

119 FERC ¶ 61,303
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 157

(Docket No. RM06-7-001; Order No. 686-A)

Revisions to the Blanket Certificate Regulations and Clarification Regarding Rates

(Issued June 22, 2007)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Order on Rehearing and Clarification.

SUMMARY: On October 19, 2006, the Commission issued a Final Rule amending its regulations to expand the scope and scale of activities that may be undertaken pursuant to blanket certificate authority and clarifying that existing Commission policies permit natural gas companies to charge different rates to different classes of customers. The revised regulations allow interstate natural gas pipelines to employ the streamlined blanket certificate procedures for larger projects and for a wider variety of types of projects, thereby increasing efficiencies, and decreasing time and costs, associated with the construction and maintenance of the nation's natural gas infrastructure. The Commission grants in part, and denies in part, requests for rehearing and clarification of the Final Rule.

EFFECTIVE DATE: Requests for clarification are granted and denied, and requests for rehearing are denied, effective [insert date 30 days after publication in the **FEDERAL REGISTER**]. The request for rehearing with respect to the measurement of compressor

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noise is granted, effective [insert date 120 days after publication in the **FEDERAL REGISTER**].

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SUPPLEMENTARY INFORMATION:

119 FERC ¶ 61,303
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Revisions to the Blanket Certificate Regulations
and Clarification Regarding Rates

Docket No. RM06-7-001

ORDER NO. 686-A

ORDER ON REHEARING AND CLARIFICATION

(Issued June 22, 2007)

I. Introduction

1. On October 19, 2006, the Federal Energy Regulatory Commission (Commission) issued a Final Rule in Order No. 686¹ amending Part 157, Subpart F, of its regulations to expand the scope and scale of activities that may be undertaken pursuant to blanket certificate authority by (1) broadening the types of natural gas projects permitted under blanket certificate authority to include certain mainline, storage, and liquefied natural gas (LNG) and synthetic gas pipeline facilities, and (2) increasing the blanket certificate project cost limits from \$8,200,000 to \$9,600,000 for automatic authorization projects

¹ Order No. 686, 71 FR 63680 (October 31, 2006), FERC Stats & Regs ¶ 31,231 (2006); Notice of Proposed Rulemaking (NOPR) 71 FR 36276 (June 26, 2006), FERC Stats. & Regs. ¶ 32,606 (2006). This rulemaking proceeding was initiated in response to a petition submitted under 18 CFR 385.207(a) of the Commission's regulations by the Interstate Natural Gas Association of America (INGAA) jointly with the Natural Gas Supply Association.

and from \$22,700,000 to \$27,400,000 for prior notice projects.² In addition, Order No. 686 clarified that a company is not necessarily engaged in an unduly discriminatory practice if it charges different customers different rates for the same service when customers commit to service on different dates. The revised blanket certificate regulations became effective on January 2, 2007, and are intended to allow interstate natural gas pipelines to employ the streamlined blanket certificate procedures for larger projects and for a wider variety of types of projects, thereby increasing efficiencies, and decreasing time and costs associated with the construction and maintenance of the nation's natural gas infrastructure.

2. In this order, for the reasons discussed below, the Commission grants and denies requests for clarification and denies requests for rehearing of the Final Rule.

II. Requests for Rehearing and Clarification

3. NiSource Gas Transmission and Storage Companies (NiSource),³ the National Fuel Gas Supply Corporation (National Fuel), and INGAA submitted timely requests for rehearing and/or clarification. For the reasons discussed below, requests for clarification are granted and denied, as discussed below. Requests for rehearing are denied, with the

² These cost limits now stand at \$9,900,000 for an automatic authorization project and \$28,200,000 for a prior notice project. See Natural Gas Pipelines; Project Cost and Annual Limits, 72 FR 5614 (Feb. 7, 2007).

³ NiSource consists of Columbia Gas Transmission Corporation, Columbia Gulf Transmission Company, Crossroads Pipeline Company, Granite State Gas Transmission, Inc., and Central Kentucky Transmission Company.

exception of INGAA's rehearing request with respect to the measurement of compressor noise, which is granted.

A. NiSource

4. Section 157.208(f)(2) of the blanket certificate regulations permits natural gas companies to alter the maximum allowable operating pressure (MAOP) of supply or delivery laterals, provided companies comply with the prior notice provisions of § 157.205 of those regulations. NiSource proposes that companies be permitted to rely on blanket certificate authority to change the MAOP of facilities that are not supply or delivery laterals.

5. The Final Rule permits companies to construct compression and loop lines to expand mainline capacity under blanket authority. Consistent with this approach, the Commission clarifies that, provided companies meet all applicable blanket certificate regulatory requirements, they can rely on blanket certificate authority to change the MAOP of facilities that are not supply or delivery laterals, such as mainlines.

B. National Fuel

6. The Final Rule extends blanket certificate authority to include certain underground storage field projects. National Fuel supports this inclusion, but seeks assurance that storage remediation and maintenance activities that qualify as auxiliary installations or replacements under § 2.55 of the Commission's regulations can still be undertaken pursuant to § 2.55, and need not now proceed under the automatic or prior notice provisions of the blanket certificate program. National Fuel also seeks clarification that plugging and abandoning storage wells constitutes maintenance, and as such will be

eligible to be undertaken pursuant to the automatic authorization provisions of § 157.213(a), and will not be viewed as altering the function of a well, which would require adherence to the prior notice requirements of § 157.205(b).

7. The Final Rule's enlargement of the scope of blanket certificate authority does not constrict the scope of activities that may be performed under § 2.55 of the Commission's regulations. Thus, activities involving storage, mainline, and LNG and synthetic gas pipeline facilities that could have been performed under § 2.55 prior to the expansion of the blanket certificate program may continue to be performed under § 2.55. Further, as before, a company need not obtain a blanket certificate as a prerequisite to act under § 2.55.

8. The Commission clarifies that the reference in new § 157.213(a) to altering "the function of any well that is drilled into or is active in the management of the storage facility" is not intended to include temporarily plugging a storage field well as part of standard maintenance operations. In contrast, permanently plugging a well would not qualify as standard maintenance, but would instead constitute an abandonment, as it would permanently alter the function of the well, and could impact the performance of the storage field. Accordingly, such an action would need to comply with the blanket certificate program's § 157.216 regulatory requirements regarding an abandonment.

9. In addition, the Commission will revise §§ 157.213(b) and (c) to permit companies to employ blanket certificate authority to make modifications to storage facilities to enhance injection and withdrawal capacity. This is consistent with the Commission's previously expressed intent to permit a company to rely on expanded blanket certificate

authority “to re-engineer an existing storage facility to decrease cushion gas, increase working gas, improve injection and withdrawal capabilities, and add more cycles per season,” provided the company can “demonstrate, by theoretical or empirical evidence, that a proposed project will improve storage operations without altering an underground storage facility’s total inventory, reservoir pressure, or reservoir or buffer boundaries, and will comply with environmental and safety provisions.”⁴

C. INGAA

1. Compressor Station Noise

10. The blanket certificate program relies on the presumption that any project permitted under blanket certificate authority will not have a significant adverse environmental impact. The Commission ensures that this is the case by restricting blanket certificate authority to certain types of facilities and to individual projects that can comply with a cost cap and the environmental requirements specified in § 157.206(b). Prior to the Final Rule’s increase in the per project cost cap and the expansion of blanket certificate authority to cover compressor facilities that alter mainline capacity, blanket certificate authority was restricted to a limited set of compression facilities, e.g., compressors on lateral pipelines, compressors installed temporarily, replacement compressors that could not qualify under § 2.55(b), and compressors needed to restore service lost due to sudden unforeseen damage to a mainline.

⁴ 71 FR 36276, 36281 (June 26, 2006), FERC Stats. & Regs. ¶ 32,606 (2006).

11. A compressor project under the blanket certificate program is not subject to the same scrutiny and procedural safeguards that apply to a compressor project subject to case-specific NGA section 7 certificate authority. A case-specific application is subject to a more extensive notification process than a proposed blanket certificate project; indeed, for a project that qualifies for automatic authorization under the blanket certificate regulations, the Commission itself does not receive notice in advance of the project's construction. Thus, in contrast to a request for case-specific certificate authority, for a compressor project subject to blanket certificate authority, the Commission and public do not have the opportunity to assess aspects of a proposal such as what constitutes a noise sensitive area (NSA),⁵ the prospective uses of property proximate to a compressor facility, habitat impacts on non-residential areas, whether a particular area has a heightened noise sensitivity that would merit a limit of less than 55 dBA, or the cumulative impacts resulting from modifying or expanding existing compressor facilities.

12. As a result, whereas an individual assessment can be undertaken for each proposed case-specific compressor project in order to establish a noise level appropriate to the particular site, this is not the case for blanket certificate compressor projects. The more cursory standard of review necessary to expedite projects under the blanket certificate program, coupled with the expansion of blanket certificate authority to cover larger and

⁵ In the case of a blanket certificate compressor project, the blanket certificate holder, rather than the Commission, determines what constitutes a potentially affected NSA.

more varied types of compressor facilities, prompted the Commission to impose a stricter standard on the noise produced by blanket certificate compressor facilities. As described in the NOPR and implemented in the Final Rule, the Commission stated that, going forward, all compressor facilities constructed pursuant to blanket certificate authority must meet a standard day-night level (L_{dn}) limit of 55 dBA at the boundary of the compressor site. Previously, the Commission had required that compressor facilities installed under blanket certificate authority meet a noise level of 55 dBA at any pre-existing NSA.⁶

13. INGAA requests the Commission revert to this prior noise criterion. INGAA argues that (1) noise attenuation equipment may have an adverse impact on air quality; (2) compressor equipment has been installed based on a 55 dBA noise limit at nearby NSAs, and not on the basis of the noise at the site boundary; (3) companies will be compelled to acquire larger areas of land to push compressor station boundaries out from the noise source to meet the 55 dBA standard, which could damage relationships with nearby landowners and inhibit companies from upgrading facilities at existing stations; and (4) it will be more costly to comply with the new noise standard.

14. The Commission acknowledges that noise attenuation equipment may adversely impact air quality, but notes that depending upon the chosen control technology, such

⁶ This compressor noise constraint has always been a part of the environmental compliance conditions of the blanket certificate program. Interstate Pipeline Certificates for Routine Transactions, Order No. 234, 47 FR 24254 (June 4, 1982), FERC Stats. & Regs. ¶ 30,368 (1982); Order No. 234-A, 47 FR 38871 (Sept. 3, 1982), FERC Stats. & Regs. ¶ 30,389 (1982).

equipment may also improve air emissions. Shifting the location for measuring noise from new facilities should not impact existing facilities, given that “this new noise measurement criterion only applies to facilities placed in service after the effective date of th[e] rule.”⁷

15. The Commission anticipated that if a company expected a new project might compel it to acquire land or make costly investments to meet the new blanket certificate program’s noise criterion, the company could instead seek case-specific NGA section 7 certificate authorization as an economically preferable alternative. Noise limits for case-specific compressor projects are established after a staff analysis of the properties of each particular project site, and for such projects, the Commission typically has found 55 dBA at existing NSAs to be an acceptable noise level. In view of this, to diminish any disparity in the cost to comply with noise limits for compressor projects proceeding under the blanket certificate program and those authorized on a case-specific basis, the Commission will revise § 157.206(b)(5)(i) by returning to the text of the previous § 157.206(b)(5),⁸ which specifies that noise attributable to any new compressor station, compression added to an existing station, or any modification, upgrade or update of an

⁷ 71 FR 63680 (Oct. 31, 2006), FERC Stats & Regs ¶ 31,231, P 57 (2006) (footnote omitted).

⁸ To further enhance consistency between compressor projects proceeding under the blanket certificate program and those authorized on a case-specific basis, and to affirm that compressor facilities put in place under companies’ expanded blanket certificate authority will not have a significant adverse environmental impact, the Commission is proposing to modify certain notice and environmental compliance requirements in the contemporaneously issued NOPR in Docket No. RM07-17-000. 119 FERC ¶ 61,304 (2007)

existing station, must not exceed an L_{dn} of 55 dBA at any pre-existing NSA. This revision will establish a noise limit for blanket certificate compressor projects that is consistent with the noise limit typically required for case-specific certificate compressor projects.

2. Notice Period

16. The Final Rule extends the time period allotted for landowner notice for blanket certificate activities from 30 to 45 days for automatic projects and from 45 to 60 days for prior notice projects. INGAA proposes that rather than add 15 days to the notice periods for all blanket certificate projects, the Commission retain the 30- and 45-day notice periods, but allow for a longer notice time on a case-by-case basis as needed. INGAA suggests the Commission delegate authority to the Director of the Office of Energy Projects to extend the notice time for prior notice projects for an additional 15 days, noting that if this proves insufficient, the Commission retains the option of protesting a prior notice project. Alternatively, INGAA proposes that a 60-day prior notice period apply only to those mainline, storage, LNG, and synthetic gas facilities that are newly included under the blanket certificate program by the Final Rule, while the 45-day prior notice period is retained for all other blanket certificate projects, an approach which “would have the virtue of targeting the additional notice more precisely to the expansion of the blanket coverage.”⁹

⁹ INGAA’s Request for Rehearing and Clarification at 12 (Nov. 20, 2006).

17. The Commission deemed it prudent to provide an additional 15 days for notification to landowners and the public in light of the greater size and types of projects permitted under the revised blanket regulations. In addition, the Commission noted that in the past, on occasion, it had found the shorter time period to be insufficient for a complete assessment of a proposed project. Similarly, on occasion, landowners have made claims that the time provided is inadequate to review a proposal and engage in meaningful negotiations. Finally, the Commission observed that companies, in large part, dictate the schedule of a blanket project by when they choose to initiate the notice process, and commented that a company could compensate for the additional notification time by beginning to contact landowners two weeks earlier.

18. INGAA takes issue with the Commission's expectation that a company can offset the additional 15-day notice period by advancing initial action on a proposed project by 15 days. INGAA claims that a company's decision on when to proceed with a proposal is "dictated by economic and practical considerations, including scheduling of construction to minimize impact on flowing gas and other customer service requirements, material availability, and logistics to coordinate construction contractors."¹⁰ The Commission accepts that numerous factors have a bearing on a company's deciding when to, or whether to, undertake a blanket certificate project; further, the Commission accepts that companies have incomplete control over these varying factors. Nevertheless, although the in-service date of a project may be affected by circumstances beyond a

¹⁰ Id. at 13.

company's direct control, e.g., the availability of construction materials and personnel, the Commission expects a company to be able to anticipate and adapt to such circumstances, and in so doing, to factor in 15 additional days during the planning phase. Accordingly, the Commission continues to believe that the dominant factor in determining when a blanket certificate project can be placed in service is when a company chooses to initiate the blanket certificate process.

19. In response to INGAA's proposal that the Commission adopt a shorter notice period for projects qualifying for automatic authorization, or provide for a sliding scale for notice time as needed, or apply the longer times only to the newly included types of activities, the Commission prefers to retain a uniform notice period applicable to all blanket certificate projects.¹¹ As noted, the blanket certificate program is intended to enable the industry and the Commission to take advantage of the administrative efficiency inherent in applying a uniform set of regulatory requirements to a restricted set of activities. Within the context of the blanket certificate program, the Commission prefers to retain the simplicity and transparency of a uniform notification time.

3. Laterals Lines

20. The revised regulations extend blanket certificate authority to include pipelines used to transport only revaporized LNG – previously, such facilities were excluded from the blanket certificate program. In the Final Rule, the Commission stated the expanded

¹¹ Note that the regulatory requirement for landowner notification, 18 CFR 157.203(d)(1), continues to allow for landowners to waive the remaining time in the prior notice period once notice has been provided.

blanket certificate authority would be inapplicable to facilities that transport revaporized LNG from an LNG import terminal and which are subject to the 180-day mandatory prefiling procedure described in § 157.21 of the Commission's regulations.¹² However, the Commission pointed out that a company could employ blanket certificate authority for facilities that attach directly to an existing LNG terminal, provided the construction and operation of such facilities would not involve modifications to the terminal which would trigger a 180-day mandatory prefiling process.¹³

21. INGAA asks whether “a lateral directly attached to an LNG terminal can be constructed under automatic authorization pursuant to § 157.208(a), or is required to be a prior notice filing under the new § 157.212.”¹⁴ The new § 157.212, which extends blanket certificate authority to include laterals directly attached to an LNG terminal, requires prior notice pursuant to § 157.205 for all projects undertaken pursuant to the new § 157.212 authority. Projects eligible for automatic authorization pursuant to § 157.208(a) include those facilities defined in §§ 157.202(b)(2)(i), 157.209(a), 157.211(a), and 157.215(a) – none of which describe a lateral directly attached to an LNG terminal.

¹² The Commission explained that “related jurisdictional natural gas facilities,” as defined by 18 CFR 153.2(e)(1), are properly reviewed in tandem with LNG terminals in a prefiling pursuant to 18 CFR 157.21; thus, these facilities are excluded from the blanket certificate program.

¹³ See 71 FR 63680 (Oct. 31, 2006); FERC Stats & Regs ¶ 31,231, P 23-24 (2006).

¹⁴ INGAA's Request for Rehearing and Clarification at 14 (Nov. 20, 2006).

Among the projects excluded from automatic authorization are those described in § 157.202(b)(2)(ii)(D), and such projects include “a facility used to receive gas . . . from plants gasifying liquefied natural gas.”

22. As discussed in the NOPR and the Final Rule, the blanket certificate program is not well suited to address the complexity inherent in issues raised by LNG terminals and related facilities. The Commission concluded that:

LNG plant facilities are not within the class of minor, well-understood, routine activities that the blanket certificate program is intended to embrace; LNG plant facilities necessarily require a review of engineering, environmental, safety, and security issues that the Commission believes only can be properly considered on a case-by-case basis . . . [Thus, b]ecause an LNG terminal and the facilities that attach directly to it are interdependent – inextricably bound in design and operation – a terminal and its takeaway facilities must be evaluated in tandem; both merit a similar degree of regulatory scrutiny.¹⁵

In view of this, in extending blanket certificate authority, the Commission decided to require prior notice for all projects involving pipelines that will carry exclusively revaporized LNG. The Commission affirms this decision.

4. Abandonment Authority

23. New § 157.210 permits companies to rely on blanket certificate authority to “acquire, construct, modify, replace, and operate natural gas mainline facilities, including compression and looping”; revised § 157.216(b)(2) provides for the abandonment of such facilities. INGAA asks whether the abandonment provisions of revised § 157.216(b)(2)

¹⁵ 71 FR 36276 at 36279-80 (June 26, 2006); FERC Stats. & Regs. ¶ 32,606 at 32,877, P 29-30 (2006).

are limited to those facilities that will be put in place under new § 157.210, or whether the abandonment provisions also apply to mainline facilities that are already in place.

24. The Commission believes the blanket certificate program's §§ 157.216(b), (c), and (d) requirements for the abandonment of mainline, storage, LNG, and synthetic gas facilities, which include obtaining the written consent of any customer that received service through the facility during the previous 12 months, provide adequate safeguards to ensure "that the present or future public convenience or necessity permit such abandonment," as mandated by NGA section 7(b). Consequently, the Commission clarifies that facilities that were constructed under case-specific authorization, but that could now qualify for authorization under the current blanket certificate program criteria, may be abandoned pursuant to the provisions § 157.216(b).¹⁶ Note that in considering whether previously constructed facilities might qualify for authorization under the current blanket certificate program criteria, the facilities must have been installed subsequent to the Commission's implementation of the blanket certificate program and the facilities' original cost must have met the § 157.208 project cost cap in effect at the time of their construction.

5. Annual Report

25. The Final Rule directs companies to include certain additional information in the annual report summarizing the previous year's blanket certificate activities. INGAA

¹⁶ See Revision of Existing Regulations Under the Natural Gas Act, Order No. 603-A, 64 FR 54522 at 54533-34 (Oct. 7, 1999), FERC Stats. & Regs. ¶ 31,081 at 30,936 (1999), in which a similar approach was adopted with respect to automatic abandonments under 19 CFR 157.216(a).

notes that the revised reporting requirements of § 157.208(e) apply to “each facility completed during the calendar year,” and is concerned that this could require companies to include the additional information specified in the Final Rule in the annual report covering projects commenced or completed in 2006. INGAA complains it would be unreasonable to include such projects, since companies had no notice that the additional information specified in the Final Rule would need to be provided in the annual report covering 2006 projects. INGAA contends that gathering the newly specified information would be impractical, as such information is “scattered, was never compiled or has not been retained in a form that is easily pulled together for the filing.”¹⁷ Therefore, INGAA requests the regulations be clarified or revised so as to apply prospectively only to projects begun after the effective date of the rule on January 2, 2007.

26. The Commission observes, as it did in response to comments objecting to the burden of reporting the additional information, that companies are already required to report the information in question. Consequently, setting out the information in an annual report should not constitute any hardship. Nevertheless, the Commission accepts INGAA contention that companies may not have the required information readily available with respect to projects completed or initiated in 2006. Therefore, the Commission clarifies the applicability of the reporting requirement as requested, and specifies that the annual report’s inclusion of the information described in § 157.208(e)

¹⁷ INGAA’s Request for Rehearing and Clarification at 16 (Nov. 20, 2006).

will apply prospectively to projects begun on or after January 2, 2007, and will not apply retrospectively to projects underway before this date.

27. The Final Rule added § 157.207(c), which stated that the annual report should include information on storage facility remediation and maintenance activities qualifying for automatic authorization under § 157.213(a), but neglected to further describe the information to be included in the annual report. The Commission will correct the oversight here, as well as clarify that all activities undertaken pursuant to the new §§ 157.210, 157.212, and 157.213 are to be included in the annual report described in § 157.207.

28. New § 157.207(c) will be removed, and instead § 157.207(a), which lists activities to be included in the annual report, will be modified to cover activities subject to the expanded blanket certificate authority, and will require that each new facility authorized by §§157.208, 157.210, 157.212, or 157.213, companies provide the information specified in § 157.208(e). The reporting requirements for the expanded blanket certificate activities will duplicate those for the existing blanket certificate activities, whereby the annual report includes the information described in § 157.208(e)(1)-(5) for automatic authorization projects and includes the information described in § 157.208(e)(3) for prior notice projects. To accomplish this, § 157.208(e) will be modified to include a reference to facilities completed during the calendar year pursuant to §§ 157.210, 157.212, and 157.213.

D. Landowner Notification

29. In response to a query regarding the manner in which notification of a proposed blanket certificate project is to be presented to landowners, the Commission will modify §§ 157.203(d)(1) and (2) to clarify that landowner notification be in writing.

30. New §§ 157.203(d)(1)(iii)(C) and (D) direct a company to instruct landowners that if they are not satisfied, they “should” contact the company or Commission Hotline. This instruction will be altered from “should” to “may,” to stress that such contact is an option, not an obligation, on the part of landowners. To ensure landowners understand how to contact the Commission’s Enforcement Hotline, and to ensure that the contact information is up to date, § 157.203(d)(1)(iii)(D) will be modified to direct a company to provide the Commission's Enforcement Hotline at the current telephone number and e-mail address in its notification.

III. Information Collection Statement

31. The Office of Management and Budget (OMB) regulations require that OMB approve certain information collection requirements imposed by an agency.¹⁸ The Final Rule’s revisions to the information collection requirements for blanket certificate projects were approved under OMB Control Nos. 1902-0128 and 1902-0060. While this rule clarifies aspects of the existing information collection requirements for the blanket certificate program, it does not add to these requirements. Accordingly, a copy of this final rule will be sent to OMB for informational purposes only.

¹⁸ 5 CFR 1320.11.

IV. Document Availability

32. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and print the contents of this document via the Internet through FERC's website (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, N.E., Room 2A, Washington D.C. 20426. User assistance is available for FERC's website during normal business hours (8:30 a.m. to 5 p.m. Eastern time, Monday to Friday) from FERC's Online Support at 202-502-6652, toll free at 1-866-208-3676, or by e-mail at ferconlinesupport@ferc.gov, and from the Public Reference Room at 202-502-8371, TTY at 202-502-8659, or by e-mail at public.referenceroom@ferc.gov.

V. Effective Date¹⁹

33. Requests for clarification are granted and denied, and requests for rehearing are denied, effective [insert date 30 days after publication in the **FEDERAL REGISTER**]. The request for rehearing with respect to the measurement of compressor noise is granted, effective [insert date 120 days after publication in the **FEDERAL REGISTER**].

¹⁹ The provisions of 5 U.S.C. 801 regarding Congressional review of rulemaking, do not apply to this order on rehearing, since it clarifies agency procedure and practice.

List of subjects in 18 CFR Part 157

Administrative practice and procedure, Natural gas, Reporting and recordkeeping requirements

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

In consideration of the foregoing, the Commission amends part 157, Chapter I, Title 18, Code of Federal Regulations, as follows:

PART 157--APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND FOR ORDERS PERMITTING AND APPROVING ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT

1. The authority citation for part 157 continues to read as follows:

Authority: 15 U.S.C. 717-717w.

2. In § 157.203:

a. In paragraph (d)(1), immediately after the phrase “unless the company makes a good faith effort to notify,” the phrase “in writing” is added;

b. In paragraph (d)(1)(iii)(C), “should” is removed and the word “may” is inserted in its place;

c. In paragraph (d)(1)(iii)(D), “should” is removed and the word “may” is inserted in its place;

d. In paragraph (d)(1)(iii)(D), immediately before the period that concludes the sentence, the phrase “at the current telephone number and e-mail address, which is to be provided in the notification” is added; and

e. In paragraph (d)(2), immediately after the phrase “a company shall make a good faith effort to notify,” the phrase “in writing” is added.

3. In § 157.206:

a. Paragraph (b)(5)(i) is revised to read as follows:

§ 157.206 Standard conditions.

* * * * *

(b) * * *

(5)(i) The noise attributable to any new compressor station, compression added to an existing station, or any modification, upgrade or update of an existing station, must not exceed a day-night level (L_{dn}) of 55 dBA at any pre-existing noise-sensitive area (such as schools, hospitals, or residences).

* * * * *

4. In § 157.207: paragraph (c) is removed; paragraphs (d), (e), (f), (g), (h), and (i) are redesignated, respectively, as paragraphs (c), (d), (e), (f), (g), and (h); and paragraph (a) is revised to read as follows:

§ 157.207 General reporting requirements.

* * * * *

(a) For each new facility authorized by §§ 157.208, 157.210, 157.212, or 157.213, the information specified in § 157.208(e);

* * * * *

5. In § 157.208:

a. In paragraph (e), in the first sentence, after the phrase “pursuant to paragraph (a) of this section,” the phrase “and § 157.213(a),” is added; and

b. In paragraph (e), in the second sentence, after the phrase “pursuant to paragraph (b) of this section,” the phrase “and §§ 157.210, 157.212, and 157.213(b),” is added.

6. In § 157.213, paragraphs (b) and (c) are revised to read as follows:

§ 157.213 Underground storage field facilities.

* * * * *

(b) Prior Notice. Subject to the notice requirements of §§ 157.205(b) and 157.208(c), the certificate holder is authorized to acquire, construct, modify, replace, and operate natural gas underground storage facilities, provided the storage facility’s certificated physical parameters – including total inventory, reservoir pressure, reservoir and buffer boundaries, and certificated capacity remain unchanged – and provided compliance with environmental and safety provisions is not affected. The cost of a project may not exceed the cost limitation provided in column 2 of Table I in § 157.208(d). the certificate holder must not segment projects in order to meet this cost limitation.

(c) Contents of request. In addition to the requirements of §§ 157.206(b) and 157.208(c), requests for activities authorized under paragraph (b) of this section must contain, to the extent necessary to demonstrate that the proposed project will not alter a storage reservoir’s total inventory, reservoir pressure, reservoir or buffer boundaries, or certificated capacity:

* * * * *