1. On February 3, 2017, Southern Natural Gas Company, L.L.C. (Southern) filed an application under section 7(c) of the Natural Gas Act (NGA)\(^1\) and Part 157 of the Commission’s regulations\(^2\) for authorization to construct and operate the Fairburn Expansion Project in Clayton, Cobb, Fulton, Fayette, and Monroe Counties, Georgia. The project is designed to provide 343,846 dekatherms per day (Dth/d) of firm transportation service on Southern’s pipeline system.

2. For the reasons discussed below, the Commission grants Southern’s requested certificate authorization, subject to conditions.

I. **Background and Proposal**

3. Southern, a Delaware limited liability company, is a natural gas company, as defined by section 2(6) of the NGA,\(^3\) engaged in the transportation of natural gas in interstate commerce and subject to the Commission’s jurisdiction. Southern’s transmission system extends through the States of Texas, Louisiana, Mississippi, Alabama, Georgia, South Carolina, Tennessee, and Florida.

4. Southern proposes to construct and operate its Fairburn Expansion Project to provide up to 343,846 Dth/d of incremental firm transportation service from a new interconnection with Transcontinental Gas Pipe Line Company LLC’s (Transco) existing

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\(^1\) 15 U.S.C. § 717f(c) (2012).


pipeline in Fayette County, Georgia, to delivery points within Southern’s Rate Zones 2 and 3. To provide the incremental service, Southern proposes to acquire from its affiliate, Georgia Power Company, an approximately 19.7-mile-long, 30-inch-diameter pipeline lateral (McDonough Lateral) and its appurtenant facilities. The McDonough Lateral extends from an interconnection at Southern’s existing McDonough Meter Station, located in Fulton County, Georgia, to the site of Southern’s proposed Plant McDonough Meter Station, to be located in Cobb County, Georgia. Southern states that it will not modify the acquired pipeline facilities.

5. Southern also proposes to construct and operate the following facilities:

- an approximately 4.9-mile-long, 30-inch-diameter pipeline lateral, extending from a new interconnection with Transco’s existing pipeline in Fayette County, Georgia, to the new proposed electric Fairburn Compressor Station in Fulton County, Georgia (Fairburn Lateral);

- an approximately 1.6-mile-long, 30-inch-diameter pipeline loop upstream of Southern’s existing Thomaston Compressor Station in Upson County, Georgia, and co-located with Southern’s existing South Main Line System between milepost (MP) 373.6 and MP 375.2 in Monroe County (South Main 2nd Loop Line Extension);

- a new compressor station located at the terminus of the proposed Fairburn Lateral in Fulton County, Georgia (Fairburn Compressor Station), with two 9,000 horsepower electric drive turbine compressor units;

- a new Transco to Southern Meter Station located at the new interconnection with Transco’s existing pipeline in Fayette County, Georgia;

- a new United Parcel Service (UPS) Meter Station located near mile post 16.3 along the existing McDonough Lateral in Fulton County, Georgia;

- a new Plant McDonough Meter Station located at the terminus of the existing McDonough Lateral within Georgia Power Company’s Plant McDonough electric power generating facility in Cobb County, Georgia; and

- modifications to the existing Southern to McDonough Meter Station in Fulton County, Georgia, and to the existing Jonesboro Meter Station in Clayton County, Georgia.

6. Southern held an open season from October 12 through October 31, 2016, to solicit bids for firm transportation service using the Fairburn Expansion Project. Following the open season, Southern executed 15-year-term firm transportation precedent
agreements with six project shippers for 100 percent of the incremental firm transportation service to be provided by the project. The six project shippers are: its affiliate Southern Company Services, Inc. (Southern Company Services); Municipal Gas Authority of Georgia; UPS; City of Austell, Georgia; the Southeast Alabama Gas District; and Interconn Resources, Inc.

7. Southern estimates the proposed project will cost approximately $240 million. The pipeline proposes to charge its existing system rates under Rate Schedule FT as the initial recourse rates for firm service on the proposed facilities. Three project shippers have elected to pay negotiated rates for firm transportation service. Southern requests a pre-determination that it can roll the costs of the project into its general system rates in its next NGA section 4 general rate proceeding.

II. Notices, Interventions, and Comments

8. Notice of Southern’s application was published in the Federal Register on February 24, 2017, with interventions and comments due by March 10, 2017. Timely, unopposed motions to intervene were filed by Atlanta Gas Light Company together with Chattanooga Gas Company; NJR Energy Services Company; Exelon Corporation; Austell Gas System; Alabama Municipal Distributors Group; the Southeast Alabama Gas District; Municipal Gas Authority of Georgia; Atmos Energy Corporation; Duke Energy Carolinas, LLC together with Duke Energy Progress, LLC and Duke Energy Florida, LLC; Peoples Gas System; and Southern Company Services. Timely, unopposed motions to intervene are granted automatically pursuant to Rule 214 of the Commission’s regulations.

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4 On October 5, 2017, Southern submitted a supplemental filing that updated the quantities of gas for firm transportation service contracted for in the project precedent agreements, which subscribe to 100 percent of the updated design project capacity.

5 Southern Company Services, a public utility company, is a subsidiary of: Southern Company and serves as an agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Southern Power Company. A subsidiary of Southern Company Gas (formerly AGL Resources and itself a subsidiary of Southern Company) acquired a 50 percent equity interest in Southern from Kinder Morgan, Inc. in September 2016. Kinder Morgan continues to operate the system.

Rules of Practice and Procedure.\textsuperscript{7} New Hope Circle LLC filed a late motion to intervene, which the Commission granted.\textsuperscript{8}

9. Several individuals filed comments: some in support of the project and others raising various environmental and safety concerns, including concerns related to tree removal, erosion, and property values. The environmental and safety concerns raised in this proceeding are addressed in the Environmental Assessment for this project, and as appropriate, below in the environmental section of this order.

III. Discussion

10. Since the proposed facilities will be used to transport natural gas in interstate commerce, subject to the Commission’s jurisdiction, the construction and operation of the facilities are subject to the requirements of sections 7(c) and (e) of the NGA.

A. Certificate Policy Statement

11. The Certificate Policy Statement provides guidance for evaluating proposals to certificate new construction.\textsuperscript{9} The Certificate Policy Statement establishes criteria for determining whether there is a 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.

12. 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

\textsuperscript{7} 18 C.F.R. § 385.214(c) (2017).

\textsuperscript{8} Secretary’s May 5, 2017 Notice Granting Late Intervention.

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.

13. As discussed above, 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 its existing customers. Southern proposes to use its existing system reservation and commodity rates as the initial recourse rates for services utilizing the incremental capacity created by the proposed facilities. Southern also proposes to charge expansion shippers its currently effective system fuel rate percentages. As discussed below, Southern’s illustrative rates calculated to recover the incremental costs associated with the project are lower than Southern’s existing system rates. Therefore, Southern’s proposal to charge its existing recourse rates is appropriate. Moreover, as discussed below, we are approving Southern’s request for a pre-determination that Southern may roll the costs of the expansion project into its system rates in a future rate case, because Southern has demonstrated that the projected revenues will exceed the cost of the expansion project. Therefore, we find that Southern’s existing customers will not subsidize the proposed project, and the threshold requirement of no subsidization will be met.

14. The proposed project is designed to provide the new services while maintaining existing service. Southern Company Services states that the capacity it has contracted on the Fairburn Expansion, which, as described above, includes a new interconnection with Transco, will increase reliability of service to, and enable it to diversify gas supply for, Georgia Power Company’s Plant McDonough gas-fired combined-cycle facility, which will use three-quarters of the gas it will transport on the project. Southern Company Services further states that the Fairburn Expansion will allow it to provide Plant Greene County, located in western Alabama and co-owned by Alabama Power Company and Mississippi Power Company, with year-round, cost-effective firm transportation service, which the plant currently lacks.\(^{10}\) The Municipal Gas Authority of Georgia has indicated it requires additional gas service to meet growing demand in several cities in Georgia.\(^{11}\) Interconn Resources (a gas marketing firm) states that it is subscribing to service on the project on behalf of a customer desiring gas to expand its manufacturing business\(^{12}\)

\(^{10}\) Southern Company Services March 10, 2017 Motion to Intervene and Comments in Support of Application.

\(^{11}\) Southern February 3, 2017 Application for the Fairburn Expansion Project at 6.

\(^{12}\) Id.
UPS states it requires gas to fuel a fleet of natural gas trucks at a new UPS sorting hub near Atlanta, Georgia.\(^{13}\) The City of Austell, Georgia and Southeast Alabama Gas District are shifting points under existing contracts from the Southern LNG terminal to the Fairburn Expansion’s proposed interconnect with Transco.\(^{14}\) There is no evidence that the project will adversely affect Southern’s existing customers. Nor is there any evidence that Southern’s proposed project will adversely affect any other pipelines or their customers: no pipeline or its captive customers have protested Southern’s proposal.

15. Regarding the project’s effect on landowners, Southern will acquire the existing McDonough Lateral and its rights-of-way, and has designed its proposed facilities to be collocated with or adjacent to existing rights-of-way.\(^{15}\) Further, Southern has negotiated easements for 58 percent of the expanded right-of-way and plans to negotiate easements for the remaining necessary land.\(^{16}\) Thus, we find that the Fairburn Expansion Project has taken appropriate steps to minimize impacts on landowners and the surrounding communities.

16. Accordingly, we find that Southern has demonstrated a need for the Fairburn Expansion Project and that the project’s benefits will outweigh any adverse effects on existing shippers, other pipelines and their captive customers, and landowners and surrounding communities. Consistent with the criteria discussed in the Certificate Policy Statement and subject to the environmental discussion below, we find that the public convenience and necessity requires approval of Southern’s proposal, as conditioned in this order.

**B. Rates**

1. **Initial Rates**

17. Southern proposes to charge its system recourse reservation charges of $8.59 per Dth for Southern’s Zone 2 and $11.37 per Dth for Southern’s Zone 3 under its existing Rate Schedule FT for services on the project.\(^{17}\) Southern used a cost of service of $41,799,591 to calculate its comparative incremental reservation charges based on a

\(^{13}\) Id.

\(^{14}\) Id.

\(^{15}\) Southern February 3, 2017 Application for the Fairburn Expansion Project at 19-20.

\(^{16}\) Southern June 29, 2017 Response to Data Request at 5.

\(^{17}\) Southern October 16, 2017 Response to Data Request at 4.
rate of return underlying its settlement rates in Docket No. RP99-496-000, and an onshore transmission depreciation rate of 2.25 percent last approved in Docket No. RP13-886-000.

18. In a January 18, 2018 response to a staff data request, Southern provided an adjusted cost of service and recalculated its initial incremental rates to reflect changes in the federal tax code as per the Tax Cuts and Jobs Act of 2017, which became effective January 2018. Southern’s work papers show that the effect of the tax code change is a reduction in the estimated cost of service to $39,202,162. Southern provided revised illustrative incremental reservation charges of $6.14 per Dth for Southern’s Zone 2 and $10.59 per Dth for Southern’s Zone 3. Southern also provided revised incremental commodity charges of $.011 per Dth for Southern’s Zone 2 and $0.001 per Dth for Southern’s Zone 3. Southern states these changes further support its proposal to use its system rates as the initial rates. In addition, Southern proposes to charge its system recourse commodity charges of $0.036 per Dth for Southern’s Zone 2 and $0.032 per Dth for Southern’s Zone 3 under its existing Rate Schedule FT.

19. The Commission approves Southern’s proposal to use its existing system recourse rates as the initial rates for transportation services on the Fairburn Expansion Project. Where the existing system recourse rate is higher than the estimated incremental cost-based recourse rate, the Commission has found it appropriate to establish the existing system rate as the initial recourse rate. As the illustrative incremental rates are less than the existing rates for each rate zone, the Commission approves the use of Southern’s applicable system rates as the initial rates for this project.

2. Fuel

20. Southern proposes to charge its generally applicable system fuel retention rates for transportation on the project. Southern submitted an analysis showing the project’s

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20 Southern January 18, 2018 Response to Data Request.

21 See, e.g., Texas Gas Transmission, 152 FERC ¶ 61,160 at P 30; Millennium Pipeline, 145 FERC ¶ 61,007 at P 30.

22 We note that as the Commission is not approving an incremental rate in this proceeding, the Commission is not making any finding as to the appropriateness of any particular Tax Cuts and Jobs Act of 2017-related calculation in the company’s January 18, 2018 Response to Data Request.
impact on system fuel and electricity use. Further, Southern provided a full year analysis based on seasonal fuel usage that shows a net fuel benefit in system fuel and electricity use attributable to the project. Based on the overall net reduction in fuel and electric power usage, the Commission will approve Southern’s proposal to charge its generally applicable system fuel retention and electric power rates.

3. **Pre-Determination of Rolled-In Rate Treatment**

21. Southern requests a pre-determination that it may roll in the costs of the Fairburn Expansion Project facilities into its general system rates in its next NGA general section 4 rate proceeding. To receive a pre-determination favoring rolled-in rate treatment, a pipeline must demonstrate that rolling in the costs associated with the construction and operation of new facilities will not result in existing customers subsidizing the expansion. A pipeline must show that the generated revenues from an expansion project will exceed the project costs. In determining this, we compare the cost of the project to the generated revenues using actual contract volumes and either the maximum recourse rate or the negotiated rate, if the negotiated rate is lower than the recourse rate.

22. In its January 18, 2018 Response to Data Request, Southern calculated a revised first year cost of service for the expansion of $39,202,162. Using the maximum recourse rates, because the negotiated rates with three of the project shippers are higher than the applicable recourse rates, the annual project revenue for the expansion is $43,694,754 for the first year. Further, Southern states that in each year, the projected revenues exceed project costs. Therefore, the Commission grants a pre-determination of rolled-in rate treatment for the project in Southern’s next NGA general section 4 rate case, absent a significant change in circumstances.

4. **Negotiated Rates**

23. As noted above, Southern proposes to charge three of the project shippers negotiated rates. Southern must file either the negotiated rate agreements or tariff records setting forth the essential elements of the agreements in accordance with the Alternative Rate Policy Statement and the Commission’s negotiated rate policies. Such filing

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23 Southern May 1, 2017 Response to Data Request, Exhibit N at 7 of 7.

24 Southern June 28, 2017 Response to Data Request, Attachment No. 3.

25 Southern January 18, 2018 Response to Data Request at 6, Ln 35.

26 Id.

27 Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines; Regulation of Negotiated Transportation Services of Natural Gas Pipelines, (continued ...
must be made at least 30 days, but not more than 60 days, before the proposed effective date for such rates.\textsuperscript{29}

5. \textbf{Reporting Incremental Project Costs}

24. The Commission will require Southern to keep separate books and accounting of costs and revenues attributable to the proposed incremental services and capacity created by the Fairburn Expansion Project in the same manner as required by section 154.309 of the Commission’s regulations.\textsuperscript{30} The books should be maintained with applicable cross-reference and the 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.\textsuperscript{31}

C. \textbf{Environmental Analysis}

25. On March 20, 2017, the Commission issued a \textit{Notice of Intent to Prepare an Environmental Assessment for the Proposed Fairburn Expansion Project and Request for Comments on Environmental Issues} (NOI). The NOI was published in the Federal Register and mailed to interested persons and entities including federal, state, and local officials; agency representatives; environmental and public interest groups; Native American tribes; local libraries and newspapers; and affected property owners. We received six comments in response to the NOI from the U.S. Environmental Protection Agency (EPA) and affected landowners. We note, however, that the Commission is not in a position to address the safety concerns in the comments.

\textsuperscript{28} \textit{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, \textit{reh’g dismissed and clarification denied}, 114 FERC ¶ 61,304 (2006).

\textsuperscript{29} 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.


\textsuperscript{31} \textit{Revisions to Forms, Statements, and Reporting Requirements for Natural Gas Pipelines}, Order No. 710, FERC Stats & Regs. ¶ 31,367 (2008).
26. To satisfy the requirements of the National Environmental Policy Act of 1969, Commission staff prepared an Environmental Assessment (EA) for the Fairburn Lateral with the U.S. Army Corps of Engineers as a cooperating agency. 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. The EA also addresses all substantive comments received in response to the NOI. On August 18, 2017, Commission staff issued the EA for a 30-day comment period and placed the EA into the public record. The EPA, New Hope Circle, LLC (New Hope), Davida Celestin, Curtis and Margie Everett (Everetts), and Southern filed comments on the EA.

1. Project Need and Purpose

27. The EPA asserts that the EA does not identify the need for the project as required by Council on Environmental Quality (CEQ) regulations, but instead only includes a description of the proposal. In describing the purpose and need of the project, the EA adopts Southern’s description of the project, which is to “add approximately 343 million cubic feet per day of new firm transportation capacity to delivery points in Southern’s Zone 2 and Zone 3 systems from a new interconnection with an existing ... Transco pipeline in Fayette County, Georgia.”

28. CEQ regulations require that in its environmental document, the agency “shall briefly specify the underlying purpose and need to which the agency is responding in proposing the alternatives including the proposed actions.” Thus, the EA need only describe the purpose and need of the project to the extent necessary to inform its alternatives analysis. Courts have upheld federal agencies’ use of applicants’ identified project purpose and need as the basis for evaluating alternatives. Therefore, the EA’s reliance on Southern’s description of the project purpose and need provided an appropriate basis to evaluate project alternatives.

2. Vegetation

29. Commenters express concern that forest clearing will impact wildlife habitat along the Fairburn Lateral. The EA concludes that because most of the project is collocated with or adjacent to existing right-of-way corridors, the amount of clearing will be

32 EA at 1.


34 E.g., City of Grapevine v. U.S. Dep’t of Transp., 17 F.3d 1502, 1506 (D.C. Cir. 1994).
Further, the EA states that Southern will minimize long-term impacts from forest habitat alteration within the new permanent right-of-way by implementing the revegetation measures contained in its Upland Erosion Control, Revegetation, and Maintenance Plan (Plan) and Wetland and Waterbody Construction and Mitigation Procedures (Procedures). These provisions will help ensure that cleared areas will revegetate with an herbaceous cover comprised of native species that would provide wildlife habitat. Further, the EA states that mobile species will likely relocate to other nearby suitable habitat and avoid the project area once construction activities commence. Accordingly, the EA concludes, and we agree, that the project will not significantly affect wildlife or wildlife habitat in the project area.

The Everetts state the EA does not clearly explain whether Southern would clear forest vegetation from both the permanent right-of-way and the temporary construction right-of-way, along the Oak Bridge Lane residences. To clarify, all areas within the permanent and temporary pipeline rights-of-way would be cleared of existing vegetation. Following construction, areas in the permanent right-of-way would be allowed to revegetate to low-height herbaceous cover under a maintenance regime (mowing), and all areas within the temporary right-of-way would be permitted to revegetate to pre-construction vegetative types.

New Hope and Ms. Celestin recommend that Southern reduce the width of the permanent right-of-way to 40 feet for the entire Fairburn Lateral to benefit vegetation, wildlife habitat, and local aesthetics. Southern reduced its proposed 50-foot-wide permanent right-of-way for the Fairburn Lateral to 40-feet-wide along Oak Bridge Lane and mileposts 1.9 to 2.0 to benefit nearby residences, and from mileposts 3.7 to 4.1 to preserve wildlife habitat. Southern cannot feasibly reduce the permanent right-of-way to 40-feet-wide for the remaining segments of the Fairburn Lateral because it must maintain setback distances near electrical transmission line support towers and the existing Colonial Pipeline, a liquids pipeline. We find that collocation of the lateral, together with the locations identified where Southern has reduced the permanent right-of-way, adequately minimizes overall impacts on vegetation, wildlife and aesthetics.

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35 Id. at 31.
36 Id.
37 Id.
38 Id. at 40.
3. **Groundwater**

32. New Hope expresses concern over potential contamination of its private water well from project activities. New Hope states that the well is located 125 feet from the proposed pipeline and that the well is not included in Table 9 of the EA, which identifies wells located within 150 feet from the project’s construction work area.

33. Available data on private water wells as presented in the EA is based on public records and wells identified through field surveys. Southern will finalize its construction alignment sheets and engineering design before construction, which will identify and verify all wells within 150 feet of the construction work areas. Southern provided an update of its surveyed wells in a December 14, 2017 filing which included New Hope’s well, as well as additional wells it identified on the Lateral and South Main 2nd Loop Line. Southern will implement the mitigation measures indicated in the EA for these newly identified wells, including New Hope’s well, and any others it identifies. These measures include providing temporary drinking water supplies if well water supply is interrupted during construction, repairing any damaged well water supplies, and conducting pre- and post-construction evaluations of the individual well water quality and quantity.\(^{39}\)

4. **Land Use**

34. New Hope expresses concern that the project may introduce herbicides into the living and foraging spaces used by their goats adjacent to the proposed construction work area. New Hope acknowledges that the EA states that Southern, in its June 12, 2017 response, committed to consulting with New Hope to construct a barrier between the workspace and its goat herd before construction, and avoiding or minimizing the use of herbicides during operations. However, New Hope states Southern never discussed such measures with it and that it was never served Southern’s response.

35. As discussed in the EA, Southern has committed to consult with New Hope regarding use of herbicides on New Hope’s property.\(^{40}\) This order authorizes Southern to construct and operate the proposed Fairburn Expansion Project as described, meaning Southern must follow its commitments. Further, Environmental Condition 12 in the appendix to this order requires Southern to develop and implement an environmental complaint resolution procedure. Specifically, Southern must establish a procedure to allow landowners to identify their environmental mitigation problems and concerns during project construction and restoration of the project’s right-of-way, and have those problems and concerns resolved. As part of that procedure, Southern must also explain to

\(^{39}\) *Id.* at 22.

\(^{40}\) *Id.* at 34-35.
the landowners that if they are still not satisfied with Southern’s response, they may contact the Commission’s Landowner Helpline. Given Southern’s commitments, which are now requirements of this authorization, and the environmental complaint resolution procedure, we conclude that New Hope’s concerns regarding impacts to its goats will be adequately addressed.

36. New Hope correctly states that Southern is required to provide them with a copy of its response to Commission staff’s previous additional information requests. On September 29, 2017, Southern provided its filings to New Hope. We note that all of Southern’s data responses and other project documentation are also available in the public record kept on the Commission’s eLibrary system. Interested parties can eSubscribe to a specific docket to receive email notifications when filings are received in eLibrary.

5. Visual

37. The Everetts express concern that after tree clearing occurs, the power lines located in the temporary construction right-of-way will become more visible from their residence. Southern’s alignment sheets show that for most residences, including the Everetts’ residence, Southern will not clear all of the trees between the residences and power line right-of-way, leaving a substantial visual screen intact. In the very few instances where Southern clears all of the trees, only three residences would be exposed to power line visual impacts during construction and until tree regrowth. In both cases, Southern proposes to reforest the 50-foot-wide temporary construction right-of-way following construction. Therefore, the EA finds, and we agree, that the construction and operation of the project will not result in significant visual impacts.

6. Socioeconomics

38. New Hope and Ms. Celestin state that the EA does not address the project’s effects on a potential buyer’s perceptions of the pipeline easement that in turn affect property values. As in prior cases, we acknowledge that the presence of a pipeline could affect a potential buyer’s decision to purchase a property. However, here we find that such

41 Southern February 3, 2017 Application at Appendix II.A, SN-GA-TRANMT 1-5.

42 EA at 40.

43 Id.

44 Id.

effect would not be significant. As stated above, Southern will collocate the Fairburn Lateral in an existing right-of-way corridor that contains an electric transmission line and the Colonial Pipeline. Because the existing property values account for the electric transmission line and the liquids pipeline, we find that the Fairburn Lateral will not substantially affect a buyer’s perception of property values for residential properties adjacent to the project.

39. The EPA recommends that the EA include a section on environmental justice. During the review process, staff determined that no environmental justice communities were present or located within a distance that would be affected by the project. Furthermore, the Commission received no comments or concerns regarding environmental justice during the project review. Given these facts, we find that an analysis of environmental justice issues is not warranted.

7. **Air Quality and Noise**

40. The EPA suggests that the EA should recommend additional construction air quality mitigation measures, including implementing a Clean Diesel Policy for mobile emission sources. Similarly, the Everetts express concern about air quality and noise during construction activities.

41. Tables 17 and 18 of the EA estimate emissions from the construction and operation of the Fairburn Expansion Project. The EA concludes that local air quality impacts from construction emissions would be temporary and minor due to the short-term nature of construction activities. The EA states that Southern will implement fugitive dust mitigation techniques on an as-needed bases as determined by the construction site supervisor. Further, Southern will construct its proposed facilities and restore its right-of-ways in accordance with the measures contained within its Plan; Procedures; Spill Prevention, Containment, and Control Plan; and dust control methods. Based on the construction emissions estimated in the EA, the short duration of construction activities, and the mitigation measures mentioned above, the EA finds that the project’s air quality impacts on residential and other land uses during construction would be short-term and minor. We agree with the EA’s conclusion, and find that additional construction emission mitigation measures are not needed. In addition, a review of the estimated
emissions from operation of the proposed compressor station confirms that the project will not result in a regionally significant impact on air quality.\textsuperscript{50}

42. Regarding noise impacts, the EA states that project construction activities would result in short-term, temporary increases in ambient noise levels.\textsuperscript{51} The EA states that those construction activities would generally occur during daytime hours Monday through Saturday.\textsuperscript{52} Further, the EA finds that during operation of the project’s compressor station, none of the noise sensitive areas (i.e., nearby residents) would experience a significant increase in noise.\textsuperscript{53} Therefore, the EA concludes, and we agree, that construction and operational noise would not significantly affect adjacent landowners.\textsuperscript{54}

8. Safety

43. New Hope, Ms. Celestin, and the Everetts reassert their concern over the safety of Southern operating the Fairburn Lateral near residences and overhead electric transmission lines. They maintain that rerouting the pipeline farther from residences is the only method to ensure a safe operating environment.

44. We disagree. The EA explains that Southern will design, construct, operate, and maintain the proposed facilities to meet or exceed the U.S. Department of Transportation’s (DOT) Minimum Federal Safety Standards set forth in Title 49 Code of Federal Regulations Part 192 and other applicable federal and state regulations, which are protective of public safety.\textsuperscript{55} The DOT safety standard regulations concerning large, high-pressure natural gas pipelines passing through residential communities are strict, comprehensive, and routinely relied upon in the Commission’s natural gas pipeline authorizations. Further, the Commission has certificated numerous pipeline projects that operate safely in close proximity to overhead electric power transmission facilities.\textsuperscript{56}

\textsuperscript{50} Id. at 51.

\textsuperscript{51} Id. at 52.

\textsuperscript{52} Id. at 51-52.

\textsuperscript{53} Id. at 52.

\textsuperscript{54} Id. at 52-53.

\textsuperscript{55} Id. at 13.

\textsuperscript{56} See, e.g., \textit{Southern Natural Gas Co., L.L.C.}, 155 FERC ¶ 61,220 (2016) (issued certificate for Zone 3 Expansion Project in Docket No. CP14-493 authorizing construction pipeline loop adjacent to electric transmission line corridor); \textit{Texas Gas (continued ...)}
45. Commenters indicate that the EA’s recommended environmental complaint resolution procedure would be inadequate to handle any safety issues that arise during pipeline operations. The Commission’s complaint resolution procedure, included as Environmental Condition 12 in the appendix to this order, is for complaints during the project construction phases. Any person that identifies safety related issues during pipeline operation should first contact Southern and the DOT’s Pipeline Hazardous Materials Safety Administration. If necessary, persons can contact the Commission’s Helpline to assist coordination with the DOT.

9. **Alternative Route Variations**

46. New Hope and Ms. Celestin propose that Southern route the Fairburn Lateral on the east side of the Georgia Power electric transmission line corridor as opposed to the west side, which is adjacent to their property. Southern considered a route variation to locate the pipeline on the east side of the permanent right-of-way to avoid the commenters’ residences; however, Southern dismissed the route during project development because rerouting the pipeline would have affected another residence and a horse cemetery. Further, staff found that rerouting the pipeline would pose increased construction hazards because the pipeline would cross under nearby twin sets of overhead power lines, power line towers, and their ground-connecting guy wires. Therefore, we find that it is appropriate that Southern route the pipeline on the west side of the permanent right-of-way.

47. The Everetts claim that the Commission should reroute the pipeline to avoid their property. On May 22, 2017, Commission staff issued a data request asking, among other things, that Southern provide information regarding an alternate pipeline route to the opposite (west) side of the permanent right-of-way to avoid proximity to the residences along Oak Bridge Lane, including the Everetts’ residence. On June 12, 2017, Southern filed its response, stating that shifting the pipeline crossing would require Southern to cross the Colonial Pipeline and would increase the total impact of landowner disturbances. The EA found that for safety reasons related to the proximity of the existing Colonial Pipeline and multiple Georgia Power overhead electric power lines and

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58 Commission Staff May 22, 2017 Additional Information Request.
tower structures, Southern sufficiently demonstrated it could not accommodate this route alternative.\footnote{EA at 67.} We affirm the EA’s finding.

10. Miscellaneous

48. The Everetts express concern over their communications with Southern and Southern’s access to their property during pre-project planning. We are sensitive to the Everett’ concerns. The Commission encourages pipeline companies to provide all company staff and contractors with public outreach training to ensure project representatives are making a good first impression and delivering a consistent and clear message throughout the project life.\footnote{Commission, Suggested Best Practices for Industry Outreach Programs to Stakeholders at 8 (2015).} The Commission also encourages pipeline companies to provide educational materials to inform the general public about various construction-related activities, including construction schedules, environmental inspection procedures, reporting commitments and requirements, and measures that would be implemented to address environmental issues.\footnote{Id. at 24.}

49. In this case, Southern has committed to working with landowners in implementing its easement negotiations and in carrying out several of its proposed environmental protection measures.\footnote{EA at 38.} The EA acknowledges that open lines of communication can assist in resolving construction issues.\footnote{Id.} To this end, the EA recommends that Southern develop an environmental complaint resolution procedure to ensure that Southern responds to landowner mitigation and construction issues during construction of the project.\footnote{Id.} This order adopts the recommended procedure as Environmental Condition 12 in the appendix.

50. Southern clarifies certain statements in the EA. First, Southern clarifies that the third environmental inspector assigned to work at the Fairburn Compressor Station will also oversee work at the Fairburn Lateral and other project aboveground facility work sites. Next, Southern notes that the EA mistakenly indicates that Southern’s Procedures require a 50-foot setback of all spoil piles from waterbodies; however, Southern states
that consistent with its Procedures, Southern will locate spoil piles at least 10-feet from the water’s edge. Southern confirms that it understands that the 50-foot setback restriction for storage piles will apply to extra spoil storage areas adjacent to the temporary construction right-of-way. Southern also clarifies that one residence occurs within 50 feet of the Fairburn Lateral’s construction work area, not three as the EA states. Finally, Southern confirms the discussion in the EA that end-use combustion generated carbon dioxide levels from downstream customers would be reduced as a result of displacement of some fuel oil- and coal-based combustion. We concur with these clarifications and find that they do not change the conclusions of the EA.

51. Southern requests that we revise the first sentence of EA recommendation 6, which reads, “At least 60 days before construction begins, Southern shall file an Implementation Plan . . . .” Southern states that it plans to construct immediately after receipt of authorization to construct. Therefore, Southern requests that EA recommendation 6 read, “[w]ithin 60 days of the acceptance of the authorization and before construction begins . . . .” We find the suggested revision acceptable, noting it is consistent with timing of similar project requirements for filing an Implementation Plan. Accordingly, Environmental Condition 6 in the appendix to this order includes the recommended language.

52. On October 5, 2017, Southern filed a consultation letter from the U.S. Fish and Wildlife Service (FWS) regarding ecological field surveys where access was previously unavailable. FWS’s surveys identified no special status species individuals or their habitats, affirming the EA’s determination of effect and the FWS’s September 8, 2017 determination that the proposed action is not expected to significantly impact fish and wildlife resources.

53. On November 2, 2017, Southern filed supplemental cultural resources information (consisting of revised Phase I Survey, and Built Resources Addendum 1 reports, dated October 2017) addressing part of the requirements in EA recommendation 13. We revise Environmental Condition 13 in the appendix to this order accordingly.

IV. Conclusion

54. Based on the analysis in the EA, as supplemented herein, we conclude that if constructed and operated in accordance with Southern’s application and supplement, 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. Compliance with the environmental conditions appended to our orders is integral to ensuring that the environmental impacts of approved projects are consistent with those anticipated by our environmental analyses. Thus, Commission staff carefully reviews all information submitted. Only when satisfied that the applicant has complied with all applicable conditions will a notice to proceed with the activity to which the conditions are relevant be issued. We also note that the Commission has the authority to take whatever steps are necessary to ensure the
protection of all environmental resources during construction and operation of the project, including authority to impose 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.

55. 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. 65

56. At a hearing held on February 15, 2018, the Commission on its own motion received and made a part of the record in this proceeding all evidence, including the application and exhibits, and all comments and upon consideration of the record,

The Commission orders:

(A) A certificate of public convenience and necessity is issued to Southern, authorizing it to construct and operate the proposed Fairburn Expansion Project, 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:

(1) Southern’s proposed Fairburn Expansion Project being constructed and made available for service within two years of the date of this order pursuant to section 157.20(b) of the Commission’s regulations;

(2) Southern’s compliance with all applicable Commission regulations, particularly the general terms and conditions set forth in Parts 154, 157, and 284, and paragraphs (a), (c), (e), and (f) of section 157.20 of the Commission’s regulations;

65 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).
(3) Southern’s compliance with the environmental conditions listed in the appendix to this order.

(C) Southern shall file a written statement affirming that it has executed firm contracts for the capacity levels and terms of service represented in signed precedent agreements, before commencing construction.

(D) Southern’s request to charge its system recourse rates for transportation service on the project is approved.

(E) Southern’s request to charge its system fuel retention rates for transportation service on the project is approved.

(F) Southern’s request for a predetermination of rolled-in rate treatment for the project in the next NGA general section 4 proceeding is granted, barring a significant change in circumstances, as described above.

(G) Southern 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 Southern. Southern shall file written confirmation of such notification with the Secretary of the Commission (Secretary) within 24 hours.

By the Commission.

( S E A L )

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

As recommended in the Environmental Assessment (EA) and modified herein, this authorization includes the following conditions:

1. Southern shall follow the construction procedures and mitigation measures described in its application and supplemental filings (including responses to staff data requests) and as identified in the EA unless modified by the Order. Southern 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.

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 impact resulting from project construction and operation.

3. Prior to any construction, Southern shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspector (EI), 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 shown in the EA, as supplemented by filed alignment sheets or plot plans. As soon as they are available, and before the start of construction, Southern 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.

Southern’s exercise of eminent domain authority granted under Natural Gas Act section 7(h) in any condemnation proceedings related to the Order must be consistent with these authorized facilities and locations. Southern’s right of eminent domain granted under Natural Gas Act 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.

5. Southern 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 will 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 will 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 work space allowed by the Commission’s Upland Erosion Control, Revegetation, and Maintenance Plan and/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 could affect sensitive environmental areas.

6. **Within 60 days of the acceptance of the authorization and before construction begins**, Southern shall file an Implementation Plan with the Secretary for review and written approval by the Director of OEP. Southern must file revisions to the plan as schedules change. The plan shall identify:
a. how Southern will 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 Southern 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;
c. the number of EIs assigned, and how the company will ensure that sufficient personnel are available to implement the environmental mitigation;
d. company personnel, including EIs and contractors, who will receive copies of the appropriate material;
e. the location and dates of the environmental compliance training and instructions Southern will give to all personnel involved with construction and restoration (initial and refresher training as the project progresses and personnel change);
f. the company personnel and specific portion of Southern’s organization having responsibility for compliance;
g. the procedures (including use of contract penalties) Southern will follow if noncompliance occurs; and
h. 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 environmental compliance training of onsite personnel;
(3) the start of construction; and
(4) the start and completion of restoration.

7. Southern shall employ at least one EI per construction spread. 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. 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
e. responsible for maintaining status reports.
8. Beginning with the filing of its Implementation Plan, Southern shall file updated status reports with the Secretary on a biweekly 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 Southern’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(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);
   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 which 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 Southern from other federal, state, or local permitting agencies concerning instances of noncompliance, and Southern response.

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

10. Southern must receive written authorization from the Director of OEP before placing the project into service. Such authorization will only be granted following a determination that rehabilitation and restoration of the right-of-way and other areas affected by the project are proceeding satisfactorily.

11. Within 30 days of placing the authorized facilities in service, Southern 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 Southern 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. Southern 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 project’s right-of-way. **Prior to construction,** Southern shall mail the complaint procedure to each landowner whose property will be crossed by the project.

a. In its letter to affected landowners, Southern shall:

   (1) provide a local contact that the landowners should call first with their concerns; the letter would 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 Southern’s Hotline; the letter shall indicate how soon to expect a response; and

   (3) instruct the landowners that if they are still not satisfied with the response from Southern’s Hotline, they should contact the Commission’s Landowner Helpline at 877-337-2237 or at LandownerHelp@ferc.gov.

b. In addition, Southern shall include in its **biweekly** status report a copy of a table that contains the following information for each problem/concern:

   (1) the identity of the caller and date of the call;

   (2) the location by milepost and identification number from the authorized alignment sheet(s) of the affected property;

   (3) a 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.

13. Southern **shall not begin construction** of facilities and/or use of staging, storage, or temporary work areas and new or to-be-improved access roads **until**:

a. Southern files the Georgia State Historic Preservation Office’s (SHPO) comments on the revised Phase I Survey, and Built Resources Addendum 1 reports, dated October 2017;
b. Southern files an addendum survey report for any outstanding survey areas, and the SHPO’s comments on any addendum; and
c. the FERC staff reviews and the Director of OEP approves the addendum survey reports, and notifies Southern in writing that construction may proceed.

All materials filed with the Commission containing location, character, and ownership information about cultural resources must have the cover and any relevant pages therein clearly labeled in bold lettering: “CUI/PRIV- DO NOT RELEASE.”

14. Southern shall file a noise survey with the Secretary no later than 60 days after placing the Fairburn Compressor Station in service. If a full load noise survey is not possible, Southern 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 all the equipment at the Fairburn Compressor Station under interim or full horsepower load conditions exceeds a day-night sound level of 55 decibels on the A-weighted scale at any noise sensitive areas, Southern 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. Southern shall confirm compliance with this requirement by filing a second noise survey with the Secretary no later than 60 days after it installs the additional noise controls.