1. On August 16, 2016, Transcontinental Gas Pipe Line Company, LLC (Transco) filed an application, as supplemented on May 2, 2017, under section 7(c) of the Natural Gas Act (NGA)\(^1\) and Part 157 of the Commission’s regulations\(^2\) for a certificate of public convenience and necessity authorizing the construction and operation of three new compressor stations, a new pipeline interconnect, and modifications to two existing compressor stations in Southeast Texas (Gulf Connector Expansion Project). As discussed below, the Commission will grant the requested authorizations, subject to conditions.


I. Background and Proposal

2. Transco, a limited liability corporation formed under Delaware law, is a natural gas company as defined by section 2(6) of the NGA. Its natural gas transmission system extends through Texas, Louisiana, the offshore Gulf of Mexico area, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Virginia, Maryland, Pennsylvania, and New Jersey, to its termini in the New York City metropolitan area.

3. Transco proposes to construct and operate the Gulf Connector Expansion Project to provide up to 475,000 dekatherms per day (Dth/d) of firm transportation service from Transco's Station 65 Zone 3 Pool in St. Helen's Parrish, Louisiana southward on its mainline to proposed interconnections with Gulf South Pipeline Company, L.P.'s (Gulf South) Coastal Bend Header in Wharton County, Texas and Cheniere Corpus Christi Pipeline, L.P.'s (Chenier Pipeline) Pipeline Project in San Patricio County, Texas. To provide the incremental capacity, Transco proposes to construct the Gulf Connector Expansion Project in two phases. Phase I will provide 75,000 Dth/d of firm transportation service with a target in-service date of September 1, 2018. Phase II will provide an additional 400,000 Dth/d of firm transportation service with a target in-service date of January 1, 2019.

4. In Phase I, Transco proposes to construct and operate:

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4 Construction of the interconnection between Transco and Gulf South will be undertaken as a part of the Coastal Bend Header Project that will enable Gulf South to transport natural gas to Freeport LNG Development, L.P.'s liquefaction and export terminal in Brazoria County, Texas. Gulf South's Coastal Bend Header Project was authorized by the Commission on June 20, 2016, and is currently under construction. Gulf South Pipeline, L.P. 155 FERC ¶ 61,287 (2016).

5 Cheniere Pipeline's Pipeline Project is designed to transport natural gas bi-directionally between Cheniere Corpus Christi Liquefaction Pipeline, LLC's export and import facilities to be located in San Patricio and Nueces Counties, Texas and interstate and intrastate natural gas pipeline systems and is currently under construction. Cheniere Corpus Christi Pipeline Co., L.P. 149 FERC ¶ 61,283 (2014); reh'g denied, 151 FERC ¶ 61,098 (2015); vacated in part, 154 FERC ¶ 61,163 (2016).
5. In Phase II, Transco proposes to construct and operate:

- a new 7,800 hp compressor station consisting of one Solar Taurus 60 gas turbine-driven compressor unit located on Transco’s mainline near milepost 148.5 in San Patricio County, Texas (Compressor Station 17);

- a new 21,600 hp compressor station consisting of two 10,800 hp Solar Taurus 70 gas turbine-driven compressor unit allowing for bi-directional compression located on Transco’s mainline at near milepost 203 in Victoria County, Texas (Compressor Station 23);

- a 500,000 Dth/d interconnection with Cheniere Pipeline located adjacent to Compressor Station 17 in San Patricio County, Texas;

- piping and valve modifications at existing Compressor Station 30 in Wharton County, Texas to allow for bi-directional compression; and

- related appurtenant facilities.

6. Transco held an open season from November 21 through December 31, 2014, for service on the project. As a result, Transco executed binding precedent agreements with Osaka Gas Trading & Export LLC (Osaka) for the project’s Phase I service of 75,000 Dth/d with a primary term of 15 years and

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6 Transco originally proposed a 1,250 hp electric motor-driven unit at Compressor Station 32. In a supplemental filing dated May 2, 2017 (supplemental filing), Transco modified its proposal to, among other things, increase the horsepower to 1,500 hp for the electric motor-driven unit at Station 32. Additional modifications to its proposal include the construction of five new communications towers, replacement of a communications tower at an existing compressor station, and valve and piping modifications at existing Compressor Station 35.
Cheniere Corpus Christi Liquefaction, LLC (Cheniere) for the Phase II service of 400,000 Dth/d for a primary term of 20 years. Both customers have elected to pay negotiated reservation rates for firm service using the project capacity.

7. Transco estimates the proposed facilities will cost approximately $167.4 million. Transco proposes to establish incremental recourse reservation rates for firm transportation service on the project facilities under Rate Schedule FT, as described in more detail below.\(^7\)

II. Notice, Interventions, and Comments

8. Public notice of Transco’s application was published in the Federal Register on August 31, 2016.\(^8\) The parties listed in Appendix A filed timely, unopposed motions to intervene, which are granted by operation of Rule 214(c) of the Commission’s Rules of Practice and Procedure.\(^9\) No adverse comments were filed.

III. Discussion

9. Since the proposed facilities will be used to transport natural 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.\(^10\)

A. Certificate Policy Statement


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\(^7\) Transco asserts that the facilities proposed in its supplemental filing will not affect the project costs or rates set forth in the application.


\(^10\) 15 U.S.C. §§ 717f(c) and (e) (2012).

need for a proposed project and whether the proposed project will serve the public interest. The Certificate Policy Statement explains that in deciding whether to authorize the construction of major new natural gas facilities, the Commission balances the public benefits against the potential adverse consequences. The Commission’s 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.

11. Under this policy, the threshold requirement for pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from 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 construction. 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 proceed to consider the environmental analysis where other interests are addressed.

12. As stated, the threshold requirement for pipelines proposing new projects is that the applicant must be prepared to financially support the project without relying on subsidization from its existing customers. The Commission has determined that, in general, where a pipeline proposes an incremental recourse rate for the project – as Transco does here for the reservation charge – the pipeline satisfies the threshold requirement that the project will not be subsidized by existing shippers. Moreover, we are approving Transco’s request to charge its existing commodity charges and fuel retention and power cost charges which are higher than the respective incremental costs associated with the project. Under these circumstances, we find Transco’s existing customers will not subsidize the project.

13. We also find that the proposed project will not adversely affect Transco’s existing customers. The Gulf Connector Expansion Project will enable Transco to provide incremental firm transportation service to the two project shippers, Osaka and Cheniere, and there is no evidence that the project will degrade service to existing customers. None of Transco’s existing customers have raised any concern that the new service will adversely affect existing services.

14. We further find that there will be no adverse impacts on other pipelines or their captive customers because the project will serve new demand and not replace firm transportation service on

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any other existing pipeline. No pipelines or their captive customers have protested Transco’s application.

15. Regarding project’s impacts on landowners and communities, the project will impact 228 acres during construction and permanently affect 52 acres during operation. Transco states that the modifications at existing compressor stations will take place within the fence lines of the existing stations currently owned by Transco. Transco also indicates it will acquire and own the parcels of land for station construction at all three new compressor sites. Accordingly, we find that Transco has designed the project to minimize adverse impacts on landowners and surrounding communities.

16. Transco’s proposed facilities will enable it to provide a total of 475,000 Dth/d of firm transportation service in two phases, which service has been fully subscribed by Osaka and Cheniere under long term, binding precedent agreements. Based on the benefits the project will provide and the lack of adverse impacts on existing customers and other pipelines and their captive customers, and the minimal adverse effects on landowners and surrounding communities, we find, consistent with the Certificate Policy Statement and NGA section 7(c), that the public convenience and necessity requires approval of Transco’s proposal, subject to the conditions discussed below.

B. Rates

1. Initial Rates

17. Transco proposes to charge incremental firm recourse reservation charges under Rate Schedule FT for service on the project. For Phase I, Transco proposes an initial incremental recourse reservation charge of $0.22859 per Dth/d based on an annual cost of service for the Phase I facilities of $6,257,603 and annual billing determinants of 27,375,000.\footnote{13} For Phase II, Transco proposes an initial incremental recourse reservation charge of $0.19606 per Dth/d based on an annual cost of service of $33,991,773 for the Phase I and Phase II facilities and annual billing determinants of 173,375,000.\footnote{14} The proposed Phase I and Phase II cost of service are based on Transco’s pre-tax rate of return of 15.34 percent that underlie Transco’s settlement rates approved in Docket No. RP01-245-000, et al.\footnote{15} and its system

\footnote{13} The Phase I capacity of 75,000 Dth/d times 365.

\footnote{14} The Phase I and Phase II capacity of 475,000 Dth/d times 365.

\footnote{15} Transcontinental Gas Pipe Line Corp., 100 FERC ¶ 61,085 (2002). Transco explains that it has used the specified pre-tax rate of return underlying the Docket No. RP01-245 settlement rates (continued ...)}
depreciation rates of 2.61 percent for onshore transmission facilities (including negative salvage) and 4.97 percent for Solar turbines, as established in the settlement in Docket No. RP12-993-000, et al.16 The Commission will approve Transco’s proposed Phase I and Phase II incremental reservation charges because they are higher than the currently applicable Rate Schedule FT Zone 3-1 and 3-2 reservation charges of $0.15232 per Dth/d and $0.13686 per Dth/d, respectively.17

18. Transco also proposes to charge its existing non-incremental commodity charges under Rate Schedule FT for service on the project. Based on the variable costs for the project, Transco calculated incremental commodity charges for Phase I of the project as follows: Zone 1 - $0.00 per Dth; Zone 2 - $0.00024 per Dth; and Zone 3 - $0.00019 per Dth. Further, Transco calculated incremental commodity charges for Phase II of the project as follows: Zone 1 - $0.00068 per Dth; Zone 2 - $0.00129 per Dth; and Zone 3 - $0.00098 per Dth. Because each of these incremental commodity charges is lower than Transco’s currently effective commodity charges of $0.00172 per Dth for Zone 1; $0.00319 per Dth for Zone 2; and $0.00268 per Dth for Zone 3, the Commission approves Transco’s proposal to assess its currently effective Rate Schedule FT Non-Incremental Commodity Rates for the project.

2. Fuel

19. Transco proposes to charge its generally applicable system fuel retention and electric power rates for transportation on the project’s expansion capacity. Transco asserts that, as detailed in Exhibit Z, the project facilities are expected to reduce fuel use (gas fuel consumption plus the gas equivalent of electric power consumption) allocated to existing customers. Thus, Transco states the fuel benefit provided by the project to other shippers supports Transco’s proposal to assess project customers the generally applicable system fuel retention and electric power charges. Based on Transco’s analysis, the Commission approves Transco’s proposal to charge its generally applicable system fuel and electric power rates for transportation on the capacity associated with the project facilities.

because the more recent Docket No. RP12-993 settlement agreement was a “black box” settlement, which does not specify a rate of return.


17 Transcontinental Gas Pipe Line Company, FERC NGA Gas Tariff, Fifth Revised Volume No. 1, Section 1.1.1, FT - Non-Incremental Rates, 15.0.0.
3. **Reporting Incremental Costs**

20. Section 154.309 of the Commission's regulations includes bookkeeping and accounting requirements applicable to all expansions for which incremental rates are charged to ensure that costs are properly allocated between pipelines' existing shippers and incremental expansion shippers.\(^\text{18}\) Therefore, Transco must keep separate books and accounting of costs and revenues attributable to the project, as required by section 154.309 of the Commission's regulations. The books should be maintained with applicable cross-references as required by section 154.309. This information must be in sufficient detail so that the data can be identified in Statements G, I, and J in any future NGA section 4 or 5 rate case, and the information must be provided consistent with Order No. 710.\(^\text{19}\)

4. **Negotiated Rate Agreements**

21. Transco proposes to provide service to its project shippers under negotiated rate agreements. Transco must file either negotiated rate agreements or tariff records setting forth the essential elements of the agreements in accordance with the Alternative Rate Policy Statement\(^\text{20}\) and the Commission's negotiated rate policies.\(^\text{21}\) Transco must file the negotiated rate agreements or tariff records at least 30 days, but no more than 60 days, before the proposed effective date for such rates.\(^\text{22}\)

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\(^{19}\) *Revisions to Forms, Statements, and Reporting Requirements for Natural Gas Pipelines*, Order No. 710, FERC Stats. & Regs. ¶ 31,267, at P 23 (2008).

\(^{20}\) *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines; Regulation of Negotiated Transportation Services of Natural Gas Pipelines*, 75 FERC ¶ 61,024 (1996), reh'g denied, 75 FERC ¶ 61,066 (1996), *petition for review denied sub nom., Burlington Resources Oil & Gas Co. v. FERC*, 172 F.3d 918 (D.C. Cir. 1998) (Alternative Rate Policy Statement).

\(^{21}\) *Natural Gas Pipelines Negotiated Rate Policies and Practices; Modification of Negotiated Rate Policy*, 104 FERC ¶ 61,134 (2003), *order on reh'g and clarification*, 114 FERC ¶ 61,042 (2006), *dismissing reh'g and denying clarification*, 114 FERC ¶ 61,304 (2006).

\(^{22}\) Pipelines are required to file any service agreement containing non-conforming provisions and to disclose and identify any transportation term or agreement in a precedent agreement that survives the execution of the service agreement. See, e.g. (continued ...)
C. Environmental Analysis

22. On September 22, 2016, the Commission issued a Notice of Intent to Prepare an Environmental Assessment for the Proposed Gulf Connector Expansion Project and Request for Comments on Environmental Issues (NOI). The NOI was published in the Federal Register on September 29, 2016, and mailed to interested parties including federal, state, and local officials; agency representatives; environmental and public interest groups; Native American tribes; local libraries and newspapers; and affected property owners (within 0.5 mile of the proposed compressor station facilities). We received a letter from the U.S. Department of Interior, Bureau of Indian Affairs, and the Southern Plains Region stating that there are no tribal or individual Indian trust lands in the vicinity of the proposed project area. We also received several recommendations from the Texas Parks and Wildlife Department, which included general impacts and avoidance measures for wildlife.

23. To satisfy the requirements of the National Environmental Policy Act of 1969, our staff prepared an Environmental Assessment (EA) for Transco’s proposal. The EA was placed into the public record on September 21, 2017. The analysis in the EA addresses geology, soils, water resources, wetlands, vegetation, fisheries, wildlife, threatened and endangered species, land use, recreation, visual resources, cultural resources, air quality, noise, safety, socioeconomics, cumulative impacts, and alternatives. All substantive comments received in response to the NOI were addressed in the EA. As described in the EA, Transco agreed to adopt the Texas Parks and Wildlife Department’s recommendations, including general impacts and avoidance measures for wildlife.

24. Based on the analysis in the EA, we conclude that if constructed and operated in accordance with Transco’s application and supplements, and in compliance with the environmental conditions in the appendix to this order, our approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

25. Any state or local permits issued with respect to the jurisdictional facilities authorized herein must be consistent with the conditions of this certificate. We encourage cooperation between interstate pipelines and local authorities. However, this does not mean that state and local agencies,

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24 EA at 29.
through application of state or local laws, may prohibit or unreasonably delay the construction/installation or operation of facilities approved by this Commission. 25

26. 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, and all comments and upon consideration of the record,

The Commission orders:

(A) A certificate of public convenience and necessity is issued to Transco authorizing it to construct and operate the Gulf Connector Expansion Project, as described and conditioned herein, and as more fully described in the application.

(B) The certificate authority granted in Ordering Paragraph (A) is conditioned on Transco’s:

(1) completion of construction of the proposed facilities and making them available for service within two years of the issuance of this order pursuant to section 157.20(b) of the Commission’s regulations;

(2) compliance with all applicable Commission regulations under the NGA including, but not limited to Parts 154, 157, and 284, and paragraphs (a), (c), (e), and (f) of section 157.20 of the Commission’s regulations;

(3) compliance with the environmental conditions in Appendix B to this order; and

25 See 15 U.S.C. § 717r(d) (2012) (state or federal agency’s failure to act on a permit considered to be inconsistent with Federal law); see also Schneidewind v. ANR Pipeline Co., 485 U.S. 293, 310 (1988) (state regulation that interferes with FERC’s regulatory authority over the transportation of natural gas is preempted) and Dominion Transmission, Inc. v. Summers, 723 F.3d 238, 245 (D.C. Cir. 2013) (noting that state and local regulation is preempted by the NGA to the extent it conflicts with federal regulation, or would delay the construction and operation of facilities approved by the Commission).
(4) Transco’s filing of a written statement affirming that it has executed firm contracts for the capacity levels and terms of service represented in signed precedent agreements, prior to commencing construction.

(C) Transco’s proposed firm incremental reservation charges are approved as initial rates.

(D) Transco’s request to utilize its existing commodity charges under Rate Schedule FT and system-wide fuel and electric power rates are approved.

(E) Transco shall file actual tariff records setting forth the initial rates for service on the Gulf Connector Expansion Project no earlier than 60 days and no later than 30 days, prior to the date the project facilities go into service for each phase.
(F) Transco 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 Transco. Transco shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

By the Commission.

(SEAL)

Nathaniel J. Davis, Sr.,
Deputy Secretary.
Appendix A

Timely Motions to Intervene

- Anadarko Energy Services Company
- Atmos Energy Marketing LLC
- Calpine Energy Services, L.P.
- Chevron U.S.A. Inc.
- Chief Oil & Gas LLC
- ConocoPhillips Company
- Consolidated Edison Company of New York, Inc.
  Philadelphia Gas Works
- Corpus Christi Liquefaction, LLC
- Direct Energy Business Marketing, LLC
- Duke Energy Carolinas, LLC
  Duke Energy Progress, LLC
  Duke Energy Florida, Inc.
- Exelon Corporation
- ExxonMobil Gas & Power Marketing Company, a division of Exxon Mobil Corporation
- Municipal Gas Authority of Georgia
  Transco Municipal Group
- New Jersey Natural Gas Company
- National Grid Gas Delivery Companies
- NJR Energy Services Company
- Shell Energy North America (US), L.P.
Appendix B

Environmental Conditions

As recommended in the Environmental Assessment (EA) this authorization includes the following conditions:

1. Transco shall follow the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests) and as identified in the EA, unless modified by the order. Transco 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 Office of Energy Projects (OEP) before using that modification.

2. The Director of OEP, or the Director's designee, has delegated authority to address any requests for approvals or authorizations necessary to carry out the conditions of the order, and 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 order;
   b. stop work authority; and
   c. the imposition of any additional measures deemed necessary to ensure continued compliance with the intent of the conditions of the order as well as the avoidance or mitigation of unforeseen adverse environmental impacts resulting from project construction and operation.

3. **Prior to any construction**, Transco 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 locations shall be as described in the EA, as supplemented by filed maps and/or alignment sheets. As soon as they are available, and before the start of construction, Transco 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 work sites 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.

Transco’s exercise of eminent domain authority granted under Natural Gas Act (NGA) section 7(h) in any condemnation proceedings related to the order must be consistent with these authorized facilities and locations. Transco’s right of eminent domain granted under NGA section 7(h) does not authorize it to increase the size of its natural gas pipeline and facilities to accommodate future needs or to acquire a right-of-way for a pipeline to transport a commodity other than natural gas.

5. Transco shall file with the Secretary detailed alignment maps/sheets and aerial photographs at a scale not smaller than 1:6,000 identifying any revisions of facility removal sites, staging areas, storage/equipment 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, 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 before construction in or near that area.

This requirement does not apply to extra workspace allowed by the FERC’s Upland Erosion Control, Revegetation, and Maintenance Plan and/or minor field realignments per landowner needs and requirements that do not affect other landowners or sensitive environmental areas such as wetlands.

Examples of alterations requiring approval include all workspace realignments and facility location changes resulting from:
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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 could affect sensitive environmental areas.
6. **Within 60 days of the acceptance of this authorization and before construction begins**, Transco shall file an Implementation Plan with the Secretary for review and written approval by the Director of the OEP. Transco must file revisions to the plan as schedules change. The plan shall identify:

   a. how Transco would implement the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests), identified in the EA, and required by the order;

   b. how Transco would 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;

   c. the number of EIs assigned per spread, and how the company would ensure that sufficient personnel are available to implement the environmental mitigation;

   d. company personnel, including EIs and contractors, who would receive copies of the appropriate material;

   e. the location and dates of the environmental compliance training and instruction Transco would give to all personnel involved with construction and restoration (initial and refresher training as the project progresses and personnel change);

   f. the company personnel (if known) and specific portion of Transco's organization having responsibility for compliance;

   g. the procedures (including use of contract penalties) Transco would follow if noncompliance occurs; and

   h. for each discrete facility, a Gantt or PERT chart (or similar project scheduling diagram), and dates for:

      i. the completion of all required surveys and reports;

      ii. the environmental compliance training of onsite personnel;

      iii. the start of construction; and

      iv. the start and completion of restoration.

7. Transco shall employ at least one EI for the Project. The EI(s) shall be:
a. responsible for monitoring and ensuring compliance with all mitigation 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 (see condition 6 above) 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 responsible for maintaining status reports.

8. Beginning with the filing of its Implementation Plan, Transco shall file updated status reports with the Secretary on a monthly basis until all construction and restoration activities are complete. On request, these status reports will also be provided to other federal and state agencies with permitting responsibilities. Status reports shall include:

a. an update on Transco’s efforts to obtain the necessary federal authorizations;

b. the construction status of the project, work planned for the following reporting period, and any schedule changes for stream crossings or work in other environmentally sensitive areas;

c. a listing of all problems encountered and each instance of noncompliance observed by the EI 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;

d. a description of the corrective actions implemented in response to all instances of noncompliance, and their cost;

e. the effectiveness of all corrective actions implemented;
f. 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

g. copies of any correspondence received by Transco from other federal, state, or local permitting agencies concerning instances of noncompliance, and Transco’s response.

9. Transco must receive written authorization from the Director of OEP before commencing construction of any project facilities. To obtain such authorization, Transco must file with the Secretary documentation that it has received all applicable authorizations required under federal law (or evidence of waiver thereof).

10. Transco must receive written authorization from the Director of OEP before placing the project into service. Such authorization would only be granted following a determination that rehabilitation and restoration of the areas affected by the project are proceeding satisfactorily.
11. **Within 30 days of placing the authorized facilities in service**, Transco 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 would be consistent with all applicable conditions; or
   
   b. identifying which of the Certificate conditions Transco 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.

12. Transco shall file noise surveys with the Secretary **no later than 60 days** after placing Compressor Stations 17, 23, and 32 in service. If a full load condition noise survey is not possible at any of the stations, Transco shall provide an interim survey at the maximum possible horsepower load and provide the full load survey **within 6 months**. If the noise attributable to the operation of all of the equipment at Compressor Stations 17, 23, and 32 under interim or full horsepower load conditions exceeds the day-night sound level of 55 A-weighted decibel at any nearby noise-sensitive areas, Transco shall file a report on what changes are needed and shall install the additional noise controls to meet the level **within 1 year** of the in-service date. Transco shall confirm compliance with the above requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls.