

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

CenterPoint Energy Gas Transmission Company

Docket No. CP06-85-000

ORDER ISSUING CERTIFICATE

(Issued October 2, 2006)

1. On March 10, 2006, CenterPoint Energy Gas Transmission Company (CEGT) filed an application, as supplemented,¹ pursuant to section 7(c) of the Natural Gas Act (NGA) and Part 157 of the Commission's regulations, requesting authority to construct, own, and operate a new pipeline project consisting of approximately 172 miles of 42-inch pipeline, two new compressor stations with a combined compression of 41,240 horsepower (hp), and appurtenant facilities. The new pipeline project, also known as the Carthage to Perryville Project or Line CP, is designed to receive and transport up to 1.24 Bcf per day (Bcf/d) of natural gas from the Carthage Hub in Carthage, Texas for delivery at the Perryville Hub in Delhi, Louisiana. For the reasons discussed herein, the requested authorizations are granted, subject to certain conditions.

Background and Proposal

2. CEGT is a wholly-owned subsidiary of CenterPoint Energy, Inc. CEGT is a federally-regulated natural gas company that transports and delivers natural gas on behalf of various shippers, to destinations in Arkansas, Kansas, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee, and Texas.

¹ On May 9, 2006, CEGT filed a supplement to its application to (1) include newly executed precedent agreements which support the project, (2) update the revenue/cost of service comparison submitted in Exhibit N to reflect the execution of these new precedent agreements, (3) modify the phased construction time frame for the second compressor unit to be installed at each compressor station, and (4) correct an oversight in the *pro forma* tariff language.

3. CEGT proposes to construct an approximately 172-mile long, 42-inch-diameter natural gas pipeline commencing in Panola County, Texas, and terminating in Richland Parish, Louisiana. CEGT will install two new 20,620 hp gas-fired compressor stations, the Panola and Vernon Compressor Stations, located in Panola County, Texas and Jackson Parish, Louisiana, respectively, and certain ancillary facilities. The new pipeline will have a maximum allowable operating pressure of 1,000 pounds per square inch gauge.

4. CEGT designed Line CP as a separate line from its existing system to receive up to 1.24 Bcf/d of natural gas from three receipt points connected to Texas intrastate pipelines in the Carthage Hub area for transportation and delivery to the four interstate pipelines that are interconnected with CEGT's Perryville Hub.² The project will enable growing domestic gas supplies from eastern Texas and northern Louisiana production areas to reach markets in the Midwest and Northeast via the Perryville Hub. Specifically, the proposed project would facilitate the transportation to market of needed new supplies of natural gas from unconventional sources such the Barnett Shale and Bossier Sand production areas in eastern Texas, as well as the Elm Grove and Vernon Field production areas in Louisiana.

5. The estimated construction cost of the Line CP project is \$403 million. As reflected in its May 9, 2006 supplement to its application, CEGT has executed precedent agreements with eight shippers for terms ranging from four to ten years with total contract demand of 1.18 Bcf/d of the proposed 1.24 Bcf/d design capacity.

6. CEGT proposes to provide service on Line CP at its Part 284 rates under its existing firm, hourly firm, and interruptible transportation Rate Schedules FT, HFT, and IT. Because the pipeline will operate separately from CEGT's core system, CEGT requests authorization to charge a separate, fixed total fuel rate of 0.8 percent to shippers on Line CP. The fuel rate consists of a Fuel Use component of 0.7 percent and a Lost and Unaccounted for Gas (LUFG) component of 0.1 percent.

7. CEGT does not propose to charge shippers on Line CP the Electric Power Cost (EPC) surcharge, since CEGT will not incur EPC costs for service on the project facilities. In its initial application, CEGT noted that since it had not completed its contract negotiations for the entire project capacity, it was not seeking a predetermination as to the appropriateness of rolled-in rate treatment

² Pipelines that interconnect with CEGT at the Perryville Hub include ANR Pipeline Company, Trunkline Gas Company, Columbia Gulf Transmission, and Texas Gas Transmission, LLC.

8. Finally, CEGT requests expedited approval of its application so that the Carthage to Perryville Project may be completed and in service for a significant portion of the 2006-2007 winter heating season.

Notice, Interventions and Comments

9. Notice of CEGT's application was published in the *Federal Register* on March 24, 2006 (71 Fed. Reg. 14,873). Timely, unopposed interventions were filed by ANR Pipeline Company, Anadarko Petroleum Corporation and Anadarko Energy Services Company, Arkansas Public Service Commission, BP Energy Company, Constellation Energy Commodities Group, Inc., Enbridge Marketing (U.S.) LP, Enterprise Texas Pipeline, LP, Gulf South Pipeline Co., LP (Gulf South), Laclede Gas Company (Laclede), Arthur Mayweather, Jr., Southern Natural Gas Company, Tennessee Gas Pipeline Company, and Trunkline Gas Company, LLC. Timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure.³

10. Motions to intervene out-of-time were filed by Chevron U.S.A. Inc. and the Public Service Commission of Maryland. These parties have demonstrated that they have an interest in this proceeding and that their participation will not delay the proceeding or prejudice the rights of any other party. Accordingly, for good cause shown, we will grant the motions to intervene out-of-time.⁴

11. Several parties filed comments supporting the application. No party opposes it. Laclede notes that CEGT has not requested rolled-in rate treatment for costs of the new facilities, but requests assurance that if CEGT proposes to roll in the costs in any future NGA section 4 filing it must demonstrate that there will be no subsidization from existing customers. Gulf South comments that its own East Texas Project is in close proximity to the right-of-way proposed by CEGT for the Line CP project. Gulf South expresses its willingness to cooperate with CEGT to facilitate the Commission's review of these projects.

³ 18 C.F.R. § 385.214(a)(3) (2006).

⁴ 18 C.F.R. § 285.214(d) (2006).

Discussion

12. Since the proposed facilities will be used to transport 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. The Certificate Policy Statement

13. On September 15, 1999, the Commission issued a Policy Statement⁵ providing guidance as to how proposals for certificating new construction will be evaluated. Specifically, the Policy Statement explains that the Commission, in deciding whether to authorize the construction of new pipeline facilities, balances the public benefits against the potential adverse consequences. Our 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 relying on subsidization from its 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, existing pipelines in the market and their captive customers, or landowners and communities affected by the route of a 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.

15. 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. CEGT intends to use its currently effective system recourse rates as the initial

⁵*Certification of New Interstate Natural Gas Pipeline Facilities (Policy Statement)*, 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).

section 7 rates for the expansion services. Since none of the project costs are included in CEGT's currently effective rates, accepting CEGT's proposal to charge those rates as initial rates for the project will not result in subsidization by existing customers. Currently, CEGT has filed executed binding precedent agreements for firm expansion service totaling 1.18 Bcf/d. By the end of a 10-year period, CEGT projects cumulative revenues from these expansion service agreements will exceed the cumulative cost of service. Further, as discussed below, rolled-in rate treatment will result in lower rates for existing customers. In addition, shippers using Line CP will also pay separate Fuel Use and LUFGE charges that are only associated with the new facilities. Accordingly, CEGT's proposal meets the threshold requirement under the Policy Statement. Further, we find no adverse impact on existing pipelines in the market or their captive customers. The project will transport new domestic sources of gas to interstate pipeline interconnects at the Perryville Hub, thereby benefiting existing pipelines by maximizing the use of their systems and enhancing service to shippers on those pipelines by providing them with new and secure supply sources. Next, effects on landowners and surrounding communities have been minimized since the proposed pipeline route is situated, to the extent possible, parallel to existing pipeline and electric transmission rights-of-way. We also note that no adverse comments by landowners were filed in response to this project.

16. In sum, we find that the proposed Line CP is required by the public convenience and necessity because it will provide an important new outlet to the interstate market for natural gas from production areas that are expected to serve as rich supply sources in the future.

B. Rates and Pro Forma Tariff

17. For the reasons discussed below, we approve CEGT's proposed rates and CEGT's *pro forma* tariff sheets which contain general conforming changes to its transportation rate schedules, related rate sheets, and its General Terms and Conditions (GT&C) to accommodate service on new line CP.

18. We approve CEGT's proposal to provide service on Line CP under its existing firm, hourly firm, and interruptible transportation Rate Schedules FT, HFT, and IT, respectively. While Line CP is not currently directly interconnected to CEGT's mainline facilities, CEGT states that it intends to operate the new Line CP on an integrated basis⁶

⁶ See September 12, 2006 response by CEGT indicating it intends to provide service between its existing system and Line CP through displacement or by constructing a receipt interconnection between the two systems.

and to permit shippers access to both systems via use of secondary receipt and delivery points. Accordingly, we approve the use of CEGT's existing rates and rate schedules for services on Line CP.

19. We also approve CEGT's proposal to charge a separately stated fuel reimbursement and loss rate for Line CP. As noted earlier, CEGT and the Line CP shippers agreed to an incremental fuel rate of 0.8 percent. This percentage reflects both a Fuel Use component of 0.7 percent to account for compressor fuel and the LUFG component of 0.1 percent for fuel lost on the line. Additionally, CEGT does not propose to charge Line CP shippers the EPC surcharge assessed on CEGT's existing shippers, since no such costs will occur on Line CP, and has made revisions to each of the affected rate schedules to reflect this.

20. We find that CEGT made appropriate *pro forma* changes affecting its fuel-related tariff provisions at GT&C section 27. In general, section 27 describes CEGT's existing fuel reimbursement terms and conditions and the fuel tracking methodology. CEGT's proposed tariff language at section 27.4 excludes the new pipeline Fuel Use and LUFG charge from the existing system-wide fuel tracker CEGT uses to calculate the annual fuel adjustments. Therefore, CEGT has appropriately included tariff provisions to ensure that existing shippers will not subsidize the expansion project related to these provisions. Consistent with our regulations, we will require CEGT to separately account for the fuel and loss costs for Line CP consistent with section 154.309 of our regulations.⁷

21. While CEGT did not request a pre-determination for rolled-in rate treatment in its initial application, based on its May 9, 2006 supplemental filing, which demonstrates that rolling in the costs and revenues of the proposed expansion will result in a decrease in overall system rates, we grant a pre-determination for rolled-in rate treatment in CEGT's next section 4 rate proceeding, absent significantly changed circumstances. Specifically, in its May 9, 2006 supplemental filing, CEGT provided a revised cost and revenue study and rate impact analysis at revised Exhibit N, reflecting a total of eight precedent agreements with various shippers. The revised ten-year cost and revenue study indicates that at the end of the ten-year period, CEGT projects \$567,687,129 in total contract revenue as compared to \$534,700,767 in total cost of service, or approximately \$33 million in excess revenue.⁸

⁷ 18 C.F.R. § 154.309 (2006).

⁸ Use of the maximum recourse rates, rather than use of the lower contract rates, to project revenues associated with service on Line CP is consistent with Commission policy but derives similar results, in that revenues exceed costs.

22. All service agreements containing a negotiated rate must comply with the Commission's Alternative Rate Policy,⁹ the decision in *NorAm Gas Transmission Company (NorAm)*,¹⁰ and *Modification of Negotiated Rate Policy*.¹¹ Consistent with *NorAm*, CEGT must file either its negotiated rate contracts or numbered tariff sheets at least 30 but not more than 60 days prior to the commencement of service on the new pipeline, stating for each shipper paying a negotiated rate, the exact legal name of the shipper, the negotiated rate, the applicable receipt and delivery points, the volume to be transported, the beginning and ending dates of the contract term, and a statement that the agreements conform in all material respects with the *pro forma* service agreements in CEGT's FERC Gas Tariff. CEGT must also disclose all consideration linked to the agreements, and maintain separate and identifiable accounts for volumes transported, billing determinants, rate components, surcharges, and revenues associated with its negotiated rates in sufficient detail so that they can be identified in Statements G, I, and J in any future NGA section 4 or 5 rate case.

23. Finally, we approve CEGT's proposed conforming changes to GT&C sections 5.7 and 30.1 to apply CEGT's existing imbalance procedures to total monthly deliveries on the new pipeline, and to extend the boundaries of the Perryville Hub to include interconnecting points on the new line for segmentation purposes.

24. As discussed above, we accept all of CEGT's *pro forma* tariff changes incorporating the proposed Line CP services. Accordingly, we direct CEGT to file revised tariff sheets that reflect the *pro forma* changes approved above at least 30 days but no more than 60 days prior to the in-service date of the new facilities.

Environmental Analysis

25. On August 18, 2006 our staff issued a final Environmental Impact Statement (EIS) for the CEGT project. The final EIS analyzed the Line CP project and addressed the project's purpose and need, alternatives, geology, soils and noxious weeds, water resources, wetlands and vegetation, fish and wildlife, federally listed species, land use, socioeconomics, cultural resources, air quality and noise, siting and safety, and

⁹ *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines*, 74 FERC ¶ 61,076 (1996).

¹⁰ *NorAm Gas Transmission Co.*, 75 FERC ¶ 61,091 (1996), *order on reh'g*, 77 FERC ¶ 61,011 at 61,037 (1996).

¹¹ *See* 104 FERC ¶ 61,134 (2003).

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cumulative impacts. The final EIS addressed comments from individuals, organizations, companies, and local authorities who either attended the public meetings or provided written comments.

26. We received comments on the final EIS from the U.S. Fish and Wildlife Service (FWS) and the Louisiana Department of Wildlife and Fisheries (LDWF). No new issues were raised by FWS or LDWF in their respective comments and all the issues raised were addressed in the final EIS.

27. We have determined that construction and operation of CEGT's project would result in limited adverse environmental impacts based on information provided by CEGT and data developed from information requests; field investigations; literature research; alternatives analyses; comments from federal, state, and local agencies; and, input from public groups and individual citizens. The information and analysis contained in the final EIS included specific mitigation measures that would appropriately and reasonably reduce the environmental impacts resulting from construction and operation of the proposed project. We believe that environmental impacts would be minimized if the proposed project is constructed and operated in accordance with applicable laws and regulations, CEGT's proposed mitigation measures, and additional environmental mitigation measures contained in the appendix to this order.

28. 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.¹² CEGT shall notify the Commission's environmental staff by telephone, e-mail, or facsimile of any environmental noncompliance identified by other federal, state, or local agencies on the same day that such agency notifies either CEGT for their respective projects. CEGT shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

¹²See, e.g., *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988); *National Fuel Gas Supply v. Public Service Comm'n*, 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).

Conclusion

29. For the reasons discussed above, and with the conditions imposed by this order, the Commission concludes that the certificate authorization requested herein is required by the public convenience and necessity.

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

The Commission orders:

(A) A certificate of public convenience and necessity is issued to CEGT pursuant to section 7(c) of the Natural Gas Act authorizing CEGT to construct, own, and operate the natural gas facilities, as described and conditioned herein, and as more fully described in the application.

(B) The certificate authority issued in Ordering Paragraph (A) is conditioned on the following:

- (1) CEGT'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 section 157.20(b) of the Commission's regulations;
- (2) CEGT's compliance with all applicable Commission regulations, including paragraphs (a), (c), (e), and (f) of section 157.20 of the Commission's regulations;
- (3) CEGT's compliance with the environmental conditions listed in the appendix to this order.

(C) CEGT must roll the Line CP costs into its system rates in its next general section 4 rate proceeding, absent significantly changed circumstances.

(D) CEGT is directed to execute firm contracts equal to the level of service and in accordance with the terms of service represented in its precedent agreements prior to the commencement of construction.

(E) CEGT must file revised tariff sheets at least 30 days but not more than 60 days prior to commencement of its new service on the Line CP project, reflecting:

- (1) the *pro forma* tariff changes accepted in the body of this order; and,
- (2) language requiring CEGT to calculate and report the new pipeline fuel rates consistent with its existing fuel reimbursement tracking mechanism, as discussed in the body of this order.

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

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

Appendix

1. CEGT shall follow the construction procedures and mitigation measures described in its application, supplemental filings (including responses to staff information requests), and as identified in the EIS, unless modified by the Order. CEGT 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.**

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 the Commission's 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**, CEGT shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors (EIs), and contractor personnel will be informed of the EI'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 location shall be as shown in the EIS, as supplemented by filed alignment sheets, and shall include all of the staff's recommended facility locations. **As soon as they are available, and prior to the start of construction**, CEGT 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 the Order. All requests for modifications of environmental conditions of the Order or site-specific clearances must be written and must reference locations designated on these alignment maps/sheets.

CEGT's exercise of eminent domain authority granted under NGA Section 7(h) in any condemnation proceedings related to the Order must be consistent with these authorized facilities and locations. CEGT'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.

CEGT 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 **prior to construction** in or near that area.

This requirement does not apply to route variations required herein or 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
- d. agreements with individual landowners that affect other landowners or would affect sensitive environmental areas.

Within 60 days of the acceptance of this certificate and prior to construction, CEGT shall file an initial Implementation Plan with the Secretary for review and written approval by the Director of OEP describing how CEGT will implement the mitigation measures required by the Order. CEGT must file revisions to the plan as schedules change. The plan shall identify:

- a. how CEGT 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 EIs assigned per spread, and how the company will ensure that sufficient personnel are available to implement the environmental mitigation;
 - c. company personnel, including EIs and contractors, who will receive copies of the appropriate material;
 - d. what training and instructions CEGT will give to all personnel involved with construction and restoration (initial and refresher training as the Project progresses and personnel change), with the opportunity for OEP staff to participate in the training session;
 - e. the company personnel (if known) and specific portion of CEGT's organization having responsibility for compliance;
 - f. the procedures (including use of contract penalties) CEGT 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.

CEGT shall employ one or more EIs per construction spread. The environmental inspectors shall be:

- a. responsible for monitoring and ensuring compliance with all mitigative measures required by the 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 and any other authorizing document;
- c. empowered to order correction of acts that violate the environmental conditions of the 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 the 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. CEGT shall file updated status reports with the Secretary on a **biweekly** basis **until all construction-related activities, including restoration, are complete for each phase of the Project**. 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 EI(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. a description of 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 that may relate to compliance with the requirements of the Order, and the measures taken to satisfy their concerns; and
 - f. copies of any correspondence received by CEGT from other federal, state or local permitting agencies concerning instances of noncompliance, and CEGT's response.
9. CEGT 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 areas affected by the Project are proceeding satisfactorily.
10. **Within 30 days of placing the certificated facilities in service**, CEGT shall file an affirmative statement with the Secretary, certified by a senior company official:
 - a. that the facilities have been constructed 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 CEGT 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. CEGT shall develop and implement an environmental complaint resolution procedure. The procedure shall 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 right-of-way. **Prior to construction**, CEGT shall mail the complaint procedures to each landowner whose property would be crossed by the Project.
 - a. In its letter to affected landowners, CEGT shall:
 - (1) 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;
 - (2) instruct the landowners that, if they are not satisfied with the response, they should call CEGT's Hotline; the letter should indicate how soon to expect a response; and
 - (3) instruct the landowners that, if they are still not satisfied with the response from CEGT's Hotline, they should contact the Commission's Enforcement Hotline at (888) 889-8030, or at hotline@ferc.gov.
 - b. In addition, CEGT shall include in its weekly status report a copy of a table that contains the following information for each problem/concern:
 - (1) the date of the call;
 - (2) the identification number from the certificated alignment sheets of the affected property and approximate location by MP;
 - (3) the description of the problem/concern; and
 - (4) an explanation of how and when the problem was resolved, will be resolved, or why it has not been resolved.
12. **Prior to construction**, CEGT shall file with the Secretary, for review and written approval by the Director or OEP, a complete environmental training and monitoring plan that is developed and finalized in consultation with appropriate resource agencies. (*Section 2.5*)
13. CEGT shall develop, in consultation with the appropriate agencies, a plan that outlines procedures for documenting unanticipated discoveries of paleontological resources, including photographing and describing specimens, recording detailed location data, and reporting the resources to the Louisiana Geological Survey, the Louisiana Museum of Natural History, and/or the Texas Bureau of Economic Geology. **Prior to construction**, this plan shall be filed with the Secretary for review and written approval by the Director of OEP. (*Section 3.1.3*)

14. **Prior to construction**, CEGT shall file with the Secretary, for review and written approval by the Director of OEP, site-specific SPCC Plans to govern handling, containment, and cleanup of hazardous materials during construction of the proposed Project. *(Section 3.2.3)*
15. CEGT shall develop a hazardous and contaminated materials management plan that identifies the procedures that would be implemented during construction to identify, test, treat, and dispose of such materials in accordance with the appropriate state and federal regulations. This plan shall be filed with the Secretary for review and written approval by the Director of OEP **prior to construction**. *(Section 3.2.3)*
16. CEGT shall file a report with the Secretary, **within 30 days of placing its pipeline facilities in service**, identifying all private or domestic water wells/systems damaged by construction and how they were repaired. The report shall include a discussion of any complaints concerning the well yield or quality and how each problem was resolved. *(Section 3.3.1.3)*
17. **Prior to construction**, CEGT shall file with the Secretary for review and written approval by the Director of OEP access road information specifying the locations and dimensions of all new or improved access roads that would cross waterbodies, provide a plan for crossing (including culvert sizing) and mitigation developed in consultation with the appropriate agencies, and file documentation that the necessary permits and landowner approvals have been obtained. *(Section 3.3.2.1)*
18. CEGT shall not begin an open-cut crossing of any of the waterbodies proposed to be crossed using horizontal directional drilling (HDD) until it files an amended crossing plan with the Secretary for review and written approval by the Director of OEP. The amended crossing plan shall include site-specific drawings identifying all areas that would be disturbed using the proposed alternate crossing method. CEGT shall file the amended crossing plan concurrent with the appropriate state and federal applications required for implementation of the plan. *(Section 3.3.2.3)*
19. **Prior to construction**, CEGT shall file site-specific construction plans for all extra workspace areas that would be located within 50 feet of a wetland with the Secretary for review and written approval by the Director of OEP. *(Section 3.4.2.2)*
20. CEGT shall consult with FWS and LDWF to develop detailed, site-specific wetland crossing plans for the Cannisia Lake Basin (MP 42.3 to MP 42.9), Castor Creek (MP 74.8 to 74.9), and Six Mile Creek (MP 79.8 to 79.9) forested wetlands

and file those plans with the Secretary for review and written approval by the Director of OEP **prior to construction at each crossing**. Each site-specific plan shall include a reduction in the width of the proposed construction right-of-way and any associated extra temporary workspace areas that considers all practicable methods to minimize the width of the cleared right-of-way, including: stove-pipe, drag-section, and push-pull flotation ditch (if sufficient water is present). Each plan shall also depict the location of any mature, specimen trees (*i.e.*, greater than 24 inches diameter at breast height) within and adjacent to the proposed construction work areas, and identify how impacts to such trees might be avoided (*Section 3.4.3*)

21. CEGT shall implement an HDD crossing rather than the proposed construction plan between MP 112.9 and MP 113.6 to avoid impacts to the Castor Creek (MP 112.9 to MP 113.5) forested wetland, State Highway 34, and an adjacent ammonia pipeline. CEGT shall file site-specific crossing plans, details, and plan and profile drawings for the HDD crossing with the Secretary for review and written approval by the Director of OEP **prior to construction of the crossing**. (*Section 3.4.3*)
22. CEGT shall consult with Texas Parks and Wildlife Department (TPWD) to develop a compensatory mitigation plan to offset any unavoidable impacts to the TPWD-designated Water Oak-Willow Oak Series not covered by its compensatory wetland mitigation plan, and file copies of the Water Oak-Willow Oak Series compensatory mitigation plan with the Secretary **prior to construction**. (*Section 3.4.3.2*)
23. **Prior to construction**, CEGT shall consult with the U.S. Corps of Engineers (COE), FWS, LDWF, TPWD, and other applicable agencies to further develop its compensatory wetland mitigation plan; and file copies of all associated permits and compensatory mitigation requirements with the Secretary. (*Section 3.4.4*)
24. CEGT shall consult with LDWF, TPWD, local soil conservation agencies, and other appropriate agencies, regarding seeding and vegetation restoration practices for the proposed Project. **Prior to construction**, CEGT shall file a report with the Secretary for review and written approval by the Director of OEP that describes the outcome of these consultations and identifies the agency recommended seeding and vegetation restoration practices. (*Section 3.5.2*)
25. **Prior to construction**, CEGT shall consult with LDWF and file with the Secretary copies of any agreements for Project-related use and impacts to lands

held in the Louisiana Wildlife Management Area (WMA) program. In that filing, CEGT shall also document how it would implement any LDWF-recommended measures to avoid, minimize, or mitigate any unavoidable impacts to WMA lands. *(Section 3.5.3.1)*

26. CEGT shall develop a Nuisance Species Plan that incorporates the FWS recommended measures for control of Chinese tallow tree and identifies the specific measures that would be implemented during construction and operations to control that species, and file that plan with the Secretary for review and written approval by the Director of OEP **prior to the start of construction**. Following approval, CEGT shall also submit copies of the Nuisance Species Plan to FWS, TPWD, and LDWF. *(Section 3.5.3.3)*
27. CEGT shall consult with LDWF to develop measures (if required) to be implemented during Project construction that would avoid or minimize the potential for Project impacts to Louisiana black bear. Copies of all related consultation, including any recommended mitigation measures, shall be filed with the Secretary **prior to construction**. *(Section 3.7.1)*
28. **Prior to construction**, CEGT shall consult with LDWF to determine the need for additional surveys or mitigation that would substantially minimize or avoid potential impacts to state-listed species. CEGT shall file with the results of that consultation, as well as any associated survey reports, with the Secretary and receive written approval from the Director of OEP prior to implementing any agency recommended mitigation measures. *(Section 3.7.2.1)*
29. CEGT shall continue to coordinate with Delhi Municipal Airport officials and the Federal Aviation Administration (FAA) to monitor whether the runway extension would be planned and funded prior to construction of the proposed Project. If such plans are confirmed, then CEGT shall file documentation of associated consultations with airport officials and the FAA and provide a site-specific construction plan that addresses any concerns identified by those entities with the Secretary **prior to construction**. *(Section 3.8.1.3)*
30. **Prior to construction**, CEGT shall file the applicable levee crossing permits and authorizations issued by the Red River Levee District and COE with the Secretary. *(Section 3.8.1.3)*
31. CEGT shall consult with the National Resources Conservation Service (NRCS) to identify the extent and location of all Conservation Reserve Program (CRP) and

Wetland Reserve Program (WRP) lands that would be affected by construction and operation of the proposed Project and obtain any required Compatible-Use Permits or other approvals. CEGT shall file documentation of all NRCS recommended measures to avoid and minimize impacts to CRP and WRP lands with the Secretary **prior to construction.** (*Section 3.8.5*)

32. CEGT shall develop a site screening plan for Mainline Valve (MLV) #4 (MP 51.7), MLV #10 (MP 134.6), and MLV #11 (MP 153.3) and file the plan with the Secretary for review and written approval by the Director of OEP **prior to construction.** (*Section 3.8.6.2*)
33. CEGT shall develop a site-screening plan for the ANR Meter/Regulator (M/R) Station (MP 164.4) and file that plan with the Secretary for review and written approval by the Director of OEP **prior to construction.** (*Section 3.8.6.2*)
34. CEGT shall defer implementation of any treatment plans/measures (including archaeological data recovery), construction of facilities, and use of all staging, storage, or temporary work areas and new or to-be-improved access roads **until:**
 - a. CEGT files with the Secretary cultural resources survey and evaluation reports, any necessary treatment plans, and the Texas and Louisiana State Historic Preservation Office (SHPO) comments on the reports and plans; and
 - b. The Director of OEP reviews and approves all cultural resources survey reports and plans and notifies CEGT in writing that treatment plans/procedures may be implemented and or construction may proceed.

All material filed with the Secretary containing location, character, and ownership information about cultural resources must have the cover and any relevant pages therein clearly labeled in bold lettering: "CONTAINS PRIVILEGED INFORMATION - DO NOT RELEASE." (*Section 3.10.4*)

35. **Prior to construction,** CEGT shall file a residential HDD noise analysis, mitigation, and compliance plan with the Secretary for review and approval by the Director or OEP. This plan shall demonstrate whether noise due to nighttime drilling operations would be below a day-night sound level (L_{dn}) of 55 decibels on the A-weighted scale (dBA) at the nearest noise sensitive area (NSA) and specify all noise mitigation equipment necessary to reduce noise levels to less than 55 dBA L_{dn} . The plan shall detail how CEGT would ensure compliance and confirm that where surveys indicate that noise attributable to nighttime drilling would exceed 55 dBA L_{dn} , CEGT shall:

- a. stop drilling and mitigate the noise at the affected NSAs to reduce noise levels to 55 dBA L_{dn} or less; or
 - b. offer temporary housing to occupants of affected NSAs until L_{dn} levels at the NSAs are reduced to 55 dBA L_{dn} or less. (*Section 3.11.2.2*)
36. CEGT shall conduct noise surveys to verify that the noise attributable to operation of the compressor stations does not exceed an L_{dn} of 55 dBA at any NSA following the installation of each authorized compressor unit, and file the results of those surveys with the Secretary **no later than 60 days** after placing each authorized compressor unit in service, or prior to the start of the next phase of construction, whichever is sooner. If the noise attributable to operation of the compressor stations exceeds 55 dBA L_{dn} at any NSA, CEGT shall file a report on what additional noise controls are needed to meet that level and install any required controls **within one year** of the in-service date of the associated compressor unit or prior to the start of the next phase of construction, whichever is sooner. CEGT shall confirm compliance with the L_{dn} of 55 dBA requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls or prior to the start of the next phase of construction, whichever is sooner. (*Section 3.11.2.2*)
37. CEGT shall adopt the Alexander Farms Route Variation, as identified in Figure 4.4.1-1 of the Final EIS, rather than following the proposed Project route between MP 12.7 and MP 14.9. (*Section 4.4.1*)
38. CEGT shall adopt the Robertson Route Variation, as identified in Figure 4.4.6-1 of the Final EIS, rather than following the proposed Project route between MP 132.5 and MP 133.8. (*Section 4.4.6*)