

134 FERC ¶ 61,198
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

Colorado Interstate Gas Company

Docket Nos. CP10-486-000

ORDER ISSUING CERTIFICATE

(Issued March 17, 2011)

1. On August 12, 2010, Colorado Interstate Gas Company (CIG) filed an application under section 7(c) of the Natural Gas Act (NGA)¹ and Part 157 of the Commission's regulations² seeking authorization to construct and operate an air blending station adjacent to its existing Spruce Hill Meter Station in Douglas County, Colorado (Spruce Hill Air Blending Project). In addition, CIG seeks approval of a new gas quality control surcharge for services provided through the new air blending station, acceptance of several non-conforming contract provisions contained in the firm transportation service agreements supporting the project, and a finding that one of the service agreements is exempt from the collection of fuel gas.
2. For the reasons discussed below, we find that approval of the proposal is required by the public convenience and necessity, subject to the conditions of this order. Further, we approve CIG's proposed surcharge for service through the facility, find the non-conforming contract provisions to be acceptable, and find the aforementioned service agreement is exempt from the collection of fuel gas.

¹ 15 U.S.C. § 717f(c) (2006).

² 18 C.F.R. Part 157 (2010).

I. Background and Proposal

3. CIG is a natural gas company, as defined by section 2(6) of the NGA,³ providing open-access natural gas transportation and storage in interstate commerce. CIG's interstate transmission system extends from supply areas in Texas, Oklahoma, Kansas, Colorado, Wyoming, Montana, and Utah to major delivery areas along the eastern slope of the Rocky Mountains in Colorado and Wyoming. CIG's system interconnects with interstate pipelines in all the states in which it operates, except Montana. The Valley Line, discussed in this order, parallels the eastern slope of the Rocky Mountains in Colorado and Wyoming.

4. Many of the natural gas sources connected to CIG's system contain a higher thermal content and input factor⁴ than can be utilized by end-users attached to CIG's Valley Line. CIG has constructed and installed several air blending stations to ensure that all gas delivered from, or received on, the Valley Line satisfies the input factor gas quality specifications in its tariff. CIG states that gas delivered at the Spruce Hill Meter Station from the Valley Line is currently blended with air at other blending stations. CIG states that these blending facilities are currently contracted at their maximum capacities.

5. CIG states that Black Hills Utility Holdings, Inc.⁵ (Black Hills) approached CIG about additional delivery capacity at the Spruce Hill Meter Station. CIG determined that it would be necessary to construct additional blending capacity at the Spruce Hill Meter Station to accommodate Black Hills' request. CIG conducted an open season from May 17 to May 28, 2010 for 50,000 dekatherms (Dth) per day of blending capacity utilizing new air blending facilities to be constructed near the Spruce Hill Meter Station. As a result of the open season, Black Hills, the only shipper to submit a bid, entered into a firm transportation agreement with CIG for a maximum daily quantity (MDQ) of 19,000 Dth per day for a term of 15 years, and extended for 15 years an existing firm agreement with CIG for an MDQ of 31,000 Dth per day.⁶ Under the agreements, gas will

³ 15 U.S.C. § 717a(6) (2006).

⁴ The input factor is also known as the Wobbe Factor. CIG's tariff (section 4.3 of the General Terms and Conditions) specifies an input factor for gas delivered from, or received on, its Valley Line and/or through supporting air blending operations.

⁵ Black Hills is a natural gas utility with regulated businesses in Colorado, Iowa, Kansas, and Nebraska serving more than 500,000 customers.

⁶ The existing agreement was also amended to designate the Spruce Hill Meter Station as its primary delivery point.

be received into the proposed project facilities from CIG's high pressure Line No. 212A and blended and conditioned with air to reduce the input factor of the gas to a level that conforms to the gas quality specifications in CIG's tariff for gas delivered along the Valley Line.⁷

6. CIG's proposed Spruce Hill Air Blending Facility would consist of two first stage rotary screw air compressors (215 and 390 horsepower), one three-stage reciprocating 500 horsepower air compressor, ancillary equipment required for a fully functional natural gas-air blending facility, and connection facilities required to tie-in the blending facilities to the interconnection between Line No. 212A and the Spruce Hill Meter Station. CIG estimates that the project will cost approximately \$15.9 million.

7. CIG proposes incremental firm and interruptible gas quality control (GQC) surcharges to recover the full cost of the air blending service, along with a new monthly electric power costs charge. CIG states that the new GQC surcharge is similar to its existing GQC surcharges, and that its proposed incremental rate structure will ensure that existing shippers do not subsidize the cost of the project.

8. In addition to the standard contract provisions, CIG requests that the Commission accept several non-conforming provisions contained in the two firm transportation service agreements supporting the project. Specifically, the non-conforming provisions relate to CIG's obligation to construct the facilities, partial month service, conditions to obligations undertaken in the agreement, creditworthiness, and a Spruce Hill GQC true-up to reflect actual cost. Finally, CIG requests that the agreement for 19,000 Dth per day of firm transportation service be exempt from the collection of fuel gas.

II. Notice and Interventions

9. Notice of CIG's application was published in the *Federal Register* on August 30, 2010 (75 Fed. Reg. 52,935). Black Hills filed a timely, unopposed motion to intervene in support of the project.⁸ Davis and Virginia Ammos, Gary Boynton, Randy Menze, Rick and Celia N. Hamm, Travis Rayan Hamm, Dennis Burdick, and Jennifer R. Dailey filed comments related to environmental concerns. Their comments are addressed below.

⁷ CIG's Line No. 212A, which generally parallels the Valley Line, transports gas with a higher thermal content and an input factor exceeding the limits on the Valley Line.

⁸ 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 (2010).

III. Discussion

10. Because the proposed facilities will be used for the transportation of natural gas in interstate commerce subject to the Commission's jurisdiction, the proposed facilities are subject to the requirements of subsections (c) and (e) of section 7 of the NGA.⁹

A. Certificate Policy Statement

11. The Certificate Policy Statement¹⁰ provides guidance as to how we will evaluate proposals for certificating major new construction. 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 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. 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 support the project financially 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 route of the new pipeline. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, the Commission will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. This is essentially an economic test. Only when the benefits outweigh the adverse effects on economic interests will the Commission proceed to complete the environmental analysis where other interests are considered.

⁹ 15 U.S.C. §§ 717f(c), (e) (2006).

¹⁰ *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *order on clarification*, 90 FERC ¶ 61,128 (2000), *order on clarification*, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

13. As noted above, the threshold requirement is that the pipeline must be able to support the project financially without relying on subsidization from its existing customers. CIG proposes an incremental gas quality control surcharge and an electric power costs charge for providing air blending at the project facilities. These charges are designed to recover the total cost of this service. Because CIG is proposing incremental rate treatment for service at the proposed air blending station, the proposal will not result in subsidization of the project by existing customers.

14. The proposed project will have no impact on CIG's existing customers. In addition, the proposed facilities are designed solely to meet Black Hills's request for new incremental services and will not replace any firm transportation service on any other existing pipeline. Also, no pipeline company in the area has protested the application. Accordingly, we find there will be no adverse impacts on other pipelines or their customers. Because CIG is proposing to construct and operate the proposed blending facility on land it already owns, we find the proposed facilities have been designed in a manner to minimize impacts on landowners and the environment.

15. We conclude that CIG's proposal will enable the company to meet Black Hills's request for additional delivery capacity at the Spruce Hill Meter Station by allowing gas flowing on CIG's Line 212A to be blended with air to meet the Valley Line gas quality specifications. Based on the benefits the project will provide and the lack of any identifiable adverse impacts on CIG's existing customers, other pipelines, landowners, or communities, we find, consistent with the Certificate Policy Statement and section 7(c) of the NGA, that approval of the Spruce Hill Air Blending Project is required by the public convenience and necessity, subject to the conditions discussed below.

B. Rates

16. CIG proposes to establish incremental firm and interruptible gas quality control surcharges for the cost of providing air blending at the Spruce Hill Air Blending Facility (GQC surcharge). The proposed GQC surcharge¹¹ is based on an annual cost of service of \$3,946,763, reflecting an estimated cost of facilities of \$15,900,000, an overall pre-tax rate of return of 15.50 percent,¹² and a depreciation rate of 6.67 percent. The

¹¹ CIG notes that the new Spruce Hill gas quality control surcharge is similar to existing gas quality control surcharges described in section 4.17 of its tariff.

¹² The rate of return was derived from CIG's uncontested settlement, in Docket No. RP06-397-000, *et al.*, and approved by a Commission order issued on August 7, 2006. *See Colorado Interstate Gas Co.*, 116 FERC ¶ 61,126 (2006).

depreciation rate reflects a 15-year useful life of the project based on the term of the agreements.

17. CIG proposes a monthly GQC recourse rate of \$6.5399 per Dth, plus a commodity rate of \$0.0012 per Dth per day. CIG also proposes an incremental daily recourse rate of \$0.8366 for interruptible service rendered via the proposed facilities based on a 25.74 percent load factor.¹³ We find that the proposed Spruce Hill GQC recourse rates are reasonable, and we direct CIG to file actual tariff sheets at least 30 days, and not more than 60 days, prior to the commencement of service detailing the Spruce Hill GQC recourse rates as proposed.

18. CIG proposes that the electric costs associated with the project be recovered through a new monthly electric power costs charge.¹⁴ CIG proposes to pass through, dollar-for-dollar, all electric power costs resulting from the operation of the facilities to Black Hills. CIG states that no fuel gas will be used by the project facilities. The electric power costs charge will be charged on a pro rata basis based on dekatherms scheduled to the project delivery points for that month. CIG proposes billing Black Hills in dollars, rather than energy equivalents, to eliminate any exposure for CIG and Black Hills to gas price changes if the electric charges were to be converted to an energy equivalent. We find that CIG's proposal to pass through, dollar-for-dollar, all the electric power costs from the project facilities to Black Hills through a monthly electric power costs charge is reasonable.

19. Further, CIG proposes to exempt Black Hills's 19,000 Dth per day firm transportation agreement from the collection of fuel gas, since transportation pursuant to that agreement is provided only from the inlet to the outlet of the project facilities and no fuel gas is used for service through those facilities. We find CIG's proposal to be reasonable, and CIG is authorized to exempt Black Hills' 19,000 Dth per day firm transportation agreement from the collection of fuel gas, conditioned on the project's using no fuel gas and the receipt and delivery points for the agreement remaining the inlet and outlet of the project facilities.

¹³ CIG notes that this load factor is consistent with the existing Valley Line and High Plains gas quality surcharges and is based on the unique operational characteristics and limited, specialized use of the air blending facilities. *See Colorado Interstate Co.*, 116 FERC ¶ 61,126; *Colorado Interstate Co.*, 122 FERC ¶ 61,256 (2008).

¹⁴ CIG state that the blending facility's compressors are electric driven and the resulting electricity charges will be invoiced to CIG by the local electric provider on a monthly basis.

20. CIG states that the firm transportation service agreements supporting the project contain several non-conforming provisions. These provisions relate to CIG's obligation to construct the facilities, partial month service, conditions to obligations undertaken in the agreement, creditworthiness, and a Spruce Hill GQC true-up to reflect actual cost. CIG states that these non-conforming provisions reflect "fairly standard" precedent agreement terms which aided in securing the necessary support for the timely development and construction of the air blending station. The Commission finds that the non-conforming provisions, as described by CIG, would constitute material deviations from CIG's form of service agreements. We find further that these non-conforming provisions are permissible because they do not present a risk of undue discrimination and will not affect the operational conditions of providing service.¹⁵ Black Hills will not receive a different quality of service from that available to CIG's other customers. Thus, we will approve the non-conforming provisions. However, we emphasize that the above determinations relate only to those specific items as described by CIG in its application and not to the entirety of the agreements.

21. CIG must file, at least 30 days, but no more than 60 days before the in-service date of the agreements, executed copies of each non-conforming agreement reflecting the non-conforming language and a tariff record identifying these agreements as non-conforming, consistent with section 154.112 of the Commission's regulations.

C. Environment

22. On September 21, 2010, the Commission issued a *Notice of Intent to Prepare an Environmental Assessment* (NOI). The NOI was mailed to interested parties including federal, state, and local officials; agency representatives; environmental and public interest groups; Native American tribes; local libraries and newspapers; and affected and local property owners. In response to the NOI, the Colorado State Historic Preservation Office (SHPO), the National Park Service, and Douglas County Planning Services filed general comments regarding consultation for the project. In addition, we received seven comments from landowners in the project area. The primary issues raised in the comments concerned the potential for wetland and waterbody contamination; impacts on wildlife, vegetation, and visual resources (including nighttime lights); noise and traffic impacts; and system blowdowns, vibrations, and safety concerns. CIG staff conducted a town hall-type meeting on October 30, 2010, to address these landowner concerns, and CIG subsequently filed with the Commission a summary of the meeting on November 12, 2010.

¹⁵ See, e.g., *Midcontinent Express Pipeline LLC*, 124 FERC ¶ 61,089 (2008); *Rockies Express Pipeline LLC*, 116 FERC ¶ 61,272, at P 78 (2006).

23. Our staff prepared an environmental assessment (EA) for the Spruce Hill Air Blending Project. The analysis in the EA addresses geology and soils; water resources, wetlands, and fisheries; vegetation; wildlife and threatened and endangered species; land use, recreation, and visual resources; cultural resources; air quality and noise; safety; cumulative impacts; and alternatives. The EA addressed all substantive scoping comments received in response to the NOI. The EA was issued for a 30-day comment period and placed into the public record on January 5, 2011. We received no comments on the EA.

24. Several landowners submitted scoping comments concerning potential impacts on wetlands in the project area. As explained in the EA, there are no wetlands within 300 feet of the proposed site. The nearest wetland is east of the project site adjacent to East Cherry Creek. The EA also states that no direct impacts on this wetland area would occur because CIG's implementation of its *Environmental Construction Document* (ECD) will avoid any potential indirect impacts on wetlands.

25. One landowner expressed concern that contaminants could seep into East Cherry Creek. As stated in the EA, CIG will construct a containment structure and follow other preventive measures identified in its ECD to avoid spills of hazardous materials and follow procedures identified in its ECD to be implemented in the event of a release.

26. Staff received a scoping comment during CIG's town hall meeting regarding the spread of noxious weeds. As stated in the EA, CIG will consult with county and state agencies and local landowners to determine the most effective methods to control noxious weeds. In addition, CIG's compliance with its ECD will ensure that the disturbed areas are adequately restored and revegetated to minimize their spread. The EA also states that CIG has committed to clean all construction equipment thoroughly prior to arrival at the project site to prevent the spread of noxious weeds and to monitor and control weeds annually during project operation.

27. Several commentors expressed concern that wildlife habitat will be lost due to construction activities and that facility lighting would disturb local residences. The EA explains that CIG will revegetate disturbed areas upon completion of construction, except those areas covered with gravel, and allow temporary workspaces to return to pre-construction conditions in order to minimize the loss of wildlife habitat. The EA also states that CIG will limit the amount of lighting to the minimum required for the safety and security of the facility. In addition, the EA notes that CIG has committed to using downward-facing lights, where possible, to mitigate the impacts of lighting on the nighttime sky.

28. Landowners expressed scoping concerns regarding the potential for vibrations from the compressor units to affect their livestock. As stated in the EA, CIG will mount

the compressor units on skids and place them on a concrete slab within the compressor building, which will isolate the units and any associated vibration from the ground. In addition, the facility will be located within a 35-acre parcel of land which will remain mostly undeveloped, thereby acting as a buffer for adjacent properties.

29. Several landowners expressed concern with potential noise increases during operation of the air blending station. As stated in section 7.2 of the EA, CIG has committed to noise-abatement measures, including using acoustical insulation for aboveground piping, ensuring that the compressor building will have no windows and will contain a minimal number of skylights, and using exterior fan silencers for the compressor units. The EA further states that the noise attributable to the air blending station will comply with the Commission's standard noise criterion of a day-night sound level of 55 decibels on the A-weighted scale at all noise-sensitive areas (i.e., residences). To verify that the noise levels from the station do not exceed our noise criterion, Environmental Condition 11 requires CIG to file the results of a noise survey after placing the air blending station into service.

30. Landowners also expressed concerns regarding the blowdown system that the station would use. The EA explains that air will be vented from the station using an air vent valve that is enclosed in a vent silencer to minimize noise. Several landowners expressed concern with the safety of the air blending station, specifically, the potential for lightning strikes at the proposed site. The EA states that CIG will ensure that all buildings at the site are electrically grounded. The EA explains that the station must be designed, constructed, operated, and maintained in accordance with the United States Department of Transportation (DOT) Minimum Federal Safety Standards set forth at 49 C.F.R. § 192 (2010). The DOT regulations are intended to ensure adequate protection for the public and to prevent natural gas facility accidents and failures. The EA concludes that safe operation of the proposed project will be accomplished by CIG's compliance with DOT's standards.

31. We have reviewed the information and analysis contained in the record, including the EA, regarding the potential environmental effect of the project. Based on our consideration of this information, we agree with the conclusions presented in the EA and find that if constructed and operated in accordance with CIG's application, as amended and supplemented, and the conditions imposed in the appendix, approval of this proposal will not constitute a major federal action significantly affecting the quality of the human environment.

32. Any state or local permits issued with respect to the jurisdictional facilities authorized herein must be consistent with the conditions of these certificates. 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.¹⁶

33. At a hearing held on March 17, 2011, 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 authorization sought herein, and upon consideration of the record,

The Commission orders:

(A) A certificate of public convenience and necessity is issued to CIG authorizing it to construct and operate its Spruce Hill Air Blending Project, as described and conditioned herein, and as more fully described in the application.

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

- (1) CIG's completing the authorized construction of the proposed facilities and making them available for service within one year from the date of this order;
- (2) CIG's complying with all applicable Commission regulations under the NGA including, but not limited to, paragraphs (a), (c), (e), and (f) of section 157.20 of the Commission's regulations; and
- (3) CIG's compliance with the environmental conditions listed in the appendix to this order.

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

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), *order on reh'g*, 59 FERC ¶ 61,094 (1992).

(D) CIG's proposed incremental Spruce Hill GQC surcharge recourse rates and electric power costs charge are approved.

(E) CIG shall file actual tariff records to implement its proposed rates and other tariff changes at least 30 days, but no more than 60 days, before service commences.

(F) CIG is directed to file all non-conforming agreements consistent with section 154.112 of the Commission's regulations at least 30 days, but no more than 60 days, before the in-service date of the agreements, as described above.

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. CIG shall follow the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests) and as identified in the EA, unless modified by the Order. CIG 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 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**, CIG 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. The authorized facility location 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**, CIG shall file with the Secretary any revised detailed survey alignment map/sheet 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 the location designated on the alignment map/sheet.

5. CIG shall file with the Secretary a detailed alignment maps/sheets and aerial photographs at a scale not smaller than 1:6,000 identifying all facility relocation, and staging areas, 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, 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 CIG's *Environmental Construction Document*, 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 Certificate and before construction** begins, CIG shall file an Implementation Plan with the Secretary for review and written approval by the Director of OEP. CIG must file revisions to the plan as schedules change. The plan shall identify:
 - a. how CIG 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 CIG 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 CIG 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 (if known) and specific portion of CIG's organization having responsibility for compliance;
 - g. the procedures (including use of contract penalties) CIG 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. Beginning with the filing of its Implementation Plan, CIG 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 CIG's efforts to obtain the necessary federal authorizations;
 - b. the current construction status of the project, and work planned for the following reporting period;
 - 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 CIG from other federal, state, or local permitting agencies concerning instances of noncompliance, and CIG's response.

8. **Prior to receiving written authorization from the Director of OEP to commence construction of project facilities**, CIG shall file with the Secretary documentation that it has received all authorizations required under federal law (or evidence of waiver thereof).
9. CIG must receive written authorization from the Director of OEP **before placing the air blending station into service**. Such authorization will only be granted following a determination that rehabilitation and restoration of the areas affected by the project are proceeding satisfactorily.
10. **Within 30 days of placing the authorized facilities in service**, CIG 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 CIG 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. CIG shall make all reasonable efforts to ensure its predicted noise levels from the Spruce Hill Air Blending Station are not exceeded at nearby noise-sensitive areas and file a noise survey showing this with the Secretary **no later than 60 days** after placing the Spruce Hill Air Blending Station into service. However, if the noise attributable to the operation of the Spruce Hill Air Blending Station at full load exceeds a day-night level of 55 decibels on the A-weighted scale at any nearby noise sensitive areas, CIG shall file a report on what changes are needed and shall install additional noise controls to meet the level **within one year** of the in-service date. CIG 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.