

130 FERC ¶ 61,195
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Gulfstream Natural Gas System, L.L.C.

Docket No. CP10-4-000

ORDER ISSUING CERTIFICATE

(Issued March 18, 2010)

1. On October 9, 2009, Gulfstream Natural Gas System, L.L.C. (Gulfstream) filed an application under section 7(c) of the Natural Gas Act (NGA) for a certificate of public convenience and necessity authorizing it to construct and operate additional compression and related facilities at its existing Compressor Station No. 420 in Manatee County, Florida (Phase V Expansion Project). For the reasons stated herein, the Commission grants the requested certificate authority subject to certain conditions described in this order.

I. Background and Proposal

2. Gulfstream's natural gas pipeline system extends from supply sources in Alabama and Mississippi across the Gulf of Mexico to markets in Florida. In 2001, the Commission authorized Gulfstream to construct Phases I, II, and III of its system.¹ Phase I consists of Gulfstream's original pipeline facilities that reach Florida near Tampa and extend into Polk County, Florida. Phase II consists of about 110 miles of mainline facilities extending eastward from Polk County to Martin County, Florida. Phase III extends Gulfstream's mainline further into southeastern Florida. Finally, Phase IV,

¹ *Gulfstream Natural Gas System, L.L.C.*, 91 FERC ¶ 61,119 (2000) (preliminary determination), *certificate issued*, 94 FERC ¶ 61,185 (2001). This authorization was subsequently *amended*, 98 FERC ¶ 61,349 (2002), 105 FERC ¶ 61,052 (2003), and 119 FERC ¶ 61,250 (2007).

authorized in 2007, includes Compressor Station No. 420 and a mainline extension into Pinellas County, Florida.²

3. Gulfstream proposes to construct and operate at Compressor Station No. 420 a 20,500 ISO HP Solar Titan 130 gas turbine compressor unit and related facilities. Gulfstream also proposes to replace the impellers of the two existing compressor units at Station No. 420 to match the flow conditions that will result from installation of the new compressor unit.³ The additional compression will permit Gulfstream to increase mainline capacity on its system by 35,000 dekatherms per day (Dth/d). Gulfstream estimates that its proposed Phase V facilities will cost \$50.8 million.

4. Following an open season and a reverse open season, Gulfstream executed a 25-year firm service agreement with Florida Power Corporation (Florida Power) for all its project expansion capacity for electric power generation at the Hines Generating Station in Polk County, Florida.

² *Gulfstream Natural Gas System, L.L.C.*, 120 FERC ¶ 61,225 (2007).

³ In Environmental Resource Report 1 of its application, Gulfstream states that it evaluated waste heat recovery options for electric power generation as part of its system evaluation process for adding compression facilities at Station 420. Studies were conducted consistent with Interstate Natural Gas Association of America's white paper, *Waste Heat Recovery Opportunities for Interstate Natural Gas Pipelines* (February 2008). Since initiating service on January 1, 2009, the two existing 15,000 horsepower (hp) compressors, have only operated at load factors of approximately 41 percent and 30 percent respectively. Although Gulfstream is unable to predict the exact load factor for the new 20,500 hp unit, the demand profiles and load characteristics of Gulfstream's system generally predict a load factor of about 40 percent for the new unit. This would not generate sufficient exhaust heat to warrant waste heat power generation facilities. Addition of waste heat generation facilities would also require Gulfstream to purchase an additional 2 acres of land. Finally, consistent with the INGAA white paper recommendations, Gulfstream maintains a list of gas turbine compressor stations on its system that have a total turbine capacity of at least 15,000 hp and have operated more than 5,250 hours per year (60 percent load factor) over the preceding 12-month period. If approached in response to that listing, Gulfstream would work cooperatively with a creditworthy, third-party waste heat project developer, consistent with the INGAA publication recommendations.

5. Gulfstream proposes to charge Florida Power its existing Part 284 recourse transportation rates under its FTS Rate Schedule as initial rates for transportation service through the Phase V facilities. Gulfstream states that pursuant to section 31 of the general terms and conditions of its tariff, it has executed a 25-year negotiated rate agreement with Florida Power. Gulfstream states that it will file the agreement prior to the commencement of service.

6. Gulfstream asks the Commission to determine that it may roll-in the project facility costs in its next general rate proceeding. Gulfstream estimates that the revenues associated with the Phase V facilities will exceed the costs by \$20.8 million over a 10-year period.⁴

7. Gulfstream explains that its proposals will provide the capacity necessary to deliver increased volumes of natural gas to Florida Power's Hines Generating Station. In addition, Gulfstream asserts that the additional compression will benefit systemwide customers through additional operating flexibility and reliability and will not require existing customers to subsidize the project's costs.

II. Public Notice

8. Notice of the application was published in the *Federal Register* on October 28, 2009.⁵ Timely, unopposed motions to intervene were filed by Florida Power, Port Dolphin Energy LLC, Seminole Electric Cooperative, Inc., and Peoples Gas System, a division of Tampa Electric Company (Peoples).⁶ Timely, unopposed motions to intervene are automatically granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure.⁷

III. Discussion

9. Because Gulfstream proposes to construct and operate facilities that will be used to transport natural gas in interstate commerce, Gulfstream's proposal is subject to the jurisdiction of the Commission and the requirements of subsections (c) and (e) of section 7 of the NGA.

⁴ See Exhibit P. The rate assumed in the rolled-analysis is \$0.7096 per Dth under Rate Schedule FTS service, at the Maximum Hourly Quantity percentage of 6.0 percent.

⁵ 74 Fed. Reg. 55,544.

⁶ Peoples filed a protest to Gulfstream's proposal that it later withdrew.

⁷ 18 C.F.R. § 385.214(a)(3) (2009).

A. Application of the Certificate Policy Statement

10. The Certificate Policy Statement provides guidance as to how the Commission will evaluate proposals for new construction.⁸ 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, and the avoidance of unnecessary exercise of eminent domain or other disruptions of the environment.

11. 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 interests 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 a proposed project's benefits outweigh its adverse effects on economic interests will the Commission proceed to complete the environmental analysis, where other interests are considered.

12. As stated, the threshold requirement is that the applicant must be prepared to financially support the project without relying on subsidization from its existing customers. Here, project revenues under recourse rates exceed project costs, resulting in a rate decrease. Under these circumstances, Gulfstream's existing customers will not subsidize the expansion. Accordingly, Gulfstream has satisfied the threshold no-subsidy requirement of the Certificate Policy Statement.

13. The Phase V Project will have no adverse impacts on existing pipelines or their customers. The Phase V Project will not degrade service or increase rates to Gulfstream's existing customers. The project will not have adverse effects on other

⁸ *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).

existing pipelines in the region or on their customers. Since the project is within the existing footprint of Station No. 420, there will be limited adverse impacts on landowners and communities.

14. Gulfstream's proposals will provide the capacity allowing Florida Power to increase the amount of natural gas used at its Hines Generation Station. The proposals will also provide Gulfstream's existing customers with additional operating flexibility and reliability. Based on these benefits, and the minimal adverse impacts on existing customers, other pipelines, landowners, and communities, we find, consistent with the Certificate Policy Statement and Section 7(c) of the NGA that approval of the project is required by the public convenience and necessity.

B. Proposed Initial Rates

15. Gulfstream proposes to transport up to 35,000 Dth/d of natural gas on a firm basis for Florida Power, charging as initial rates its firm recourse rate of \$0.7066 per Dth under Rate Schedule FTS service, at the Maximum Hourly Quantity (MHQ) percentage of 6.0 per cent, for service associated with proposed Phase V facilities. The Commission approves Gulfstream's proposed initial rate.

C. Rolled-in Rate Request

16. Gulfstream requests a predetermination that it will be appropriate to roll the costs associated with the proposed facilities into its rates in a future section 4 rate proceeding. Gulfstream estimates that it will cost \$50,759,100 to construct the Phase V facilities, with a cost of service for the first year of \$7,627,181. Gulfstream's cost of service is based on its Commission-approved depreciation rate of 1.67 percent and an overall rate of return of 9.26 percent, which Gulfstream contends reflects its cost if it were to file an NGA section 4 rate case.⁹

17. To support its request for rolled-in rate treatment, Gulfstream provided a 10-year cost and revenue study which demonstrates that revenues will exceed costs by more than \$20 million, thereby protecting existing customers from subsidizing the proposed

⁹ The Commission's policy for rolled-in rate treatment requires that the pipeline design rates using its Commission-approved cost of service determinants, i.e., depreciation rate, capital structure, and overall rate of return. However, in this proceeding, Gulfstream's use of the 9.26 percent overall rate of return instead of its Commission-approved 9.8 percent does not affect the outcome of the rolled-in issue. In future certificate proceedings, Gulfstream must design its rates used in the cost and revenue study based upon its Commission-approved cost of service determinants.

facilities. In view of the above considerations, the Commission grants Gulfstream's request for a predetermination supporting rolled-in rate treatment absent a material change in circumstances.

D. Fuel Costs

18. Gulfstream proposes to roll the fuel cost for the Phase V expansion into its currently effective transporter's use gas percentage rate of 2.08 percent. Gulfstream explains that it compared the system fuel use including the Phase V facilities to the system fuel use without the Phase V facilities and that it resulted in an average daily fuel and loss retention projection for the proposed service of 320 Dth/d or 1.09 percent. Since the projected fuel use for the proposed Phase V expansion is less than Gulfstream's current fuel percentage, the Commission will allow Gulfstream to roll its Phase V fuel cost into its system fuel rate. Gulfstream must report such costs in its System Balancing Adjustment filing.¹⁰

E. Negotiated Rates

19. Gulfstream and Florida Power have entered into a negotiated rate agreement for service on the proposed facilities. In certificate proceedings, the Commission establishes initial recourse rates, but does not make determinations regarding specific negotiated rates for proposed services.¹¹ In order to comply with the Alternative Rate Policy Statement¹² and the decision in *NorAm Gas Transmission Co.*,¹³ the Commission will direct Gulfstream to file its negotiated rate contracts, or numbered tariff sheets, not less

¹⁰ See General Terms and Conditions section 23.2 and 23.3 to Gulfstream's FERC Gas Tariff, Original Volume No. 1.

¹¹ *CenterPoint Energy – Mississippi River Transmission Corp.*, 109 FERC ¶ 61,007, at P 19 (2004); *ANR Pipeline Co.*, 108 FERC ¶ 61,028, at P 21 (2004); *Gulfstream Natural Gas System, LLC*, 105 FERC ¶ 61,052, at P 37 (2003); *Tennessee Gas Pipeline Co.*, 101 FERC ¶ 61,360, at p. 62,508 n.19 (2002).

¹² *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines; Regulation of Negotiated Transportation Services of Natural Gas Pipelines* (Alternative Rate Policy Statement), 74 FERC ¶ 61,076 (1996), *reh'g and clarification denied*, 75 FERC ¶ 61,024 (1996), *reh'g denied*, 75 FERC ¶ 61,066 (1996), *aff'd sub nom. Burlington Resources Oil & Gas Co. v. FERC*, 172 F.3d (D.C. Cir. 1998); and *Modification of Negotiated Rate Policy*, 104 FERC ¶ 61,134 (2003), *order on reh'g and clarification*, 114 FERC ¶ 61,042 (2006).

¹³ 77 FERC ¶ 61,011 (1996).

than 30 days or more than 60 days prior to the commencement of service, stating for each shipper the negotiated rate, the applicable gas volume to be transported, and an affirmation that the affected service agreement does not deviate in any material respect from the form of service agreement in Gulfstream's pro forma tariff. Gulfstream must also disclose all consideration received that is associated with the agreement. Finally, Gulfstream must also maintain separate and identifiable accounts for volumes transported, billing determinants, rate components, surcharges and revenues associated with its negotiated rates in sufficient detail so that they can be identified in Statements G, I, and J in any future NGA section 4 or 5 rate case.

F. Accounting

20. Gulfstream proposes to start the accrual of Allowance for Funds Used During Construction (AFUDC) beginning August 2008, or 15 months prior to filing its certificate application, and continuing through April 2011.¹⁴ The amount of AFUDC accrued prior to the filing of the certificate application is approximately \$157,000.

21. As more fully explained in orders issued contemporaneously in *Florida Gas Transmission Company LLC*¹⁵ and *Southern Natural Gas Company*,¹⁶ the Commission is changing its current general policy and will allow Gulfstream to include its proposed AFUDC accrual in its initial rates subject to Gulfstream's filing a representation that the proposed AFUDC accruals comply with the revised policy conditions.¹⁷ Furthermore, if Gulfstream determines that its proposed AFUDC accruals should be revised in light of the revised policy conditions, it must revise all cost-of-service items dependent upon Gas Plant in Service such as Income Taxes, Depreciation Expense, Return, and Interest Expense. Gulfstream must then file its revised rates and work papers in sufficient time for the Commission to act on the revised rates prior to filing the tariff sheets to implement those rates.

¹⁴ See Gulfstream's January 5, 2010 response to staff's December 16, 2009 data request for additional information.

¹⁵ 130 FERC ¶ 61,194 (2010)

¹⁶ 130 FERC ¶ 61,193 (2010)

¹⁷ The revised policy conditions in these orders allow natural gas pipelines to begin accruing AFUDC on construction projects when the following conditions are met: (1) capital expenditures for the project have been incurred and (2) activities that are necessary to get the construction project ready for its intended use are in progress.

G. Environment

22. On November 6, 2009, 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 property owners. The Commission received one response to the NOI from the Muscogee (Creek) Nation Office of Environmental Services, which raised no environmental concern.

23. To satisfy the requirements of the National Environmental Policy Act of 1969, our staff prepared an environmental assessment (EA) for the Gulfstream Phase V Expansion Project. The EA was placed into the public record on January 15, 2010. 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. The Commission received one comment from Gulfstream, which clarified certain information in three parts of the EA.

24. First, the EA states that Gulfstream would dispose of hydrostatic test water at an approved water treatment/disposal facility. Gulfstream clarified that hydrostatic test water would be disposed of onsite at Station No. 420. Gulfstream's Upland Erosion Control, Revegetation, and Maintenance Plan would ensure minimal impact on groundwater resulting from any discharge onsite.

25. Second, the EA states that on November 29, 2007, Gulfstream was issued an Environmental Resource Permit (ERP), which included a Coastal Zone Management Act (CZMA) consistency determination, by the Florida Department of Environmental Protection. The EA further states that this permit is valid for five years and, because Gulfstream is constructing the Phase V Expansion Project under its existing ERP, no changes to the ERP are necessary. Gulfstream clarifies that, while no additional CZMA permit changes are warranted, it has applied for an ERP modification application regarding the stormwater management systems for Station No. 420.

26. Finally, Table 3 in the EA lists the proposed turbine as a Solar Taurus 70 turbine. Gulfstream clarifies that the proposed unit is a Solar Titan 130 turbine. Even with this clarification, however, all emissions data used in Table 3 of the EA are accurate.

27. Based on the discussion in the EA, the Commission concludes that if constructed and operated in accordance with Gulfstream'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.

28. Any state or local permits issued with respect to the jurisdictional facilities authorized herein must be consistent with the conditions of this certificate. 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.¹⁸

29. At a hearing held on March 18, 2010, the Commission on its own motion, received and made a part of the record in this proceeding all evidence, including the application, as supplemented, 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 Gulfstream under section 7 of the NGA to construct and operate additional compression and appurtenant facilities at its Compressor Station No. 420, as described more fully in the application and in the body of this order.

(B) The authorization in the above paragraph is conditioned on Gulfstream's:

(1) complying with the environmental conditions set forth in the appendix of this order and all regulations under the NGA including, but not limited to, Parts 154, 157, and 284, and paragraphs (a), (c), (e), and (f) of section 157.20 of the Commission's regulations; and

(2) constructing and making available for service the facilities described herein within eighteen months from the date this order was issued.

(C) Gulfstream may roll the Phase V Project costs into its system rates in its next NGA section 4 rate proceeding absent a significant change in circumstances.

(D) Gulfstream must file its negotiated rate agreement or revised tariff sheets at least 30 days, but not more than 60 days, prior to commencement of Phase V Project service.

¹⁸See, e.g., *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988); *National Fuel Gas Supply v. Public Service Commission*, 894 F.2d 571 (2d Cir. 1990); and *Iroquois Gas Transmission System, L.P., et al.*, 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).

(E) Gulfstream must maintain separate and identifiable accounts for volumes transported, billing determinants, rate components, surcharges, and revenues associated with its negotiated rates in sufficient detail so that they can be identified in Statements G, I, and J in any future NGA section 4 or section 5 rate proceeding.

(F) Gulfstream shall file a representation that its proposed AFUDC accruals for the project comply with the revised policy conditions. In the alternative, if Gulfstream determines that its proposed AFUDC accruals should be revised in light of the revised policy conditions, it shall revise all cost-of-service items dependent upon Gas Plant in Service, such as Income Taxes, Depreciation Expense, Return, and Interest Expense, and file its revised rates and workpapers in sufficient time for the Commission to act on the revised rates prior to filing the tariff sheets to implement those rates.

(G) Gulfstream and its representations made with respect to AFUDC accruals are subject to an audit to determine whether they are in compliance with the revised policy and related Commission rules and regulations.

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

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

Environmental Conditions

This authorization is subject to the following conditions:

1. Gulfstream Natural Gas System, L.L.C. shall follow the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests) and as identified in the environmental assessment (EA), unless modified by the Order. Gulfstream 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**, Gulfstream shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors (EIs) 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. Gulfstream shall file with the Secretary detailed alignment maps/sheets and aerial photographs at a scale not smaller than 1:6,000 identifying all route realignments or facility relocations, and staging areas, pipe storage yards, new access roads, and other areas that would be used or disturbed and have not been previously identified in filings with the Secretary. Approval for each of these areas must be explicitly requested in writing. For each area, the request must include a description of the existing land use/cover type, 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 Gulfstream's *Upland Erosion Control, Revegetation, and Maintenance Plan* and/or requirements which do not affect 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.

5. **Within 60 days of the acceptance of the Certificate and before construction** begins, Gulfstream shall file an Implementation Plan with the Secretary for review and written approval by the Director of OEP. Gulfstream must file revisions to the plan as schedules change. The plan shall identify:

- a. how Gulfstream 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 Gulfstream 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 training and instructions Gulfstream 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 Gulfstream's organization having responsibility for compliance;

- g. the procedures (including use of contract penalties) Gulfstream 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
 - iii. the start and completion of restoration.
6. Beginning with the filing of its Implementation Plan, Gulfstream 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 Gulfstream'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 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 Gulfstream from other federal, state, or local permitting agencies concerning instances of noncompliance, and Gulfstream's response.
7. **Prior to receiving written authorization from the Director of OEP to commence construction of any project facilities**, Gulfstream shall file with the Secretary documentation that it has received all authorizations required under federal law (or evidence of waiver thereof) with the Secretary.
8. Gulfstream must receive written authorization from the Director of OEP **before placing into service** the project facilities. Such authorization will only be granted

following a determination that rehabilitation and restoration of the areas disturbed by project construction are proceeding satisfactorily.

9. **Within 30 days of placing the authorized facilities in service**, Gulfstream 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 Gulfstream 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.

10. Gulfstream shall file noise surveys with the Secretary **no later than 60 days** after placing the authorized unit at Station No. 420 in service. If the noise attributable to the operation of the station at full load exceeds a day-night level of 55 decibels on an A-weighted scale at any nearby noise-sensitive area, Gulfstream shall install additional noise controls to meet that level **within one year** of the in-service date. Gulfstream 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.