

132 FERC ¶ 61,205  
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.

Wabash Gas Storage LLC

Docket No. CP10-475-000

ORDER GRANTING EXEMPTION  
FOR TEMPORARY ACTS AND OPERATIONS

(Issued September 3, 2010)

1. On July 29, 2010, Wabash Gas Storage LLC (Wabash) filed a petition under section 7(c)(1)(B) of the Natural Gas Act (NGA)<sup>1</sup> and Rule 207(a)(5) of the Commission's Rules of Practice and Procedure<sup>2</sup> for an exemption from certificate requirements to drill two stratigraphic test wells to determine the feasibility of redeveloping the currently abandoned Elbridge Field and Nevins Field gas storage facilities in Edgar County, Illinois for natural gas storage. Subject to the conditions discussed below, we find it is in the public interest to grant the requested exemption.

**I. Background and Proposal**

2. Wabash is a limited liability company organized under the laws of Delaware. Wabash is not a "natural gas company" within the meaning of NGA section 2(6)<sup>3</sup> and holds no NGA section 7 certificates. Wabash is an affiliate of TPF II, LP (TPF II), which is a private equity fund founded in 2007 by its managing directors and the owners of Tenaska, Inc. In 2008, TPF II formed Voyager Midstream LLC (Voyager), a company focused on developing, acquiring, and managing midstream natural gas assets, including

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<sup>1</sup> 15 U.S.C. § 717f(c)(1)(b) (2006). This section authorizes the Commission to exempt by regulation from the requirements of NGA section 7(c) "temporary acts or operations for which the issuance of a certificate will not be required in the public interest."

<sup>2</sup> 18 C.F.R. § 385.207(a)(5) (2010).

<sup>3</sup> 15 U.S.C. § 717(a)(6) (2006).

storage facilities. Voyager established Wabash in 2010 for the purpose of developing, constructing, and operating a proposed natural gas storage facility in Illinois.

3. Wabash requests an exemption from the NGA section 7(c) certificate requirements for the temporary and limited purpose of undertaking stratigraphic test well drilling at currently abandoned aquifer gas storage facilities located on two adjacent, but geologically separate, sites in Edgar County, Illinois: the Elbridge Field and the Nevins Field. The fields were previously certificated for jurisdictional natural gas storage services in 1967, but were abandoned in 1987.<sup>4</sup> Wabash states that the test wells are necessary to obtain additional geotechnical information necessary to confirm the reservoir suitability of each field for gas storage, including the capabilities of each reservoir and overlying caprock, and suitable water disposal zones. Wabash contends that it intends to develop a natural gas storage facility, which eventually would be subject to the Commission's jurisdiction under the NGA, and that these test wells are necessary to determine the technical, environmental, and economic feasibility of this facility.

4. Wabash asserts that it will comply with all applicable federal, state, and local permitting and environmental requirements, and that the proposed activity will not adversely impact the public. Wabash asserts that drilling the test wells would be in the public interest because it is a necessary first step toward the development of the proposed storage facility. Wabash expects that the storage fields would be connected to Midwestern Gas Transmission Company (Midwestern), providing access to the Joliet Hub near Chicago and multiple major interstate pipelines. Given the commissioning of the Rockies Express Pipeline, which is interconnected to Midwestern, Wabash believes that there is demand for new storage facilities in the area.

5. Wabash states that it will bear the full costs of the subject activities and that the construction and testing will be temporary in nature. Wabash asserts that it will not perform any jurisdictional service using the planned test wells.

## **II. Notice and Interventions**

6. Notice of Wabash's petition was published in the *Federal Register*, 75 Fed. Reg. 47,587. No motions to intervene, protests, or comments were filed.

## **III. Discussion**

7. We find Wabash's proposed activities are a necessary preliminary phase in the development and construction of a jurisdictional natural gas storage facility. Therefore,

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<sup>4</sup> See *Midwestern Gas Transmission Co.*, 38 FPC 526 (1967) and 40 FERC ¶ 62,054 (1987).

the proposed activities are subject to the certificate requirements of NGA section 7(c). However, pursuant to NGA section 7(c)(1)(B), we may exempt certain temporary acts or operations from the certificate requirements that would otherwise apply, if we find that such an exemption is in the public interest. Previously, we have granted such exemptions to allow operations of a temporary nature that have no effects on ratepayers, on the quality of service provided by a natural gas company, or on the public as a whole.<sup>5</sup>

8. Wabash's proposed exploratory activities are temporary and will be conducted to determine the feasibility of developing a natural gas storage facility in Edgar County, Illinois, to serve the growing storage demand in the region. The certificate authorization exemption will be used solely for discrete exploratory activities to obtain stratigraphic data. No jurisdictional service will be rendered from the wells without Commission authorization. There will be no effects on ratepayers, quality of service, or the public.

9. Under the circumstances described in Wabash's petition, we find that the proposed activities constitute temporary acts or operations within the meaning of NGA section 7(c)(1)(B), and we find it in the public interest to exempt the proposed activities from the certificate requirements of NGA section 7(c). The certificate exemption granted here is without prejudice to any decision the Commission may make regarding an application Wabash may file for authorization for a storage project at the site or related pipeline construction.

10. As proposed by Wabash in its petition and consistent with Commission practice,<sup>6</sup> our authorization will be conditioned upon Wabash's performing all activities in compliance with the same environmental conditions that apply to the activities of natural gas companies under their Part 157 blanket certificates, as set forth in the Commission's regulations.<sup>7</sup> Wabash's proposed testing activities are similar to activities permitted under a Part 157 blanket certificate and section 157.206(b) of the regulations that sets forth standard conditions to protect the environment when activities are undertaken under a Part 157 blanket certificate. Requiring Wabash to comply with the provisions of section 157.206(b) will ensure the same level of protection in this case.

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<sup>5</sup> See, e.g., *Cadeville Gas Storage LLC*, 128 FERC ¶ 61,141 (2009) (*Cadeville*); *Arlington Storage Co., LLC*, 122 FERC ¶ 61,152 (2008) (*Arlington*); *Chestnut Ridge Storage LLC*, 121 FERC ¶ 61,022 (2007); *Leaf River Energy Center LLC*, 120 FERC ¶ 61,168 (2007) (*Leaf River*).

<sup>6</sup> See, e.g., *Cadeville*, 128 FERC ¶ 61,141 at Ordering Paragraph (C); *Arlington*, 122 FERC ¶ 61,152 at Ordering Paragraph (C); *Leaf River*, 120 FERC ¶ 61,168 at Ordering Paragraph (C).

<sup>7</sup> 18 C.F.R. § 157.26(b) (2010).

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

The Commission orders:

(A) Upon the terms and conditions of this order pursuant to NGA section 7(c)(1)(B), Wabash is granted an exemption from the certificate and abandonment requirements of section 7 of the NGA to undertake the activities specified in this order and in Wabash's petition. This exemption is effective upon issuance of this order. The authorized drilling and testing activities shall be completed within one year of the date of this order.

(B) Wabash shall notify the Commission within 10 days after commencing activities under the exemption in Ordering Paragraph (A). It shall allow inspection by Commission staff at any time.

(C) Wabash shall comply with the environmental requirements of section 157.206(b) of the Commission's regulations in implementing the drilling and testing activities.

(D) The exemption granted in Ordering Paragraph (A) may be revoked if the actions by Wabash are determined to be inconsistent with this order or with state or federal law and regulations. The Commission may halt work authorized under this exemption until any required consistency determination is completed.

By the Commission.

(S E A L)

Kimberly D. Bose,  
Secretary.