

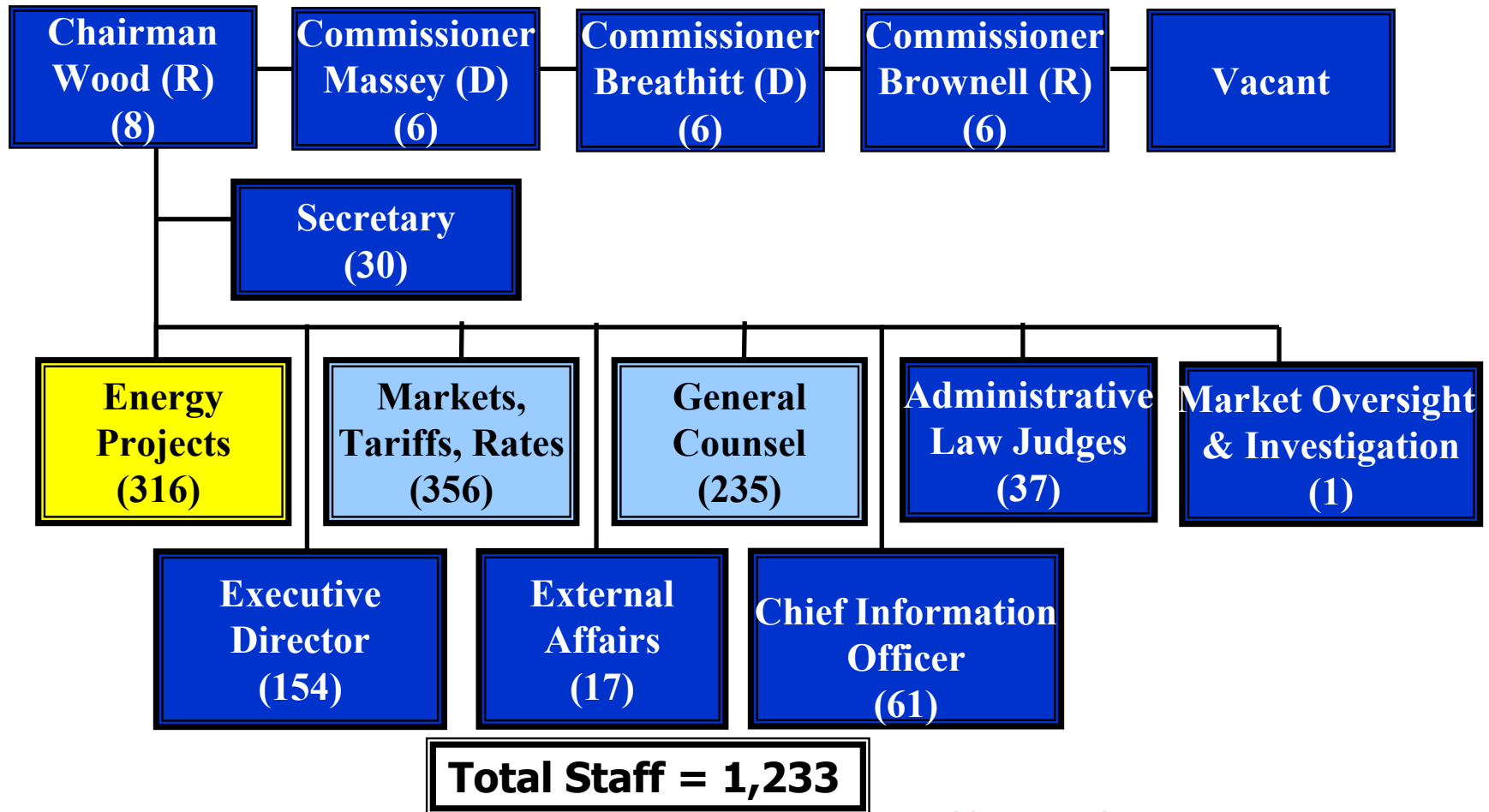
FERC

Gas Pipeline Certificate Process

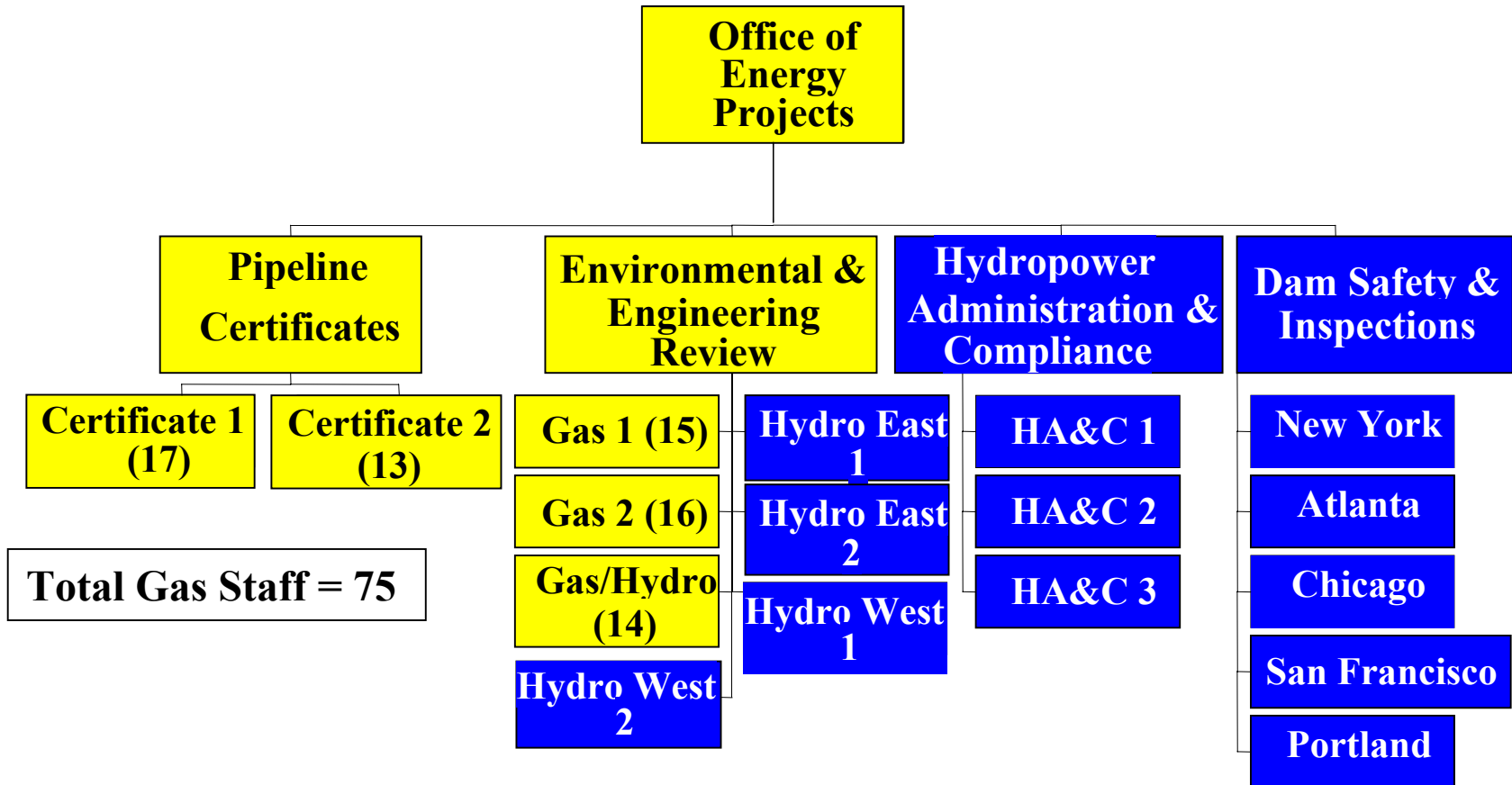
September 4, 2002

Hartford, Connecticut

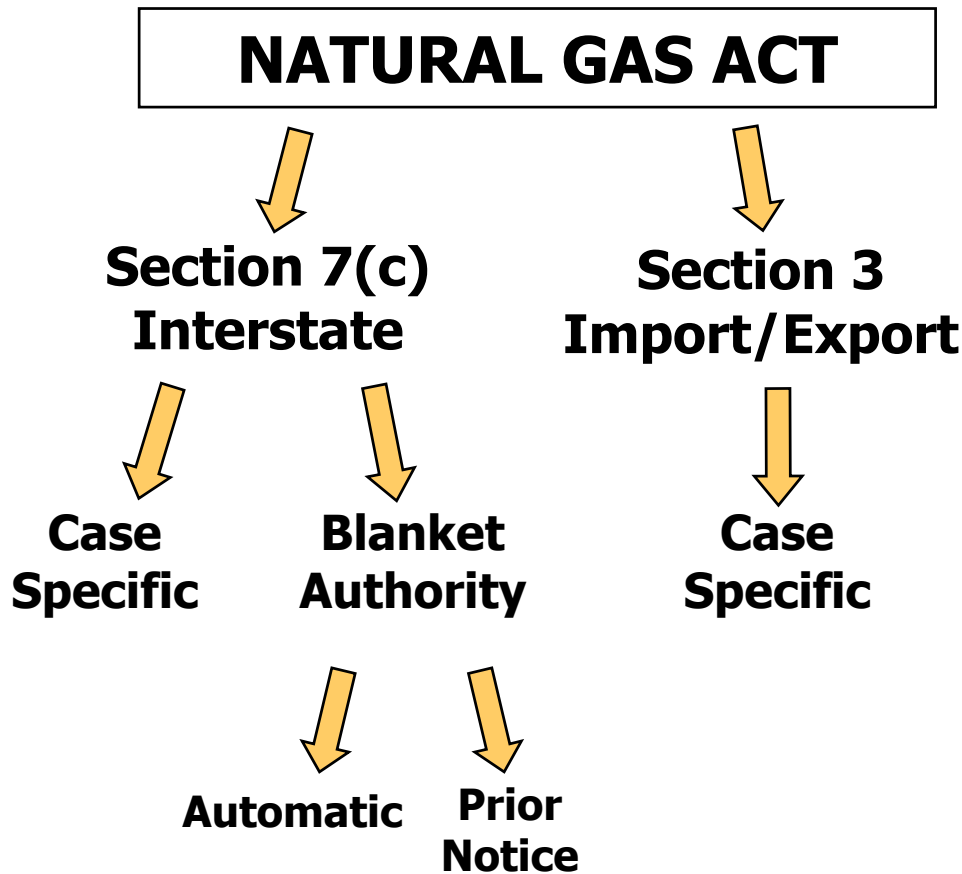
FERC – June 2002



Office of Energy Projects



OEP Facility Authority



Natural Gas Act – Facility Siting



- Section 7(c) of the Natural Gas Act Requires Interstate Natural Gas Pipelines to Obtain a Certificate of Public Convenience and Necessity from FERC Prior to Construction
- Section 7(h) of the Natural Gas Act Confers Eminent Domain Authority on the Holder of a Certificate.

Certificate Process



Case-Specific Section 7(c) Certificate

Non-Environmental (4-5 Months)

Conduct a full project review including legal, engineering, rate, financial and market

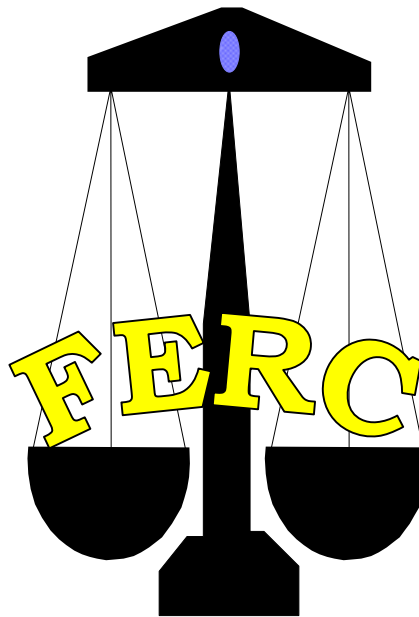
Environmental (6-15 Months)

Conduct an environmental review by preparing an Environmental Assessment or an Environmental Impact Statement

Authorizing Projects is a Balancing Act



- Owners
- Customers
- Competitors
- Landowners
- Agencies
- NGOs
- Congress



- NGA
- NEPA/CEQ
 - ESA
 - NHPA
 - CZMA
 - CWA

Certificate Process



Policy Goals

- Foster Competition
- Consider Captive Customers
- Avoid Unnecessary Physical Impacts
- Achieve Optimal Amount of Facilities
- Encourage Complete Record
- Expedite Review Time
- Appropriate Risk Sharing

PL99-3-000 Certificate Policy



- Threshold Test – No Subsidy
 - Incremental Rates for New Capacity
 - Rolled-in Rates for System Improvements or Cheap Expansibility

Certificate Process



- Develop Record
 - Adverse Impacts on
 - Existing Customers and Pipelines
 - Landowners
 - Communities
 - Specific Benefits
 - Need and Market
 - Condemnation Impact

Certificate Process Application



- A: Articles of incorporation and bylaws
- B: State authorization
- C: Company officials
- D: Subsidiaries and affiliation
- E: Other pending applications and filings
- F: Location of Facilities
 - Exhibit F-I Environmental Report
- G: Flow diagrams
- H: Gas supply data
- I: Market data
- K: Cost of facilities
- L: Financing
- M: Construction, operation, and management
- N. Revenues, Expenses, and Income
- O. Depreciation and depletion
- P. Tariff

FERC's Internal Review Process



- Initial review for completeness (10 days)
- Issue notice of application
- Assign review team
 - Regulatory
 - Rates
 - Legal
 - Financial
 - Engineering
 - Environmental

Environmental Report



- Required for all 7(b) and 7(c) filings
- 18 CFR 380.12 establishes minimum filing requirements
 - Use Appendix A checklist to avoid rejection
- Guidance Manual for Environmental Report Preparation provides more information
 - Designed to minimize data requests

13 Resource Reports



1. General Project Description
2. Water Use and Quality
3. Fish, Wildlife, and Vegetation
4. Cultural Resources
5. Socioeconomics
6. Geological Resources
7. Soils
8. Land Use, Recreation, and Aesthetics
9. Air and Noise Quality
10. Alternatives
11. Reliability and Safety
12. PCB Contamination
13. Engineering and Design Material

Minimum Filing Requirements



Minimum Filing Requirements

- Complete Project Impact Area
- Surveys - CR, T&E, 'EFH'
- Maps Alignment Sheets
- Landowner Involvement
- Concurrent Applications, i.e., BLM
- Alternatives

EIS Process



-
- Notice of Intent issued
 - Scoping
 - Distribute Draft EIS
 - Notice of Availability
 - Public review and comment
 - Issue Final EIS
 - Notice of Availability

Environmental Issues



-
- **Shared ROW**
 - **Agency Coordination**
 - **Safety**
 - **Residential/Urban Construction**
 - **Stream And Wetland Impacts**
 - **Erosion Control**
 - **Compressor Noise**
 - **Non-Jurisdictional Facilities**
 - **Upstream/Downstream Facilities**
 - **Alternatives**
 - ***Ex Parte***

The Environmental Process



Better Communication



Increased Awareness



Increased Participation



Decreased Opposition!!!

Islander East Timeline



Application Filed	06/15/01
Federal Register Notice	06/22/01
Landowner Notification	06/25/01
Notice of Intent	07/03/01
NOI Comment Period Ends	08/03/01
Notice of Site Visits	10/04/01
Site Visits	10/17/01 and 10/18/01
Preliminary Determination Issued	12/21/01
PD Rehearing Period Ends	01/21/02

Islander East Timeline (cont'd.)



Notice of Second Site Visit	02/08/02
Second Site Visit	02/20/02
Draft EIS Issued	03/28/02
Notice of Comment Meetings	04/15/02
Draft EIS Comment Meetings	05/07/02 and 05/08/02
Draft EIS Comment Period Ends	05/19/02
Final EIS Issued	08/21/02

Iroquois ELI Timeline



Application Filed	12/14/01
Federal Register Notice	12/28/01
Landowner Notification	01/02/02
Notice of Intent	03/13/02
Notice of Site Visits/Scoping Meetings	04/05/02
NOI Comment Period Ends	04/12/02
Site Visits	04/25/02 and 04/26/02
Draft EIS Issued	08/23/02