

128 FERC ¶ 61,036  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
and Philip D. Moeller.

Rockies Express Pipeline LLC

Docket No. CP09-58-000

ORDER ISSUING CERTIFICATE

(Issued July 16, 2009)

1. On February 3, 2009, Rockies Express Pipeline LLC (Rockies Express) filed an application under section 7(c) of the Natural Gas Act (NGA)<sup>1</sup> for a certificate of public convenience and necessity authorizing the construction and operation of compression facilities at existing compressor stations in Moffat County, Colorado and Carbon County, Wyoming to provide an additional 200,000 dekatherms (Dth) per day of firm transportation capacity in Zone 1 of its system (Meeker to Cheyenne Expansion Project). We will authorize Rockies Express's proposals, with appropriate conditions, as discussed below.

**I. Background**

2. Rockies Express is a Delaware limited liability company that is wholly owned by West2East Pipeline LLC (West2East). West2East is owned 51 percent by a subsidiary of Kinder Morgan Energy Partners, L.P. (Kinder Morgan), 25 percent by a subsidiary of Sempra Energy, and 24 percent by a subsidiary of ConocoPhillips Company (ConocoPhillips).<sup>2</sup>

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<sup>1</sup> 15 U.S.C. § 717f(c) (2006).

<sup>2</sup> Rockies Express also states that upon completion of construction of its entire system, including the REX-East project, the ownership interests of the subsidiaries of Kinder Morgan and ConocoPhillips will change to 50 percent and 25 percent, respectively.

3. On August 9, 2005, we authorized Rockies Express<sup>3</sup> to construct and operate approximately 327 miles of pipeline extending from the Meeker Hub in Rio Blanco County, Colorado to the Cheyenne Hub in Weld County, Colorado (the REX-Entrega project).<sup>4</sup> The REX-Entrega project consists of 136 miles of 36-inch diameter pipeline from the Meeker Hub north to the Wamsutter Hub in Sweetwater County, Wyoming (Segment 1) and 191 miles of 42-inch diameter pipeline from the Wamsutter Hub east to the Cheyenne Hub (Segment 2). These facilities encompass Zone 1 of the Rockies Express system.

4. On April 19, 2007, we authorized Rockies Express to construct and operate 713 miles of pipeline from the terminus of the REX-Entrega project to an interconnection with Panhandle Eastern Pipe Line Company in Audrain County, Missouri (the REX-West project).<sup>5</sup> On May 30, 2008, we authorized Rockies Express to construct and operate 639 miles of pipeline from the terminus of the REX-West project to the Clarington Hub in Monroe County, Ohio (the REX-East project).<sup>6</sup>

## **II. Proposal**

5. Rockies Express proposes to add one 20,500 horsepower (hp) compressor unit at the existing Big Hole Compressor Station in Moffat County, Colorado and one 17,500 hp compressor unit at the existing Arlington Compressor Station in Carbon County,

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<sup>3</sup> Rockies Express was formerly known as Entrega Gas Pipeline LLC (Entrega). On April 11, 2006, Rockies Express and Entrega merged into a single entity. Pursuant to the merger agreement, Entrega continued to exist after the merger as the surviving entity, under the name “Rockies Express Pipeline LLC.”

<sup>4</sup> *Entrega Gas Pipeline Inc.*, 112 FERC ¶ 61,177, *order on reh’g*, 113 FERC ¶ 61,327 (2005).

<sup>5</sup> *Rockies Express Pipeline LLC*, 119 FERC ¶ 61,069 (2007). The Commission issued a Preliminary Determination for the REX-West project in *Rockies Express Pipeline LLC*, 116 FERC ¶ 61,272 (2006).

<sup>6</sup> *Rockies Express Pipeline LLC*, 123 FERC ¶ 61,234, *order on reh’g*, 125 FERC ¶ 61,160 (2008).

Wyoming.<sup>7</sup> Both compressor stations are located in Zone 1 of Rockies Express' system.<sup>8</sup> The estimated cost is approximately \$78.2 million.<sup>9</sup>

6. The proposed compression facilities will increase the capacity of the entire Zone 1 by 200,000 Dth per day. Specifically, the capacity of the Meeker Hub to Wamsutter Hub portion of Zone 1 (Segment 1) will increase from the currently certificated 1,100,000 to 1,300,000 Dth per day. The capacity of the Wamsutter Hub to Cheyenne Hub portion of Zone 1 (Segment 2) will increase from 1,800,000 to 2,000,000 Dth per day.

7. Rockies Express states that the Meeker to Cheyenne Expansion Project addresses EnCana Marketing USA Inc.'s (EnCana) contractual right to ramp-up or increase its capacity on Zone 1 of the Rockies Express system.<sup>10</sup> Originally, EnCana had the right to require Rockies Express to expand the Zone 1 capacity by up to 1,000,000 Dth per day.<sup>11</sup> Subsequent amendments to its negotiated rate agreement resulted in a reduction of EnCana's ramp-up right to 200,000 Dth per day with a provision that EnCana has the option to obtain its ramp-up right on only the segment from the Wamsutter Hub to Cheyenne Hub (Segment 2), if the capacity on the segment from the Meeker Hub to

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<sup>7</sup> The Big Hole Compressor Station was certificated as part of the REX-Entrega project and the Arlington Compressor Station was certificated as part of the REX-East project.

<sup>8</sup> Rockies Express considered installing waste heat cogeneration facilities at the Big Hole Compressor Station to capture waste heat from the proposed gas-powered compressor unit. However, Rockies Express concluded that the Big Hole Compressor Station was unsuitable for waste heat cogeneration facilities because the nearest transmission line is approximately 20 miles away from the compressor station, and constructing the necessary transmission line would have been uneconomical. Because the high altitude of the Arlington Compressor Station would reduce the site-rate horsepower of gas-powered units and thus increase costs, Rockies Express decided to use an electric-powered unit to provide the necessary compression, thereby rendering waste heat cogeneration facilities inappropriate at such location.

<sup>9</sup> In addition, Rockies Express will construct, under the authority of section 2.55(a) of the Commission's regulations, additional filter separation facilities at the Big Hole Compressor Station.

<sup>10</sup> The ramp-up right is set forth in Exhibit C, paragraph 2 to the Transportation Service Agreement, as amended.

<sup>11</sup> On January 5, 2007, in Docket No. RP06-200-017, the Commission accepted tariff sheets reflecting the 1,000,000 Dth per day ramp-up right.

Wamsutter Hub (Segment 1) is contracted by a third party under specified terms.<sup>12</sup> The third party would pay a fixed negotiated reservation rate of \$0.2325 per Dth, on a 100 percent load factor basis, plus fuel and other charges. If this occurred, EnCana would enter a negotiated rate contract for 200,000 Dth per day only on Segment 2 at the applicable tariff commodity rates, plus all applicable maximum surcharges and fuel.

8. Rockies Express conducted a binding “Invitation to Bid” process from July 25, 2008, through August 8, 2008, to offer EnCana’s ramp-up capacity right on Segment 1 to a third party. As a result, Wyoming Interstate Company, Ltd (WIC) was awarded the entire 200,000 Dth per day capacity on Segment 1. WIC executed a firm transportation agreement with Rockies Express for a primary term of ten years at a fixed, negotiated reservation rate, plus fuel and other charges.<sup>13</sup> Likewise, EnCana executed a ten-year firm transportation agreement for 200,000 Dth per day of capacity on Segment 2.

9. Rockies Express proposes to apply its currently effective transportation rates for Zone 1 service as the recourse rates for the project, and requests a determination that rolled-in rate treatment is appropriate for the costs of the proposed facilities. Rockies Express proposes to charge an incremental fuel rate for service using the expanded capacity.

10. Rockies Express concludes that the Meeker to Cheyenne Expansion Project responds to the need for additional capacity to transport growing production out of supply basins in Colorado and Wyoming to major markets in the United States, thus benefiting the natural gas market as a whole by increasing price competition and supply stability.

### **III. Interventions**

11. Notice of Rockies Express’ application was published in the *Federal Register* on February 24, 2009.<sup>14</sup> Sempra Rockies Marketing LLC, ConocoPhillips Company,

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<sup>12</sup> On September 11, 2008, in Docket No. RP06-200-047, the Commission accepted the amendment reducing EnCana’s ramp-up right to a level of 200,000 Dth per day.

<sup>13</sup> Questar Overthrust Pipeline Company (Overthrust), pursuant to its blanket authority, will modify an existing meter at the Wamsutter Compressor Station to make it bi-directional to permit gas to be delivered by Rockies Express to Overthrust for the account of WIC.

<sup>14</sup> 74 Fed. Reg. 8,246 (2009).

Overthrust, WIC, Colorado Interstate Gas Company, and EnCana filed timely, unopposed motions to intervene.<sup>15</sup>

12. EnCana filed comments in support of the project, stating that the project will provide producers and marketers in the Rocky Mountain region with additional takeaway options to move natural gas from supply basins in the Rocky Mountains to market.

#### **IV. Discussion**

13. Since the proposed facilities will be used to transport natural gas in interstate commerce subject to the jurisdiction of the Commission, the construction and operation of the facilities are subject to the requirements of subsections (c) and (e) of section 7 of the NGA.<sup>16</sup>

##### **A. Application of the Certificate Policy Statement**

14. The Certificate Policy Statement provides guidance as to how we will evaluate proposals for certificating new construction.<sup>17</sup> The Certificate Policy Statement established 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 explained that in deciding whether to authorize the construction of major new pipeline facilities, we balance 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

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<sup>15</sup> Timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.214 (2008).

<sup>16</sup> 15 U.S.C. §§ 717f(c), (e) (2006).

<sup>17</sup> *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *order on clarification*, 90 FERC ¶ 61,128, *order on clarification*, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

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. Rockies Express intends to use its currently effective Zone 1 recourse rates as the initial section 7 rates for services using the proposed expansion capacity. However, Rockies Express proposes to charge an incremental fuel rate for service utilizing the expanded capacity to preclude increased fuel rates to existing shippers. Since none of the project costs are included in Rockies Express' currently effective rates, accepting Rockies Express' proposal to charge those rates, along with an incremental fuel rate, as initial rates for the project will not result in subsidization by existing customers. Further, as discussed below, absent a change in circumstances, rolled-in rate treatment for the project's costs in a future rate proceeding will result in lower rates for existing customers. Thus, existing shippers will not subsidize the Meeker to Cheyenne Expansion Project.

17. There will be no adverse operational impact on Rockies Express' existing customers, since the project is properly designed to address the request for firm transportation service of up to 200,000 Dth per day in Zone 1 without degrading service to existing customers. The Meeker to Cheyenne Expansion Project will benefit existing customers by creating incremental capacity which they can use on a secondary and interruptible basis.

18. The Meeker to Cheyenne Expansion Project is designed to create capacity to transport new supplies sourced in the Rocky Mountains. The project will benefit interconnecting pipelines and their customers by enhancing their access to such supplies. Further, there is no evidence that service on other pipelines will be displaced as a result of the proposed project and no pipeline objected to Rockies Express' proposals. For these reasons, we conclude that existing pipelines and their customers will not be adversely affected by the project.

19. All proposed facilities will be constructed within existing, fenced compressor station yards. Thus, no new easements are required. Therefore, we find that the effects on landowners and communities are minimal.

20. Rockies Express has entered into long-term transportation agreements with EnCana and WIC for 100 percent of the capacity of the Meeker to Cheyenne Expansion Project. Based on the benefits of the Meeker to Cheyenne Expansion Project, the lack of any identified adverse impacts on Rockies Express' existing customers or on other pipelines and their customers, and the minimal impacts on landowners and communities,

we find, consistent with the Certificate Policy Statement and section 7(c) of the Natural Gas Act, that the public convenience and necessity requires approval of Rockies Express' proposed project, subject to the conditions set forth herein.

**B. Rate Treatment**

21. Rockies Express seeks a predetermination that it can roll the costs of the additional compression at the Big Hole and Arlington Stations into the existing rates for service in Zone 1 in a future rate case. Rockies Express states that, excluding fuel costs, the revenue derived from the new service exceeds the cost of service in Year 1 and in every year thereafter.

22. As demonstrated in Rockies Express' May 7, 2009 response to Staff Data Request Number 3, Rockies Express projects that the revenue due to the expansion will be \$17,191,800 in the first year, while the total cost of service for the first year is projected to be \$16,936,245. Thus, net revenue will exceed costs by \$255,000 for Year 1. Rockies Express' filing also shows that the net revenues will continue to exceed the cost of service in each year thereafter through Year 10 and that net revenues will rise from \$255,000 in Year 1 to more than \$4 million by Year 10. Thus, we will grant the request for a predetermination that Rockies Express may roll the costs of the expansion project into the existing Zone 1 reservation rates absent any material change in circumstances.

23. Rockies Express also seeks authorization to collect an incremental fuel charge for service associated with the Meeker to Cheyenne Expansion Project. Under Rockies Express' proposal, expansion shippers using the project facilities will pay a different fuel charge than existing shippers.<sup>18</sup> Rockies Express filed a pro forma tariff sheet providing for an incremental fuel rate for the expansion capacity.

24. Since the project is largely a compression-based expansion, the required fuel usage will increase substantially. As a result, we find that an incremental expansion fuel rate allocated to the expansion customers is appropriate to prevent subsidization of expansion shippers by existing shippers.<sup>19</sup> Therefore, we will approve Rockies Express' proposed incremental fuel rate.

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<sup>18</sup> Rockies Express states in Exhibit P to the application, page 7, that the compression fuel percentage for existing shippers is 0.72 percent and the expansion fuel rate is estimated to be 1.42 percent.

<sup>19</sup> Rockies Express' fuel rate includes the gas equivalent of the electric power costs as stated in First Revised Sheet No. 103 of its FERC Gas Tariff Second Revised Volume No. 1.

### C. Accounting

25. In Exhibit K to the application, Rockies Express estimates the capitalized Allowance for Funds Used During Construction (AFUDC) as approximately \$2.4 million. However, we find that Rockies Express overstated the amount of AFUDC that it included in the estimated cost of the project because it took a full month's AFUDC on current month construction expenditures.<sup>20</sup> Since current month construction expenditures occur throughout the month, only one-half month's AFUDC should be accrued on current month's construction expenditures to reflect the fact that, on average, these expenditures are outstanding for only half the month.<sup>21</sup> In order to assure that construction cost is not overstated, we will require Rockies Express to revise its procedures for calculating AFUDC and take only one-half month's AFUDC on current month's construction expenditures.

### D. Environmental Analysis

26. On March 10, 2009, we issued a *Notice of Intent to Prepare an Environmental Assessment* (NOI). We received three responses to the NOI. The Bureau of Land Management (BLM) Wyoming State Office commented but raised no substantive environmental concern. The Wyoming Game and Fish Department and the BLM's Colorado State Office on behalf of its Little Snake Field Office raised concerns about impacts on wildlife in the project area.

27. To satisfy the requirements of the National Environmental Policy Act, our staff prepared an environmental assessment (EA) for the Meeker to Cheyenne Expansion Project. The EA was issued for a 30-day comment period and placed in the public record of this proceeding on May 18, 2009. The EA was noticed in the *Federal Register* on May 26, 2009,<sup>22</sup> and mailed to federal, state, and local agencies; elected officials; public libraries in the project area; intervenors to this proceeding; and other interested parties.

28. The EA addressed geology and soils; water resources and wetlands; fisheries, vegetation and wildlife; land use; visual resources; threatened and endangered species; cultural resources; air and noise quality; safety and reliability; cumulative impacts; and alternatives. The EA also addressed the issues raised by the Wyoming Game and Fish Department and the BLM Colorado State Office. No comments on the EA were received.

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<sup>20</sup> See Rockies Express May 7, 2009 Responses to Data Request.

<sup>21</sup> See *Kern River Gas Transmission Co.*, 98 FERC ¶ 61,205 (2002).

<sup>22</sup> See 74 Fed. Reg. 24,845 (2009).

29. In its comments on the NOI, the Wyoming Game and Fish Department recommended that construction at the Arlington Compressor Station take place outside of sensitive wildlife periods, and raised concerns about compressor station noise impacts on wildlife in general and the spread of noxious weeds. The EA indicates that the project will have very limited disturbance as the construction activities at each station would be confined to the existing fenced station yard.<sup>23</sup> The operational noise impacts associated with expansion of the Arlington Compressor Station would be limited by the use of an electric motor-powered compressor. The EA also finds that there would be no significant impacts on wildlife from construction and operation of the project. We concur with this finding. With regard to noxious weeds, the EA states that Rockies Express would treat each compressor station yard with herbicides to prevent the growth of invasive and noxious weeds.

30. We also received a comment from the BLM's Colorado State Office regarding compressor station operational noise of the Big Hole Compressor Station. Specifically, the Colorado State Office was concerned with noise impacts on nearby sage grouse leks associated with operation of the new compressor at this station.

31. During our staff's review of our authorization to construct the original Big Hole Compressor Station, significant concern regarding operational noise impacts on the sage grouse was expressed by both the Colorado Division of Wildlife and BLM's Little Snake Field Office.<sup>24</sup> This concern led to a commitment by Rockies Express to limit noise attributable to station operation to a day-night level (Ldn) of 55 decibels on the A-weighted scale (dBA) at the station property line. The EA recommends that Rockies Express maintain this standard for the Meeker to Cheyenne Expansion Project as it is both technically achievable and appropriate given the high-quality grouse habitat which surrounds the station. It is also consistent with the comment received during this proceeding from the BLM's Colorado State Office and Little Snake Field Office.<sup>25</sup> We concur with the recommendation and will attach it as an environmental condition to this order.

32. Based on the discussion in the EA, we conclude that if constructed and operated in accordance with Rockies Express' application and supplements and the conditions imposed herein, approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

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<sup>23</sup> In Wyoming, the project is not in an area subject to wildlife timing restrictions.

<sup>24</sup> See July 1, 2005 Final Environmental Impact Statement for Entrega Pipeline Project in Docket No. CP04-413-000 at 4-27.

<sup>25</sup> See EA at 16 n. 5.

33. 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 this Commission.<sup>26</sup>

34. At hearing held on July 16, 2009, the Commission on its own motion, received and made a part of the record all evidence, including the application(s), as supplemented, and exhibits thereto, submitted in this proceeding and upon consideration of the record,

The Commission orders:

(A) A certificate of public convenience and necessity is issued in Docket No. CP09-58-000 authorizing Rockies Express to construct and operate the Meeker to Cheyenne Expansion Project in Moffat County, Colorado and Carbon County, Wyoming, as more fully described in this order and the application.

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

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

(2) Rockies Express' compliance with the environmental conditions listed in the appendix to this order; and

(3) Rockies Express' completion of the authorized construction of the proposed facilities and making them available for service within one year of the issuance of this order pursuant to section 157.20(b) of the Commission's regulations.

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<sup>26</sup>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., et al.*, 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).

(C) Rockies Express' request for a predetermination supporting rolled-in rate treatment for the costs of the project in its next general NGA section 4 rate proceeding is granted, absent a significant change in material circumstances, as discussed in the body of this order.

(D) Rockies Express' request for approval of its proposed incremental fuel rate is granted.

(E) Rockies Express must file an actual tariff sheet consistent with the pro forma tariff sheet filed in this proceeding not less than 30 days, and not more than 60 days, prior to the commencement of service on the proposed expansion facilities.

(F) Rockies Express must revise its AFUDC procedures, as discussed in the body of this order.

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

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

## Appendix

### Environmental Conditions

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

1. Rockies Express shall follow the construction procedures and mitigation measures described in its application and supplements, (including responses to staff data requests) and as identified in the environmental assessment (EA), unless modified by the Commission Order. Rockies Express must:
  - a. request any modification to these procedures, measures, or conditions in a filing with the 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 delegated authority to take whatever steps are necessary to ensure the protection of all environmental resources during construction and operation of the project. This authority shall allow:
  - a. the modification of conditions of the Commission 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**, Rockies Express shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors (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. **Within 60 days of the acceptance of this certificate and before construction begins**, Rockies Express shall file an Implementation Plan with the Secretary for review and written approval by the Director of OEP. Rockies Express must file revisions to the plan as schedules change. The plan shall identify:
  - a. how Rockies Express 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 Commission Order;
- b. how Rockies Express 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 training and instructions Rockies Express will give to all personnel involved with construction and restoration (both initial and refresher training as the project progresses and personnel change);
  - f. the company personnel (if known) and specific portion of Rockies Express' organization having responsibility for compliance;
  - g. the procedures (including use of contract penalties) Rockies Express 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 mitigation training of onsite personnel;
    - (3) the start of construction; and
    - (4) the start and completion of restoration.
5. Beginning with the filing of its Implementation Plan, Rockies Express shall file updated status reports with the Secretary on a **monthly** basis **until all construction and restoration activities are complete**. On request, these status reports will also be provided to other federal and state agencies with permitting responsibilities. Status reports shall include:
- a. an update on Rockies Express' efforts to obtain the necessary federal authorizations;
  - b. 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;
  - 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 Commission Order, and the measures taken to satisfy their concerns; and
  - g. copies of any correspondence received by Rockies Express from other federal, state, or local permitting agencies concerning instances of noncompliance, and Rockies Express' response.
6. Rockies Express must receive written authorization from the Director of OEP **before commencing service** from the project. Such authorization will only be following a determination that rehabilitation and restoration of the areas disturbed by project construction are proceeding satisfactorily.
7. **Within 30 days of placing the certificated facilities in service**, Rockies Express 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 Rockies Express 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.
8. Rockies Express shall file a report with the Secretary, **within 30 days** of placing the Big Hole and Arlington Compressor Stations in service, identifying any water supply wells/systems damaged by construction and how they were repaired. The report shall include a discussion of any complaints concerning the well yield or quality and how each problem was resolved.
9. Rockies Express shall conduct a noise survey at the Arlington Compressor Station to verify that the noise attributable to the operation of all of the equipment at the modified station at full load does not exceed the previously-existing noise level that is above an  $L_{dn}$  of 55 dBA at the nearby NSA. The results of the noise survey shall be filed with the Secretary **no later than 60 days** after placing the new unit in service. If this noise level is exceeded, Rockies Express shall, **within one year** of the in-service date, implement additional noise control measures to reduce the operating noise level at the nearby NSA to or below the previously-existing noise level. Rockies Express 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.

10. Rockies Express shall file a noise survey with the Secretary **no later than 60 days** after placing the authorized equipment at the Big Hole Compressor Station in service. If the noise attributable to the operation of all of the equipment at the Big Hole Compressor Station at full load exceeds an  $L_{dn}$  of 55 dBA at any station property line, Rockies Express shall file a report on what changes are needed and should install additional noise controls to meet this level **within one year** of the in-service date. Rockies Express shall confirm compliance with the above requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls.