

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

Before Commissioners: Jon Wellinghoff, Chairman;
Suedeen G. Kelly, Marc Spitzer,
and Philip D. Moeller.

Northwest Pipeline GP

Docket No. CP09-415-000

ORDER ISSUING CERTIFICATE AND GRANTING ABANDONMENT

(Issued November 19, 2009)

1. On May 20, 2009, Northwest Pipeline GP (Northwest) filed an application under section 7 of the Natural Gas Act (NGA) seeking authorization to construct and operate its Sundance Trail Expansion Project in Lincoln County, Wyoming and to abandon and remove two 40-year old compressor units and replace them with a new 10,310 horsepower (hp) compressor unit¹ at the Vernal Compressor Station in Uintah County, Utah. As discussed and conditioned below, we will grant Northwest's requests.

I. Background

2. Northwest is a subsidiary of the Williams Companies, Inc. and a natural gas company as defined in the NGA. Northwest owns and operates an interstate natural gas transmission system that extends from the points of interconnection with El Paso Natural Gas Company and Transwestern Pipeline Company near Blanco, New Mexico through that state and the States of Colorado, Utah, Wyoming, Idaho, Oregon, and Washington, to the Canadian border near Sumas, Washington, where it interconnects with the facilities of Spectra Energy Transmission and Terasen Huntingdon, Inc.

3. Northwest states that it developed this project in response to producers requesting transportation capacity to move gas in a northwest direction from the Piceance Basin in the Central Rocky Mountain area, one of the fastest growing gas production basins in the Rockies region, to the Opal Hub area in Lincoln County, Wyoming. The Opal Hub area

¹ Since Northwest's proposed compressor unit does not meet the Interstate Natural Gas Association of America's guidelines as a waste heat source with potential commercial viability, Northwest does not propose to install waste heat recovery facilities for this project.

has access to six interstate pipelines, including Northwest.² Northwest states that its proposal is economically efficient in that it combines existing available capacity on its system with strategically placed expansion facilities to create 150,000 decatherms per day (Dth/d) of firm capacity out of the Piceance Basin to the Opal Hub area.

4. Northwest's mainline is connected to the Piceance Basin at the Greasewood Hub through its Piceance Lateral and at the Meeker/White River hubs through its new Colorado Hub Connection (CHC) facilities.³ The total capacity of the Piceance Lateral is approximately 46,000 Dth/d, of which approximately 24,000 Dth/d is subscribed on a long-term firm basis. The remaining 22,000 Dth/d of capacity is not currently subscribed on a long-term basis because the amount of northbound capacity available along Northwest's mainline varies⁴ and there is not sufficient capacity available to reach any major market on the system or to reach other interconnecting pipelines through which gas could be moved to other markets. Northwest states that 341,615 Dth/d of the CHC pipeline's 582,000 Dth/d of capacity is currently subscribed southbound on a firm basis.

5. Northwest states that it has determined that it could provide 150,000 Dth/d of firm transportation from the Greasewood and Meeker/White River hubs to the Opal Hub area by combining the existing capacity available on its Piceance Lateral and CHC facilities with approximately 15.5 miles of mainline loop in Lincoln County, Wyoming and incremental compression at the Vernal Compressor Station.

6. Northwest conducted a binding open season from February 8 through March 21, 2008, offering potential shippers up to 150,000 Dth/d of firm transportation capacity from the Greasewood and Meeker/White River hubs in the Piceance Basin for deliveries to the Opal Hub area. Upon the conclusion of the open season, Northwest entered into one precedent agreement with its affiliate, Williams Gas Marketing, Inc., (Williams) for the full 150,000 Dth/d of capacity for a 12-year term. Williams elected 22,000 Dth/d of firm capacity on the Piceance Lateral and 128,000 Dth/d of firm capacity on the CHC

² The other pipelines are Kern River Gas Transmission Co., Overthrust Pipeline Co., Colorado Interstate Gas Co., and, through a lease agreement with Overthrust, Wyoming Interstate Gas Co. and Rockies Express Pipeline.

³ On April 2, 2009, the Commission authorized Northwest to construct and operate the Colorado Hub Connection Project which provides firm southbound transportation service from the Piceance Basin and connects Northwest's system with the Meeker Gas Processing Plant and the White River Hub. *See Northwest Pipeline GP*, 127 FERC ¶ 61,009 (2009).

⁴ For example, Northwest states, it has as much as 132,588 Dth/d of available capacity near milepost 318 on its mainline, but only 6,390 Dth/d near milepost 391.

facilities for transportation to the Kern River-Muddy Creek interconnect near the Opal Hub area.

II. Proposal

A. Facilities

7. Northwest proposes to construct approximately 15.5 miles of 30-inch diameter pipeline to loop its mainline between mileposts 422.2 and 437.7 in Lincoln County, Wyoming. Northwest states that this loop will close the 30-inch diameter pipeline loop located between Northwest's Green River and Muddy Creek compressor stations. Northwest will install this segment of pipeline within an existing pipeline corridor for the entire 15.5 miles, paralleling Northwest's two existing pipelines and two or more other pipelines, depending on location, within the corridor.

8. Northwest also proposes to perform replacement and reliability work, as well as add compression for the project, at the Vernal Compressor Station. Northwest proposes to abandon and remove two 1969 vintage Allison Delaval centrifugal compressor units, each rated at 3,165 hp, and certain appurtenances at the compressor station which is in Uintah County, Utah. Northwest states that these units are antiquated and costly to operate and repair.

9. Northwest proposes to replace the two Allison units with a new Solar Taurus 70 turbine driven centrifugal compressor unit rated at 10,310 hp. Northwest states that the Taurus 70 is the smallest compressor unit available that is capable of replacing the horsepower associated with the Allison units as well as providing the necessary additional horsepower for this project. By replacing the horsepower provided by the two old units as part of this project, Northwest states, it can take advantage of the economies of scale yielded by installing one larger compressor unit able to compress both the current system-wide transportation capacity and that needed for the project.

10. Northwest maintains that if it were to replace the old units outside of this project, the smallest compressor unit that would provide the required horsepower would be a Solar Centaur 50, which it estimates would cost \$15 million, or about \$2,370 per horsepower. Northwest states that the 6,330 hp needed to replace the horsepower provided by the two old units can be provided using about 61.5 percent of the larger Taurus 70, at a cost of about \$12.7 million, or \$2,003 per horsepower. This is a cost savings of about \$2.3 million for the proposed reliability and replacement work. The total estimated cost of the removal of the old facilities and construction of new compression facilities is \$20.7 million, of which Northwest allocates \$8 million to the expansion project and \$12.7 million to the replacement and reliability work.

11. In addition to operation and maintenance savings, Northwest states that replacing the old Allison units with the Taurus 70 will result in less environmental impact to air

quality since the Taurus 70 has dry low nitrogen oxide (NOX) combustion technology that results in about 0.25 grams/hp/hour of NOX emissions at temperatures above zero degrees Fahrenheit versus about 2.65 grams/hp/hour at the same temperatures for the Allison. Further, Northwest states, the Taurus 70 is about 20 percent more fuel efficient than the Allison on a per horsepower basis.

12. Northwest states that the total cost of the project, including the removal costs of the existing facilities, is approximately \$59.4 million, of which approximately \$46.7 million reflects the costs of the expansion capacity, including \$8 million for the expansion project portion of the compressor facilities.

B. Rates

13. Northwest proposes to charge its maximum system-wide rates under Rate Schedule TF-1 for the expansion capacity. Northwest states that revenues generated by the project will exceed the projected cost for the expansion capacity and, therefore, there will be no subsidization by existing shippers. Since revenues are expected to exceed costs, Northwest requests a predetermination that it may roll the costs of the project facilities into its existing rates in its next NGA section 4 general rate case.

14. Northwest also proposes to apply its generally applicable fuel used and lost and unaccounted-for gas factor under Rate Schedule TF-1 to the expansion shipper. Northwest states that the incremental capacity created by the proposed facilities, including the replacement of the existing compression, should result in a small reduction in the system-wide fuel percentage after the project is placed in service, from 1.77 percent to 1.73 percent.

15. Northwest requests a predetermination that the costs associated with the compression replacement and reliability work can be rolled-in with its existing facility costs in its next NGA section 4 general rate case. Northwest proposes to allocate 38.6 percent of the compression costs to the expansion capacity and the remaining 61.4 percent of compression costs to the replacement and reliability work.

III. Interventions

16. Notice of Northwest's application was published in the *Federal Register* on June 3, 2009 (74 FR 26669). Atmos Energy Corporation, Questar Overthrust Pipeline Company, Questar Pipeline Company, Sierra Pacific Power Company, Southwest Gas Corporation, and White River Hub, LLC filed timely, unopposed motions to intervene.⁵

⁵ Timely unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.214(c) (2009).

Colorado Interstate Gas Company filed a late motion to intervene. The Commission finds that granting the untimely motion will not delay, disrupt, or otherwise prejudice this proceeding, or place an additional burden on existing parties. Therefore, for good cause shown, we will grant the motion.⁶ No comments in opposition or protests were filed.

IV. Discussion

17. Because Northwest seeks to abandon and to construct facilities used for the transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission, the proposal is subject to the requirements of subsections (b), (c), and (e) of section 7 of the NGA.

A. The Certificate Policy Statement

18. The Commission's Certificate Policy Statement provides guidance as to how we will evaluate proposals for certificating new construction.⁷ 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, 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.

19. Under this policy, the threshold requirement for existing 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

⁶ See 18 C.F.R. § 385.214(d) (2009).

⁷ *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *order on clarification*, 90 FERC ¶ 61,128, *order on clarification*, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

economic interests will we proceed to complete the environmental analysis where other interests are considered.

1. Subsidization

20. As noted above, the threshold requirement is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. Northwest proposes to divide the costs of the Sundance Trail Expansion Project between those incurred to create incremental capacity (expansion costs) and those associated with the replacement of facilities (replacement costs). Since review of Northwest's proposal demonstrates that the company's proposed allocation of total project costs is reasonable and that the projected expansion revenues will exceed projected expansion costs, existing shippers will not subsidize that aspect of the project. With respect to Northwest's proposal to roll in the portion of the costs it will incur to replace the existing compressor units to continue to provide existing services, the Certificate Policy Statement provides it is not a subsidy for existing customers to pay the costs of projects designed to replace existing capacity or improve the reliability and flexibility of existing service.⁸

2. Adverse Effects

21. Northwest's application demonstrates that there will be no adverse operational impact on service provided to Northwest's existing customers as a result of the construction of the project. The project is designed to provide takeaway capacity for a growing supply source in the Piceance Basin. Additionally, all shippers will benefit from the operational reliability provided by replacing the old compressors.

22. Because the expansion capacity will serve new market demand, no service on other pipelines will be displaced as a result of the proposed project. Further, no pipeline objected to Northwest's proposals. For these reasons, we conclude that existing pipelines and their customers will not be adversely affected by the Sundance Trail Expansion Project.

23. Northwest designed the project to minimize the impact on landowners and the environment. The 15.5 miles of 30-inch diameter pipeline loop will be installed entirely within an existing pipeline corridor. Construction of the facilities at the Vernal Compressor Station will occur within areas previously disturbed within the existing Bureau of Land Management (BLM) Land Grant boundary. There are only two landowners affected by the project – BLM and one private landowner. Northwest states that it is currently in negotiations with the private landowner and anticipates executing an

⁸ See Certificate Policy Statement, 90 FERC ¶ 61,128 at 61,393 (2000).

easement shortly. Neither landowner filed negative comments or protests to Northwest's proposal.

24. Based on the benefits Northwest's project will provide and the lack of any identified adverse impacts on Northwest's existing customers or on other pipelines and their customers, and minimal adverse effects on landowners and communities, the Commission finds that Northwest's proposal is consistent with the Certificate Policy Statement and section 7(c) of the NGA. Therefore, we find that Northwest's proposal is required by the public convenience and necessity, subject to the conditions set forth herein.

B. Abandonment

25. Northwest proposes to abandon and remove two existing centrifugal compressor units and certain appurtenances at the Vernal Compressor Station in Uintah County, Utah. Northwest states that the existing compressor units were installed in 1970 and are antiquated and costly to operate and repair. Northwest proposes to replace the old units with a new turbine-driven centrifugal compressor unit. We approve of the proposal to provide the necessary compression by replacing the existing compressor units at the Vernal Compressor Station with one modern unit. Accordingly, we find that the public convenience and necessity permits the abandonment of the old compressor units.

C. Rates

26. As shown in Exhibit N to Northwest's application, the net operating revenues for the new long-term billing determinants of the expansion capacity are approximately \$20.8 million per year for the first three years of the project's operation. The cost of service for the same period ranges from \$8.3 million to \$7.7 million annually, resulting in increased annual revenues from \$12.5 million to \$13.1 million over the three year period. Since the annual revenues generated from multiplying the new firm rate determinants attributed to the project by the current maximum cost-based rates under Rate Schedule TF-1 exceed the estimated yearly costs of service of the project, existing shippers will not subsidize the project. Further, rolling in the costs of the project will result in lowering the existing rates. Therefore, we grant Northwest's request for a predetermination that it may roll in the costs of the proposed expansion facilities into its existing facility costs in its next NGA section 4 rate case absent a significant change in circumstances.

27. We also find that Northwest has provided a sufficient justification for the need to replace the two existing compressors, and an explanation of the overall cost-efficiency associated with performing the needed replacement upgrades at the time it installs the additional compression. As noted above, the Certificate Policy Statement recognizes that increasing existing customers' rates for a project designed to replace existing capacity does not constitute a subsidy and that the costs of such a project may be rolled into the pipeline's system rates. Therefore, we will grant Northwest's request for a

predetermination that it may roll in the costs associated with the replacement of existing facilities at the Vernal Compressor Station in its next section 4 general rate case.

28. Moreover, Northwest may apply its generally applicable fuel used and lost and unaccounted-for gas factor under Rate Schedule TF-1 to the expansion capacity shipper absent a significant change in circumstances. Northwest's analysis shows that the new compressor facilities are expected to result in an overall reduction in the system-wide fuel percentage, and therefore existing ratepayers will not subsidize any fuel costs attributable to the proposed expansion.

D. Environmental Assessment

29. On November 26, 2008, we issued a Notice of Intent to Prepare an Environmental Assessment for the Proposed Sundance Trail Expansion Project and Request for Comments on Environmental Issues (NOI). We received two responses to the NOI. The Wyoming Game and Fish Department expressed concern about the effects of the proposed project on wildlife habitat, aquatic resources, and invasive plant species and the Lincoln County Board of Commissioners requested cooperating agency status.

30. To satisfy the requirements of the National Environmental Policy Act of 1969,⁹ our staff, in cooperation with the U.S. Department of the Interior, Bureau of Land Management, and the Lincoln County Board of Commissioners, prepared an environmental assessment (EA) of Northwest's proposal. The EA was placed in the record on September 28, 2009. The analysis in the EA included geology, soils, water resources, fisheries, wetlands, vegetation, wildlife, threatened and endangered species, cultural resources, land use, environmental justice, reliability, safety, cumulative impacts, and alternatives. The EA also addressed all substantive issues raised in the scoping comment letters.

31. Since the issuance of the EA, we have completed steps necessary to comply with Section 106 of the National Historic Preservation Act. Therefore, recommended environmental condition 11 from the EA is no longer necessary and has not been included in this order. However, to accommodate the discovery and treatment of historic properties during project construction we are attaching as a condition to this order a modified version of the EA's recommended environmental condition 12.

32. Based on the discussion in the EA, we conclude that if the proposed facilities are constructed and operated in accordance with Northwest's application and supplements, including responses to the staff's data request, and in compliance with the environmental

⁹ 42 U.S.C. § 4331 *et seq.* (2006).

conditions in the appendix to this order, 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, replacement, or operation of facilities approved by this Commission.¹⁰

34. At a hearing held on November 19, 2009, the Commission on its own motion, received and made a part of the record all evidence, including the application, as supplemented, and exhibits thereto, submitted in this proceeding and upon consideration of the record,

The Commission orders:

(A) A certificate of public convenience and necessity is issued to Northwest authorizing it to construct and operate its proposed project as described more fully in this order and in Northwest's application, as modified and conditioned herein. The request for abandonment authority is also granted, subject to the conditions described herein.

(B) The certificate issued in Ordering Paragraph (A) is conditioned on Northwest's compliance with all applicable Commission regulations under the NGA, particularly the general terms and conditions set forth in Parts 154, 157, and 284, and paragraphs (a), (c), (e), and (f) of section 157.20 of the regulations.

(C) Northwest shall notify the Commission within 10 days of the date of abandonment of the facilities.

(D) Northwest is granted a predetermination of rolled-in rate treatment for the facilities authorized by this order in a future NGA section 4 rate proceeding, provided there are no significant changes in the relevant facts and circumstances forming the basis for this predetermination.

(E) Northwest is directed to file all transportation service agreements at least 30 days, but no more than 60 days prior to the in-service date of the project, in accordance with section 154.112 of the Commission's regulations.

¹⁰ See, e.g., *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988); *National Fuel Gas Supply v. Public Service Comm'n*, 894 F.2d 571 (2d Cir. 1990); and *Iroquois Gas Transmission System, L.P.*, 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).

(F) The certificate issued in Ordering Paragraph (A) is conditioned upon Northwest's compliance with the environmental conditions set forth in the appendix to this order.

(G) Northwest's facilities shall be made available for service within one year of the issuance date of this order as required by section 157.20(b) of the Commission's regulations.

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

(I) Northwest must execute a firm contract equal to the level of service and terms of service represented in the precedent agreement prior to commencing construction.

(J) The motion to intervene out of time filed by Colorado Interstate Gas Company is granted.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

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

1. Northwest 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 EA unless modified by the Order. Northwest 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 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. The authority shall allow:
 - a. the modification of conditions of the 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 avoidance or mitigation of adverse environmental impact resulting from project construction and operation.
3. **Prior to any construction**, Northwest shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors (EIs), and contractor personnel would be informed of the EI's authority and have been or would be trained on the implementation of 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**, Northwest 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 the Order. All requests for modifications of environmental conditions of the

Order or site-specific clearances must be written and must reference locations designated on these alignment maps/sheets.

5. Northwest 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, 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 must 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 that 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**, Northwest shall file an Implementation Plan with the Secretary for review and written approval by the Director of OEP. Northwest must file revisions to the plan as schedules change. The plan shall identify:
 - a. how Northwest 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 Northwest 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 EI's assigned per spread, and how the company will ensure that sufficient personnel are available to implement the environmental mitigation;
 - d. company personnel, including EI's and contractors, who will receive copies of the appropriate material;
 - e. the location and dates of the environmental compliance training and instructions Northwest 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 Northwest's organization having responsibility for compliance;
 - g. the procedures (including use of contract penalties) Northwest will follow if noncompliance occurs; and
 - h. for each discrete facility, a Gantt or PERT chart (or similar project scheduling diagram), and dates for:
 - (1) the completion of all required surveys and reports;
 - (2) the mitigation training of onsite personnel;
 - (3) the start of construction; and
 - (4) the start and completion of restoration.
7. Beginning with the filing of its Implementation Plan, Northwest shall file updated status reports 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. an update on Northwest's efforts to obtain the necessary federal authorizations;
 - b. the 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;
 - c. a listing of all problems encountered and each instance of noncompliance observed by the environmental inspector(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 the Order, and the measures taken to satisfy their concerns; and
 - g. copies of any correspondence received by Northwest from other federal, state, or local permitting agencies concerning instances of noncompliance, and Northwest's response.
8. Northwest must receive written authorization from the Director of the 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**, Northwest 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 would be consistent with all applicable conditions; or
 - b. identifying which of the Certificate conditions Northwest 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. Northwest shall not begin construction activities **until**:
- a. surveys are completed for the black-footed ferret, if necessary, provided to the U.S. Fish and Wildlife Service (FWS), and filed with the Secretary;
 - b. the staff receives comments from the FWS regarding the surveys;
 - c. the staff completes formal consultation with the FWS, if required; and
 - d. Northwest has received written notification from the Director of OEP that construction or use of mitigation may begin.
11. Northwest shall not begin implementation of any treatment plans/measures (including archaeological data recovery) **until**:

- a. Northwest files with the Secretary reports of any discoveries of historic properties during monitoring of construction, together with any necessary treatment plans, and the comments of the U.S. Department of the Interior, Bureau of Land Management (BLM) (for sites on BLM-managed land) and the Wyoming State Historic Preservation Officer on these reports and plans; and
- b. The Director of OEP notifies Northwest in writing that treatment plans/procedures shall be implemented and/or construction may resume at the discovery areas.

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.”**