

160 FERC ¶ 61,049
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Cheryl A. LaFleur, and Robert F. Powelson.

Columbia Gas Transmission, LLC

Docket No. CP16-493-000

ORDER ISSUING CERTIFICATE

(Issued September 6, 2017)

1. On August 12, 2016, Columbia Gas Transmission, LLC (Columbia) filed an application under section 7(c) of the Natural Gas Act (NGA)¹ and Part 157 of the Commission's regulations² for a certificate of public convenience and necessity to construct and operate the Central Virginia Connector Project in Louisa and Goochland Counties, Virginia. The Central Virginia Connector Project comprises modification of two existing compressor stations in Louisa County, Virginia (Boswells Tavern and Louisa Compressor Stations); construction of a new point of delivery meter station adjacent to Columbia's existing Goochland Compressor Station in Goochland County, Virginia; modification of facilities to allow bi-directional flow at a valve site near the Boswells Tavern Compressor Station in Louisa County, Virginia; and installation of other appurtenant facilities.
2. For the reasons discussed below, the Commission grants Columbia's requested certificate authorization, subject to certain conditions.

I. Background and Proposal

3. Columbia is a limited liability company organized and existing under Delaware law and is an indirect majority-owned subsidiary of TransCanada Corporation. Columbia is a natural gas company as defined by section 2(6) of the NGA,³ engaged in the transportation and storage of natural gas in interstate commerce in Delaware, Kentucky,

¹ 15 U.S.C. § 717f(c) (2012).

² 18 C.F.R. pt. 157 (2017).

³ 15 U.S.C. § 717a(6) (2012).

Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia, and West Virginia.

4. Columbia proposes to construct the Central Virginia Connector Project to provide an additional 45,000 dekatherms per day (Dth/d) of firm natural gas transportation service for two of its existing customers, the City of Richmond and Columbia Gas of Virginia. Columbia also states that the project will modernize its Louisa Compressor Station by replacing outdated and inefficient facilities, which will increase reliability on its system and benefit both existing and new shippers.⁴

5. Specifically, Columbia proposes to (1) replace three Solar Saturn units with one Solar Centaur 50 unit at the Louisa Compressor Station; (2) convert the replaced Solar Saturn units to standby service; (3) increase the certificated horsepower (HP) at the Louisa Compressor Station from 4,050 HP to 6,130 HP; (4) install pipe and valve modifications to convert the existing point of delivery at Boswells Tavern Compressor Station to bi-directional flow;⁵ (5) install a new point of delivery meter and regulator station adjacent to Columbia's Goochland Compressor Station;⁶ and (6) install other appurtenant facilities.

⁴ Columbia states that its proposal to replace components of its aging infrastructure is consistent with a Stipulation and Agreement of Settlement (Modernization II Settlement) entered into with existing base system shippers, and approved by the Commission. *Columbia Gas Transmission, LLC*, 154 FERC ¶ 61,208 (2016) (order accepting settlement in Docket No. RP16-314). The Modernization II Settlement provided that existing base system shippers will share the costs of replacing certain aging facilities, referred to as eligible facilities in the settlement agreement. The settlement agreement identified the Louisa Compressor Station as an eligible facility. Columbia's Application at 5-6.

⁵ Columbia currently delivers gas to Transcontinental Gas Pipe Line Company (Transco) at the existing point of delivery at Boswells Tavern Compressor Station. Gas associated with the 45,000 Dth/d of incremental service made possible by this project will be received from Transco at a bi-directional point of delivery/point of receipt at the modified Boswell Tavern Compressor Station and transported south to the existing Louisa Compressor Station. Columbia's Application at 8, note 13, and 10.

⁶ Columbia will deliver 40,000 Dth/d of natural gas to the City of Richmond at the new point of delivery meter station adjacent to the Goochland Compressor Station. The remaining 5,000 Dth/d of natural gas will be delivered to Columbia Gas of Virginia further south, at two existing meter stations south of the Goochland Compressor Station. Columbia's Application at 8, note 13.

6. Columbia held an open season to solicit interest for firm transportation service from its existing Boswells Tavern Compressor Station to the new point of delivery to be located adjacent to the Goochland Compressor Station. Subsequently, on June 1, 2016, the City of Richmond executed a precedent agreement with Columbia, requesting up to 40,000 Dth/d of firm transportation service. On June 21, 2016, Columbia and Columbia Gas of Virginia executed a precedent agreement for 5,000 Dth/d of firm transportation service. In conjunction with its open season, Columbia also offered its existing shippers an opportunity to turn back firm transportation service under existing service agreements, but it received no requests.

7. Columbia estimates that the Central Virginia Connector Project will cost \$52,387,031. Columbia proposes to charge its existing applicable system rates as the recourse rates for the expansion services and is requesting a pre-determination that rolled-in rate treatment will be appropriate for the approximately \$12.5 million which will be allocated to the expansion portion of the project.⁷ The remaining costs, approximately \$39.8 million, are associated with the updating of Columbia's aging infrastructure at the Louisa Compressor Station. Columbia proposes to recover these costs through the Capital Cost Recovery Mechanism of its Modernization II Program.⁸

II. Notice, Interventions, and Comments

8. Notice of Columbia's application was published in the *Federal Register* on January 18, 2017, with interventions, comments, and protests due by September 15, 2016.⁹ Public Service Company of North Carolina, Inc.; Piedmont Natural Gas Company, Inc.; PSEG Energy Resources & Trade LLC; NJR Energy Services Company; New Jersey Natural Gas Company; Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Company in New Jersey and d/b/a Elkton Gas in Maryland; Virginia Natural Gas, Inc.; NiSource Distribution Companies; National Grid Gas Delivery Companies; Narragansett Electric Company d/b/a National Grid; Range Resources-Appalachia, LLC; Washington Gas Light Company; Orange and Rockland Utilities, Inc.; New York State Electric and Gas Corporation; Antero Resources Corporation; City of Richmond; City of Charlottesville; Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc. jointly; and Atmos Energy Marketing LLC filed timely, unopposed motions to intervene. Timely,

⁷ The precedent agreements between the City of Richmond and Columbia Gas of Virginia and Columbia provide that the shippers will pay the maximum applicable recourse rate.

⁸ See *supra* note 4.

⁹ 82 Fed. Reg. 5556.

unopposed motions to intervene are granted by operation of Rule 214(c)(1) of the Commission's Rules of Practice and Procedure.¹⁰

9. The Virginia Department of Conservation and Recreation's Division of Natural Heritage filed comments; Commission staff addressed its concerns in the environmental assessment.

III. Discussion

10. 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.¹¹

A. Certificate Policy Statement

11. The Certificate Policy Statement provides guidance for evaluating proposals to certificate new construction.¹² The Certificate Policy Statement establishes criteria for determining whether there is a need for a proposed project and whether the proposed project will serve the public interest. The Certificate Policy Statement explains that in deciding whether to authorize the construction of major new 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 existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from existing customers. The next step is to determine whether the applicant has made efforts to eliminate or minimize any adverse effects the project might have on the applicant's existing customers, existing pipelines in the market and their captive customers, or landowners and communities affected by the route of the new facilities. If residual adverse effects on these interest groups are identified after efforts

¹⁰ 18 C.F.R. § 385.214(c)(1) (2017).

¹¹ 15 U.S.C. §§717f(c) and 717f(e) (2012).

¹² *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).

have been made to minimize them, the Commission will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. This is essentially an economic test. Only when the benefits outweigh the adverse effects on economic interests will the Commission proceed to consider the environmental analysis, where other interests are addressed.

13. As stated, the applicant must be prepared to financially support the project without relying on subsidization from its existing customers. Columbia proposes to charge the City of Richmond and Columbia Gas of Virginia its existing system-wide rates for firm transportation service pursuant to its currently-effective Rate Schedule FTS for the expansion-portion of the project. As discussed below, illustrative rates calculated to recover the incremental costs associated with the Central Virginia Project are lower than Columbia's existing system rates. Therefore, we will accept Columbia's proposal to charge its system-wide recourse rates under Rate Schedule FTS for the expansion portion of this project. As demonstrated in Exhibit N to Columbia's application and discussed below, the revenues from the expansion shippers' will exceed the cost of service. Therefore, we find that Columbia's existing shippers will not subsidize the expansion project and thus, the Certificate Policy Statement's threshold requirement of no subsidization is satisfied. Further, Columbia will recover the remaining project costs, associated with the replacement of compression at the Louisa Compressor Station, through its Capital Cost Recovery Mechanism.

14. The proposed project will not adversely affect Columbia's existing customers. A portion of the project is replacing existing aging and inefficient facilities, thereby providing customers with greater reliability and efficiency. We also find that the project will not adversely impact other pipelines or their captive customers as there is no evidence that the project will result in the displacement of any existing service that would result in load loss on another pipeline causing adverse impacts to that pipeline's captive customers. The project seeks to enable the potential for bi-directional flow through an existing point of delivery to provide additional service. Also, no pipelines or their captive customers have protested Columbia's application. Consequently, we find that there will be no adverse impacts on other pipelines or their captive customers.

15. Regarding the project's impacts on landowners and communities, the majority of the project will be constructed within Columbia's existing rights-of-way and compressor station properties. The proposal will result in the construction of one new permanent access road segment at the existing Goochland Compressor Station, which will be a 20' x 49' gravel segment, requiring less than 0.1 acres. The Louisa Compressor Station's existing permanent access road and the temporary access road to the valve modification site near Boswells Tavern Compressor Station will be used for accessing the existing facilities during construction. The existing road at the Louisa Compressor Station will be used post-construction as well. The impacts will be minimal as Columbia previously

constructed and utilized these access roads as part of a previous authorized project.¹³ Furthermore, Columbia states that “[n]o contractor yards will be required for the construction of the facilities, as equipment and materials will be stored on or adjacent to existing facilities and property owned by Columbia.”¹⁴ Accordingly, we find that Columbia’s proposal has been designed to minimize impacts on landowners and the surrounding communities.

16. The fully-subscribed project will enable Columbia to provide 45,000 Dth/d of incremental firm natural gas transportation service, as well to replace existing aging and inefficient facilities. Based on the project benefits, the lack of adverse effects on existing customers and other pipelines and their captive customers, and the minimal adverse effects on landowners and surrounding communities, the Commission finds, consistent with the Certificate Policy Statement and NGA section 7(c), that the public convenience and necessity require approval of Columbia’s proposal, as conditioned in this order.

B. Rates

1. Initial Recourse Rates

17. Columbia proposes to charge its currently-effective rates under Rate Schedule FTS as its initial recourse rates for the incremental firm transportation service utilizing the proposed facilities. The illustrative incremental monthly reservation charge calculated for the project is \$3.442 per Dth,¹⁵ which is lower than the system Rate Schedule FTS recourse reservation charge of \$4.771 per Dth.¹⁶ The proposed cost of service underlying the illustrative incremental reservation rate is based on a depreciation rate of 1.5 percent consistent with the settlement approved in Docket No. RP12-1021-000 and a pre-tax multiplier of 12.98 percent that was approved in Docket No. RP95-408-000.¹⁷ In addition, Columbia’s illustrative incremental commodity charge of \$0.0067 per Dth is

¹³ Columbia’s Application, Resource Report 8 – Land Use, Recreation, and Aesthetics at 8-4.

¹⁴ Columbia’s Application, Resource Report 1 – General Project Description at 1-7, 1-8.

¹⁵ Columbia’s December 27, 2016 Data Response to Questions 3 and 4.

¹⁶ The illustrative incremental monthly reservation charge was calculated by dividing the first year demand cost of service of \$1,858,497 by the annual billing determinants of 540,000 Dth (45,000 Dth/d x 12 months).

¹⁷ Respectively, *Columbia Gas Transmission, LLC*, 142 FERC ¶ 61,062 (2013) and *Columbia Gas Transmission, Corp.*, 79 FERC ¶ 61,044 (1997).

lower than Columbia's existing commodity charge of \$0.0104 per Dth.¹⁸ Therefore, we approve Columbia's proposal to charge its currently-effective reservation and commodity rates under Rate Schedule FTS as the initial recourse rates for transportation service utilizing the proposed facilities.

2. Pre-Determination of Rolled-In Rate Treatment

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

19. Exhibit N of the application, page 1 shows that the annual cost of service for the expansion is \$1,951,498, \$1,879,037, and \$1,812,540 for years one, two, and three, respectively. The annual project revenue for the expansion is \$3,775,077, \$3,986,757, and \$4,194,117 for years one, two, and three, respectively. In each year, the projected revenues will exceed the costs of the expansion portion of the project. Therefore, the Commission grants a pre-determination of rolled-in rate treatment for the expansion-portion in Columbia's next NGA section 4 rate case, absent a significant change in circumstances.

20. Columbia also requests rolled-in rate treatment for its demand-based transportation cost rate adjustment (TCRA), electric power cost adjustment (EPCA), and operational transaction rate adjustment (OTRA) surcharges. Columbia states the increased billing determinants, along with other things remaining equal, will result in the decrease of each of these trackers. The Commission approves Columbia's proposed rolled-in rate treatment for the TCRA, EPCA, and the OTRA surcharges. Columbia is required to track the surcharges in accordance with its tariff.

21. In addition, in the December 27, 2016 data response, Columbia submitted a fuel study and retainage rate derivation. The Commission finds the conclusion of the study acceptable, therefore Columbia is approved to charge the maximum tariff retainage rate, as requested.

¹⁸ The illustrative incremental commodity charge was calculated by dividing the first year commodity cost of service of \$93,000 by the annual billing determinants of 13,961,250 (45,000 Dth/d x 365 days x 85 percent load factor).

22. With respect to the portion of the project intended to update Columbia's aging infrastructure at the Louisa Compressor Station, as noted above, the Louisa Compressor Station is an Eligible Facility, as described in the Modernization II Settlement. As a result, Columbia will recover its costs by means of an existing tariff provision – the Capital Cost Recovery Mechanism. Consistent with the terms of the Capital Cost Recovery Mechanism, Columbia will make annual filings under section 4 to recover its revenue requirement related to certain Louisa Compressor Station costs, along with other Eligible Facilities' costs.¹⁹

C. Environmental Analysis

23. On September 27, 2016, the Commission issued a *Notice of Intent to Prepare an Environmental Assessment* (NOI) and requested comments on environmental issues. The NOI was published in the *Federal Register* and mailed to interested parties including federal, state, and local officials; agency representatives; environmental and public interest groups; Native American tribes; local libraries and newspapers; and affected property owners.²⁰ In response to the NOI, the Virginia Department of Conservation and Recreation recommended strict adherence by Columbia to erosion and sediment control measures during all land disturbing activities to minimize adverse impacts on the aquatic ecosystem.

24. To satisfy the requirements of the National Environmental Policy Act of 1969, our staff prepared an Environmental Assessment (EA) for Columbia's proposal that was placed into the public record on February 28, 2016. The analysis in the EA addresses geology, soils, water resources, wetlands, vegetation, fisheries, wildlife, threatened and endangered species, land use, recreation, visual resources, cultural resources, air quality, noise, safety, cumulative impacts, and alternatives. Additionally, the EA addresses the comments received from the Virginia Department of Conservation and Recreation in regards to aquatic ecosystems.

25. As described in section 3.2 of the EA, the project will have no direct impacts on waterbodies and will temporarily affect 0.03 acre of palustrine wetland within Columbia's existing right-of-way.²¹ Columbia will construct the project in accordance with its Environmental Construction Standards²² along with best management practices

¹⁹ Columbia's Application at 11, n.17.

²⁰ 81 Fed. Reg. 68,008.

²¹ EA at 9-10.

²² Columbia's Application, Appendix 1B of Resource Report 1 – General Project Description.

that conform to the Virginia Erosion and Sediment Control Handbook (current edition) as well as the Commission's *Upland Erosion Control, Revegetation, and Maintenance Plan and Wetland and Waterbody Construction and Restoration Procedures*. Columbia will also utilize an *Erosion and Sediment Control Plan and a Spill Prevention Containment and Control Plan* to minimize sediment outside of the project area and ensure proper handling of hazardous materials.²³ Columbia will employ a full-time environmental inspector during construction of the project to ensure compliance with the construction and mitigation procedures. Columbia will also train all individuals working on the project to ensure they are familiar with the environmental mitigation measures appropriate to their jobs and the environmental inspector's authority. We agree with the EA's conclusions that these measures will appropriately minimize potential impacts on the aquatic ecosystem.

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

27. Any state or local permits issued with respect to the jurisdictional facilities authorized herein must be consistent with the conditions of this order. The Commission encourages cooperation between interstate pipelines and local authorities. However, this does not mean that state and local agencies, through application of state or local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by this Commission.²⁴

IV. Conclusion

28. The Commission on its own motion received and made a part of the record in this proceeding all evidence, including the application and exhibits thereto, and all comments submitted, and upon consideration of the record,

²³ Columbia's Application, Section 1.5 of Resource Report 1 – General Project Description.

²⁴ See 15 U.S.C. § 717r(d) (state or federal agency's failure to act on a permit considered to be inconsistent with Federal law); see also *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293, 310 (1988) (state regulation that interferes with FERC's regulatory authority over the transportation of natural gas is preempted) and *Dominion Transmission, Inc. v. Summers*, 723 F.3d 238, 245 (D.C. Cir. 2013) (noting that state and local regulation is preempted by the NGA to the extent it conflicts with federal regulation, or would delay the construction and operation of facilities approved by the Commission).

The Commission orders:

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

(B) The certificate authorized in Ordering Paragraph (A) is conditioned on:

(1) Columbia's completing the authorized construction of the proposed facilities and making them available for service within two years of the date of this order pursuant to section 157.20(b) of the Commission's regulations;

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

(3) Columbia's compliance with the environmental conditions listed in the appendix to this order; and

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

(C) Columbia's system-wide recourse rates for firm transportation under Rate Schedule FTS for the expansion-portion of the project are approved as the initial recourse rates for the incremental service approved herein, as described above.

(D) Columbia's request for a pre-determination of rolled-in rate treatment for the expansion-portion of the project in its next NGA general section 4 proceeding is granted, barring a significant change in circumstances, as described above.

(E) Columbia shall file an executed copy of its negotiated rate agreements or a tariff record setting forth the essential terms of the agreements associated with the project at least 30 days, but not more than 60 days, before the proposed effective day of such rates.

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

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By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

Columbia Gas Transmission, LLC

Environmental Conditions

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

1. Columbia 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. Columbia 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 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**, Columbia shall each file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors (EI), and contractor personnel would be informed of the EI's authority and have been or would 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**, Columbia shall file with the Secretary any revised detailed survey alignment maps/sheets at a scale not smaller than 1:6,000 with station positions for all facilities approved by the order. All requests for modifications of environmental conditions of the order or site-specific clearances must be written and must reference locations designated on these alignment maps/sheets.

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

5. Columbia shall file with the Secretary detailed alignment maps and aerial photographs at a scale not smaller than 1: 6,000 identifying all 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, 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/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 FERC's *Upland Erosion Control, Revegetation, and Maintenance Plan* and/or minor field realignments per landowner needs and requirements that do not affect other landowners or sensitive environmental areas such as wetlands.

Examples of alterations requiring approval include all 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. At least 60 days before construction begins, Columbia shall file an Implementation Plan with the Secretary for review and written approval by the Director of OEP. Columbia must file revisions to their plan as schedules change. The plan shall identify:**
- a. how Columbia 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 Columbia 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 the company 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 the company's organization having responsibility for compliance;
 - g. the procedures (including use of contract penalties) the company will follow if noncompliance occurs; and
 - h. for each discrete facility, a Gantt or PERT chart (or similar project scheduling diagram), and dates for:
 - i. the completion of all required surveys and reports;
 - ii. the environmental compliance training of onsite personnel;
 - iii. the start of construction; and
 - iv. the start and completion of restoration.

7. Columbia shall employ at least one EI for the project. The EI shall be:
 - a. responsible for monitoring and ensuring compliance with all mitigation measures required by the order and other grants, permits, certificates, or other authorizing documents;
 - b. responsible for evaluating the construction contractor's implementation of the environmental mitigation measures required in the contract (see condition 6 above) and any other authorizing document;
 - c. empowered to order correction of acts that violate the environmental conditions of the order, and any other authorizing document;
 - d. a full-time position, separate from all other activity inspectors;
 - e. responsible for documenting compliance with the environmental conditions of the order, as well as any environmental conditions/permit requirements imposed by other federal, state, or local agencies; and
 - f. responsible for maintaining status reports.
8. Beginning with the filing of its Implementation Plan, Columbia shall file updated status reports for the project 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 Columbia's efforts to obtain the necessary federal authorizations;
 - b. the construction status of the project, work planned for the following reporting period, and any schedule changes for stream crossings or work in other environmentally-sensitive areas;
 - c. a listing of all problems encountered and each instance of noncompliance observed by the EI during the reporting period (both for the conditions imposed by the Commission and any environmental conditions/permit requirements imposed by other federal, state, or local agencies);
 - d. a description of the corrective actions implemented in response to all instances of non-compliance, 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 the company from other federal, state, or local permitting agencies concerning instances of noncompliance.
- 9. **Prior to receiving written authorization from the Director of OEP to commence construction of any project facilities**, Columbia shall file with the Secretary documentation that it has received all applicable authorizations required under federal law (or evidence of waiver thereof).
- 10. Columbia must receive written authorization from the Director of OEP **before placing** the project into service. Such authorization will only be granted following a determination that rehabilitation and restoration of the areas affected by the project are proceeding satisfactorily.
- 11. **Within 30 days of placing the authorized facilities in service**, Columbia shall file an affirmative statement with the Secretary, certified by a senior company official that the facilities have been constructed in compliance with all applicable conditions, and that continuing activities will be consistent with all applicable conditions; or identifying which of the conditions in the order Columbia has complied with or will comply with. This statement shall also identify any areas affected by the project where compliance measures were not properly implemented, if not previously identified in filed status reports, and the reason for noncompliance.
- 12. Columbia **shall not begin construction** of facilities and/or use of any staging, storage, or temporary work areas and improved access roads **until**:
 - a. Columbia files with the Secretary all remaining cultural resources survey reports, addendums, evaluation reports, avoidance/treatment plans, as required, and the State Historic Preservation Office's comments on the reports and plans;
 - b. the Advisory Council on Historic Preservation is afforded an opportunity to comment if historic properties would be adversely affected; and
 - c. the FERC staff reviews and the Director of OEP approves the cultural resources reports and plans, and notifies Columbia in writing that treatment plans/mitigation measures (including archaeological data recovery) may be implemented and/or construction may proceed.

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

13. Columbia shall file noise surveys with the Secretary **no later than 60 days** after placing the modified Louisa Compressor Station in service. If a full load condition noise survey is not possible, Columbia shall provide an interim survey at the maximum possible horsepower load and provide the full load survey **within 6 months**. If the noise attributable to the operation of all of the equipment at the modified Louisa Compressor Station, under interim or full horsepower load conditions, exceeds an day-night sound level of 55 A-weighted decibels at any nearby noise sensitive area, Columbia shall file a report on what changes are needed and shall install the additional noise controls to meet the level **within 1 year** of the in-service date. Columbia 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.

Document Content(s)

CP16-493-000.DOCX.....1-17