, wildlife, threatened and endangered species, land use, recreation, visual resources, cultural resources, air quality, noise, safety, cumulative impacts, and alternatives. The EA addresses all substantive comments received in response to the NOI.

28. The NCWRC submitted comments concerning the potential impact on bog turtles and a request that Transco be required to use stringent sediment and erosion control measures. The NCDNR commented that the project should be routed around surface waters and wetlands and requested a plan to restore forested areas. The EA discusses the project's effects on bog turtles and determines that the project is not likely to adversely affect the bog turtle. Section A.4 of the EA states that the pipeline route was chosen to minimize impacts on wetlands and waterbodies and that Transco will construct the proposed facilities in upland and managed forest lands in accordance with its Soil Erosion and Sediment Control (SESC) Plans. The EA also states that Transco has incorporated the Commission's Upland Erosion Control, Revegetation, and Maintenance

Plan and Waterbody Construction and Mitigation Procedures into its Upland Erosion Control, Revegetation, and Maintenance Plan and Waterbody Construction and Mitigation Procedures, as well as its SESC Plans for each facility, and concludes that implementing these measures will minimize impacts.

29. Mr. Page's comments concerned air emissions, noise, and safety regarding the proposed modifications at Compressor Station 115 (particularly related to the newly-planned Providence Estates subdivision). The EA addresses the modifications to Compressor Station 115, including uprating the existing electric-driven Unit 3, and determines there will not be any additional direct air emissions at the compressor station. The EA's noise analysis of the nearest potential home of the planned Providence Estates subdivision projects noise levels well below the 55-decibel day-night sound requirement. Moreover, Paragraphs 14-17 of Appendix B to this Order implements the EA's recommendation to require Transco to conduct noise surveys during the operation of Compressor Stations 95, 115, 125, and 140 to ensure that actual noise levels do not exceed acceptable levels. The EA's discussion of reliability and safety notes Transco's commitment to construct and operate the facilities in accordance with the Department of Transportation's pipeline safety regulations.

30. The EA was issued for a 30-day comment period and placed into the public record on June 20, 2011. The only commenter, the United States Fish and Wildlife Service (USFWS), asserted that the EA did not adequately address the No Action Alternative. Section C of the EA discusses the No Action Alternative, in addition to other evaluated alternatives, and concludes that the No Action Alternative is not preferable to the proposed action because it would not meet Transco's stated purpose and need for the project, which is to connect new gas supplies to growing markets in the eastern United States by providing additional transportation capacity for its customers.

31. USFWS also asks that Transco implement a final noxious weed mitigation plan. As discussed in the EA, staff reviewed Transco's draft noxious weed mitigation plan and found it acceptable. Any changes to the plan would be filed with the Commission upon its completion.

32. Based on the analysis in the EA, the Commission concludes that, if constructed in accordance with Transco's application and supplements and in compliance with the environmental conditions in Appendix B to this Order, the Commission's 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. The Commission encourages 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.<sup>13</sup>

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

The Commission orders:

(A) A certificate of public convenience and necessity is issued to Transco authorizing it to construct and operate the Mid-South Expansion Project, as described and conditioned herein, and as more fully described in the application.

(B) The certificate authority issued in Ordering Paragraph (A) is conditioned on the following:

- (1) Transco's completing the authorized construction of the Phase 1 facilities and placing them into service within 18 months, and completing and placing the Phase 2 facilities into service within two years, of the date of this Order;
- (2) Transco's compliance with all applicable Commission's regulations under the NGA, including, but not limited to, Parts 154, 157, and 284 and paragraphs (a), (c), (e), and (f) of section 157.20 of the Commission's regulations; and
- (3) Transco's compliance with the environmental conditions listed in Appendix B to this Order.
- (4) Transco's not operating the new compressor unit at Compressor Station 125 at over 9,000 hp.

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

---

<sup>13</sup> 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).

(D) Transco shall file an actual tariff record to implement its proposed incremental recourse rates under Rate Schedule FT at least 30 days, and not more than 60 days, before service commences.

(E) Transco shall file either its negotiated rate agreement or tariff records describing the transaction for each shipper paying a negotiated rate at least 30 days, and not more than 60 days, prior to the commencement of service.

(F) Transco shall execute firm contracts equal to the levels of firm service and in accordance with the terms of service represented in its precedent agreements prior to commencing construction.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

## Appendix A

### Filed Timely Unopposed Motions to Intervene

Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (in support)

City of LaGrange, Georgia (in support)

Consolidated Edison Company of New York, Inc. and Philadelphia Gas Works (jointly)

The Municipal Gas Authority of Georgia<sup>1</sup> and the Transco Municipal Group<sup>2</sup> (joint and several)

National Fuel Gas Distribution Corporation; National Grid Delivery Companies

The National Park Service

New Jersey Natural Gas Company

PECO Energy Company; Piedmont Natural Gas Company, Inc.

PSEG Energy Resources & Trade LLC

Public Service Company of North Carolina and South Carolina Electric & Gas Company (jointly)

SCANA Energy Marketing, Inc.

---

<sup>1</sup> The Georgia municipalities of Bowman, Buford, Commerce, Covington, Elberton, Hartwell, Lawrenceville, Madison, Monroe, Royston, Social Circle, Sugar Hill, Toccoa, Winder, and Tri-County Natural Gas Company (consisting of Crawfordville, Greensboro, and Union Point); the East Central Alabama Gas District, Alabama; the towns of Wadley and Rockford, Alabama; the Utilities Board of the City of Roanoke, Alabama; Wedowee Water, Sewer & Gas Board, Wedowee, Alabama; and the Maplesville Waterworks and Gas Board, Maplesville, Alabama.

<sup>2</sup> The Cities of Alexander City and Sylacauga, Alabama; the Commissions of Public Works of Greenwood, Greer, and Laurens, South Carolina; the City of Union, South Carolina; and the Cities of Bessemer City, Greenville, Kings Mountain, Lexington, Monroe, and Shelby, North Carolina.

## Appendix B

### Environmental Conditions

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

1. Transco shall follow the construction procedures and mitigation measures described in its application, supplements, including responses to staff data requests, and as identified in the EA, unless modified by this Order. Transco must:
  - a. request any modification to these procedures, measures, or conditions in a filing with the 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 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**, Transco shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, Environmental Inspectors (EI), and contractor personnel will be informed of the EI'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 supplemented by filed alignment sheets. **As soon as they are available, and before the start of construction**, Transco 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.

Transco's exercise of eminent domain authority granted under Natural Gas Act (NGA) section 7(h) in any condemnation proceedings related to this Order must be consistent with these authorized facilities and locations. Transco's right of eminent domain granted under NGA section 7(h) does not authorize it to increase the size of its natural gas facilities to accommodate future needs or to acquire a right-of-way for a pipeline to transport a commodity other than natural gas.

5. Transco 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 will 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, documentation of landowner approval, whether any cultural resources or federally listed threatened or endangered species will 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 Transco's SESC Plans and/or 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. **Within 60 days of the acceptance of the Certificate and before construction** begins, Transco shall file an Implementation Plan with the Secretary for review and written approval by the Director of OEP. Transco must file revisions to the plan as schedules change. The plan shall identify:
    - a. how Transco will implement the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests), identified in the EA, and required by this Order;

- b. how Transco will incorporate these requirements into the contract bid documents, construction contracts (especially penalty clauses and specifications), and construction drawings so that the mitigation required at each site is clear to onsite construction and inspection personnel;
  - c. the number of EIs assigned per spread, and how the company will ensure that sufficient personnel are available to implement the environmental mitigation;
  - d. company personnel, including EIs and contractors, who will receive copies of the appropriate material;
  - e. the location and dates of the environmental compliance training and instructions Transco will give to all personnel involved with construction and restoration (initial and refresher training as the project progresses and personnel change), with the opportunity for OEP staff to participate in the training session(s);
  - f. the company personnel (if known) and specific portion of Transco's organization having responsibility for compliance;
  - g. the procedures (including use of contract penalties) Transco will follow if noncompliance occurs; and
  - h. for each discrete facility, a Gantt or PERT chart (or similar project scheduling diagram), and dates for:
    - (i) the completion of all required surveys and reports;
    - (ii) the environmental compliance training of onsite personnel;
    - (iii) the start of construction; and
    - (iv) the start and completion of restoration.
7. Beginning with the filing of its Implementation Plan, Transco shall file updated status reports with the Secretary on a **weekly** 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. an update on Transco's efforts to obtain the necessary federal authorizations;
  - b. the construction status of each spread, work planned for the following reporting period, and any schedule changes for stream crossings or work in other environmentally-sensitive areas;
  - c. a listing of all problems encountered and each instance of noncompliance observed by the EI(s) 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);
  - d. a description of the corrective actions implemented in response to all instances of noncompliance, and their cost;
  - e. the effectiveness of all corrective actions implemented;

- f. 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
  - g. copies of any correspondence received by Transco from other federal, state, or local permitting agencies concerning instances of noncompliance, and Transco's response.
8. **Prior to receiving written authorization from the Director of OEP to commence construction of any project facilities**, Transco shall file with the Secretary documentation that it has received all applicable authorizations required under federal law (or evidence of waiver thereof).
9. Transco must receive written authorization from the Director of OEP **before placing each phase of the project into service**. 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.
10. **Within 30 days of placing the authorized facilities in service**, Transco shall file an affirmative statement with the Secretary, certified by a senior company official:
  - a. that the facilities have been constructed and installed 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 Transco 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.
11. **Prior to construction**, Transco shall file its SESC Plans for each facility where land disturbance will occur with the Secretary for review and written approval by the Director of OEP.
12. **Prior to the start of any blasting operations**, Transco shall file its site-specific Blasting Plan with the Secretary for review and written approval by the Director of OEP.
13. Transco shall not begin implementation of any treatment plans/measures (including archaeological data recovery); construction of facilities; and use of any staging, storage, or temporary work areas and new or to-be-improved access roads); until:
  - a. Transco files with the Secretary:
    - (1) remaining cultural resource survey reports;

- (2) site evaluation reports or avoidance/treatment plans as required; and
  - (3) comments from the appropriate State Historic Preservation Officer;
- b. the American Council for Historic Places is afforded an opportunity to comment if historic properties will be adversely affected; and
- c. the Commission's staff reviews and the Director of OEP approves the cultural resources reports and plans, and notifies Transco in writing that avoidance or treatment plans (including archaeological data recovery) may be implemented and/or construction may proceed.

All material filed with the Commission containing location, character, and ownership information about cultural resources must have the cover and any relevant pages therein clearly labeled in bold lettering: **“CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE.”**

14. Transco shall file a noise survey with the Secretary **no later than 60 days** after placing Compressor Station 95 in service. If the noise attributable to the operation of all of the equipment at Compressor Station 95 at full load exceeds a day-night noise level ( $L_{dn}$ ) of 55 decibels (dBA) at the nearby noise sensitive areas (NSAs), Transco shall file a report on what changes are needed and shall install the additional noise controls to meet the level **within one year** of the in-service date. Transco shall confirm compliance with the above requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls.
15. Transco shall make all reasonable efforts to ensure its predicted noise levels from Compressor Station 115 are not exceeded at nearby NSAs and file a noise survey showing this with the Secretary **no later than 60 days after** placing the modified unit at Compressor Station 115 in service. However, if the noise attributable to the operation of Compressor Station 115 at full load exceeds an  $L_{dn}$  of 55 dBA at any nearby NSAs, Transco shall file a report on what changes are needed and shall install additional noise controls to meet the level **within one year** of the in-service date. Transco shall confirm compliance with the  $L_{dn}$  of 55 dBA requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls.
16. Transco shall file a noise survey with the Secretary **no later than 60 days** after placing the authorized unit at Compressor Station 125 in service. If the noise attributable to the operation of the station at full load exceeds an  $L_{dn}$  of 55 dBA at any nearby NSAs, Transco shall install additional noise controls to meet that level **within one year** of the in-service date. Transco shall confirm compliance with the  $L_{dn}$  of 55 dBA requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls.

17. Transco shall conduct a noise survey at Compressor Station 140 to verify that the noise from all of the equipment operated at full capacity does not exceed the previously existing noise levels that are at or above an  $L_{dn}$  of 55 dBA at the nearby NSAs. The results of this noise survey shall be filed with the Secretary **no later than 60 days** after placing the modified units in service. If any of these noise levels are exceeded, Transco shall, **within one year** of the in-service date, implement additional noise control measures to reduce the operating noise level at the NSAs to or below the previously existing noise level. Transco shall confirm compliance with this requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls.