

147 FERC ¶ 61,197
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;
Philip D. Moeller, John R. Norris,
and Tony Clark.

Sea Robin Pipeline Company, LLC

Docket No. CP14-117-000

ORDER DENYING PROTEST AND APPROVING ABANDONMENT

(Issued June 12, 2014)

1. On March 24, 2014, Sea Robin Pipeline Company, LLC (Sea Robin) filed a prior notice application, as supplemented, pursuant to section 7(b) of the Natural Gas Act (NGA)¹ and sections 157.205 and 157.216(b) of the Commission's blanket certificate regulations² for authority to abandon certain natural gas pipeline facilities located in Vermilion Parish, Louisiana and extending into federal and state waters offshore Louisiana.

2. On April 14, 2014, Gary R. Huxel filed a timely protest to Sea Robin's prior notice filing. The procedures set forth in section 157.205 of the regulations would enable Sea Robin to conduct the proposed activity under its blanket certificate if the protest were withdrawn on or before July 2, 2014.³ However, Sea Robin has requested expedited consideration of its application in order to enable it to remove certain of the facilities prior to the beginning of the impending hurricane season.⁴ Accordingly, the Commission will waive the 30-day period provided in section 157.205(f) for the company and

¹ 15 U.S.C. § 7117f (2012).

² 18 C.F.R. §§ 157.205 and 157.216(b) (2013).

³ *See* 18 C.F.R. § 157.205(h)(2) (2013).

⁴ On May 19, 2014, Sea Robin filed a copy of a letter from Fieldwood Energy, owner of the Vermilion 26C junction platform, stating that the platform is scheduled for removal on June 15, 2014, and that if that date is missed, equipment necessary to complete the job will not be available until the end of October and the platform will be exposed to another hurricane season in the Gulf of Mexico. Since abandonment of Sea Robin's facilities must precede removal of the platform, to which they are connected, Sea Robin requests expedited approval of its abandonment proposal.

protestor to reconcile the issues raised in the protest and process Sea Robin's application as though the protest had not been withdrawn in a timely matter; i.e., we will review Sea Robin's filing as a case-specific application.⁵ For the reasons discussed below, the Commission will deny the protest and authorize Sea Robin to abandon the facilities under its blanket certificate.

I. Background and Proposal

3. Sea Robin is a natural gas company, as defined by section 2(6) of the NGA,⁶ engaged in the transportation and storage of natural gas in interstate commerce. It owns and operates a natural gas pipeline system, primarily onshore and offshore Louisiana. Sea Robin is jointly owned by Trunkline Deepwater Pipeline, LLC and Trunkline Offshore Pipeline, LLC, both of which are indirect wholly owned subsidiaries of Panhandle Eastern Pipeline Company, LP.

4. Sea Robin seeks authority to abandon a 5.4-mile-long, 16-inch diameter segment of Line No. 210B-100, all of Line 210A-1800, and its T-2 platform on its Vermilion System. Specifically, Line 210B-100 comprises approximately 29.8 miles of 18- and 16-inch diameter pipe located in Federal and State waters onshore and offshore Louisiana. It extends from the T-2 junction platform in Vermilion Area Block 26, offshore Louisiana, to Trunkline Gas Company, LLC's (Trunkline) Kaplan Compressor Station, located in Vermilion Parish, Louisiana. Sea Robin proposes to abandon an approximately 5.4 mile-long, 16-inch diameter segment of this line, extending from the the T-2 junction platform and terminating at Sea Robin's Main Line Valve 103 (MLV 103), onshore Louisiana.⁷ Sea Robin states that due to cessation of production in this portion of the Vermilion System in March 2013, this offshore segment of Line 210B-100 is no longer needed.

5. Sea Robin's transmission lateral Line 210A-1800 comprises approximately .29 miles of 14-inch diameter pipe, originating at Fieldwood Energy's 26C junction platform in Vermilion Area Block 26⁸ and terminating at Sea Robin's T-2 junction platform in the same block. Sea Robin states that Lines 210B-100 and 210A-1800 make up one continuous pipe beginning at the 26C junction platform and terminating at MLV

⁵ 18 C.F.R. § 157.205(f) (2013).

⁶ 15 U.S.C. § 717a(6) (2012).

⁷ This valve is also known as Gate Valve 103 (GV 103).

⁸ Sea Robin states that the production facility at this platform was shut in by its then owner, Apache Corporation, as of March 17, 2013, and that Fieldwood Energy, the current owner of the platform, plans to abandon the platform in 2014.

103. Since all production on the system ended in March 2013, Sea Robin states that Line 210A-1800, like Line 210B-100, is no longer needed to transport upstream production.

6. Sea Robin also proposes to abandon, by removal, its existing T-2 platform, which is located in Vermilion Area Block 26 in a water depth of 16 feet Mean Sea Level. The platform has four legs with one 16-inch, two 14-inch, and two 4-inch risers, It has a main deck, heliport and jacket structure. It is a junction platform and does not provide any compression.

7. Lines 210A-1800 and 210B-100 will be abandoned in place after their interiors have been cleaned with a pigging tool. Sea Robin states that the returns from both lines will be captured and processed by the liquids handling facility associated with Trunkline's interstate natural gas system. The pipelines will be flooded with seawater and depressurized, and disconnected from all production points at the T-2 platform and MLV 103 and Fieldwood Energy's Vermilion 26C junction platform, as appropriate. Sea Robin proposes to cut and remove pipeline tube turns located up to 15 feet below the sea floor and install plugs to complete the abandonment process. Tube turns buried deeper than 15 feet below the sea floor will be left in place. The T-2 platform legs will be cut 15 feet below the sea floor and the platform will be taken to a salvage yard.

8. Sea Robin states that since the inception of the Vermilion System, production in the Gulf of Mexico has declined significantly, and that there has been only nominal firm and interruptible flow on the offshore facilities over the past several years. Sea Robin does not anticipate that any additional or new shallow water natural gas supplies will be connected to the facilities proposed to be abandoned. Thus, the pipeline segments proposed to be abandoned are not needed to transport upstream production, and abandonment is required in order to isolate them from the remainder of the Vermilion System.⁹

9. Sea Robin contends that abandonment of the two pipeline segments will not have any adverse effect on its current shippers and that no additional services will be terminated as a result of the abandonment, nor would abandonment have any impact upon Sea Robin's peak day or annual deliveries.

II. Notice, Interventions, Protest and Answer

10. Notice of Sea Robin's application was published in the *Federal Register* on April 10, 2014 (79 Fed. Reg. 19,905). Pursuant to section 157.205(h) of the regulations,

⁹ The Commission authorized Trunkline to abandon and Sea Robin to acquire and operate the facilities proposed to be abandoned here in *Trunkline Gas Company, LLC*, 139 FERC ¶ 61,239 (2012), *order on reh'g, Trunkline Gas Company, LLC*, 142 FERC ¶ 61,133 (2013). The transfer was effective September 1, 2012.

authorization to conduct the activity proposed under the blanket certificate is automatic so long as no protests to the activity are filed within 60 days of the date the notice is issued by the Commission. If a protest is filed within the 60-day period and it is not withdrawn within 30 days after the 60-day notice period,¹⁰ the prior notice request proceeds as an application for case-specific authorization under the NGA.¹¹

11. On April 14, 2014, Mr. Huxel filed a protest with the Commission.¹² On May 6, 2014, Sea Robin filed an answer to the protest. Rule 213(a) of the Commission's Rules of Practice and Procedure does not permit answers to protests.¹³ However, the Commission finds good cause to waive Rule 213(a) and allow the answer, as doing so will not cause undue delay and may assist the Commission in its decision-making process.¹⁴ The Commission will address the issues raised in the protest below.

III. Discussion

12. Since the facilities that Sea Robin proposes to abandon are used to transport natural gas in interstate commerce subject to the jurisdiction of the Commission, the proposal is subject to the requirements of section 7(b) of the NGA.¹⁵

13. As holder of a blanket construction certificate, Sea Robin is authorized to undertake various routine activities subject only to certain reporting, notice, and protest requirements. The blanket certificate requirements are intended to increase flexibility and reduce regulatory and administrative burdens. It is expected that activities eligible to proceed under blanket certificate authorization will have minimal impact, such that close scrutiny of the nature involved in a case-specific deliberation by the Commission is not warranted to ensure compatibility with the public convenience and necessity. The prior notice procedures apply to activities that are not minor enough to qualify for automatic

¹⁰ The 30-day period, referred to as the "reconciliation period," was established to give parties a chance to resolve their differences.

¹¹ 18 C.F.R. § 157.205(d) (2013). Since the notice was issued on April 3, 2014, the notice period ended on June 2, 2014, and the reconciliation period would end July 2, 2014.

¹² No other motions to intervene or protests were filed.

¹³ 18 C.F.R. § 385.213(a) (2013).

¹⁴ 18 C.F.R. § 385.213(a)(2) (2013).

¹⁵ 15 U.S.C. § 717f(b) (2012).

authorization under the Commission's blanket certificate regulations, but that still have relatively little impact on ratepayers, pipeline operations, and the environment.

14. Because interested parties might have valid concerns about individual activities eligible to proceed under the prior notice procedures, the regulations provide an opportunity for a more thorough review and potential adjudication of issues raised in a protest. As discussed below, the Commission will deny Mr. Huxel's protest because, based on the staff's environmental analysis, Sea Robin's proposed action would result in minimal environmental impact.

Environmental Analysis

15. Mr. Huxel objects to Sea Robin's proposal to abandon the pipeline segments in place and not remove them, contending that they will eventually "rust and deteriorate causing environmental impacts on the local seabed and waters" and become a nuisance to recreational anglers, divers, and other water users. He states that the pipelines to be abandoned should be examined for holes and leaks that may cause environmental problems.

16. Sea Robin contends that because the pipelines are buried at depths up to 20 feet below the seabed in places, there would be no damage to the seabed or any contact with water users. Sea Robin asserts that the pipelines will be cleaned and filled with seawater according to the requirements of the U.S. Department of the Interior, Bureau of Safety and Environmental Enforcement and the Louisiana Department of Natural Resources. Sea Robin states that the proposed actions in abandoning the facilities have the approval or concurrence of all relevant state regulatory agencies.¹⁶ Sea Robin contends that removing the pipelines would cause more environmental impacts to shorelines and marsh areas due to the use of heavy equipment required to remove the lines.

17. To satisfy the requirements of the National Environmental Protection Act of 1969,¹⁷ Commission staff prepared environmental comments for Sea Robin's proposal. The analysis in these comments addresses geological resources, impacts on soil, marsh and wetlands, wildlife, historic properties, air quality, and noise impacts. The environmental comments were placed into the public record on June 2, 2014. The environmental comments addressed Mr. Huxel's protest.

18. Mr. Huxel contends that the pipelines will rust and deteriorate if they are abandoned in place. The pipelines to be abandoned in place are covered by as much as

¹⁶ See Attachments 1 and 2 to Motion for Leave to Answer and Answer of Sea Robin Pipeline Company, LLC, which contain certain approvals from relevant agencies.

¹⁷ 42 U.S.C. §§ 4321-4347 (2012).

20 feet of sediment on the sea floor. As such, the pipeline segments are isolated from contact with sea water and are in an anaerobic (lacking in oxygen) environment. Thus, the oxidation rate (i.e., rust formation) on the pipeline segments would occur very slowly over time, resulting in minimal impact on the marine environment.

19. Mr. Huxel asserts that the pipelines should be examined for holes and leaks that cause environmental problems. The pipeline pigging process will ensure that any potentially hazardous materials are not left in the pipelines to be abandoned. Thus, hazardous chemicals or other materials would not be released into the marine environment.

20. As stated, the pipeline segments are currently covered in sediments to a depth of as much as 20 feet beneath the sea floor. For this reason, no potential currently exists for the pipelines to be abandoned to come in contact with, or otherwise interfere with, the activities of fishermen, divers, or other water users in the project area. Further, the Coastal Use Permit issued by the Louisiana Department of Natural Resources Coastal Management Division requires that “pipeline(s)/flowline(s) left in place under the authority of this Coastal Use Permit, that at any time become a public safety and/or navigation hazard, shall, at the permittee’s expense, be removed and/or reburied to the point where they are a minimum of 3 feet below the ground surface and/or mudline of any open water areas or waterbody crossings.”

21. In the time that has elapsed since the construction of the pipelines, marine life has re-colonized areas on the sea floor directly above the pipeline segments. Removing the pipeline segments would cause substantial disturbance of the sea floor along each pipeline segment’s right-of-way, which would displace or kill the marine life currently existing on the sea floor, and release much larger volumes of sediment into the water above the pipelines than the proposed abandonment in place, thus causing more turbidity. This turbidity would cause greater injury or death to marine life in the project area. In addition, removing these pipeline segments would require the use of greater types and numbers of offshore equipment (e.g., barges, tug boats, work boats, cranes, etc.) and for a potentially much longer duration than needed for the proposed activities. Such equipment would be predominately (if not exclusively) fossil-fuel fired and result in greater emissions of air pollutants and disruption of sea life and other wildlife in the project area.

22. Based on the environmental analysis, the Commission concludes that if Sea Robin conducts the proposed abandonment activities in compliance with the requirements under sections 157.206(b) and 157.216 of the Commission’s regulations, Sea Robin’s proposals would result in minimal environmental impact.

23. As explained above, when a prior notice filing is protested, the Commission treats the filing as an application for case-specific authorization, if the protest is not withdrawn within the 30-day reconciliation period. However, the Commission has a policy against

granting case-specific authority when such activity may be performed under a blanket certificate.¹⁸ Thus, having determined that the protest to the prior notice filing should be denied and that Sea Robin has otherwise complied with all the requirements under its blanket certificate, the Commission will authorize Sea Robin to abandon Lines 210B-100, 210A-1800, and the T-2 platform under its Part 157 blanket certificate, subject to the environmental conditions in section 157.206(b) of the Commission's regulations.

24. Any state or local permits issued with respect to facilities subject to the jurisdiction of this Commission must be consistent with the conditions of any certificate issued by this Commission authorizing construction and operation of those facilities. The Commission encourages cooperation between interstate pipelines and local authorities. This does not mean, however, that state and local agencies, through application of state or local law, may prohibit or unreasonably delay construction or operation of facilities approved by this Commission.¹⁹

25. 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) Sea Robin is authorized to abandon the facilities, as described herein and more fully described in Sea Robin's prior notice request, pursuant to its Part 157 blanket certificate.

(B) Mr. Huxel's protest is denied.

¹⁸ See *Kinder Morgan Gas Transmission LLC*, 133 FERC ¶ 61,044 (2010); *Tennessee Gas Pipeline Co.*, 125 FERC ¶ 61,258 (2008).

¹⁹ 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.*, 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).

(C) Sea Robin 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 Sea Robin. Sea Robin shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.