

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Gulf South Pipeline Company, LP

Docket No. CP04-366-002

ORDER DENYING REHEARING

(Issued July 25, 2005)

1. On March 24, 2005, the Commission issued an order¹ authorizing Gulf South Pipeline Company, LP (Gulf South) to construct and operate up to three additional injection/withdrawal storage wells and approximately 2.37 miles of 16-inch storage pipeline, and associated header, to increase the overall storage capacity of its Jackson Gas Storage Facility (Jackson Storage) in Rankin County, Mississippi. The March 24 Order found that Gulf South's proposed pipeline route (Proposed Route) was environmentally preferable to the alternate route (Alternate Route) based on the Environmental Assessment (EA) that was prepared to assess the environmental impact of this project.

2. The City of Flowood, Mississippi (City of Flowood) requests rehearing of the decision to approve construction along the Proposed Route and urges the Commission to require Gulf South to construct the pipeline along the Alternate Route based on new information that Custom Products Corporation (Custom Products), an area business located on the Alternate Route, no longer objects to pipeline construction on its property, provided the construction is completed in one weekend. In the event the Commission denies its request for rehearing, Gulf South asks that the Commission establish an evidentiary hearing to examine the new information contained in its request for rehearing.

¹ *Gulf South Pipeline Company, LP*, 110 FERC ¶ 61,338 (2005), *order issuing clarification*, 111 FERC ¶ 61,116 (2005).

3. The Commission denies the City of Flowood's request for rehearing because the new information supplied by the City of Flowood does not change our overall finding that the Proposed Route for Gulf South's pipeline is environmentally preferable to the Alternate Route, as more fully discussed below.

Discussion

4. Custom Products previously opposed the Alternate Route because it asserted pipeline construction on its property would block road access to its business and cause up to \$150,000 per week in lost revenue. Attached to the City of Flowood's request for rehearing is a letter from Dennis H. Perkins, Jr., President of Custom Products, stating that it joins in the City of Flowood's request for rehearing and will withdraw its protest to the Alternate Route, if the Commission agrees to impose on Gulf South the requirement that drilling on the Custom Products property be completed in one weekend.

5. The directional drilling technique that Gulf South must use to traverse Custom Products' property is difficult and makes it highly unlikely that the drilling could be completed in two days. The EA and our March 24 Order explain that construction of the pipeline on the Alternate Route would require a compound curving of the drilling in order to avoid placement of the pipeline beneath the Custom Products building.² The use of this difficult drilling technique would increase the likelihood of drilling and safety complications. It would also require increased workspace, take more time, and result in greater construction costs than standard drilling.

6. Moreover, even assuming that Gulf South would be able to complete the work in one weekend, we will not require Gulf South to construct its pipeline on the Alternate Route because we have found that the Proposed Route is environmentally preferable to the Alternate Route. In choosing Gulf South's Proposed Route instead of the Alternate Route, the Commission weighed a number of factors, other than the potential for disturbance to the Custom Products property and business. These reasons are listed and discussed in detail in the EA and in the March 24 Order.³ Briefly, the Commission concluded that the Proposed Route was preferable because it would be less expensive, less risky, cause less disturbance to the community, require less workspace, and take less time to complete. The City of Flowood's request for rehearing provides no evidence to the contrary and instead relies entirely upon Custom Products' conditional withdrawal of its opposition to the Alternate Route.

² EA at pp. 30-31, 110 FERC ¶ 61,338 at P 42.

³ EA at pp. 25-32, 110 FERC ¶ 61,338 at PP 30-42.

7. For these reasons, we will deny the City of Flowood's request for rehearing.
8. Finally, because we have been able to resolve all material issues in dispute that have been raised by the City of Flowood based on the written record, we will deny the request to establish an evidentiary hearing proceeding.⁴

The Commission orders:

(A) The City of Flowood's request for rehearing of Gulf South's March 24, 2005 Order is denied.

(B) The City of Flowood's request for an evidentiary hearing is denied.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.

⁴ *Texaco Inc., v. FERC*, 148 F.3d 1091, 1100 (D.C. Cir. 1998).