

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

ANR Pipeline Company

Docket No. CP05-364-000

ORDER ISSUING CERTIFICATE

(Issued December 12, 2005)

1. On May 31, 2005, ANR Pipeline Company (ANR) filed an application under section 7(c) of the Natural Gas Act (NGA) to construct and operate various pipeline and compression facilities in Wisconsin (Wisconsin 2006 Expansion Project). The proposed facilities, together with an agreement under which Great Lakes Transmission Company (Great Lakes) will provide firm transportation service for ANR, will enable ANR to ensure delivery of an additional 168,241 Dth/d of natural gas to meet increased demand by local distribution companies and other customers in Wisconsin. ANR requests a predetermination supporting rolled-in pricing for the costs of the proposed expansion facilities and the reservation charges paid by ANR to Great Lakes. ANR anticipates an in-service date of November 1, 2006. As discussed below, we will grant ANR's requested certificate authorization for the proposed expansion facilities. We also are granting ANR's requested predetermination for rolled-in rate treatment for the project costs, including reservation charges paid to Great Lakes, absent a significant change in circumstances.

**I. Background and Proposal**

2. ANR's proposed Wisconsin 2006 Expansion Project facilities include:
- a 3.78-mile long, 30-inch diameter pipeline extension of the Madison Lateral Loop;
  - a 3.08 mile-long, 16-inch diameter pipeline loop of the Little Chute Lateral from M.P. 0.00 to M.P. 3.08 in Outagamie County and appurtenant facilities;
  - a 20,620 HP compressor station (Goodman Compressor Station);
  - a 2,370 HP compressor unit at the Janesville Compressor Station; and
  - upgrades of five existing meter stations (McFarland, Sun Prairie, North Wausau, Randolph, and Stoughton) in various counties in Wisconsin.

3. In July and August of 2004, ANR held an open season and also invited shippers to turn back capacity. ANR did not receive any offers to turn back capacity and executed binding precedent agreements with 10-year terms for total firm capacity of 165,771 Dth/day.

4. ANR asserts that its proposal, based on the construction of new facilities, reservation of upstream pipeline capacity on Great Lakes' system<sup>1</sup> and rearrangement of receipt points, will allow ANR to deliver an additional 168,241 Dth/d of natural gas for use in Wisconsin. This 168,241 Dth/d will include: (1) the incremental 43,241 Dth/d that ANR's proposed expansion facilities will enable it to transport on its system downstream of its Joliet Hub and (2) 125,000 Dth/d of ANR's customers' gas that ANR can have transported by Great Lakes under the pipelines' executed 10-year firm service agreement from their interconnection at Crystal Falls, Michigan, to ANR's system in Wisconsin.

5. As explained by ANR, its transportation agreement with Great Lakes creates a new path into Wisconsin for ANR's deliveries. Specifically, the agreement will make it operationally possible for ANR to free up 113,000 Dth/d of existing mainline capacity on its Southern route through the Joliet Hub by redirecting some of its customers' receipts to its northern interconnection with Great Lakes at Crystal Falls and using Great Lakes' system to transport the gas from that point to ANR's downstream facilities.

6. ANR estimates that its proposed new facilities will cost approximately \$48.1 million to construct. In addition, ANR's proposed annual cost of service for services using the proposed facilities and capacity on Great Lakes' system includes \$1.6 million in operation and maintenance expenses to reflect the reservation charges that ANR will pay to Great Lakes. As the initial rate for services using the capacity created by the proposed

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<sup>1</sup> Section 33 of ANR's tariff authorizes ANR to contract for off-system capacity in order to store or effect delivery of its own shippers' gas supplies:

From time to time, Transporter may enter into transportation and/or storage agreements with other interstate and intrastate pipeline and storage providers . . . . In the event that Transporter acquires off-system capacity, Transporter will use such capacity for operational reasons or to render service for its Shippers. In the event that Transporter uses off-system capacity to render service for its Shippers, it will only render service to Shippers on the acquired capacity pursuant to Transporter's FERC Gas Tariff and subject to Transporter's approved rates, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this section, the 'Shipper must have title' requirement is waived.

facilities and the capacity on Great Lakes' system, ANR proposes to charge negotiated rates, which are its currently effective maximum firm transportation recourse rates for service in its Northern Segment. ANR states this proposed initial rate is higher than the rate would be if it were an incremental rate based on the cost of the expansion facilities and the reservation charges paid to Great Lakes. ANR also states that the expansion project will increase system-wide operational flexibility and reduce its cost of service by approximately \$2.5 million due to additional transportation billing determinants that will result from freeing up 113,000 Dth/d of capacity through Joliet Hub.

7. ANR filed a 10-year revenue/cost of service comparison that shows a revenue shortfall of approximately \$2.7 million in the first year. However, the study shows that ANR's cumulative gross projected revenues of \$24.314 million from services using the proposed facilities and Great Lakes' capacity will exceed the project's cost of service, including reservation charges paid to Great Lakes, over those ten years. ANR also includes in its annual rolled-in analysis a credit for projected revenues of \$2.5 million from sales of 113,000 Dth/d of freed-up mainline capacity through the Joliet Hub created by its transportation agreement with Great Lakes.

8. Based on the above assertions, ANR requests a predetermination supporting rolled-in rate treatment for the project's costs, including Great Lakes' reservation charges, in ANR's next rate case under section 4 of the NGA .

## **II. Public Notice and Interventions**

9. Public notice of ANR's application was published in the *Federal Register* on June 17, 2005 (70 *Fed. Reg.* 35,233) with motions to intervene and protests due on or before July 1, 2005. Timely motions to intervene were filed by Atlanta Gas Light Company; Memphis Light, Gas and Water Division; Peoples Gas Light and Coke Company and North Shore Gas Company, jointly (Peoples and North Shore); Proliance Energy, LLC; Madison Gas & Electric Company; City Gas Company; Wisconsin Electric Power Company and Wisconsin Gas LLC, jointly; the Wisconsin Public Service Corporation; Michigan Consolidated Gas Company; BP Energy Company and BP America Production Company, jointly; and Semco Energy Gas Company. No protests or comments in opposition to the application were filed.

10. A late motion to intervene was filed by Northern Natural Gas Company (Northern). Granting the late motion to intervene at this stage of the proceeding will not

cause undue delay or prejudice any party. Therefore, we will grant Northern's late motion to intervene pursuant to Rule 214 of the Commission's Rules of Practice and Procedure.<sup>2</sup>

11. Peoples and North Shore state that they do not oppose ANR's request for a predetermination of rolled-in rate treatment. However, Peoples and North Shore request that any presumption recognize that a change in circumstances could thwart realization of the anticipated system-wide benefits, thereby calling into question the preliminary determination supporting rolled-in pricing.

### **III. Discussion**

12. Because ANR seeks to construct facilities 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.

#### **A. Compliance with Certificate Policy Statement**

13. On September 15, 1999, the Commission issued a Policy Statement providing guidance as to how it will evaluate proposals for certificating new construction.<sup>3</sup> The Policy Statement established criteria for determining whether there is a need for a proposed project and whether the proposal will serve the public interest. The Policy Statement explains 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.

14. 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

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<sup>2</sup> 18 C.F.R. § 385.214.

<sup>3</sup> *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999); *order clarifying statement of policy*, 90 FERC ¶ 61,128 (2000); *order further clarifying statement of policy*, 92 FERC ¶ 61,094 (2000) (Policy Statement).

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.

15. The Commission also considers potential impacts of the proposed project on other pipelines in the market and those existing pipelines' 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, 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 then proceed to complete the environmental analysis where other interests are considered.

16. 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. ANR intends to use its currently effective Northern System maximum recourse rates as the negotiated initial section 7 rates for the expansion services. Currently, ANR has filed executed binding precedent agreements with 10-year terms for firm expansion service totaling 165,771 Dth/day. By the end of this 10-year period, cumulative revenues from these expansion services will exceed the cumulative associated cost of service by \$21.596 million. As discussed below, rolled-in rate treatment will result in lower rates for existing customers. Thus, ANR's existing customers will not subsidize the expansion services.

17. Further, construction of the proposed facilities will not result in any degradation of service to ANR's existing customers. Rather, the expansion project should create additional operational flexibility by freeing up significant mainline capacity on ANR's system, as described above. In addition, no service on any other pipeline will be displaced since the proposed expansion services will be new services. Thus, there will not be any adverse effects on existing pipelines or their customers.

18. We also find that the project is designed to minimize impact on landowners and the surrounding environment and thus satisfies the Policy Statement's test in this regard. Most of the construction activities will occur on land owned by ANR or parallel to existing ANR pipeline right-of-way. The expansion services also will utilize capacity reserved by ANR on Great Lakes' system. No landowner opposes the proposal.

19. ANR's proposal will avoid adverse economic, competitive, environmental, or other effects on the relevant interests. ANR's proposed upstream transportation agreement with Great Lakes permits ANR to minimize the facilities needed to provide transportation service for its project shippers.

20. In view of the above considerations, we find that ANR's proposal is required by the public convenience and necessity.

### **B. Rates**

21. As the initial rates for services that use the incremental capacity created by the proposed facilities on ANR's system and the Great Lakes capacity, ANR proposes to charge negotiated rates that are its currently effective Part 284 maximum recourse rates (at the 100 percent load factor) for service in its North Segment, *i.e.*, \$0.1472 per Dth for FTS-1 service and \$0.1672 per Dth for ETS service. Incremental rates designed based on the project's overall costs would be \$0.1289 for FTS-1 service and \$0.1486 per Dth for ETS service based on billing determinants at the full project capacity level and the capital structure and rate of return in ANR's last general rate proceeding.<sup>4</sup> Thus, since incrementally designed rates would be less than the proposed recourse rates, the recourse rates are appropriate as initial section 7 rates.

22. Since ANR proposes to charge negotiated rates for the new capacity, ANR must file either its negotiated rate contracts or numbered tariff sheets not less than 30 days and no more than 60 days prior to the commencement of service on the proposed expansion facilities. The tariff filing must state for each shipper the negotiated rate, all applicable charges, the applicable receipt and delivery points, the volume to be transported, the applicable rate schedule for the service, and a statement affirming that the affected service agreements do not deviate in any significant aspect from the form of service agreement in ANR's tariff. ANR is also required to disclose any other agreement, understanding, negotiation, or consideration associated with negotiated agreements.

23. Issues regarding the allocation of costs and revenues between recourse rate and negotiated rate shippers will be addressed in ANR's future section 4 rate proceedings.<sup>5</sup> Thus, ANR is required to maintain separate and identifiable accounts for volumes transported, billing determinants, rate components, surcharges and revenues associated with its negotiated rates in sufficient detail such that in future section 4 rate cases, the

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<sup>4</sup> *ANR Pipeline Co.*, 82 FERC 61,145 (1998) (order approving settlement).

<sup>5</sup> *Alternatives to Traditional Cost of Service Ratemaking for Natural Gas Pipelines, Regulation of Negotiated Transportation Service of Natural Gas Pipelines*, 74 FERC ¶ 61,076 at p. 61,242 (1996), *reh'g denied*, 75 FERC ¶ 61,066 (1996); *petition for review denied, Burlington Resources Oil & Gas Co. v. FERC*, Nos. 96-1160, *et al.*, U.S. App Lexis 20697 (D.C. Cir. July 20, 1998). *Modification of Negotiated Rate Policy*, 104 FERC ¶ 61,134 (2003), *reh'g pending*.

negotiated rate revenues can be identified in Statements G, I, and J as provided in section 154.312 of the Commission's regulations. Any future section 4 rate cases must also include a separate cost and revenue study for the expansion project approved in this proceeding as outlined in section 154.309 of the Commission's regulations, and an update on the cost of service for the expansion services based on operational data, including the actual costs of the expansion.

24. ANR seeks a determination of rolled-in pricing for its project costs in its next general rate case. While project costs will be underrecovered by \$2.7 million during the first year of expansion service, ANR's analysis projects expansion service revenues that will exceed expenses by \$1.6 to \$3.6 million in each of the following nine years. The first year's under recovery will be made up during the third year of expansion service. Over ten years, expansion service revenues will exceed costs by \$21.596 million. This recovery satisfies the Policy Statement's threshold requirement that existing customers should not subsidize pipeline expansions.

25. Based on the above analysis, rolled-in pricing for the costs of ANR's Wisconsin 2006 Expansion Project will result in lower rates for existing customers. Therefore, we will grant ANR's request for a predetermination supporting a presumption of rolled-in rate treatment. However, the possibility exists that a change in circumstances, *i.e.*, cost overruns or revenue shortfalls, might substantially limit the benefits that ANR projects in its rolled-in analysis. Further, as explained above, the first year's under recovery of the project's costs will not be offset until the third year. Therefore, consistent with Commission policy and as requested by Peoples and North Shore, the timing of ANR's filing under section 4 of the NGA for rolled-in rate treatment could affect the presumption supporting rolled-in pricing, as could any significant changes in material circumstances affecting the basis for the presumption as explained in this order.<sup>6</sup> When ANR files under section 4 to recover this expansion's costs, it must demonstrate that rolled-in rate treatment will not result in its present customers' subsidizing the expansion services. ANR will be at risk for any revenue shortfall.<sup>7</sup>

### **C. Environment**

26. On June 22, 2005, the Commission's staff issued a Notice of Intent to Prepare an Environmental Assessment (EA) for the Proposed Wisconsin 2006 Expansion Project and

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<sup>6</sup> See *Florida Gas Transmission Co.*, 98 FERC ¶ 61,217 at P 26 (2002).

<sup>7</sup> *Natural Gas Pipeline Co.*, 111 FRC ¶ 62,236 (2005) and *Texas Eastern Transmission, L.P.*, 101 FERC ¶ 61,120 (2002).

Request for Comments on Environmental Issues. We received several comment letters in response to the Notice of Intent which are addressed in the EA.

27. The EA addresses geology, soils, water resources, vegetation, wildlife, threatened and endangered species, cultural resources, land use, air quality, noise, reliability and safety, and alternatives. On November 4, 2005, ANR filed the only comments to the Notice of Availability of the EA. In its comments, ANR clarified that it will no longer install an emergency generator at the Janesville Compressor Station.

28. ANR also provided updated air emissions of nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), volatile organic compounds (VOC), particulate matter (PM), sulfur dioxide (SO<sub>2</sub>), formaldehyde, and total hazardous air pollutants (HAPs) for the Janesville and Goodman Compressor Stations. ANR indicates that updated air emissions from the Janesville Compressor Station would be lower than those reported in the EA and, consequently, will not exceed Maximum Achievable Control Technology (MACT) thresholds for Reciprocating Internal Combustion Engine (RICE). Therefore, ANR states that the Janesville Compressor Station will not be subject to RICE MACT requirements. ANR will employ the carbon monoxide oxidation catalyst system identified in the EA to control emissions below MACT thresholds. The updated air emissions in tons per year (tpy) for the modifications at the Janesville Compressor Station are: NO<sub>x</sub> – 16.02; CO – 57.21; VOC 17.39; PM – 1.2; SO<sub>2</sub> – 0.07; formaldehyde – 3.66; and total HAPs – 5.98.

29. Based on ANR's updated emissions, the Goodman Compressor Station will not exceed the Title V Operating Permit threshold for CO and will not be subject to the Title V permitting requirements. The updated air emissions in tpy for the Goodman Compressor Station are: NO<sub>x</sub> – 88.12; CO – 99.38; VOC 8.75; PM – 5.71; SO<sub>2</sub> – 2.85; Formaldehyde – 0.63; and total HAPs – 0.92.

30. Based on the discussion in the EA, we conclude that if constructed and operated in accordance with ANR's application and supplements filed May 31, 2005, approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

31. 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>8</sup> ANR 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 ANR. ANR shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

32. 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 ANR pursuant to section 7(c) of the NGA and Part 157 of the Commission's regulations to construct, own, operate, and maintain natural gas facilities as described and conditioned herein, and as more fully described in the application.

(B) The certificate authority in Ordering paragraph (A) shall be conditioned on the following:

(1) ANR's completing the authorized construction of the proposed facilities and making them available for service within one year of the issuance of this order pursuant to paragraph (b) of section 157.20 of the Commission's regulations;

(2) ANR's compliance with all applicable Commission regulations, including Part 154 and paragraphs (a), (c), (e), and (f) of section 157.20;

(3) ANR's filing of either its negotiated rate contracts or numbered tariff sheets not less than 30 days and no more than 60 days prior to the commencement of service on the proposed expansion facilities.

(5) ANR shall comply with all the environmental conditions stated in the appendix of this order.

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<sup>8</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).

(C) ANR must execute firm service agreements equal to the level of service represented in its precedent agreements before the start of construction.

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

(E) The late motion to intervene filed by Northern is granted pursuant to Rule 214 of the Commission's Rules of Practice and Procedure.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.

**Appendix**  
**ANR Pipeline Company**  
**Environmental Conditions**

As recommended in the EA, this authorization includes the following condition(s):

1. ANR 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. ANR 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**, ANR 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 supplemented by filed alignment sheets, and shall include all of the staff's recommended facility locations identified in the EA. **As soon as they are available, and before the start of construction**, ANR 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.

ANR'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. ANR's right of eminent domain granted under NGA section 7(h) does not authorize it to increase the size of its natural gas pipeline to accommodate future needs or to acquire a right-of-way for a pipeline to transport a commodity other than natural gas.

5. ANR 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 route variations required herein or 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 agreements with individual landowners that affect other landowners or could affect sensitive environmental areas.
6. **At least 60 days before initial construction begins**, ANR shall file an initial Implementation Plan with the Secretary for review and written approval by the Director of OEP describing how ANR will implement the mitigation measures required by this Order. ANR must file revisions to the plan as schedules change. The plan shall identify:
- a. how ANR 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;
  - b. the number of environmental inspectors assigned per spread, and how the company will ensure that sufficient personnel are available to implement the environmental mitigation;
  - c. company personnel, including environmental inspectors and contractors, who will receive copies of the appropriate material;
  - d. the training and instructions ANR will give to all personnel involved with construction and restoration (initial and refresher training as the project progresses and personnel change).
  - e. the company personnel (if known) and specific portion of ANR's organization having responsibility for compliance;
  - f. the procedures (including use of contract penalties) ANR will follow if noncompliance occurs; and
  - g. 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. ANR 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 (see condition 6 above) 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. a full-time position, separate from all other activity inspectors;
  - e. 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
  - f. responsible for maintaining status reports.
8. ANR shall file updated status reports prepared by the head 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 each spread, 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(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);
  - 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 copies of any correspondence received by ANR from other federal, state or local permitting agencies concerning instances of noncompliance, and ANR's response.

9. ANR must receive written authorization from the Director of OEP **before commencing service** for each phase of 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.
10. **Within 30 days of placing the certificated facilities in service**, ANR shall file an affirmative statement with the Secretary, certified by a senior company official:
  - a. that the facilities have been constructed/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 ANR 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. ANR shall develop and implement an environmental complaint resolution procedure. The procedure should provide landowners with clear and simple directions for identifying and resolving their environmental mitigation problems/concerns during construction of the project and restoration of the ROW. Prior to construction, ANR should mail the complaint procedure to each landowner whose property would be crossed by the project. In its letter to affected landowners, ANR should:
  - a. provide a local contact that the landowners should call first with their concerns; the letter should indicate how soon a landowner should expect a response;
  - b. instruct the landowners that, if they are not satisfied with the response, they should call ANR's Hotline; the letter should indicate how soon to expect a response; and
  - c. instruct the landowners that, if they are still not satisfied with the response from ANR's Hotline, they should contact the Commission's Enforcement Hotline at (877) 337-2664.

In addition, ANR should include in its biweekly status report a table that contains the following information for each problem/concern:

- a. the date of the call;
  - b. the identification number from the certificated alignment sheets of the affected property;
  - c. the description of the problem/concern; and
  - d. an explanation of how and when the problem was resolved, will be resolved, or why it has not been resolved.
12. ANR shall file a noise survey with the Secretary **no later than 60 days** after placing the units at the Goodman Compressor Station and Janesville Compressor Station in service. If the noise attributable to the operation of all of the authorized units at the stations at full load exceeds an  $L_{dn}$  of 55 dBA at any nearby NSAs that are currently below 55 dBA  $L_{dn}$  (*i.e.*, NSA #2 at the Janesville Compressor Station and all identified NSAs at the new Goodman Compressor Station), ANR shall file a report on what changes are needed and shall install the additional noise controls to meet the level **within 1 year** of the in-service date. ANR 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.
13. ANR shall conduct a noise survey at the Janesville Compressor Station to verify that the noise from all the equipment operated at full capacity does not exceed the previously existing noise levels at the nearby NSAs that are at or above an  $L_{dn}$  of 55 dBA (*i.e.*, NSA # 1, #3, #4, and #5). 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, ANR shall, **within 1 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. ANR 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.