



**Federal Energy Regulatory Commission
July 16, 2015
Open Commission Meeting
Staff Presentation
Item C-3**

"Good Morning Mr. Chairman and Commissioners.

"Item C-3 is Order No. 790-B, a further Final Rule in this rulemaking proceeding that was originally initiated by a petition filed by the Interstate Natural Gas Association of America. In that petition, INGAA asked the Commission to clarify section 2.55 of our regulations regarding the scope of auxiliary installations, which include activities ranging from the construction of very minor valves and station yard piping to pig launchers and gas conditioning, electrical and communication equipment. Specifically, INGAA sought clarification because it disagreed with Commission staff's position that all section 2.55 construction activities, both of replacement facilities and auxiliary installations, must stay within existing rights-of-way and facility sites and use only those previously disturbed work spaces that were subject to the Commission's environmental review before the existing facilities were constructed. In Orders No. 790 and 790-A, the Commission clarified and affirmed staff's position that spatial limitations do apply to auxiliary installations under section 2.55 of the regulations, even if a landowner is willing to grant the company additional right-of-way or other area needed for a project.

"Order No. 790-B further streamlines the Commission's regulations by reducing the number of case-specific applications that companies would need to file to abandon auxiliary installations that meet the special limitations of section 2.55 and of auxiliary installations and replacement facilities that do not meet section 2.55's limitations. Order 790-B amends section 2.55 to include pre-granted abandonment authority to abandon or replace auxiliary installations within existing rights-of-way and other previously reviewed areas. In addition, Order No. 790-B amends the Commission's blanket certificate regulations – which are subject to environmental conditions and review – to provide authorization for the abandonment of section 2.55 facilities in other instances. Companies will be able to use this new blanket authority to retire auxiliary facilities in situations where section 2.55(a)'s new pre-granted abandonment authority will not be available because the abandonment activities need to go outside existing rights-of-way or use other area that have not been reviewed by the Commission. The new blanket certificate authority also would apply to replacement facilities, to which section 2.55(a)'s new pre-granted abandonment authority will not apply, even if abandonment activities do not need to use new areas.

"This concludes our presentation and we'll be happy to take any questions."