

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeen G. Kelly.

CenterPoint Energy Gas Transmission Company

Docket No. CP05-58-000

ORDER ISSUING CERTIFICATE

(Issued July 25, 2005)

1. On January 26, 2005, CenterPoint Energy Gas Transmission Company (CenterPoint) filed an application under section 7(c) of the Natural Gas Act (NGA) for a certificate of public convenience and necessity authorizing it to install and operate three injection/withdrawal (I/W) wells and 23.4 miles of 24-inch diameter pipeline at its Chiles Dome Storage Reservoir (Chiles Dome) facilities in Coal County, Oklahoma.¹
2. CenterPoint's proposal will increase its Chiles Dome working gas capacity by 3 billion cubic feet (Bcf) and its deliverability by 43 million cubic feet per day (MMcf/day), which when combined with the existing available system storage assets will allow for CenterPoint to meet its new contractual obligations. We will grant CenterPoint's application subject to certain conditions.

¹ CenterPoint obtained certificate authority for Chiles Domes in Docket No. CP79-47-000. Arkansas Louisiana Gas Company, 9 FERC ¶61,239 (1979). That order authorized a cushion gas volume of 14 Bcf, a working gas volume of 12 Bcf, a maximum daily deliverability of 266,000 MMcf/day and a maximum shut-in reservoir pressure of 1,505 psig. Here, CenterPoint seeks authorization to sell 3 Bcf of cushion gas and convert that capacity to 3 Bcf of working gas capacity. To reflect the increased capacity of the facilities authorized herein, CenterPoint seeks authorization for: cushion gas volume of 11 Bcf; working gas volume of 15 Bcf; maximum withdrawal of 309,000 Mcf/day; and, maximum shut-in reservoir pressure of 1,505 psig.

Background

3. CenterPoint is a natural gas company subject to the Commission's jurisdiction. CenterPoint provides open-access transportation services pursuant to Part 284 of the Commission's regulations for various shippers, and delivers natural gas to local distribution companies, industrial customers, and third party pipeline interconnections located in the states of Arkansas, Kansas, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee, and Texas. CenterPoint currently provides firm transportation and storage service to affiliated local distribution companies: CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Arkansas Gas (Arkansas Gas), CenterPoint Energy Louisiana Gas (Louisiana Gas), and CenterPoint Energy Oklahoma Gas (Oklahoma Gas).² The authorization herein will allow CenterPoint to also provide storage services to CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Texas Gas Operations (CenterPoint Texas Gas), which provides distribution services in Texas.

4. CenterPoint states that its firm storage service is a system-wide service provided from four storage reservoirs connected to its pipeline system: the Ada Storage Reservoir in Oklahoma, the Chiles Dome Storage Reservoir in Oklahoma, the Ruston Storage Reservoir in Louisiana, and the Bistineau Storage Reservoir in Louisiana.³

5. CenterPoint asserts that each of its affiliate LDCs requested an increase in transportation and storage volumes. CenterPoint posted on its website the total capacity potentially available for each affiliate request, which consisted of the amount of the affiliates' effective contract plus the additional capacity they requested. CenterPoint states that the four affiliates were the only shippers to express interest in the storage capacity posted, and each of the affiliates has executed a seven-year contract for a combined increase in firm storage deliverability of 105,000 Dth/day and a combined increase in working gas capacity of 4,833,320 Dth, all to be provided under CenterPoint's Rate Schedule FSS.⁴ Three of the four seven year agreements are capped at the current

² CenterPoint's affiliates are separately regulated as local distribution companies in the states of Arkansas, Louisiana, and Oklahoma.

³ CenterPoint is a part owner of the Bistineau Storage Reservoir which is operated by Gulf South Pipeline.

⁴ Arkansas Gas increased its contract storage deliverability and capacity by 80,000 Dth/day and 3,673,484 Dth, respectively; Louisiana Gas increased its contract storage deliverability and capacity by 10,000 Dth/day and 455,200 Dth, respectively; Oklahoma Gas increased its contract storage deliverability and capacity by 6,000 Dth/day and

(continued)

maximum tariff rates effective April 1, 2005.⁵ In addition, as is discussed below, one of these agreements, with CenterPoint's Oklahoma affiliate, contains a non-conforming tariff provision which requires CenterPoint to seek Commission approval of a tariff modification which would provide for cooperation in implementing state-mandated retail open access.

Proposal

6. CenterPoint proposes to construct, own and operate three additional vertical storage wells and appurtenant facilities at Chiles Dome to enhance the storage injection and withdrawal services. Additionally, CenterPoint proposes to construct three 6-inch diameter gas storage field flow lines approximately 3,615 feet in total length, each having orifice meters and electronic flow measurement, to connect the wells to the proposed pipeline as described below.⁶

7. CenterPoint asserts that natural gas from Chiles Dome will be delivered into its mainline system by the proposed Line 2-AD-24, a 23.4 mile, 24-inch diameter pipeline extending from Chiles Dome's facilities in Coal County, Oklahoma to an interconnect with CenterPoint's Line ADT-27 at a maximum allowable operating pressure of 1,000 psig.⁷ Line 2-AD-24 will also include two 24-inch mainline valve assemblies, two blowdown stacks, and a pig launcher and receiver at each terminus at Chiles Dome and Line ADT-27. CenterPoint avers that gas withdrawn from Chiles Dome will be delivered into their system by means of Line 2-AD-24, Line ADT-27 and the auxiliary facilities to

273,000 Dth, respectively. CenterPoint Texas Gas executed a new storage contract with deliverability of 9,400 Dth/day and capacity of 431,636 Dth.

⁵ Three of the four shipper agreements indicate that the current maximum tariff rate is a rate cap. In the event of a future rate increase, the rates under these agreements would be discounted down to the current level.

⁶ Construction and operation of these flow lines will be performed pursuant to CenterPoint's blanket certificate authorized in Docket No. CP82-384 (20 FERC ¶61,148) and reported to the Commission in CenterPoint's Annual Report of Activities Under Blanket Certificate. The estimated costs for the flow lines and meters is approximately \$1,206,842.

⁷ CenterPoint will classify Line 2-AD-24 as a storage asset.

be installed at CenterPoint's existing Chandler Compressor Station.⁸ CenterPoint states that Line 2-AD-24 will be capable of transporting up to 400,000 Dth/day to accommodate the additional storage deliverability required by their contracted affiliated shippers, as well as the volumes required by the existing Kiowa Power Plant located on CenterPoint's Line ADT-27.⁹ CenterPoint states that construction of Line 2-AD-24 will not create any additional year-round firm transportation capacity.¹⁰

8. CenterPoint proposes to construct other auxiliary facilities, including at the existing Chiles Dome facility: a pipeline liquid removal scrubber; a glycol dehydrator, a glycol reboiler; a filter separator; and a pressure reducing valve.¹¹ Additional Chiles Dome auxiliary facilities include the installation of 400 feet of 20-inch pipe, 100 feet of 16-inch pipe, and the valves, fittings and support to connect Chiles Dome to Line 2-AD-24. Additional auxiliary facilities to be installed at the existing Chandler Compressor Station include: one 16-inch meter; one 8-inch pressure reducing valve; one 20-inch cross-over between Line ACT-9 and Line AC complete with a 20-inch isolating valve; one 20-inch gas-operated valve on Line ACT-9 station piping; and approximately 450 feet of 20-inch piping from the proposed 16-inch meter to the 20-inch suction line.

9. CenterPoint estimates that the cost of the proposed construction will be \$25,599,350. CenterPoint avers that there will be no financial subsidy from their existing customers to support the proposed facilities.

10. CenterPoint provided a comparison of the revenues from the increased firm storage service requirements under the agreements to the cost of service impact of their proposal. CenterPoint's comparison shows that the projected revenues over the seven year contract term are less than the ten year cost of service. CenterPoint asserts that the

⁸ Line 2-AD-24 also will be capable of delivering gas to Chiles Dome for injection purposes.

⁹ During winter periods when gas is being withdrawn from storage, CenterPoint will serve all of the requirements of the Kiowa Plant by displacement with volumes withdrawn from Chiles Dome.

¹⁰ During the winter period only, after construction of Line 2-AD-24, CenterPoint may be able to transport an additional volume of approximately 22,300 Dth/day.

¹¹ The Chiles Dome facility already has dual parallel runs for pipeline liquid removal scrubbers, glycol dehydrators, glycol reboilers, and filter separators, as well as triple parallel runs of pressure reducing valves.

expansion shippers are long-term historical customers, and that due to their geographic proximity to CenterPoint are likely, in CenterPoint's opinion, to continue receiving firm storage service from CenterPoint after the negotiated seven year term. CenterPoint considers the facilities to be minor, relative to their existing storage facilities, and will be fully integrated (physically and operationally) with their storage service to enhance its deliverability, flexibility, and reliability. CenterPoint states that it is not seeking a predetermination for "rolled-in" rate treatment.

11. CenterPoint proposes to charge its existing Part 284 storage rates under Rate Schedule FSS for the new firm storage service it will provide the four shippers. The current rates under Rate Schedule FSS consist of a deliverability charge of \$0.9606 per Dth per month, a capacity charge of \$0.0229 per Dth per month, and a storage charge of \$0.0154 per Dth, resulting in a 100 percent load factor rate of \$0.5468 per Dth.

Notice and Interventions

12. Public notice of CenterPoint's application was published in the *Federal Register* on February 15, 2005 (70 *Fed. Reg.* 7721), with comments, protests, and interventions due on or before March 3, 2005. The Arkansas Public Service Commission filed a notice of intervention. Aquila, Inc. d/b/a Aquila Networks, and Coral Energy Resources, L.P. filed timely, unopposed motions to intervene.¹²

Discussion

13. Since the construction, and operation of the proposed facilities would involve the transportation of natural gas in interstate commerce, such proposal is subject to the jurisdiction of the Commission under section 7(c) and (e) of the NGA.

Certificate Policy

14. On September 15, 1999, the Commission issued a Policy Statement to provide guidance as to how we will evaluate proposals for certificating new construction.¹³ The Policy Statement established criteria for determining whether there is a need for a

¹² Timely, unopposed motions to intervene are granted by operation of Rule 214. of the Commission's Rules of Practice and Procedure. 18 CFR § 385.213 (2004).

¹³ Certification of New Interstate Natural Gas Pipeline, 88 FERC ¶ 61,227 (1999), Order Clarifying Statement of Policy, 90 FERC ¶ 61,128 (2000) Facilities (Policy Statement).

proposed project and whether the proposed project will serve the public interest. The Policy Statement explains that in deciding whether to authorize the construction of major new pipeline facilities, the Commission balances the public benefits against the potential adverse consequences. Our goal is to give appropriate consideration to the enhancement of competitive transportation alternatives, the possibility of overbuilding, subsidization by existing customers, the applicant's responsibility for unsubscribed capacity, the avoidance of unnecessary disruptions of the environment, and the unneeded exercise of eminent domain in evaluating new pipeline construction.

15. 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 its existing customers. The next step is to determine whether the applicant has made efforts to eliminate or minimize any adverse effects the project might have on the applicant's existing customers, existing pipelines in the market and their captive customers, or landowners and communities affected by the route of the new pipeline. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, we 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 we proceed to complete the environmental analysis where other interests are considered.

16. As noted above, the threshold requirement is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. CenterPoint proposes to charge the maximum rate under its existing Rate Schedule FSS for service using the additional capacity proposed in this proceeding. There were no protests to that proposal. CenterPoint also states that it is not seeking a predetermination that the proposed facilities will qualify for rolled-in rate treatment in a future rate proceeding. Since none of the project costs are included in CenterPoint's currently effective rates, accepting CenterPoint's proposal to charge those rates as initial rates for the expansion service will not result in subsidization of that service by existing customers. However, as is discussed below, we will make a finding that CenterPoint may not roll the costs of these facilities into its system rates in a future rate proceeding unless, at that time, it is able to demonstrate that there will be no subsidization of the costs of service utilizing the facilities by existing customers.

17. The construction of the proposed facilities will not result in any degradation of service to CenterPoint's existing customers. In addition, no service on any other pipeline will be displaced, since the proposed facilities satisfy the increased demand for storage service on CenterPoint's system. Thus, there will not be any adverse effects on existing pipelines or their customers.

18. There is no demonstrated landowner opposition to the proposals. Thus, we find that any adverse impacts on landowners and communities near the storage field or along the pipeline route will be minimal.

19. The proposal will add injection and withdrawal wells and compression to the Chiles Dome storage field. As shown by the results of the precedent agreements, the expansion customers want the new capacity. In addition, we find no identified adverse effect on other pipelines, landowners, or communities. Accordingly, we find that CenterPoint's proposal is required by the public convenience and necessity.

Rates

20. CenterPoint proposes to charge its currently effective maximum Rate Schedule FSS rates for the expansion service utilizing the additional capacity to be created by the facilities proposed in this proceeding. In Exhibit N, CenterPoint provides a comparison of the cost-of-service with the revenues associated with the project. CenterPoint estimates the total seven-year storage revenue from the project, based on currently effective maximum tariff rates to be \$18.3 million, and a ten-year cost-of-service of \$25.4 million, resulting in a total revenue deficiency of approximately \$7 million.¹⁴ More importantly, Exhibit N reflects a revenue deficiency using the maximum tariff rates in every year of the ten-year period, except in the sixth and seventh year. Thus, Exhibit N suggests that the facilities will not pay for themselves, resulting in the potential for a subsidy of the project by CenterPoint's existing customers if the expansion costs are rolled in to the system-wide cost-of-service in a future rate proceeding. Accordingly, while we will accept CenterPoint's proposal to charge its currently effective maximum Rate Schedule FSS rates as initial rates for service utilizing the capacity to be constructed under this authorization, CenterPoint will not be authorized to roll the costs of service associated with this project into its system rates in a future rate case unless it is able to demonstrate, at that time, that such rate treatment will not result in subsidization of the expansion capacity by existing customers. In addition, we will require CenterPoint to keep its books and other records in a manner that will show the costs of service and revenue associated with this project separately, so that the summary required by section 154.309 of our regulations can be filed in any future CenterPoint rate proceeding.

21. CenterPoint's transportation agreement with its Oklahoma distribution affiliate (TSA No. 1100031), contains a non-conforming provision which requires CenterPoint to seek Commission approval of a tariff modification to permit the parties to include a

¹⁴ If the seven-year storage revenue were compared to the seven-year cost-of-service, the results would be a revenue deficiency of approximately \$1.8 million.

contractual provision which would require CenterPoint to cooperate with the shipper to take actions necessary to support a state-mandated retail access program. Specific points mentioned in the contractual provision include: cooperation to assign capacity to the shipper's customers under capacity release provisions; support in pursuing stranded cost recovery provisions; support in pursuing requirements that new retail merchants take assignment of firm capacity rights; and allowing the shipper to exercise contract demand reduction rights in the event a state retail open-access program is implemented that leaves the shipper with stranded costs. While the Commission has allowed contract demand reduction provisions, they may be included in a service agreement only if they are offered under generally-applicable tariff provisions which make them available on a non-discriminatory basis.¹⁵ Although the contract requires CenterPoint to seek Commission authority for such a provision, it has not yet done so. Accordingly, within 30 days CenterPoint must either file a proposal for generally-applicable tariff provisions offering such contractual provisions on a non-discriminatory basis, or it must remove this provision from the service agreement and inform the Commission that the contract, as revised, conforms with the tariff.

Environmental Analysis

22. On March 11, 2005, we issued a Notice of Intent to Prepare an Environmental Assessment for the Proposed Chiles Dome Storage Expansion Project and Request for Comments on Environmental Issues (NOI). No comments were received.

23. Our staff prepared an environmental assessment (EA) for CenterPoint's proposal. The EA addresses land use, soils, water resources, threatened and endangered species, cultural resources, air and noise quality, and alternatives.

24. Based on the discussion in the EA, we conclude that if constructed in accordance with CenterPoint's application and supplements, 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, through application of state or local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by

¹⁵ *CenterPoint Energy Gas Transmission Company*, 104 FERC ¶ 61,281, at P 41 (2003)

this Commission.¹⁶ CenterPoint shall notify the Commission's environmental staff by telephone or facsimile of any environmental noncompliance identified by other federal, state, or local agencies on the same day that such agency notifies CenterPoint.

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

26. At a hearing held on July 21, 2005, 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, submitted in support of the authorizations sought herein, and upon consideration of the record.

The Commission orders:

(A) A certificate of public convenience and necessity is issued authorizing CenterPoint to construct and operate facilities at its Chiles Dome field, as described more fully in this order and in the application.

(B) This certificate authorization is conditioned on CenterPoint's compliance with the provisions of all applicable Commission regulations under the NGA, including but not limited to Parts 154, 157, and 284, and section 157.20 (a), (c), (e), and (f) of our regulations.

(C) Within 30 days of the date of this order, CenterPoint must either file generally-applicable tariff language offering comparable contract demand reduction rights on a non-discriminatory basis, or it must inform the Commission that its contract with its Oklahoma distribution affiliate has been revised to remove the contract demand reduction provisions discussed in the body of this order.

(D) CenterPoint's request to charge its existing system rates as initial rates for service utilizing the capacity created by facilities authorized by this order is granted.

(E) CenterPoint is authorized to charge its existing maximum Rate Schedule FSS rates as initial rates for service utilizing the capacity created by the facilities authorized in this order. CenterPoint must maintain its records for the facilities in a

¹⁶ See, e.g., *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988); *National Fuel Gas Supply v. Public Service Commission*, 894 F.2d 571 (2d Cir. 1990); and *Iroquois Gas Transmission System, L.P.*, 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).

manner to comply with the requirements of section 154.309 of the Commission's regulations.

(F) The certificate issued herein is conditioned on CenterPoint's compliance with the environmental conditions set forth in the appendix to this order.

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

(H) CenterPoint's facilities shall be constructed and made available for service within two years of the date of the order in this proceeding.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

Appendix
CenterPoint Energy Gas Transmission Company
Docket No. CP05-58-000

As recommended in the EA, this authorization includes the following conditions:

1. CenterPoint shall follow the construction procedures and mitigation measures described in its application and supplements (including responses to a staff data request) and as identified in the environmental assessment (EA), unless modified by this Order. CenterPoint 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 has delegation authority to take whatever steps are necessary to ensure the protection of all environmental resources during construction and operation of the project. This authority shall allow:
 - a. the modification of conditions of this Order; and
 - b. the design and implementation of any additional measures deemed necessary (including stop work authority) to assure continued compliance with the intent of the environmental conditions as well as the avoidance or mitigation of adverse environmental impact resulting from project construction and operation.

3. **Prior to any construction**, CenterPoint shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors, and contractor personnel will be informed of the environmental inspector'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. **As soon as they are available, and before the start of construction**, CenterPoint 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 this Order. All requests for modifications of

environmental conditions of this Order or site-specific clearances must be written and must reference locations designated on these alignment maps/sheets.

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

5. CenterPoint shall file with the Secretary detailed alignment maps/sheets and aerial photographs at a scale not smaller than 1:6,000 identifying all route realignments or facility relocations, and staging areas, pipe storage yards, new access roads, and other areas that would be used or disturbed and have not been previously identified in filings with the Secretary. Approval for each of these areas must be explicitly requested in writing. For each area, the request must include a description of the existing land use/cover type, and documentation of landowner approval, whether any cultural resources or federally listed threatened or endangered species would be affected, and whether any other environmentally sensitive areas are within or abutting the area. All areas shall be clearly identified on the maps/sheets/aerial photographs. Each area must be approved in writing by the Director of OEP **before construction in or near that area.**

This requirement does not apply to extra workspace allowed by the Upland Erosion Control, Revegetation, and Maintenance Plan, 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; implementation of endangered, threatened, or special concern species mitigation measures;
 - b. recommendations by state regulatory authorities; and
 - c. agreements with individual landowners that affect other landowners or could affect sensitive environmental areas.
6. **Within 60 days of the acceptance of this certificate and before construction** begins, CenterPoint shall file an initial Implementation Plan with the Secretary for review and written approval by the Director of OEP describing how CenterPoint

will implement the mitigation measures required by this Order. CenterPoint must file revisions to the plan as schedules change. The plan shall identify:

- a. how CenterPoint will incorporate these requirements into the contract bid documents, construction contracts (especially penalty clauses and specifications), and construction drawings so that the mitigation required at each site is clear to onsite construction and inspection personnel;
 - b. the number of environmental inspectors assigned per spread, and how the company will ensure that sufficient personnel are available to implement the environmental mitigation;
 - c. company personnel, including environmental inspectors and contractors, who will receive copies of the appropriate material;
 - d. the training and instructions CenterPoint will give to all personnel involved with construction and restoration (initial and refresher training as the project progresses and personnel change);
 - e. the company personnel (if known) and specific portion of CenterPoint's organization having responsibility for compliance;
 - f. the procedures (including use of contract penalties) CenterPoint will follow if noncompliance occurs; and
 - g. for each discrete facility, a Gantt or PERT chart (or similar project scheduling diagram), and dates for:
 - (1) the completion of all required surveys and reports;
 - (2) the mitigation training of onsite personnel;
 - (3) the start of construction; and
 - (4) the start and completion of restoration.
7. CenterPoint shall employ at least one environmental inspector per construction spread. The environmental inspector shall be:
- a. responsible for monitoring and ensuring compliance with all mitigation measures required by this 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 this 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 this Order, as well as any environmental conditions/permit requirements

- imposed by other federal, state, or local agencies; and
 - f. responsible for maintaining status reports.
- 8. CenterPoint shall file updated status reports prepared by the head environmental inspector 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. the current 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;
 - b. a listing of all problems encountered and each instance of noncompliance observed by the environmental inspector(s) during the reporting period (both for the conditions imposed by the Commission and any environmental conditions/permit requirements imposed by other federal, state, or local agencies);
 - c. corrective actions implemented in response to all instances of noncompliance, and their cost;
 - d. the effectiveness of all corrective actions implemented;
 - e. a description of any landowner/resident complaints which may relate to compliance with the requirements of this Order, and the measures taken to satisfy their concerns; and
 - f. copies of any correspondence received by CenterPoint from other federal, state or local permitting agencies concerning instances of noncompliance, and CenterPoint's response.
- 9. CenterPoint must receive written authorization from the Director of OEP **before commencing service** from the project. 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.
- 10. **Within 30 days of placing the certificated facilities in service**, CenterPoint shall file an affirmative statement with the Secretary, certified by a senior company official:
 - a. that the facilities have been constructed and installed 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 CenterPoint has complied with or will comply with. This statement shall also identify any areas affected by the project where compliance measures were not properly implemented, if not previously identified in filed status reports, and the reason for noncompliance.
11. CenterPoint shall conduct a noise survey at the nearest noise sensitive area (NSA) to Well 20 upon initiation of drilling operations. If the noise attributable to well drilling exceeds a day-night sound level (L_{dn}) of 55 dBA, CenterPoint shall:
 - a. stop drilling and mitigate noise near the NSA to bring the L_{dn} level at or below 55 dBA for the duration of drilling operations; or
 - b. offer temporary housing for affected residents until the L_{dn} level at the NSA is below 55 dBA.
12. CenterPoint shall conduct noise surveys at NSAs within a 0.5-mile radius of all horizontal directional drill (HDD) sites upon initiation of the drilling, if HDD operations take place during nighttime hours. If the noise attributable to HDD exceeds an L_{dn} of 55 dBA, CenterPoint shall:
 - a. stop drilling and mitigate noise near the NSA to bring the L_{dn} level at or below 55 dBA for the duration of drilling operations; or
 - b. offer temporary housing for affected residents until the L_{dn} level at the NSA is below 55 dBA.
13. CenterPoint shall file a noise survey with the Secretary **no later than 60 days** after placing the modified Chiles Dome Compressor Station in service. If the noise attributable to the operation of the modified Chiles Dome Compressor Station at full load exceeds an L_{dn} of 55 dBA at the nearby NSA, CenterPoint shall file a report on what changes are needed and shall install additional noise controls to meet that level **within 1 year** of the in-service date. CenterPoint shall confirm compliance with the L_{dn} of 55 dBA requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls.