

159 FERC ¶ 62,007
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

High Point Gas Transmission, LLC

Docket No. CP16-474-000

ORDER APPROVING ABANDONMENT

(April 4, 2017)

On July 1, 2016, High Point Gas Transmission, LLC (High Point) filed an application pursuant to section 7(b) of the Natural Gas Act (NGA)¹ and Part 157 of the Commission's regulations² for authorization to abandon by sale certain pipeline facilities in Louisiana. As discussed below, this order grants the requested authorization, subject to certain conditions.

Background and Proposal

High Point, a Delaware limited liability company, is a natural gas company as defined by section 2(6) of the NGA,³ and is engaged in the transportation of natural gas in interstate commerce, subject to the Commission's jurisdiction. High Point delivers natural gas received from producer, gathering, and pipeline interconnects located onshore and offshore Louisiana, to its interconnection with Southern Natural Gas Company, LLC (Southern) at the Toca Gas Processing Plant, located near Toca in St. Bernard Parish, Louisiana.

The High Point system, also referred to as the "South of Toca Facilities," encompasses approximately 404 miles of onshore and offshore pipeline, ranging from 12- to 26-inch-diameter pipeline in water depths up to 1,000 feet. High Point acquired its system from Southern and commenced operation of the facilities on November 1, 2012.⁴

The High Point system consists of two sub-systems. One sub-system originates in the Main Pass and central Mississippi Canyon areas, offshore Louisiana and transports gas in a generally east to west direction to the High Point-Southern Interconnect. The

¹ 15 U.S.C. § 717f(b) (2012).

² 18 C.F.R. Part 157 (2016).

³ 15 U.S.C. § 717a(6) (2012).

⁴ See *Southern Natural Gas Company and High Point Gas Transmission, LLC*, 139 FERC ¶ 61,237 (2012).

other sub-system originates in the West Delta and the western part of the Mississippi Canyon areas, offshore Louisiana and transports gas in a generally south to north direction.⁵ The two sub-systems meet at Gate 6 in Plaquemines Parish, Louisiana before proceeding in parallel, but separate paths to the High Point-Southern Interconnect. The Venice to Toca (VTT) Pipeline is the part of the West Delta-Mississippi Canyon sub-system that delivers residue (dry) gas processed at the Venice Gas processing plant in south Plaquemines Parish to the High Point-Southern Interconnect.

With this application, High Point requests authorization to abandon by sale its VTT Pipeline to its affiliate, Cayenne Pipeline, LLC, who, upon abandonment, will make certain changes to the pipeline to enable it to transport natural gas liquids (NGL).⁶

Specifically, High Point proposes to abandon approximately 61.3 miles of onshore 12- to 22-inch diameter pipeline facilities, as follows:

- approximately 27 miles of 22-inch-diameter pipeline in Plaquemines Parish, Louisiana;
- 28.9 miles of 20-inch-diameter pipeline in Plaquemines Parish, Louisiana;
- 0.02 miles of 18-inch-diameter pipeline in Plaquemines Parish, Louisiana;
- 0.7 miles of 12-inch-diameter looped pipeline in Plaquemines Parish, Louisiana; and
- 4.7 miles of 20-inch-diameter pipeline in St. Bernard Parish, Louisiana.

High Point states that the abandoned pipeline will remain in-place, but certain abandonment activities will occur at 15 sites along the pipeline to remove valves and to isolate the pipeline from the remaining High Point system.

⁵ There is one line on this part of the High Point's system that moves gas in a southerly direction to an interconnection with these other lines delivering gas in a northerly direction.

⁶ High Point states that there is currently only one liquids line – the VP Pipeline – for the NGLs extracted from the gas stream at the Venice Gas processing plant to which the VTT Pipeline is connected in south Plaquemines Parish, Louisiana. High Point notes that the processing plant expects a significant increase in NGLs and that the sole existing NGL pipeline may not have sufficient capacity to transport any increased volumes. High Point maintains that converting the VTT Pipeline to NGL service will be more economical than trucking the NGLs and avoids significant environmental impacts of constructing a new pipeline to transport the NGLs.

High Point contends that no drilling of gas that could be connected to the VTT Pipeline has occurred since well before High Point acquired the South of Toca Facilities, none is currently occurring, and none is planned nor contemplated.⁷ In addition, High Point states that the facilities proposed for abandonment are no longer needed to support High Point's role as a natural gas transporter since there is currently only one firm shipper that transports gas, on a month-to-month basis, with a maximum daily quantity of 10,000 dekatherms per day (Dth/d) at a significantly discounted rate. That shipper has agreed to terminate its firm transportation agreement prior to abandonment of the VTT Pipeline.

Further, High Point states that all other shippers that use the VTT Pipeline do so under interruptible contracts at the same discounted rate and that gas flows on the VTT Pipeline vary significantly on a day-to-day basis. High Point also confirms that these interruptible shippers have multiple other outlets on which to ship their gas. Texas Eastern Transmission, LP; Gulf South Pipeline Company, LP; and Columbia Gulf Transmission, LLC are all connected to the Venice Gas processing plant, and have ample capacity to receive all of the gas that is available at the outlet of the plant.

Notice and Interventions

Notice of High Point's application was published in the *Federal Register* on July 20, 2016 (81 Fed Reg. 47,168). Chevron U.S.A. Inc. and Walter Oil & Gas Corporation (Walter) filed timely, unopposed motions to intervene. Timely, unopposed motions to intervene are granted automatically pursuant to Rule 214 of the Commission's Rules of Practice and Procedure.⁸

Ms. Dana C. Arcement, a landowner, Shell Offshore, Inc., and Phillips 66 Carrier LLC (Carrier) filed motions to intervene out of time. Walter, Ms. Arcement, and Carrier filed protests along with their interventions, but all protests were withdrawn. We will grant the late motions to intervene, as doing so at this stage of the proceeding will not cause undue delay or prejudice other parties.⁹ No motions opposing High Point's proposal were filed.

Environmental Analysis

⁷ The design capacity of the VTT Pipeline is approximately 250,000 Dth/d. The daily average volume on the VTT Pipeline in 2015 was 112,108 Dth/d. The peak day on the VTT Pipeline in the April 2015 through March 2016 period was 181,417 Dth/d, well below the VTT Pipeline design capacity.

⁸ 18 C.F.R. § 385.214(c) (2016).

⁹ 18 C.F.R. § 385.214(d) (2016).

To satisfy the requirements of the *National Environmental Policy Act of 1969*, an Environmental Assessment (EA) for High Point's proposal was prepared. 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.

The EA was placed into the public record on February 3, 2017. Based on the analysis in the EA, it is concluded that if abandoned in accordance with High Point's application and supplements, and in compliance with the environmental conditions in the appendix to this order, approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

Findings

At a hearing held on the date above, there was received and made part of the record in this proceeding all evidence, including the application and exhibits thereto, submitted in support of the authorizations sought herein.

Section 7(b) of the NGA allows a natural gas pipeline company to abandon jurisdictional facilities or services only if the abandonment is permitted by the "present or future public convenience or necessity."¹⁰ In deciding whether a proposed abandonment is warranted, the Commission considers all relevant factors, but the criteria vary as the circumstances of the abandonment proposal vary. When a pipeline proposes to abandon facilities, the continuity and stability of existing services are the primary considerations in assessing whether the public convenience or necessity permit the abandonment.¹¹ If the Commission finds that a pipeline's proposed abandonment will not jeopardize continuity of existing gas transportation services, it will defer to the pipeline's business judgment.¹²

The VTT Pipeline is no longer needed to support High Point's role as a natural gas transporter. The only firm shipper has agreed to terminate its firm transportation agreement prior to abandonment of the VTT Pipeline. None of the interruptible shippers on the VTT Pipeline filed a protest regarding the proposal. The proposed abandonment and conversion of the VTT Pipeline will not result in any disruption to the continuity and stability of High Point's existing firm transportation service. The proposed abandonment will have no impact on the daily design capacity of, or the operating conditions on, the remaining High Point system. Therefore, the abandonment authority requested by High

¹⁰ 15 U.S.C. § 717f(b) (2012).

¹¹ See, e.g., *El Paso Natural Gas Co.*, 148 FERC ¶ 61,226, at P 12 (2014) (citations omitted).

¹² See, e.g., *Transwestern Pipeline Co., L.L.C.*, 140 FERC ¶ 61,147, at P13 (2012) (citing *Trunkline Gas Co.*, 94 FERC ¶ 61,381, at 62,420 (2001)).

Point is permitted by the public convenience or necessity, subject to the conditions of this order.

This action is taken under 18 C.F.R. § 375.308 and it is ordered that:

(A) Permission and approval are granted to High Point to abandon the VTT Pipeline, as more fully described in this order and in its application.

(B) High Point shall notify the Commission within 10 days of the effective date of the abandonment of the facilities referenced in Ordering Paragraph (A).

(C) The authorization in Ordering Paragraph (A) is conditioned on High Point's compliance with the appendix to this order.

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

(E) The late motions to intervene are granted.

(F) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order pursuant to 18 C.F.R. § 385.713.

Pamela J. Boudreau
Acting Director
Division of Pipeline Certificates
Office of Energy Projects

Appendix Environmental Conditions

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

1. High Point 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. High Point

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.
3. **Prior to any construction**, High Point shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors (EI), and contractor personnel will be informed of the EI's authority and have been or will be trained on the implementation of the environmental mitigation measures appropriate to their jobs before becoming involved with construction and restoration activities.
4. The authorized facility locations shall be as shown in the EA. **As soon as they are available, and before the start of construction**, High Point 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.
5. High Point 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, equipment 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 the Plan and/or minor field realignments per landowner needs and requirements which do not affect other landowners or sensitive environmental areas such as wetlands.

Examples of alterations requiring approval include all route realignments and facility location changes resulting from:

- a. implementation of cultural resources mitigation measures;
- b. implementation of endangered, threatened, or special concern species mitigation measures;
- c. recommendations by state regulatory authorities; and
- d. agreements with individual landowners that affect other landowners or could affect sensitive environmental areas.

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

- a. how High Point 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 High Point 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 to the Project, 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 High Point 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 High Point's organization having responsibility for compliance;
- g. the procedures (including use of contract penalties) High point will follow if noncompliance occurs; and

- h. for each discrete facility, a Gantt or PERT chart (or similar project scheduling diagram), and dates for:
 - (1) the completion of all required surveys and reports;
 - (2) the environmental compliance training of onsite personnel;
 - (3) the start of construction; and
 - (4) the start and completion of restoration.
7. High Point 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. 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
 - e. responsible for maintaining status reports.
8. Beginning with the filing of its Implementation Plan, High Point shall file updated status reports with the Secretary on a **biweekly** 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 High Point'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 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

Document Content(s)

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