

123 FERC ¶ 61,254  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Columbia Gas Transmission Corporation

Docket No. CP08-84-000

ORDER ISSUING LIMITED TERM CERTIFICATE

(Issued June 10, 2008)

1. On March 3, 2008, Columbia Gas Transmission Corporation (Columbia) filed an application under section 7(c) of the Natural Gas Act (NGA) to temporarily increase the maximum volume of natural gas in storage in its Coco C Storage Field in West Virginia to levels above the certificated level. This order grants the requested authorization as required by public convenience and necessity, subject to the conditions imposed below.

**I. Background and Proposal**

2. Columbia owns and operates over 600 Bcf of total storage capacity in 36 storage fields, offering customers both firm and interruptible storage services. Columbia manages its storage fields on an integrated basis and does not assign to customers capacity in any particular storage field. In response to demand for new storage capacity, Columbia seeks authorization for up to a three year period to test and quantify the Coco C storage field's ability to store additional volumes above its currently certificated capacity, while not exceeding its maximum certificated shut-in pressure. Columbia has identified the Coco C storage field as reaching its certificated volume prior to reaching its maximum operating pressure, indicating an ability to store additional gas until the field reaches maximum operating pressure.

3. The current certificated maximum shut-in well head pressure for the Coco C storage field is 1,800 psig with a total certificated storage capacity of 13.8 Bcf. Columbia proposes to store up to an additional 1.2 Bcf of gas. Columbia states that no additional base gas is necessary in order to conduct the assessment of the storage field. The planned testing will focus on the volume of gas injected into storage that corresponds to a shut-in field pressure equaling the maximum certificated pressure.

4. Since Columbia depends on its storage customers to provide the gas for injections into storage to test the capabilities of the storage field, Columbia proposes to offer additional storage services in order to receive gas during the evaluation period. Columbia proposes to permit non-firm injections under its Rate Schedule FSS for volumes above daily firm levels. Assuming successful results from injections, seismic testing, and other engineering and geological analysis, Columbia expects to offer this additional storage capacity on a firm basis upon filing for and receiving Commission authorization in a future proceeding.

5. Columbia does not propose to expand the boundaries of the storage field, change the maximum certificated pressure, increase the maximum certificated deliverability, perform any construction, or modify any other operational parameters of the storage facility.

## **II. Interventions**

6. Notice of Columbia's application was published in the *Federal Register* on March 13, 2008.<sup>1</sup> Orange and Rockland Utilities, Inc., Washington Gas Light Company (Washington Gas), and the City of Charlottesville, Virginia and the Easton Utilities Commission, jointly, filed timely unopposed motions to intervene. Timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's regulations.<sup>2</sup>

7. Washington Gas filed comments requesting additional information and clarification of the application. On April 4, 2008, Columbia filed an answer, with supplemental data, which is made part of the record herein.<sup>3</sup> The parties' positions are addressed below.

---

<sup>1</sup>73 Fed. Reg. 13,538.

<sup>2</sup>18 C.F.R. § 385.214 (2007).

<sup>3</sup> Although the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.213(a)(2) (2007) do not permit answers to comments or protests, we may for good cause waive this provision. In this instance, we find good cause to accept the answer because it provides information that assists in our decision making.

### **III. Discussion**

8. Columbia's proposal to temporarily increase the maximum storage inventory of the Coco C storage field by up to a total 1.2 Bcf involves no additional facilities, no increase in the storage field's boundaries, maximum certificated pressures or operational parameters, and no additional firm storage service. Further, the temporary increase in maximum storage volumes does not increase capital costs, degrade service to Columbia's existing customers, or adversely affect storage assets. The temporary increase in maximum storage volumes should facilitate more optimal withdrawal rates than otherwise predicted for the upcoming withdrawal season by utilizing the maximum storage pressure of the field. As such, Columbia's proposal is an operational enhancement involving no facilities, costs, or subsidies by existing customers.

#### **A. Effect of the Project on Columbia's Eastern Market Expansion**

9. Columbia's Eastern Market Expansion Project, approved in January 2008, gave Columbia authorization to construct new, and recondition existing, injection/withdrawal wells resulting in increased deliverability of 20 MMcf/d at the Coco C storage field.<sup>4</sup> Washington Gas questions whether the proposed testing will adversely impact the expansion capacity from the Eastern Market Expansion and whether the testing can be performed during construction of that project.

10. Columbia states that while the Eastern Market Expansion will allow Columbia to provide additional firm storage service, in this proceeding Columbia seeks only to test the Coco C storage reservoir's capability of reliably holding additional storage gas. Hence, Columbia states that the potential 1.2 Bcf of capacity above the certificated level sought herein is separate and apart from any capacity associated with the Eastern Market Expansion and that the two projects are not related. Columbia further states that the construction currently being performed at the storage field will have no impact on Columbia's ability to test the storage field.

11. The Commission agrees that Columbia's request to temporarily store additional gas at the Coco C field will not adversely impact the construction or services offered by the Eastern Market Expansion. Columbia has shown that the Coco C field historically reaches its maximum certificated capacity prior to reaching the maximum certificated pressure. Columbia proposes to offer up to 1.2 Bcf of interruptible storage service,

---

<sup>4</sup>*Columbia Gas Transmission Corp.*, 122 FERC ¶ 61,021 (2008).

beyond what is currently being offered. Our review of the project confirms that Columbia's proposal to inject additional gas and monitor the storage pressure will not interfere with the East Market Expansion construction.

**B. Cost and Risk of Testing**

12. Washington Gas requests information concerning who will provide the gas for testing, under what rate schedule services will be provided, and how Columbia will account for capital costs associated with the project. Columbia answers that it intends to use its storage customers' gas to test the field and that Columbia will provide injection services on a non-firm basis. Therefore, Columbia asserts that the only additional cost associated with the proposal is fuel, which Columbia will seek to recover in its annual limited section 4 Retainage Adjustment Mechanism proceeding. There are no capital costs associated with this application since Columbia is not proposing to construct facilities.

**C. Informational Requirements**

13. In order to ensure that the testing does not affect existing Columbia customers, Washington Gas requests Columbia provide the Commission and affected parties data necessary to evaluate the success or failure of the testing and to monitor testing on an ongoing basis. Washington Gas asks the Commission to require Columbia to comply with the informational requirements in the blanket certificate regulations.<sup>5</sup> Columbia answers that it will provide sufficient and proper information for the Commission to evaluate the proposal as it has in other similar *Columbia* proceedings<sup>6</sup> and that existing customers will not be adversely affected. The Commission will require Columbia to comply with the informational reporting requirements in Ordering Paragraph (D) of this order. This condition adequately addresses Washington Gas' reporting concerns.

---

<sup>5</sup>18 C.F.R. § 157.213(c) (2007).

<sup>6</sup> See *Columbia Gas Transmission Corporation*, 116 FERC ¶ 61,294 (2006), *reh'g denied*, 118 FERC ¶ 61,082 (2007). See also *Columbia Gas Transmission Corporation*, 120 FERC ¶ 62,192 (2007).

#### **IV. Environmental Analysis**

14. This action qualifies as a categorical exclusion under 380.4(a)(27), since the proposal does not involve the construction of any facilities. Thus, no environmental assessment is required. However, authorization of Columbia's proposal to increase storage volumes will be subject to the monitoring and reporting requirements set forth below.

15. The Commission, on its own motion, received and made a part of the record all evidence, including the application (s), as supplemented, and exhibits thereto, submitted in this proceeding and upon consideration of the record,

#### **The Commission orders:**

(A) A limited term certificate of public convenience and necessity is issued to Columbia for a period of up to three years from the date of issuance of this order authorizing it to temporarily increase the maximum inventory of Columbia's Coco C storage field above certificated levels, as described more fully in the application and in the body of this order.

(B) The total amount of working gas injected in excess of the certificated maximum level shall be no greater than 1.2 Bcf.

(C) No later than three years from the date of issuance of this order, the excess volumes injected pursuant to the authorization granted herein must be withdrawn from the field, and the level of gas in storage in the field shall be at or below its currently certificated maximum level.

(D) Columbia shall monitor the storage field for the duration of the testing period (up to three years from the date of issuance of this order) to identify possible loss or migration and take appropriate actions to prevent gas loss or migration. Columbia shall file with the Commission semiannual reports (to coincide with the termination of the injection and withdrawal cycles) containing the following information (volumes shall be stated at 14.73 psia and 60 degrees Fahrenheit and pressures shall be stated in psia):

(1) The daily volumes of natural gas injected into and withdrawn from the storage reservoir;

(2) The volume of natural gas in the reservoir at the end of the reporting period;

- (3) The maximum daily injection and withdrawal rates experienced during the reporting period. Average working pressure on such maximum days taken at a central measuring point where the total volume injected or withdrawn is measured;
- (4) Results of any tracer program by which the leakage of injected gas may be determined. If leakage of gas exists, the report should show the estimated total volume of gas leakage, the volume of any recycled gas, and the estimated remaining inventory of gas in the reservoir at the end of the reporting period;
- (5) Any surveys of pressures in gas wells, and the results of back-pressure tests conducted during the reporting period;
- (6) The latest revised structural and isopach maps showing the locations of the wells and the location of the gas-water contact. These maps need not be filed if there is no material change from the maps previously filed;
- (7) Discussion of current operating problems and conclusions;
- (8) Such other data or reports which may aid the Commission in the evaluation of the storage project; and
- (9) Reports shall continue to be filed semiannually until the storage inventory volumes and pressures reach or closely approximate the certificated maximum levels permitted in this order. Thereafter, the reports shall continue on a semiannual basis for a period of one year.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.