

195 FERC ¶ 61,128  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 157

[Docket No. RM25-12-001]

Revisions to the Blanket Certificate Program

(Issued May 21, 2026)

**AGENCY:** Federal Energy Regulatory Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Federal Energy Regulatory Commission (Commission) proposes to revise its blanket certificate regulations to expand the scope and scale of projects that interstate natural gas pipelines may construct without a case-specific authorization order and to increase the cost limits for such projects, among other changes.

**DATES:** Comments are due **[INSERT DATE 60 DAYS AFTER DATE OF**

**PUBLICATION IN THE FEDERAL REGISTER]**

**ADDRESSES:** Comments, identified by docket number, may be filed in the following ways. Electronic filing through <http://www.ferc.gov>, is preferred.

- **Electronic Filing:** Documents must be filed in acceptable native applications and print-to-PDF, but not in scanned or picture format.
- For those unable to file electronically, comments may be filed by USPS mail or by hand (including courier) delivery.

- **Mail via U.S. Postal Service Only:** Addressed to: Federal Energy

Regulatory Commission, Secretary of the Commission, 888 First Street NE,

Washington, DC 20426.

- Hand (including courier) delivery: Deliver to: Federal Energy Regulatory Commission, Secretary of the Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

The Comment Procedures section of this document contains more detailed filing procedures.

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**SUPPLEMENTARY INFORMATION:**

195 FERC ¶ 61,128  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;  
David Rosner, Lindsay S. See,  
Judy W. Chang, and David LaCerte.

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Docket No. RM25-12-001

NOTICE OF PROPOSED RULEMAKING

(Issued May 21, 2026)

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1. The Federal Energy Regulatory Commission (Commission) proposes to revise its Part 157, Subpart F blanket certificate regulations<sup>1</sup> to expand the scope and scale of projects that interstate natural gas pipelines may construct without a case-specific authorization order and to increase the cost limits for such projects, among other changes.

### **I. Background**

2. Section 7 of the Natural Gas Act, 15 U.S.C. 717f, provides that no natural gas company may engage in the transportation and sale of natural gas in interstate commerce for resale, the construction of facilities to be used in those activities, or the abandonment of any jurisdictional service or facilities, without first obtaining prior Commission approval for such activities. To fulfill this statutory responsibility, the Commission has implemented a number of different certificate programs, including various generic determinations of public convenience and necessity. In 1982, the Commission instituted a blanket certificate program, pursuant to which interstate pipelines that hold a certificate of public convenience and necessity under section 7(c) of the Natural Gas Act (NGA)<sup>2</sup> may obtain a one-time blanket certificate under Part 157, Subpart F of the Commission's regulations to undertake, without a case-specific authorization order, certain activities automatically and certain other activities after prior notice.<sup>3</sup> The blanket certificate program was designed to "provide streamlined procedures which increase flexibility and

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<sup>1</sup> 18 CFR pt. 157, subpt. F.

<sup>2</sup> 15 U.S.C. 717f(c).

<sup>3</sup> 18 CFR pt. 157, subpt. F.

reduce regulatory burden” for a generic class of routine activities, with particular conditions and procedures to ensure consistency with the Commission’s statutory obligations under the NGA and environmental statutes.<sup>4</sup> The Commission explained:

[T]he final regulations divide the various actions that the Commission certifies into several categories. The first category applies to certain activities performed by interstate pipelines that either have relatively little impact on ratepayers, or little effect on pipeline operations. This first category also includes minor investments in facilities which are so well understood as an established industry practice that little scrutiny is required to determine their compatibility with the public convenience and necessity. The second category of activities provides for a notice and protest procedure and comprises certain activities in which various interested parties might have a concern. In such cases there is a need to provide an opportunity for a greater degree of review and to provide for possible adjudication of controversial aspects. Activities not authorized under the blanket certificate are those activities which may have a major potential impact on ratepayers, or which propose such important considerations that close scrutiny and case-specific deliberation by the Commission is warranted prior to the issuance of a certificate.<sup>5</sup>

3. The last major modification to the blanket certificate program occurred in 2006, when the Commission, among other things, increased the cost limits,<sup>6</sup> made mainline

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<sup>4</sup> *Interstate Pipeline Certificates for Routine Transactions*, Order No. 234, 47 FR 24254 (June 4, 1982), FERC Stats. & Regs. ¶ 30,368, at 30,201 (1982) (cross-referenced at 19 FERC ¶ 61,216); *see also Revisions to the Blanket Certificate Reguls. & Clarification Regarding Rates*, Order No. 686, 117 FERC ¶ 61,074, at P 7 (2006) (“The blanket certificate program was designed to provide an administratively efficient means to authorize a generic class of routine activities, without subjecting each minor project to a full, case-specific NGA section 7 certificate proceeding.”).

<sup>5</sup> Order No. 234, FERC Stats. & Regs. ¶ 30,368 at 30,200.

<sup>6</sup> When evaluating whether a project meets the cost limits, the Commission

facilities eligible for the blanket certificate program, and expanded the environmental conditions and notice provisions.<sup>7</sup> The Commission reiterated that it continued to apply the framework and principles expressed in the 1982 rulemaking to distinguish those types of activities that may be conducted under an interstate pipeline's blanket certificate authority from those that merit closer, case-specific scrutiny due to their potentially significant impact on rates, services, safety, security, competing natural gas companies or their customers, or on the environment.<sup>8</sup>

4. On June 18, 2025, the Commission issued an order granting in part a petition by the Interstate Natural Gas Association of America (INGAA),<sup>9</sup> finding good cause to temporarily waive the Commission's regulations to increase the cost limit for projects that can be constructed pursuant to the prior notice provisions of Part 157, Subpart F of the Commission's regulations from \$41,100,000 to \$61,650,000 if constructed and placed in service by May 31, 2027.<sup>10</sup> The Commission found good cause for the waiver "[g]iven

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considers the total capital cost of the proposed facilities, which includes the cost of construction, right-of-way, damages, surveys, materials, labor, engineering and inspection, administrative overhead, fees for legal and other services, allowance for funds used during construction, and contingencies. *See* 18 CFR 157.14(a)(14).

<sup>7</sup> Order No. 686, 117 FERC ¶ 61,074.

<sup>8</sup> *Id.* P 8.

<sup>9</sup> INGAA is an incorporated, not-for-profit trade association representing interstate natural gas pipeline companies operating in the United States.

<sup>10</sup> *Interstate Nat. Gas Ass'n of Am.*, 191 FERC ¶ 61,206 (Waiver Order), *order on reh'g*, 193 FERC ¶ 61,055 (2025).

the pressing nationwide near-term demand for expanded natural gas transportation capacity, as well as the reliability concerns associated with maintaining the existing natural gas system.”<sup>11</sup>

5. To ensure that infrastructure projects can continue to be developed in a timely manner without undue regulatory review, the Commission concurrently issued a notice of inquiry (NOI) in this proceeding, requesting stakeholder comments on whether, and if so how, the Commission should modify the blanket certificate program to adjust the cost limitations for projects.<sup>12</sup> The NOI was published in the *Federal Register* on June 24, 2025,<sup>13</sup> and provided a 60-day comment period. By Secretary’s notice on August 14, 2025, the comment deadline was extended to September 24, 2025. The Commission received 17 comments—nine from pipeline companies and related trade associations, four from pipeline customer groups, one from a non-governmental organization, one from a state government official, and two from individuals.<sup>14</sup> The comments addressed a variety of issues, including the appropriate cost limits, the scope of projects that may be constructed, reporting requirements, and the rate treatment for blanket certificate

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<sup>11</sup> Waiver Order, 191 FERC ¶ 61,206 at P 9.

<sup>12</sup> *Blanket Certificate Cost Limitations*, 90 FR 26776 (June 24, 2025), 191 FERC ¶ 61,207 (2025) (NOI).

<sup>13</sup> 90 FR 26776 (June 24, 2025).

<sup>14</sup> Additionally, Ms. Diana Dakey filed comments in Docket No. CP25-208-000 generally opposing alteration or waiver of the Commission’s regulations. *Diana Dakey*, Comments, Docket No. CP25-208-000, at 2 (filed July 21, 2025).

projects.<sup>15</sup> Additionally, Energy Transfer LP (Energy Transfer) filed supplemental comments, and the Natural Gas Supply Association (NGSA),<sup>16</sup> American Gas Association (AGA),<sup>17</sup> American Public Gas Association (APGA),<sup>18</sup> and the Process Gas Consumers Group (PGC)<sup>19</sup> and the Industrial Energy Consumers of America (IECA)<sup>20</sup> filed reply comments.<sup>21</sup>

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<sup>15</sup> Energy Transfer LP supports the Commission allowing minor LNG projects to proceed under the blanket certificate program. This topic is the subject of a separate notice of inquiry, and is accordingly not discussed further herein. *See Authorizations for Certain Activities at Liquefied Nat. Gas Plants*, 193 FERC ¶ 61,141 (2026).

<sup>16</sup> NGSA represents integrated and independent companies that supply natural gas and is the only national trade association that solely focuses on producer-marketer issues related to the downstream natural gas industry.

<sup>17</sup> AGA represents more than 200 local energy companies that deliver natural gas throughout the United States.

<sup>18</sup> APGA is a trade association for more than 730 communities across the US that own and operate their retail gas distribution entities.

<sup>19</sup> PGC is a trade association that represents energy-intensive large industrial and manufacturing natural gas consumers.

<sup>20</sup> IECA is a nonpartisan association of manufacturing companies for industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.

<sup>21</sup> Although the NOI did not provide for reply comments, we accept the pleadings because they have assisted our development of this notice of proposed rulemaking.

## II. Discussion

### A. Increasing the Blanket Certificate Cost Limits

6. Since the blanket certificate program's inception in 1982, the Commission has imposed cost limits on projects constructed pursuant to blanket certificates. Blanket certificate activities are currently limited to a maximum cost of \$14,500,000 per project undertaken without prior notice (also referred to as automatic authorization projects) and—absent the currently effective waiver—\$41,100,000 per project undertaken subject to prior notice.<sup>22</sup> Additionally, a certificate holder may undertake certain activities for the testing or development of underground storage reservoirs without prior notice if the total cost during a calendar year does not exceed \$7,900,000.<sup>23</sup> The cost limits are adjusted each year to reflect the “[Gross Domestic Product] implicit price deflator” (GDP deflator) published by the US Department of Commerce for the previous calendar year.<sup>24</sup>
7. To address potential increases in the cost of constructing interstate natural gas facilities, the NOI asked if input costs—including labor, materials, equipment, and

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<sup>22</sup> 18 CFR 157.208(d). Delivery points are not limited by a cost cap. *Id.* 157.211(a). Additionally, any activity that would otherwise require prior notice may be undertaken automatically if necessary to restore service in an emergency. *Id.* 157.205(a).

<sup>23</sup> *Id.* 157.215(a)(5).

<sup>24</sup> *Id.* 157.208(d). The GDP deflator is a measure of inflation in the prices of goods and services produced in the United States, including exports. Bureau of Economic Analysis, *GDP Price Deflator*, <https://www.bea.gov/data/prices-inflation/gdp-price-deflator> (accessed Apr. 16, 2026).

project financing—put upward price pressure on project capital requirements and, if so, how the Commission should adjust its blanket certificate cost limits in response.

### 1. Comments

8. INGAA supports raising the cost limits under the blanket certificate program to \$36 million for automatic authorizations, \$100 million for prior notices, and \$19.5 million for storage testing.<sup>25</sup> It argues that the annual inflation increases have not kept up with the increase in pipeline construction costs, which have accelerated due to regulatory delays, increased demand for natural gas, a competitive workforce market, the COVID-19 pandemic, and increased material costs.<sup>26</sup> It supports raising the cost limits so that pipeline companies can complete projects under the blanket certificate program that are similar in scale and nature to those that fell within the cost limits as of 2006, when the

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<sup>25</sup> INGAA September 24, 2025 Comments at 29. American Petroleum Institute, BHE Pipeline Group, Boardwalk Pipeline Partners, LP (Boardwalk), Energy Transfer, Equitrans, L.P. (Equitrans), TransCanada USA Pipeline Services LLC, WBI Energy Transmission, Inc. (WBI), and the Williams Companies, Inc. filed comments in support of INGAA's proposal.

<sup>26</sup> *Id.* at 7, 13, 15-23, 35-37; *see also* State Representative Tom Craddick April 6, 2026 Comments at 2 (stating that outdated cost caps have excluded projects with minimal environmental impacts, resulting in extended review timelines that delay needed capacity). Additionally, the National Petroleum Council (NPC) has recommended that the Commission increase the blanket certificate cost limits, noting that the cost thresholds for qualifying activities have not always kept pace with inflation or the rising costs of construction. The NPC recommendations mostly overlap with those included in the NOI comments filed by INGAA. National Petroleum Council, *Bottleneck to Breakthrough: A Permitting Blueprint to Build 4-14* (Dec. 3, 2025), [https://permitting.npc.org/files/2025\\_Bottleneck\\_To\\_Breakthrough.pdf](https://permitting.npc.org/files/2025_Bottleneck_To_Breakthrough.pdf) (accessed Apr. 20, 2026).

Commission last made major modifications to the program.<sup>27</sup> INGAA notes that these projects are well understood, routine, not complex, and have limited impacts, and, as a result, do not warrant an extensive case-specific NGA section 7 review by the Commission.<sup>28</sup>

9. Specifically, INGAA analyzed Exhibit K<sup>29</sup> data from section 7 certificate applications in 2006 and 2024 and calculated the median cost per inch-mile of pipeline and median cost per horsepower for each year.<sup>30</sup> INGAA states that the median value provides better insight into changes in project costs than the average value because outliers do not skew the median value, and the median helps account for variability caused by project factors such as location and project scope.<sup>31</sup> According to INGAA's analysis, there was a 256% median increase in cost per inch-mile for pipelines and a 172% median increase in cost per horsepower for compression between 2006 and 2024.<sup>32</sup>

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<sup>27</sup> INGAA September 24, 2025 Comments at 26.

<sup>28</sup> *Id.* at 3.

<sup>29</sup> Exhibit K is a detailed estimate of total capital cost of the proposed facilities for which an NGA section 7 application is made. 18 CFR 157.14(a)(14). According to INGAA, use of the Exhibit K data was appropriate because pipelines' estimated costs closely approximate their final costs.

<sup>30</sup> INGAA September 24, 2025 Comments at 12.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* Similarly, WBI states that over the past ten years, its cost per inch-mile to install pipeline under the blanket certificate program has increased 267%, and over the past six years, its per-horsepower cost to install electric compression has increased 46%. WBI September 24, 2025 Comments at 3-4.

INGAA then calculates the average of those two figures (214.87%) as an estimated pipeline-specific increase in construction cost between 2006 and 2024.<sup>33</sup> INGAA states that if the 2006 cost limits were increased by that amount, the automatic authorization limit would be approximately \$30 million, the prior notice limit would be approximately \$86 million, and the storage testing limit would be approximately \$16.5 million—much higher than the 2024 cost limits calculated based on the GDP deflator.<sup>34</sup> INGAA argues that a further increase beyond the above-listed figures is also necessary, so as to account for projected trends in construction costs that are not fully reflected in historical data, including the impacts of tariffs and workforce competition.<sup>35</sup> INGAA further contends that there is an increased need for natural gas infrastructure because demand for natural gas has increased without a corresponding increase in pipeline capacity.<sup>36</sup> It asserts that this demand for natural gas infrastructure results in upward pressure on the cost of that infrastructure.<sup>37</sup>

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<sup>33</sup> INGAA September 24, 2025 Comments at 12.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.* at 13-14.

<sup>36</sup> *Id.* at 15-22; *see also* Energy Transfer September 24, 2025 Comments at 8-10, 15-19 (stating that increased construction costs along with increased demand for new natural gas infrastructure are due, in part, to recent executive orders and artificial intelligence buildout).

<sup>37</sup> INGAA September 24, 2025 Comments at 30.

10. Other commenters state that, if the Commission raises the cost limits, it should ensure that the activities covered do not include those that may have a major potential impact on ratepayers, or that raise important considerations warranting close scrutiny and case-specific deliberation by the Commission prior to the issuance of a certificate.<sup>38</sup>

However, APGA urges caution in any permanent changes that might reduce oversight of larger-scale projects and states that the Commission should retain its policy of undertaking a full section 7 review of such projects.<sup>39</sup> NGSA cautions that any changes to the blanket certificate program must prioritize shipper protections and recommends that the Commission explore guardrails to ensure blanket certificate projects have no more than a *de minimis* rate impact.<sup>40</sup> It recommends that in two years the Commission review any changes it has made to evaluate their impacts on shippers and the program's effectiveness.<sup>41</sup>

11. AGA supports the Commission's efforts to streamline the permitting process.<sup>42</sup> It asserts that the Commission should ensure that there is sufficient transparency concerning

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<sup>38</sup> APGA September 24, 2025 Comments at 4; PGC September 24, 2025 Comments at 2; NGSA November 7, 2025 Reply Comments at 3-4.

<sup>39</sup> APGA September 24, 2025 Comments at 4-5.

<sup>40</sup> NGSA November 7, 2025 Reply Comments at 7-8.

<sup>41</sup> *Id.* at 8.

<sup>42</sup> AGA September 24, 2025 Comments at 3. PGC and IECA filed reply comments in support of AGA's comments. *See* PGC and IECA March 31, 2026 Reply Comments.

certificate holder activities both for the Commission and shippers on the pipelines<sup>43</sup> and cautions against expanding the scope of projects which may be completed under automatic authorization because of the limited transparency available to shippers and the Commission.<sup>44</sup>

12. Environmental Defense Fund (EDF) does not support increasing cost limits for the blanket certificate program. It asserts that through its eligibility requirements and cost limits the blanket certificate program was historically narrowly tailored to ensure that projects with minimal regulatory review still satisfy the public convenience and necessity standard.<sup>45</sup> Thus, EDF states that the pertinent question is not the extent to which construction costs have shifted since 2006, but rather if the class of activities covered by the blanket certificate program can be expanded without causing adverse impacts to existing ratepayers, services, or the environment.<sup>46</sup> It argues that the Commission must consider all factors bearing on the public interest and only approve projects where the public benefits outweigh the adverse impacts.<sup>47</sup> EDF states that protests to prior notice projects demonstrate that even “routine and relatively minor” projects under the existing

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<sup>43</sup> AGA September 24, 2025 Comments at 5.

<sup>44</sup> *Id.*

<sup>45</sup> EDF September 24, 2025 Comments at 1.

<sup>46</sup> *Id.* at 1-2.

<sup>47</sup> *Id.* at 7.

scope of the blanket certificate program have presented customer, landowner, and environmental concerns.<sup>48</sup>

13. EDF states that it analyzed several pipelines' blanket certificate reports and found that the average cost per blanket certificate project was \$1,694,546 in 2022, \$1,428,401 in 2023, and \$3,316,497 in 2024, and thus there is no reason to increase the prior notice threshold to \$61,650,000.<sup>49</sup> EDF suggests that because there is not a limit on the number of projects a company can complete under a blanket certificate and to prevent possible segmentation, the Commission should provide a cumulative dollar cap over a rolling-three year period, capped at the higher of \$60,000,000 or at 3% of each pipeline's then-current net utility.<sup>50</sup>

14. EDF also suggests that raising cost thresholds would not guarantee greater reliability, affordability, or resource adequacy and would significantly increase the risk of ratepayer harm if implemented without corresponding reforms to oversight and transparency.<sup>51</sup> It argues that a 2018 study cited by INGAA in its petition for a temporary waiver of the cost limits is unreliable because the study concludes that gathering pipelines will constitute most of the construction between 2025 and 2035, but gathering pipelines have little to no dependency on blanket certificate authorizations or

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<sup>48</sup> *Id.* at 8-9, 21-23.

<sup>49</sup> *Id.* at 3-4.

<sup>50</sup> *Id.* at 4.

<sup>51</sup> *Id.* at 9-12.

cost thresholds.<sup>52</sup> EDF further notes that the study relies on an average inch-mile metric, which can be misleading because high-cost segments can disproportionately raise the average.<sup>53</sup> It maintains that the Commission should use cost information submitted in section 7 proceedings, refine the data by pipeline class, and issue data requests to pipelines seeking cost information if further factual development is necessary to inform the Commission's analysis in this proceeding.<sup>54</sup>

15. Ms. Swanton disagrees with increasing the cost limits under the blanket certificate program.<sup>55</sup> She argues that a \$60 million project should not be considered "small" or "routine" and argues that the Commission should not look at costs to determine blanket certificate eligibility.<sup>56</sup> Instead, she contends that the Commission should look only to the impacts of the proposed project and the nature of the work to determine whether blanket certificate procedures are warranted.<sup>57</sup>

## 2. Commission Determination

16. The record in this proceeding demonstrates that the costs to construct natural gas infrastructure have increased at a higher rate than the Commission's annual adjustment to

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<sup>52</sup> *Id.* at 13-15.

<sup>53</sup> *Id.* at 14.

<sup>54</sup> *Id.* at 14-15.

<sup>55</sup> Kristin Swanton August 25, 2025 Comments.

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* Ms. Swanton advocates that only replacement activities be allowed under the blanket certificate. *Id.*

the cost limits, warranting an increase in those limits in order continue to meet the Commission's goals for the blanket program. Specifically, INGAA's analysis shows, using data from pipeline applications, that the median cost per inch-mile of pipeline construction rose 256.98% from 2006 to 2024 and the median cost per horsepower of compression projects rose 172.76% over the same period, for an average increase of 214.87%.<sup>58</sup> However, the cost limits under the blanket certificate program only rose by 50-51% since 2006.<sup>59</sup> Although INGAA's analysis only examined costs associated with section 7 certificate applications, we find that such an approach was reasonable because the inputs associated with section 7 applications and prior notice applications are the same – primarily natural gas equipment, materials, and labor – and because INGAA normalized the costs to account for the differing sizes of projects. INGAA's methodology, particularly determining cost increases based on a per inch-mile or per horsepower basis using Exhibit K data, is reasonable. Commission staff has found no analytical flaws in the methodology and verified that costs have risen as INGAA concludes. Accordingly, we propose that the cost limits for the blanket certificate program be increased to \$86 million for prior notice, \$30 million for automatic authorization, and \$17 million for storage testing projects. These values, based on INGAA's cost inputs from pipeline applications, adjust for the change in construction

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<sup>58</sup> INGAA September 24, 2025 Comments at 4.

<sup>59</sup> *Id.*

cost since 2006.<sup>60</sup> Thus, we find that the updated cost limits, in combination with the other changes considered herein, appropriately maintain the blanket certificate program's general framework and principles such that the blanket authorization is "restricted (1) to projects that are modest in scale and routine in nature, i.e., projects that are sufficiently well understood so as to permit them to proceed with a lesser level of regulatory scrutiny, and (2) to projects that will not result in unjustified increases in existing customers' rates,"<sup>61</sup> as recommended by commenters.

17. We do not, however, propose to adopt INGAA's suggestion to raise cost limits beyond a level that is supported by historical cost increases. INGAA's proposal to raise the blanket certificate cost limits to account for projected cost trends calls for speculation, and we believe that any future increases in the cost of constructing natural gas infrastructure will be appropriately captured in the Commission's annual increase to the cost limits.

18. We also do not propose adopting NGSA's proposal for a review in two years to evaluate the impacts and effectiveness of the program. We do not believe that the revisions we are making will result in sufficient uncertainty to support such an action

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<sup>60</sup> In addition to its drastically limited temporal scope, EDF's study of the "average" blanket certificate project cost does not account for the size of projects and thus fails to address how the cost of constructing natural gas infrastructure has changed over time.

<sup>61</sup> *Revisions to the Blanket Certificate Reguls. & Clarification Regarding Rates*, 71 FR 36276 (June 26, 2006), FERC Stats. & Regs. ¶ 32,606, at P 58 (2006) (cross-referenced at 115 FERC ¶ 61,338) (Notice of Proposed Rulemaking).

because the changes proposed herein maintain the blanket certificate program's general framework and principles. We likewise decline to adopt EDF's proposal to develop an annual limit utilizing a rolling-three-year period capped at the higher of \$60,000,000 or at 3% of each pipeline's then-current net utility. To do so would unnecessarily limit the number of projects that could be undertaken pursuant to the blanket certificate, undermining one of the program's purposes, which is to provide streamlined procedures that increase flexibility and reduce regulatory burdens. Furthermore, EDF's proposal is premised on a concern regarding potential segmentation of projects, and the Commission already prohibits segmentation.<sup>62</sup> Finally, we do not propose adopting Ms. Swanton's recommendation to move away from using costs as part of eligibility determinations, which would undercut the purpose and design of the existing program.

19. As stated above, INGAA's analysis convincingly demonstrates that the costs to construct natural gas infrastructure have increased at a higher rate than the Commission's annual adjustment to the cost limits. We also find that INGAA's analysis provides a reasonable estimate of what the cost limits should be, had they been adjusted at an appropriate rate to reflect cost increases since 2006. As discussed above, we accordingly propose to adopt new cost limits approximately the same as those INGAA suggests, albeit without further upward adjustment to reflect projected trends not reflected in historical data. Nevertheless, we request that INGAA file more detailed workpapers and supporting workbooks in the record reflecting the numerical inputs it used in its analysis

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<sup>62</sup> 18 CFR 157.208(a), (b).

as well as a more detailed description of its methodology and assumptions and seek comment on whether that analysis provides the best estimate of the degree to which costs have increased since 2006, including whether the analysis should consider multiple years of data rather than data from only 2006 and 2024, or whether an alternative analysis that more accurately reflects those increases is feasible and available.

## **B. Annual Cost Adjustments**

20. Between 1982 and 1999, the Commission relied on the Gross National Product implicit price deflator (GNP deflator) published by the US Department of Commerce for the previous calendar year as a measure to make annual adjustments to the blanket certificate cost limits.<sup>63</sup> In 1982, the Commission declined to base annual adjustments on the Handy-Whitman Index, an alternative price tracker that is focused more narrowly on gas utility construction costs, finding the GNP deflator preferable to “an index based on a private collection of data not easily susceptible to governmental verification.”<sup>64</sup> In 1999, the Commission revised its regulations to base the inflation adjustments on the GDP deflator rather than the GNP deflator.<sup>65</sup> The Commission explained that the GNP deflator had, in previous years, not been published at the time it issued the orders adjusting the

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<sup>63</sup> Order No. 234, FERC Stats. & Regs. ¶ 30,368 at 30,210.

<sup>64</sup> *Id.* at 30,206.

<sup>65</sup> *Revision Of Existing Reguls. Under Pt. 157 & Related Sections of the Comm'n's Reguls. Under the Nat. Gas Act*, 64 FR 26571 (May 14, 1999), Order No. 603, FERC Stats. & Regs. ¶ 31,073, at 33,554 (1999) (cross-referenced at 87 FERC ¶ 61,125).

spending limits and that the annual change was virtually the same for both indices.<sup>66</sup> In 2006, the Commission revised its regulations to increase the cost limits above the then-inflation adjusted cost cap to address concerns that construction costs had risen faster than the overall rate of inflation.<sup>67</sup> In doing so, the Commission compared the rate of cost increase derived from the Handy-Whitman Index to that resulting from the GDP deflator and raised the cost limits on a one-time basis to account for the discrepancy between the two indices.<sup>68</sup> The Commission did not, however, alter the annual inflation adjustment.

21. The NOI sought comment on whether there is an alternative price or inflation tracker that better matches potential increases in construction costs than the GDP deflator for annually adjusting the cost limits.

### **1. Comments**

22. INGAA proposes that the Commission increase the cost limits annually by using Exhibit K data and calculating a three-year rolling average of the median cost per inch-mile of pipeline and cost per horsepower of compression.<sup>69</sup> It states that if the

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<sup>66</sup> *Revision Of Existing Reguls. Under Pt. 157 & Related Sections of the Comm'n's Reguls. Under the Nat. Gas Act*, 63 FR 55683 (Oct. 16, 1998), FERC Stats. & Regs. ¶ 32,535, at 33,537 (1998) (cross-referenced at 84 FERC ¶ 61,345) (Notice of Proposed Rulemaking).

<sup>67</sup> Order No. 686, 117 FERC ¶ 61,074 at P 33.

<sup>68</sup> *Id.* P 34.

<sup>69</sup> INGAA September 24, 2025 Comments at 30-31. American Petroleum Institute, BHE Pipeline Group, Energy Transfer, TransCanada USA Pipeline Services

increase based on the three-year average is lower than the GDP deflator, the Commission should use the GDP deflator for that year.<sup>70</sup>

23. AGA opposes INGAA's proposal,<sup>71</sup> asserting that any escalator could undermine the program's *de minimis* nature, burdening end users and residential customers.<sup>72</sup> If the Commission maintains its use of an automatic annual escalator, AGA recommends that the Commission continue to use the GDP deflator or, alternatively, using the lesser rather than the greater of the pipeline-specific three-year rolling average growth rate or the GDP deflator.<sup>73</sup> AGA notes that if the thresholds prove to be too restrictive in the future, the Commission can initiate another rulemaking.<sup>74</sup>

24. Other commenters argue that the Commission should continue to use the GDP deflator.<sup>75</sup> EDF notes that this metric is widely recognized by other Federal agencies and in academic work for its credibility and defensibility.<sup>76</sup>

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LLC, and WBI filed comments in support of INGAA's proposal.

<sup>70</sup> *Id.* at 31.

<sup>71</sup> AGA March 4, 2026 Reply Comments at 8.

<sup>72</sup> *Id.* at 8-9.

<sup>73</sup> *Id.*

<sup>74</sup> *Id.* at 9.

<sup>75</sup> *E.g.*, NGS November 7, 2025 Reply Comments at 7; EDF September 24, 2025 Comments at 15.

<sup>76</sup> EDF September 24, 2025 Comments at 15.

25. PGC supports identifying a metric or tracker that better reflects changes in natural gas infrastructure costs.<sup>77</sup> Although Ms. Swanton does not support a cost metric, she states that if the Commission does include one, annual adjustments should be limited to 2% per year.<sup>78</sup>

## 2. Commission Determination

26. We propose to use the Handy-Whitman Index for annual adjustments to the cost limits to account for the fact that natural gas infrastructure costs have grown faster than the GDP deflator. We find that the Handy-Whitman Index, with its narrow focus on gas utility construction costs, more accurately reflects annual cost increases and thus is a more suitable metric for annual adjustments than the GDP deflator, especially in view of the comments and data demonstrating that the GDP deflator has not adequately reflected the annual cost increases experienced by natural gas companies.<sup>79</sup> Although we acknowledge that we previously declined to use the Handy-Whitman Index for these purposes based on the fact that it is “not easily susceptible to governmental verification,”<sup>80</sup> we no longer view this theoretical concern as sufficient to outweigh the

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<sup>77</sup> PGC September 24, 2025 Comments at 2.

<sup>78</sup> Kristin Swanton August 25, 2025 Comments.

<sup>79</sup> For this reason, we also decline to adopt Ms. Swanton’s proposal to limit increases to 2% per year, which we conclude would be arbitrary and potentially incorrect. Had the Commission applied an annual 2% increase to the cost limits between 2006 and 2025, it would have led to an under-adjustment and would have proven inaccurate.

<sup>80</sup> Order No. 234, FERC Stats. & Regs. ¶ 30,368 at 30,206.

Handy-Whitman Index's advantages over the GDP deflator, particularly given the latter's unsatisfactory track record of keeping pace with pipeline construction costs over the intervening years. We note that the Commission has used the Handy-Whitman Index in other contexts,<sup>81</sup> and we find that the beneficial features of the Handy-Whitman Index warrant its use here.

27. We decline to adopt INGAA's proposal to annually adjust cost limits based on Exhibit K data. That approach would potentially cause delays, limiting its effectiveness, because Commission staff would be required to undertake an analysis each year to determine the appropriate increase to the cost limits. We believe a simpler approach that does not present administrability concerns, such as using the Handy-Whitman Index, is preferable. Nevertheless, we seek comment on whether employing the Handy-Whitman Index is the best approach for adjusting the cost limits annually, and on the use of any alternative price indices. In addition, we seek comment on whether using a three-year rolling average would be preferable to adjustments based on a single year of data.

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<sup>81</sup> *E.g.*, *PJM Interconnection, L.L.C.*, 192 FERC ¶ 61,190 (2025) (accepting electric rate tariff revisions, including annual adjustments using the Handy-Whitman Index); *see also Application of Aep Texas Inc. For Authority To Change Rates*, PUC Docket No. 49494 (Tx. St. Off. Admin. Hgs., Nov. 12, 2019) (“The Handy-Whitman Index is a standard type of database used to measure cost changes for utility companies, and is a reasonable method for adjusting historic O&M costs to current dollar levels.”); *TES Filer City Station v. Twp. of Filer*, No. 258806, 2006 WL 708164, at \*7 (Mich. Ct. App. Mar. 21, 2006) (unpublished opinion) (“The manner in which the depreciated reconstruction cost method is commonly applied is through use of the Handy–Whitman Index of Public Utility Construction Costs, a publication, based on elaborate historical cost information and calculations, which allows the user to calculate present construction costs based on historical construction costs, and then to apply appropriate depreciation multipliers.”).

### C. Rate Treatment for Blanket Certificate Projects

28. It is Commission's current policy not to allow incremental rates for projects constructed under a blanket certificate.<sup>82</sup> Thus, services using capacity constructed under a blanket certificate are provided at a certificate holder's existing Part 284 rates, and blanket certificate project costs are afforded the presumption that they will qualify for rolled-in rate treatment in a future NGA section 4 proceeding. The Commission has applied this presumption because of the expected *de minimis* impact of blanket certificate projects on a pipeline system's overall rates, i.e., the expectation that existing customers will not subsidize blanket certificate projects.<sup>83</sup> In the 2006 rulemaking, the Commission declined to allow project sponsors to request incremental rates for blanket certificate projects, reasoning that the additional time necessary to complete such a review would delay the otherwise expedited project authorization available under the blanket certificate program.<sup>84</sup>

29. The NOI sought comment on whether the Commission should: (1) allow project sponsors to request incremental rates for blanket certificate projects and, if so, how to do so in a manner consistent with the program's stated aims of streamlining procedures and reducing regulatory burdens while ensuring that there are no adverse impacts on existing

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<sup>82</sup> *Tenn. Gas Pipeline Co.*, 110 FERC ¶ 61,047, *reh'g denied*, 111 FERC ¶ 61,094 (2005).

<sup>83</sup> *See, e.g., Fla. Se. Connection, LLC*, 163 FERC ¶ 61,158, at P 20 (2018).

<sup>84</sup> Order No. 686, 117 FERC ¶ 61,074 at P 38.

rates and services; and/or (2) extend to blanket certificate projects our practice of requiring project sponsors that receive a predetermination of rolled-in rate treatment in case-specific authorizations to keep separate books and accounting of costs and revenues attributable to the project in the same manner as required by § 154.309 of our regulations. The NOI further sought comment on what other measures, if any, the Commission should require to ensure the appropriate rate treatment of blanket certificate projects or to limit any potentially adverse impacts which might be associated with increasing the blanket certificate cost limits.

### 1. Comments

30. Various commenters support the Commission allowing pipelines to charge incremental rates for projects constructed under a blanket certificate when the pipeline shows the incremental rate to be just and reasonable.<sup>85</sup> Ms. Swanton opposes allowing pipelines to charge incremental rates for projects constructed under a blanket certificate.<sup>86</sup>

31. INGAA proposes a process similar to that in section 7 proceedings, under which the pipeline would submit a rate exhibit with a prior notice filing when it intends to charge incremental rates; affected parties and Commission staff would have an opportunity to protest the project; if there are no protests, construction may begin; and the

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<sup>85</sup> *E.g.*, INGAA September 24, 2025 Comments at 42-43; Boardwalk September 24, 2025 Comments at 14-15 (stating that incremental pricing would ensure pipelines are able to recover construction costs for lateral facilities from customers who benefit); AGA September 24, 2025 Comments at 9, 12 (noting that incremental rates are appropriate for projects that provide only localized benefits).

<sup>86</sup> Kristin Swanton August 25, 2025 Comments.

pipeline would then implement the new rates through a standard section 4 proceeding.<sup>87</sup>

Where a pipeline proposes to charge its system rates, INGAA and others support the Commission retaining the predetermination of rolled-in-rates for blanket certificate projects because, due to the cost limits, blanket certificate projects have a *de minimis* impact on rates.<sup>88</sup>

32. APGA is concerned with large, complex projects bypassing review and receiving rolled-in rate treatment, possibly shifting costs towards captive customers that receive little or no benefit.<sup>89</sup> It encourages the Commission to ensure that the cost responsibilities remain with the primary beneficiaries of the project and urges the Commission to maintain limits on eligibility for rolled-in rate treatment to protect captive customers from bearing unfair costs.<sup>90</sup>

33. AGA also asserts that the Commission should ensure that any changes to the blanket certificate program are developed with the goal of limiting rate impacts on customers.<sup>91</sup> It notes that in recent years many blanket certificate projects have been

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<sup>87</sup> INGAA September 24, 2025 Comments at 45-47.

<sup>88</sup> *Id.* at 45; Energy Transfer September 24, 2025 Comments at 13-14 (stating that although the cost of projects would be increased, pipelines' overall costs have also increased, and therefore, the Commission's assumption that there will only be a *de minimis* impact on rates is still valid).

<sup>89</sup> APGA September 24, 2025 Comments at 4-5.

<sup>90</sup> *Id.* at 5.

<sup>91</sup> AGA September 24, 2025 Comments at 7.

characterized as non-expansion reliability or modernization work to provide system-wide benefits rather than to benefit a specific shipper, and as such are frequently proposed for rolled-in rate treatment rather than incremental pricing.<sup>92</sup> AGA states that these types of projects should only fall under a blanket authorization when the rate and operational impacts are *de minimis* when viewed both individually and in the aggregate with other projects, and where the proposed cost allocation can be evaluated during the next rate case.<sup>93</sup> AGA argues that if rolled-in treatment of costs would shift non-minor costs to existing customers or if benefits are localized, such projects should receive case-specific review with rolled-in rate treatment or be considered for incremental rates.<sup>94</sup> AGA asks the Commission to require pipeline companies to provide additional information on the purpose and beneficiaries of proposed projects<sup>95</sup> and suggests a requirement that pipelines keep separate books and accounting of costs and revenues attributable to a project in the same manner as required by § 154.309 for projects authorized by the blanket certificate program.<sup>96</sup> Conversely, Energy Transfer argues that the Commission

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<sup>92</sup> *Id.* at 9.

<sup>93</sup> *Id.*

<sup>94</sup> *Id.*

<sup>95</sup> *Id.* at 6-7.

<sup>96</sup> *Id.* at 11-12.

does not need to require the pipeline to keep separate books and accounting of costs and revenues attributable to the project.<sup>97</sup>

34. PGC proposes that the Commission discontinue its policy of granting automatic predeterminations of rolled-in rate treatment for projects constructed under § 157.210 (mainline facilities) because existing customers could subsidize incremental service in contravention of the cost causation principle.<sup>98</sup> It contends the Commission should defer determinations on rolling in expansion facilities to general NGA section 4 proceedings.<sup>99</sup> PGC argues that the automatic predetermination could result in illogical results where a predetermination would be denied in a section 7 proceeding but automatically granted under the blanket certificate.<sup>100</sup> Additionally, it asserts that an automatic predetermination of rolled-in rate treatment imposes an uncertain burden on existing customers because the Commission does not undertake an individual review of the costs or revenues of a proposed blanket expansion project<sup>101</sup> and thus customers are unable to show whether a material change has occurred.<sup>102</sup> Finally, PGC states that because it is

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<sup>97</sup> Energy Transfer September 24, 2025 Comments at 20.

<sup>98</sup> PGC September 24, 2025 Comments at 3; *see also* AGA March 4, 2026 Reply Comments at 7 (stating that if the Commission allows incremental rates, it should clarify that there is no assumption of rolled-in rate treatment and, when system rates are applied to a project, cost allocation will be addressed in the next rate case).

<sup>99</sup> PGC September 24, 2025 Comments at 3.

<sup>100</sup> *Id.* at 6.

<sup>101</sup> *Id.* at 7-8.

<sup>102</sup> *Id.* at 7.

exceedingly rare that a rate case is fully litigated, issues related to the treatment of the costs are typically never addressed, undermining the Commission's reliance on future rate proceedings to protect ratepayers and weakening the customers' negotiating power in settlement discussions.<sup>103</sup>

35. EDF comments that the Commission should not prejudge whether to roll in the costs of a project on a generic basis and without specific facts because the rationale that blanket certificate projects will have a *de minimis* impact on overall rates no longer holds true in the event of cost limit increases.<sup>104</sup>

## 2. Commission Determination

36. We propose to allow pipeline companies to charge incremental rates for projects constructed pursuant to the prior notice procedures. Under the Commission's current policy, projects that would qualify for the blanket certificate program but for their rate treatment must go through a section 7 proceeding. Allowing incremental rates would streamline the approval of these projects while maintaining the Commission's overall policy goal of ensuring that only those customers who benefit from a project bear its cost. Additionally, the Commission agrees with, and proposes to adopt, INGAA's recommendation that an applicant provide a rate calculation with its application, giving Commission staff and interested parties an opportunity to protest. Applicants are expected to provide supporting statements and exhibits to substantiate their incremental

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<sup>103</sup> *Id.* at 8-9.

<sup>104</sup> EDF September 24, 2025 Comments at 18.

rate calculations, consistent with the Commission's regulations proposed herein.<sup>105</sup> Once an initial rate is approved, the pipeline must then submit a section 4 filing to implement a tariff record prior to the project going into service. The Commission has noted that it must approve, under NGA section 7, any initial rate that is not the existing Part 284 systemwide rate.<sup>106</sup> We believe that by not protesting an applicant's proposed rates, the Commission is essentially approving such rates in the prior notice proceeding, which is a section 7 proceeding, provided there are no other protests that would require a further Commission order. The tariff record would then be approved via a Commission or delegated order prior to the project going into service. This process is the same as that used for individual section 7 certificate proceedings. Although the Commission previously declined in the 2006 rulemaking to allow project sponsors to request incremental rates for blanket certificate projects because of the additional time necessary to complete a rate review,<sup>107</sup> since that time the Commission has an additional 20 years' worth of experience developing its precedent and expertise. The Commission's rate policies regarding incremental rates are now well-established, and as a result we now believe that such reviews can be completed within the 60-day notice period. However, given the short notice period, the Commission expects applications to be complete when

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<sup>105</sup> 18 CFR 157.14(a)(14) - (19).

<sup>106</sup> *Tenn. Gas Pipeline Co.*, 111 FERC ¶ 61,094 at P 15.

<sup>107</sup> Order No. 686, 117 FERC ¶ 61,074 at P 38.

filed. Failure to provide a complete application may result in rejection or Commission staff protest of the application.

37. We also propose to continue our policy of granting automatic predeterminations of rolled-in rate treatment for blanket certificate projects that propose to charge existing system rates. However, to ensure there will be no major impacts on existing customers, we propose to require applicants for prior notice mainline expansions to provide evidence that the project benefits existing customers<sup>108</sup> to justify the predetermination of rolled in rates.<sup>109</sup> If the provided support does not justify a predetermination of rolled in rates, Commission staff or any other party may protest the application. If the protest is not withdrawn or dismissed, the application will not be deemed authorized by the blanket certificate and the Commission will process it as a section 7 proceeding. We invite comment on what kind of evidence applicants could file to demonstrate that a project benefits existing customers.

38. Additionally, we propose to adopt AGA's recommendation that pipeline companies disclose the purpose and beneficiaries of blanket certificate projects, because such information would be helpful to address any potential cost allocation issues in a

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<sup>108</sup> Certificate Policy Statement, 88 FERC at 61,746 n.12 (“Projects designed to improve existing service for existing customers, by replacing existing capacity, improving reliability or providing flexibility, are for the benefit of existing customers. Increasing the rates of the existing customers to pay for these improvements is not a subsidy.”); *e.g.*, *E. Tenn. Nat. Gas, LLC*, 186 FERC ¶ 61,210, at PP 45-46 (2024).

<sup>109</sup> With respect to activities under the automatic authorization, we find that even under the higher cost limit, such projects would only have a *de minimis* impact on rates.

future section 4 or section 5 rate proceeding. Last, we seek comment on whether to adopt the standard condition the Commission uses in section 7 proceedings and require pipelines that are proposing to charge existing system rates to maintain separate books and accounting for all blanket certificate projects.<sup>110</sup>

#### **D. Protest Procedures for Prior Notice Projects**

39. Currently, after a prior notice application is filed, the Commission will issue a notice providing 60 days to protest and/or intervene.<sup>111</sup> If no protest is filed, the applicant is authorized to conduct the activity under its blanket certificate, effective on the day following the expiration of the notice deadline.<sup>112</sup>

40. Any person or Commission staff may file a protest during the 60-day notice period.<sup>113</sup> If a protest is filed, the certificate holder, protestor, any intervenors, and

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<sup>110</sup> Projects charging incremental rates are currently required to keep separate books and accounting of costs and revenues attributable to the project pursuant to § 154.309. We note that § 154.309 will also apply to any blanket certificate project charging incremental rates. However, unlike a project charging incremental rates, a pipeline charging its existing system rates for a project is not required to provide books and accounting consistent with Order No. 710. *Revisions to Forms, Statements, & Reporting Requirements for Nat. Gas Pipelines*, Order No. 710, 73 FR 19389 (Apr. 10, 2008) FERC Stats. & Regs. ¶ 31,267, at P 23 (2008). The pipeline is required to maintain its internal books and accounting such that it would have the ability to include this information in a future FERC Form No. 2 or 2-A if the rate treatment for the project is changed in a future rate proceeding. *Gulf S. Pipeline Co., LLC*, 173 FERC ¶ 61,049, at P 7 (2020).

<sup>111</sup> 18 CFR 157.205(d).

<sup>112</sup> *Id.* 157.205(h)(1).

<sup>113</sup> *Id.* 157.205(e)(1).

Commission staff have 30 days from the notice deadline to resolve the protest and to file a withdrawal of it.<sup>114</sup> Additionally, within 10 days of the filing of a protest, the Director of the Office of Energy Projects will dismiss a protest if it does not raise a substantive issue and fails to provide any specific detailed reason or rationale for the objection.<sup>115</sup> If a protest is not withdrawn or dismissed, the activity is not authorized. Instead, the request is treated as an application for section 7 authorization and is acted on through a Commission order.<sup>116</sup> If the protest is withdrawn, the certificate holder is authorized to conduct the activity under its blanket certificate, effective the day after the later of either: (1) the notice period concluding or (2) the withdrawal of all protests.<sup>117</sup> However, if a protest is dismissed, the notice requirements are not fulfilled until the earlier of: (1) 30 days after the notice period has concluded or (2) the dismissed protesting party notifying the Commission that its concerns have been resolved.<sup>118</sup>

## 1. Comments

41. INGAA asserts that the broad eligibility requirements for protests and a reluctance to dismiss protests that fail to raise substantive, case-specific objections have undermined

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<sup>114</sup> *Id.* 157.205(f); *see also Transwestern Pipeline Co., LLC*, 194 FERC ¶ 62,131 (2026); *S. Star Cent. Pipeline, Inc.*, 194 FERC ¶ 62,097 (2026); *Nw. Pipeline LLC*, 194 FERC ¶ 62,021 (2026).

<sup>115</sup> *Id.* 157.205(g).

<sup>116</sup> *Id.*

<sup>117</sup> *Id.* 157.205(h)(2).

<sup>118</sup> *Id.* 157.205(g).

the blanket certificate program.<sup>119</sup> It proposes to restrict who may protest a prior notice application to only those with a substantial economic interest, Commission staff, and affected landowners.<sup>120</sup>

42. APGA opposes INGAA's proposal to limit who may protest.<sup>121</sup> It states that to do so would go against the spirit of the program, rooted in the assumption that there will only be a *de minimis* impact on rates.<sup>122</sup> It further argues that all those impacted by a project would have a "substantial economic interest" and that to limit protections could reduce oversight and weaken procedural safeguards.<sup>123</sup>

43. INGAA also proposes a requirement that the Director of the Office of Energy Projects either dismiss or accept the protest within 10 days of receipt.<sup>124</sup> Similarly, Energy Transfer urges expeditious responses to protests on prior notices to accomplish the goals of the blanket certificate program.<sup>125</sup>

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<sup>119</sup> INGAA September 24, 2025 Comments at 32. TransCanada USA Pipeline Services LLC and the Williams Companies, Inc. filed comments in support of INGAA's proposal.

<sup>120</sup> *Id.* at 34.

<sup>121</sup> APGA March 13, 2026 Reply Comments at 7.

<sup>122</sup> *Id.* at 7-8.

<sup>123</sup> *Id.* at 8.

<sup>124</sup> INGAA September 24, 2025 Comments at 35.

<sup>125</sup> Energy Transfer September 24, 2025 Comments at 22.

## 2. Commission Determination

44. We propose to maintain our current regulations governing protests. Under the Commission's regulations, a protest to a prior notice is dismissed if it fails to "raise a substantive issue and fails to provide any specific detailed reason or rationale for the objection." We note that the Director of the Office of Energy Projects dismisses protests for failure to raise substantive issues pertaining to the project and failure to provide any specific detailed reason or rationale for objecting to the pending proposal, thereby allowing the project to proceed under the blanket certificate.<sup>126</sup> Additionally, when the Commission receives a protest (meaning that protest has not been withdrawn by the filer or dismissed by the Director of the Office of Energy Projects per 18 CFR § 157.205(g)), it may issue an order adjudicating the protest. Should the Commission deny a protest in an order, the project would then proceed under the blanket certificate.<sup>127</sup> We do not propose adopting INGAA's proposal to limit the persons that may protest a prior notice application to only those with a substantial economic interest, Commission staff, and affected landowners because we are concerned that the proposal could be difficult to administer in practice. We are also concerned that it may set underinclusive eligibility criteria in that INGAA's proposal may prevent certain persons that are directly affected

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<sup>126</sup> *Transwestern Pipeline Co., LLC*, 194 FERC ¶ 62,131 (2026); *S. Star Cent. Pipeline, Inc.*, 194 FERC ¶ 62,097 (2026); *Nw. Pipeline LLC*, 194 FERC ¶ 62,021 (2026).

<sup>127</sup> *E.g., Fla. Gas Transmission Co., LLC*, 182 FERC ¶ 61,170 (2023); *El Paso Nat. Gas Co., L.L.C.*, 192 FERC ¶ 61,078 (2025); *Mountain Valley Pipeline, LLC*, 171 FERC ¶ 61,047 (2020).

by a proposed project from protesting because they are not affected landowners as defined by the Commission's regulations.

45. Nonetheless, we recognize that establishing more prescriptive eligibility criteria for protestors, along the lines INGAA has proposed to limit the persons that may protest a prior notice application to only those with a substantial economic interest, Commission staff, and affected landowners, might help attenuate the quantity of protests based solely on generic or irrelevant concerns that do not advance legitimate concerns of individuals or entities that could be affected by a project. This could help promote the intended efficiencies of the blanket certificate program. We therefore seek comment on the following:

- INGAA's proposed eligibility criteria, including how to determine whether a person has a substantial economic interest, which is not defined and could either encompass a variety of persons with various interests or be restrictive;
- Other potential alternative defined eligibility criteria for protestors to prior notice projects. This includes whether the Commission could or should adopt some form of its intervention standard as a criterion for protestors and/or whether the Commission should require membership organizations seeking to protest prior notice applications provide evidence that they have a member or members in the relevant geographic area, or are representing a specific member or members that is or will be directly affected by the proposed project.<sup>128</sup> Any proposals should

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<sup>128</sup> 18 CFR 385.214(b)(2); *Am. Elec. Power Servs. Corp.*, 120 FERC ¶ 61,052, at

discuss how the criteria do not prevent persons meaningfully impacted by a proposed project from protesting;

- Whether the Commission could establish a designated timeline within which it will seek to issue orders adjudicating prior notice protest proceedings (e.g., 60 days), noting that individual cases present differing issues and information needs, and thus require differing processing times. We also seek comment on whether such procedures would inhibit project applicants and protestors from negotiating a settlement that would resolve the protest.

46. We do not propose adopting INGAA's proposal that the Director of the Office of Energy Projects issue a letter acting on every protest (either dismissing or accepting it) within 10 days of filing. INGAA's proposal would not provide the participants in a proceeding any additional information; if a protest is not dismissed, it is deemed to have been accepted.

#### **E. Extension of the One-Year In-Service Requirement**

47. Under the current regulations, any construction, extension, or acquisition authorized under the blanket certificate program must be completed and made available for service within one year of the date the activity is authorized.<sup>129</sup>

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P 12 (2007).

<sup>129</sup> *Id.* 157.206(c). The certificate holder may apply to the Director of the Office of Energy Projects for an extension of this deadline. *Id.*

## 1. Comments

48. INGAA proposes increasing the existing one-year in-service requirement for blanket certificate projects to two years, citing permitting delays, workforce uncertainty at administrative agencies, frequent changes in reviewing agencies' legal obligations, and unforeseen changes in construction factors such as weather, equipment supply chains, contractor availability, and later-discovered design issues.<sup>130</sup> AGA and APGA express concern that doubling the in-service deadline as INGAA requests would allow for larger projects than intended under the blanket program, and therefore request that the Commission maintain its current standard.<sup>131</sup>

## 2. Commission Determination

49. We propose to adopt INGAA's proposal to increase the one-year in-service deadline to two years. When the one-year deadline was established, the timeframe aligned with the Commission's practice in section 7 proceedings. More recently, the Commission has consistently given applicants two or three years to place their facilities into service.<sup>132</sup> The additional time to complete a project would also allow applicants more time to comply with any applicable restrictions for when construction may occur.

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<sup>130</sup> INGAA September 24, 2025 Comments at 35-37; *see also* WBI September 24, 2025 Comments at 8.

<sup>131</sup> AGA March 4, 2026 Reply Comments at 10; APGA March 13, 2026 Reply Comments at 7.

<sup>132</sup> *See, e.g., Nw. Pipeline LLC*, 194 FERC ¶ 61,221 (2026) (requiring completion of construction of the proposed facilities within two years); *Rockies Express Pipeline LLC*, 194 FERC ¶ 61,206 (2026) (same); *Tex. E. Transmission, LP*, 194 FERC

50. We disagree with AGA and APGA that extending the in-service deadline would improperly enlarge the scope of the blanket program. The blanket certificate program would continue to be limited by the cost limits which, as proposed, appropriately maintain the program's general framework and principles. The blanket certificate regulations also include other protections that limit the scope of projects, including the prohibition against segmentation, environmental compliance requirements, and notice and protest provisions. Together, these measures would continue to properly limit the scope of the program, as intended.

#### **F. Cost Limits for Receipt Points**

51. Under the current blanket certificate regulations, certificate holders are authorized to undertake certain activities on any eligible facilities, which are subject to the cost limits. Receipt points are considered eligible facilities,<sup>133</sup> and therefore construction of such points is subject to cost limits.<sup>134</sup> Delivery points,<sup>135</sup> however, are subject to a

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¶ 61,141 (2026) (same); *Transwestern Pipeline Co., LLC*, 193 FERC ¶ 61,038 (2025) (same); *Rover Pipeline LLC*, 192 FERC ¶ 61,236 (2025) (same); *see also Transcon. Gas Pipe Line Co., LLC*, 192 FERC ¶ 61,184 (2025) (requiring completion of construction of the proposed facilities within three years).

<sup>133</sup> 18 CFR 157.202(b)(2)(i). Receipt points are a tap and/or metering and appurtenant facilities such as heaters, minor gas conditioning, treatment, odorization, and similar equipment, necessary to enable the certificate holder to receive gas onto its pipeline system.

<sup>134</sup> *Id.* 157.208(a), (b).

<sup>135</sup> A delivery point is defined as “a tap and/or metering and appurtenant facilities, such as heaters, minor gas conditioning, treatment, odorization, and similar equipment, necessary to enable the certificate holder to deliver gas to any party.” *Id.* 157.202(b)(10).

different provision of the blanket certificate regulations and are not subject to the cost limits.<sup>136</sup>

### **1. Comments**

52. INGAA requests that the Commission allow all receipt points to be constructed under automatic authorization without regard to cost limits, as is currently allowed for delivery points.<sup>137</sup> INGAA asserts that receipt and delivery point construction and operation are essentially identical, and the Commission should therefore remove the cost limit for construction of receipt points.<sup>138</sup>

### **2. Commission Determination**

53. We agree with INGAA, and propose to remove the cost limitation on receipt points and allow all receipt points to be constructed under automatic authorization so that they are treated the same as delivery points. Construction of a receipt point involves the same facilities as those of a delivery point: a tap, meter, and appurtenant facilities such as a heater and gas conditioning equipment. Thus, the cost of a receipt point and its potential environmental impacts are the same as those for a delivery point and we have no basis to differentiate our treatment of the two facilities. Therefore, as we have for delivery points, we find that construction of a receipt point is so well-understood as an established industry practice that automatic authorization of such facilities is warranted.

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<sup>136</sup> *Id.* 157.211.

<sup>137</sup> INGAA September 24, 2025 Comments at 37.

<sup>138</sup> *Id.*

## **G. Cost Limit for Abandonment Projects**

54. Under the current blanket certificate regulations, the Commission considers the hypothetical cost to construct the facility when determining whether abandonment is eligible under automatic authorization or prior notice procedures.<sup>139</sup>

### **1. Comments**

55. INGAA proposes that the Commission determine the eligibility of abandonment projects by the actual cost of abandonment instead of the cost of modern-day replacement, as currently required.<sup>140</sup> It notes that abandonment activities typically have fewer environmental and landowner impacts than project construction and operation, and that there are sufficient safeguards in place to ensure that the Commission can address operational, environmental, rate, or competitive impacts in blanket certificate abandonments.<sup>141</sup> INGAA acknowledges that the Commission's justification for its current approach was to ensure that case-specific abandonment proceedings are conducted where issues may arise that cannot be fully reviewed in a blanket abandonment proceeding, but it states that replacement facilities needed today frequently bear little resemblance to the facilities being abandoned, and therefore, the rationale is no longer applicable.<sup>142</sup> INGAA cites projects that could have been abandoned pursuant to

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<sup>139</sup> 18 CFR 157.216(a)(2)(iii), 157.216(b)(2)(iii).

<sup>140</sup> INGAA September 24, 2025 Comments at 37-40.

<sup>141</sup> *Id.* at 40.

<sup>142</sup> *Id.* at 38-40.

the blanket certificate program under its proposal but were not because the cost of hypothetical replacement facilities exceeded the cost limit.<sup>143</sup> It asserts that the same issues related to increasing the cost limits for constructing facilities applies to the cost of replacement facilities, further restricting each year what can be abandoned under the blanket certificate.<sup>144</sup>

## 2. Commission Determination

56. We propose to adopt INGAA's recommendation to allow for abandonment of facilities based on the actual cost of abandonment rather than the hypothetical cost of replicating the facilities today. This would allow for more abandonments under the automatic and prior notice provisions, in line with the program's aims of providing streamlined procedures which increase flexibility and reduce regulatory burden for a generic class of routine activities. The blanket certificate regulations already include protections for firm shippers on pipelines proposed to be abandoned and conditions to protect the environment. When pipelines are abandoned in place, there is typically little construction or environmental disturbance, and, if the pipeline is proposed to be removed, the scale of any removal project and associated impacts are necessarily limited by the blanket certificate cost limits.

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<sup>143</sup> *Id.* at 39.

<sup>144</sup> *Id.* at 39-40.

## H. Abandonment of Storage Wells

57. Under the current blanket certificate regulations, changes to the function of natural gas storage wells currently require prior notice procedures, regardless of cost.<sup>145</sup>

### 1. Comments

58. INGAA proposes that the Commission revise § 157.213 to allow abandonment of storage wells under automatic authorizations, rather than being required to proceed under prior notice.<sup>146</sup> It states that § 157.213(a), which prevents storage operators from altering well functions, is unnecessary given the language limiting automatic authorizations to only those projects that do not alter the physical parameters of a storage field.<sup>147</sup>

Equitrans states that most of the storage well abandonments that it has undertaken pursuant to prior notice have been required for compliance with either state or Federal safety requirements.<sup>148</sup> It notes that it has had cases where the physical parameter requirement for automatic authorization has been met, but prior notice procedures were required to abandon a well.<sup>149</sup>

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<sup>145</sup> 18 CFR 157.213(a).

<sup>146</sup> INGAA September 24, 2025 Comments at 41.

<sup>147</sup> *Id.*

<sup>148</sup> Equitrans September 24, 2025 Comments at 4.

<sup>149</sup> *Id.*

59. AGA opposes INGAA's proposal and requests that the Commission continue to require prior notice procedures for storage well abandonments.<sup>150</sup> It asserts that allowing abandonment of storage wells under automatic authorization will bypass regulatory review and provide less transparency.<sup>151</sup>

## **2. Commission Determination**

60. We propose to allow for the abandonment of storage wells under automatic authorization if the abandonment does not alter the physical parameters of a storage field. We find that such abandonments are routine, well understood, and often carried out for safety purposes. This change would streamline the authorization for well abandonments without affecting the service provided by natural gas storage operators.

### **I. Temporary Work Spaces Under § 2.55**

61. Currently, under § 2.55(b) of the Commission's regulations, natural gas pipelines can replace facilities if the replacement will have a substantially equivalent designed delivery capacity, will be located in the same right-of-way or on the same site as the facilities being replaced, and will be constructed using the temporary work space used to construct the existing facility.<sup>152</sup> There is no cost limit for replacements done under § 2.55.

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<sup>150</sup> AGA March 4, 2026 Reply Comments at 10-11.

<sup>151</sup> *Id.*

<sup>152</sup> 18 CFR 2.55(b).

## 1. Comments

62. INGAA requests that the Commission revise § 2.55(b)(ii) to allow a pipeline to replace facilities if it can secure temporary work space by mutual agreement with landowners.<sup>153</sup> INGAA states that such a reform is needed because documentation of the original work space used to construct older pipelines may not be available.<sup>154</sup> It states that although the Commission's regulations have guidance for when this occurs, that guidance may not provide sufficient work space or access road allowances, particularly for steep slope construction or work to accommodate landowner requests.<sup>155</sup>

## 2. Commission Determination

63. We do not propose to adopt INGAA's proposal. The limitation on work space under § 2.55 ensures that replacement projects do not affect the environment in ways not already assessed by the Commission when it authorized the original project.<sup>156</sup> Although INGAA's proposal addresses potential landowner concerns, the Commission would have no way of knowing whether the environmental effects of the replacement would be consistent with the construction of the original project. Moreover, under the blanket certificate program, pipelines can undertake replacement activities, subject to the cost

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<sup>153</sup> INGAA September 24, 2025 Comments at 42. Boardwalk filed comments in support of INGAA's proposal.

<sup>154</sup> *Id.*

<sup>155</sup> *Id.*

<sup>156</sup> *Arkla Energy Res. Co.*, 67 FERC ¶ 61,173, at 61,516 (1994) (“The authority to replace a facility and to establish a right-of-way should be limited by the terms and locations delineated in the original construction certificate.”).

limits, that result in an incremental increase in capacity or require additional/new work space.

## **J. Automatic Authorization of Mainline Projects**

64. In 2006, the Commission expanded the scope of blanket certificate activities to include mainline facilities, subject to prior notice procedures.<sup>157</sup> In explaining why mainline projects must proceed under prior notice procedures, we stated that, “[g]iven the Commission’s lack of experience under the blanket program in supervising mainline ... facility projects, ... it would be prudent to provide prior notice for all projects involving these newly blanket-enfranchised facilities.”<sup>158</sup> The Commission explained that by requiring prior public notice for blanket projects “the Commission, affected landowners, and others will be afforded a reasonable opportunity to review the potential impacts of proposed projects prior to construction.”<sup>159</sup>

### **1. Comments**

65. INGAA recommends that the Commission amend its regulations to allow for automatic authorization of mainline projects.<sup>160</sup> It argues that since 2006 the Commission has gained the necessary experience in supervising mainline projects under the blanket certificate program, and that the projects that meet the blanket certificate

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<sup>157</sup> Order No. 686, 117 FERC ¶ 61,074 at P 13.

<sup>158</sup> *Id.* P 15.

<sup>159</sup> *Id.* P 11.

<sup>160</sup> INGAA September 24, 2025 Comments at 47-48. Boardwalk and WBI filed comments in support of INGAA’s proposal.

program's requirements for automatic authorization, particularly the cost limit, have minor impacts, are well understood, and are often carried out to meet safety and integrity requirements.<sup>161</sup>

66. AGA asserts that mainline work is not appropriate for automatic authorization, which was designed to enable minor investments in facilities that require little scrutiny.<sup>162</sup>

It expresses doubt that expansion of mainline facilities would constitute minor investments or only have a *de minimis* impact on rates, and asserts that automatic authorization should not be used for work that more than incidentally increases a pipeline's delivery capability.<sup>163</sup> AGA argues that the automatic authorization process was designed to enable minor investments in facilities that require little scrutiny.<sup>164</sup>

## 2. Commission Determination

67. As we explained in 2006, the Commission permits the authorization of mainline projects, such as compression and looping projects designed to increase the pipeline's capacity, under the prior notice program to ensure these matters receive appropriate review. We seek comment on INGAA's proposal to include mainline facilities under the

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<sup>161</sup> *Id.* at 48; *see also* Boardwalk September 24, 2025 Comments at 7 (noting that stricter pipeline safety and integrity regulations by the US Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) require a more efficient process to replace existing mainline facilities).

<sup>162</sup> AGA March 4, 2026 Reply Comments at 10. PGC filed reply comments in support of AGA's reply comments.

<sup>163</sup> *Id.*

<sup>164</sup> *Id.*

automatic program and direct staff to consider the proposal in its NEPA review, as discussed below. Under INGAA's proposal, automatic authorization mainline projects would still be subject to the lower automatic authorization cost limit, but we seek comment on whether those projects are expected to have relatively little impact on ratepayers or pipeline operations, and if we can be assured any issues related to the proper allocation of costs between new and existing customers will be addressed in a future NGA section 4 rate case proceeding.<sup>165</sup> As discussed above, we are including additional protections for shippers to disclose the purpose and beneficiaries for such projects for use in potential future section 4 or section 5 rate proceedings. Finally, because the Commission has not previously authorized mainline facilities under the automatic program, we also seek comment on whether the Commission should apply its policy of granting automatic predeterminations of rolled-in rate treatment for those projects.

#### **K. Removing Cost Limits for Expansions of Existing Compressor Stations**

68. Blanket certificate holders can currently construct new compressor stations and additional compressor units at existing compressor stations under automatic authorization

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<sup>165</sup> See, e.g., *Tex. E. Transmission LP*, 176 FERC ¶ 61,206, at P 24 (2021) (“[O]ur determination regarding rolled-in rates does not presume any decision with regard to the appropriate allocation of project costs. Texas Eastern will have the burden in its next NGA section 4 rate case to show that costs are assigned to services equitably and the relevant parties will be free to fully argue their positions when Texas Eastern files to roll project costs into its current system rates.”); see also Order No. 686, 117 FERC ¶ 61,074 at P 38 (“[T]he current practice of presuming, initially, that blanket project costs will qualify for rolled-in rate treatment, then evaluating the validity of this presumption, subsequently, in an NGA section 4 rate proceeding.”).

and prior notice procedures.<sup>166</sup> Replacements of compressor units that result in an “incidental increase” in capacity, but that do not have the primary purpose of increasing mainline capacity, can be constructed.<sup>167</sup> In addition, new compressor stations and additional compressor units at existing stations at storage facilities can be constructed, provided there is no change in the storage facilities’ certificated parameters.<sup>168</sup>

### 1. Comments

69. INGAA requests that the Commission expand the blanket certificate program to allow for compression projects that increase capacity under prior notice procedures, regardless of cost, when those projects are located within existing facilities’ footprints.<sup>169</sup> It proposes that the pipeline must own or lease all project land to be eligible for this proposed expansion.<sup>170</sup> INGAA argues that the minimal impact on landowners, lesser environmental effects, and expedition of the replacement of facilities justifies removing the cost limits on these types of projects.<sup>171</sup> It states that the blanket certificate program’s

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<sup>166</sup> 18 CFR 157.202(b)(2), (6), 157.208(a), (b).

<sup>167</sup> *Id.* 157.202(b)(2), 157.208(a), (b), 157.210.

<sup>168</sup> *Id.* 157.213(a), (b).

<sup>169</sup> INGAA September 24, 2025 Comments at 48-51. TransCanada USA Pipeline Services LLC filed comments in support of INGAA’s proposal.

<sup>170</sup> *Id.* at 49-50.

<sup>171</sup> *Id.* at 49-51.

existing safeguards ensure that compression projects within existing footprints will not have major effects on landowners, the environment, or rates.<sup>172</sup>

70. AGA and APGA oppose INGAA's proposal to remove cost limits for expansions of existing compressor stations.<sup>173</sup> They assert that such projects would have more than a *de minimis* impact on rates and that permitting such activities to proceed without a cost cap risks loss of oversight and scrutiny.<sup>174</sup> They state that INGAA's proposal would likely result in significant costs being passed through to ratepayers who may not benefit from the expansion.<sup>175</sup> Finally, according to AGA, allowing such projects would deprive shippers of the transparency needed to track project costs and impacts.<sup>176</sup>

## 2. Commission Determination

71. We propose to adopt INGAA's recommendation. Providing for the prior notice authorization of expansions of existing compressor stations within the fence line of the station limits impacts on landowners while still allowing pipeline companies to expand their systems using the expedited blanket certificate procedures. Because the projects would be subject to notice and protest procedures, such projects would not lack

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<sup>172</sup> *Id.* at 49.

<sup>173</sup> PGC filed reply comments in support of AGA's reply comments.

<sup>174</sup> AGA March 4, 2026 Reply Comments at 6; APGA March 13, 2026 Reply Comments at 6-7.

<sup>175</sup> AGA March 4, 2026 Reply Comments at 6; APGA March 13, 2026 Reply Comments at 6-7.

<sup>176</sup> AGA March 4, 2026 Reply Comments at 6.

transparency, oversight, or scrutiny, as AGA and APGA assert. Moreover, the blanket certificate regulations' environmental conditions, coupled with the protest mechanisms built into the prior notice procedures, ensure that nearby residents and landowners, pipeline customers, and Commission staff have an opportunity to evaluate the individual projects and protest them if necessary. However, in light of the fact that these projects will not be subject to a cost limit and to ensure that the air and noise impacts of compressor station expansions are properly evaluated by Commission staff during the notice period, we are requiring applicants to file all of the information required by § 380.12(k) of our regulations. We seek comment on our proposal to require this information. In particular, we seek comment on whether all the information required by § 380.12(k), including that related to noise impacts, is necessary to evaluate the compressor station expansion projects proposed herein or whether other information should be required to analyze a potential project's air and noise impacts. Applicants will also be required to comply with the blanket certificate program's noise condition, which specifies that noise attributable to compression added to an existing station, or any modification, upgrade or update of an existing station, must not exceed a day-night level (Ldn) of 55 dBA at any pre-existing NSA or, if the noise from the station already exceeds 55 dBA, the modification does not cause overall noise attributable to the station to increase.<sup>177</sup> As discussed above, we are also including additional ratepayer protections,

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<sup>177</sup> 18 CFR 157.206(b)(5).

such as requiring blanket certificate holders to disclose the purpose and beneficiaries for such projects.

72. Because Commission staff only has 60 days to complete its environmental review of blanket certificate projects, the Commission expects applications to be complete when filed.<sup>178</sup> Failure to provide a complete application may result in rejection or Commission staff protest of the application.<sup>179</sup>

#### **L. National Historic Preservation Act Compliance**

73. Under section 106 of the National Historic Preservation Act (NHPA)<sup>180</sup> and its implementing regulations,<sup>181</sup> federal agencies must take into account the effect of any proposed undertaking on properties listed or eligible for listing in the National Register of Historic Places (defined as historic properties) and afford the Advisory Council on Historic Preservation (Advisory Council) a reasonable opportunity to comment on the

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<sup>178</sup> See, e.g., 18 CFR 157.206(b)(5)(ii) (requiring a noise survey for new and modified compression station facilities); *id.* 157.208(c)(9) (requiring a concise analysis discussing the relevant issues outlined in § 380.12, including, for compressor facilities, how the proposed action will be made to comply with applicable State Implementation Plans developed under the Clean Air Act); see also *id.* 380.12 (requiring submission of an environmental report consisting of thirteen resource reports and related material, including Resource Report 9—Air and noise quality).

<sup>179</sup> Cf., e.g., *Commission Staff*, Environmental Information Request, Docket No. CP20-448-000, at 3 (issued May 26, 2020) (requesting information on Endangered Species Act compliance); *ANR Pipeline Co.*, Environmental Information Response, Docket No. CP19-102-000, at 7, attach. 4 (issued March 27, 2019) (providing information on Endangered Species Act compliance).

<sup>180</sup> 54 U.S.C. 306108.

<sup>181</sup> 36 CFR pt. 800.

undertaking. This generally requires the Commission to consult with the State Historic Preservation Officer (SHPO) or Tribal Historic Preservation Officer (THPO) to determine whether and how a proposed action may affect historic properties and to seek ways to avoid any adverse effects. The current blanket certificate regulations require that the SHPO or THPO find that a project will have “no effect” on historic properties prior to proceeding under a blanket certificate.<sup>182</sup>

### **1. Comments**

74. INGAA argues that only a “finding of adverse effects” by the SHPO or THPO should preclude a project from proceeding under a blanket certificate and thus requests that the Commission allow projects to proceed under a blanket certificate when the project receives a “no effect to historic properties” or a “no adverse effect to historic properties” finding from the SHPO or THPO.<sup>183</sup>

### **2. Commission Determination**

75. The blanket certificate program has been successful, in part, due to the environmental conditions of the program, which ensure that only those projects that will have minimal impacts are eligible. Expanding the program to include projects that receive a finding of “no adverse effect” would change the program’s underlying protections for historic properties because a “no effect” finding typically only occurs

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<sup>182</sup> 18 CFR 157.206(b)(3)(ii); *id.* pt. 157, subpt. F, app. II.

<sup>183</sup> INGAA September 24, 2025 Comments at 51-53. WBI filed comments in support of INGAA’s proposal.

where no historic properties are present. Moreover, the Commission's current blanket certificate procedures for compliance with the NHPA,<sup>184</sup> which are designed to streamline the approvals of projects, do not apply to projects receiving a "no adverse effect" finding.

76. In order to institute alternative procedures that would allow for the streamlined approval of projects that receive a "no adverse effect" finding while ensuring compliance with the NHPA, the Commission would likely be required to develop a programmatic agreement for the program. Development of a nationwide programmatic agreement would necessitate consultation with SHPOs within the National Conference of SHPOs (which includes all fifty states, territories, and freely associated states), all federally recognized Indian Tribes and Native Hawaiian organizations, as well as establishing an opportunity for public input, and review by the Advisory Council. This would be a lengthy and difficult process that would delay implementation of the proposed revisions to the blanket certificate program, which will provide streamlined procedures that increase flexibility and reduce regulatory burdens on interstate natural gas companies. Accordingly, we do not propose to expand the blanket program to allow projects with no adverse effects and instead propose to retain the current "no effect" requirement.

77. Nevertheless, we propose to clarify in our regulations that, upon acceptance of the blanket certificate, the certificate holder shall act as the Commission's non-Federal

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<sup>184</sup> 18 CFR pt. 157, subpt. F, app. II.

representative for purposes of complying with the NHPA, consistent with similar provisions for Endangered Species Act compliance.<sup>185</sup>

### **M. Reporting Requirements**

78. Currently, blanket certificate holders are required to file annual reports for activities completed under automatic authorization. Although there are additional, and sometimes different, requirements for certain types of facilities (delivery points, temporary compression, abandonments, and storage testing facilities), the report generally must include: (1) a description of the facilities installed; (2) the specific purpose, location, and beginning and completion date of construction of the facilities installed, the date service commenced, and, if applicable, a statement indicating the extent to which the facilities were jointly constructed; (3) the actual installed cost of each facility; (4) information regarding consultations which took place to ensure compliance with the Endangered Species Act, the NHPA, and the Coastal Zone Management Act; (5) documentation, including images, that restoration of work areas is progressing appropriately; (6) a discussion of problems or unusual construction issues, including those identified by affected landowners, and corrective actions taken or planned; and (7) for new or modified compression, a noise survey.<sup>186</sup>

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<sup>185</sup> 18 CFR 157.206(b)(7); *id.* pt. 157, subpt. F, app. I.

<sup>186</sup> 18 CFR 157.207. With the exception of increases in storage capacity, for which there are additional reporting requirements, other prior notice activities require only that the certificate holder file the actual installed cost of each facility. *Id.* 157.207, 157.208(e).

## 1. Comments

79. Some commenters request that the Commission expand the reporting requirements for projects completed under the blanket certificate program. AGA requests that pipelines be required to provide additional disclosure and identification of blanket activities both in the FERC Form No. 2 and when a natural gas pipeline submits an NGA section 4 rate case filing.<sup>187</sup> NGSAs states that the Commission should establish a mechanism for identifying and tracking blanket certificate projects.<sup>188</sup> And EDF suggests that the Commission should create a public database of blanket certificate filings, notices, and objections to help ensure that landowners are protected should the Commission decide to increase the scope of the blanket certificate program.<sup>189</sup>

## 2. Commission Determination

80. As discussed above, we propose to require natural gas pipelines to disclose the beneficiaries of automatic authorization projects. We believe that such additional information can be incorporated into the reporting already required and that additional or duplicative reporting is unnecessary. With respect to EDF's request for a public database of blanket certificate activities, we note that the Commission's eLibrary system includes all filings made to the Commission, including prior notice applications, protests to those

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<sup>187</sup> AGA September 24, 2025 Comments at 13.

<sup>188</sup> NGSAs November 7, 2025 Reply Comments at 8.

<sup>189</sup> EDF September 24, 2025 at 23.

applications, and the certificate holders' annual reports of blanket activities.<sup>190</sup> Thus, a separate parallel system would entail additional maintenance costs while providing no new benefits.

#### **N. Expanding Public Notification**

81. Currently, for automatic authorization projects, certificate holders must make a good-faith effort to notify in writing all affected landowners<sup>191</sup> at least 45 days prior to commencing construction or at the time they initiate easement negotiations, whichever is earlier.<sup>192</sup> For prior notice activities, blanket certificate holders must file an application with the Commission and make a good-faith effort to notify in writing all affected landowners within at least three business days of the date that a docket number is

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<sup>190</sup> For example, the pipeline's annual reports can be found in eLibrary by searching for the "157.207 Annual Construction Report" under the "Report/Form" document class type.

<sup>191</sup> 18 CFR 157.6(d)(2) (defining affected landowners).

<sup>192</sup> *Id.* 157.203(b), (d). Landowner notification is not required for: (1) replacements that meet the location requirements of § 2.55(b)(1)(ii) and do not cause any ground disturbance; (2) replacements done for safety, Department of Transportation compliance, environmental, or unplanned maintenance reasons that are not foreseen and that require immediate attention; (3) abandonments by sale or transfer of the facilities where the easement will continue to be used for transportation of natural gas; (4) instances where there is only one landowner and that landowner has requested the service or facilities; and (5) activities that do not involve ground disturbance or changes to operational air and noise emissions. *Id.* 157.203(d)(3).

assigned to the application or at the time it initiates easement negotiations, whichever is earlier.<sup>193</sup>

### 1. Comments

82. EDF recommends increasing the landowner notification window for automatic authorization projects from 45 to 60 days, expanding the definition of “landowner” to include affected communities, and requiring that the Office of Public Participation host meetings during the notice window.<sup>194</sup> EDF also proposes requiring that electronic notice be provided to affected landowners for blanket certificate activities,<sup>195</sup> as well as notification by certified mail.<sup>196</sup>

83. Ms. Swanton expresses general disagreement with the blanket certificate program due to lack of outreach and the ability to comment.<sup>197</sup> She notes that automatic authorizations receive no public comment period and landowners are only afforded 45 days’ notice.<sup>198</sup>

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<sup>193</sup> 18 CFR 157.203(d)(2). The same landowner notification exceptions that apply to automatic authorizations also apply to prior notice projects.

<sup>194</sup> EDF September 24, 2025 Comments at 21-23.

<sup>195</sup> *Id.* at 22.

<sup>196</sup> *Id.* at 6.

<sup>197</sup> Kristin Swanton August 25, 2025 Comments.

<sup>198</sup> *Id.*

## 2. Commission Determination

84. Because the good faith effort standard in § 157.203(d)(1) and (2) is subjective, we propose to adopt the same notification requirement as for section 7 applications—i.e., that the company notify all affected landowners for all blanket certificate projects by certified or first class mail.<sup>199</sup>

85. We do not propose to adopt the other measures recommended by EDF. With respect to the notice requirements for projects constructed under automatic authorization, we believe 45 days is sufficient given the scope of such projects. Additionally, the definition of affected landowner is the same used for section 7 applications, and we do not recommend creating different notification requirements for blanket certificate projects. Finally, we decline to require that the Office of Public Participation hold a public meeting during the notice period for prior notice projects. No such requirement exists for section 7 projects, which are typically larger and have more potential impacts. And imposing such a requirement would likely require lengthening blanket certificate project timelines, contrary to the program's stated aims of streamlining reviews and reducing regulatory burdens. We note that the Office of Public Participation will continue to engage with the public and act as a liaison to members of the public affected by and interested in Commission proceedings. Additionally, we note that the Commission's landowner helpline is available to provide assistance, and our landowner

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<sup>199</sup> 18 CFR 157.6(d)(1)(i) (requiring landowner notification by certified or first class mail); *see also infra* proposed revisions to 18 CFR 157.203(d).

notification regulations require interstate pipelines to provide information regarding the helpline.<sup>200</sup>

86. Regarding electronic notice, affected landowner lists are established by identifying the owners of affected properties as reflected in the most recent county/city tax records. The Commission is not aware of a reliable, verifiable resource that pipeline companies or the Commission could use to generate a list of email addresses for affected landowners to accomplish electronic notice. Thus, we also decline to adopt EDF's proposal to require electronic notice to affected landowners.

87. Finally, in response to Ms. Swanton's comments that stakeholders should be allowed to comment on automatic authorization projects, we find the projects eligible for automatic authorization, including those proposed for inclusion herein, are so well-understood as an established industry practice that little scrutiny is required to determine their compatibility with the public convenience and necessity. Therefore, we do not adopt Ms. Swanton's proposal.

**O. Additional Proposed Revisions**

88. In addition to the proposals filed by various commenters, we propose the following changes to the blanket certificate regulations.

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<sup>200</sup> 157 CFR 203(d)(1)(iii)(D).

## 1. Endangered Species Act Compliance

89. Section 7 of the Endangered Species Act of 1973<sup>201</sup> requires federal agencies to ensure that their actions are not likely to jeopardize the continued existence of federally listed threatened or endangered species or result in the destruction or adverse modification of the critical habitat of such species. This requires the Commission to consult with the US Fish and Wildlife Service (FWS) or National Marine Fisheries Service if a proposed action may affect a listed species or critical habitat. Currently, the blanket certificate regulations require certificate holders to conduct informal consultation and receive a determination from the appropriate federal agency that the activity is not likely to adversely affect a listed species or critical habitat or that no further consultation is necessary prior to proceeding under a blanket certificate.<sup>202</sup> Because consultation is not required for activities that would have no effect on a listed species or critical habitat, we clarify that for all blanket activities for which the certificate holder finds, using appropriate federal databases such as the FWS Information for Planning and Consultation (IPaC) website, that an activity has no effect to listed species or critical habitat, the certificate holder is only required to provide documentation of that finding. Certificate holders would still be required to conduct informal consultation and receive a determination from the appropriate federal agency for activities that may affect but are not likely to adversely affect listed species or critical habitat. Activities that are likely to

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<sup>201</sup> 16 U.S.C. § 1536(a).

<sup>202</sup> See 18 CFR 157.206(b)(3)(i); *id.* pt. 157, subpt. F, app. I.

adversely affect listed species or critical habitat would require a case-specific authorization order.

## **2. Landowner Notification**

90. Section 157.203(d)(2) currently requires landowner notification for prior notice projects “within at least three business days following the date that a docket number is assigned to the application or at the time [the certificate holder] initiates easement negotiations, whichever is earlier.” However, some of the notice requirements presuppose that a docket number has been assigned, which may not be the case if the notification occurs during easement negotiations.<sup>203</sup> Additionally, if easement negotiations begin months prior to an application being filed, landowners may, by the time the application is filed, no longer have or remember all the information that was contained in the notice that was provided. Therefore, for prior notice projects, we propose to require landowner notification both when easement negotiations begin and within 3 business days of a docket number being assigned.

## **3. Removal of Outdated Cross Reference**

91. Section 157.204(b) states: “Upon receiving an application for a blanket certificate under this subpart, the Commission will conduct a hearing pursuant to section 7(c) of the Natural Gas Act and §§ 1.32 and 157.11 of this chapter.” We propose removing the cross-reference to § 1.32, as the section no longer exists in the Commission’s regulations.

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<sup>203</sup> 18 CFR 157.203(d)(2)(vi).

#### 4. Updating the Procedure for the Withdrawal of Protests

92. Currently, under § 157.205(f), the certificate holder, protestor, any intervenors, and Commission staff have 30 days from the prior notice deadline to resolve the protest and file a withdrawal. Section 157.205(g) also limits the time to withdraw a protest to 30 days following the prior notice deadline. We propose to alter this timeline and allow for the withdrawal of a protest any time prior to a Commission order. This change would provide parties additional time to negotiate a resolution while not preventing the Commission from acting in a timely fashion, depending on the circumstances.

#### 5. Construction of Facilities Near Nuclear Power Plants

93. Section 157.206(b)(6) does not currently allow the construction of eligible facilities that are located within 0.5 miles of a nuclear power plant that is either operating or under construction, or for which a construction permit has been filed with the Nuclear Regulatory Commission (NRC). Because we propose to incorporate mainline facilities into § 157.208, we clarify that mainline facilities are also subject to the same restriction. Additionally, to clarify that the term “nuclear power plant” was not intended to cover nuclear storage facilities, we propose replacing “nuclear power plant” with “nuclear power reactor facilities,” the term used in NRC’s comments to the original blanket certificate notice of proposed rulemaking.<sup>204</sup>

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<sup>204</sup> Order No. 234, FERC Stats. & Regs. ¶ 30,368 at 30,216; *see also* 10 CFR 100.3 (defining “power reactor” to mean “a nuclear reactor of a type described in § 50.21(b) or § 50.22 of this chapter designed to produce electrical or heat energy.”); US Nuclear Regulatory Commission, *Glossary: Power Reactor*, <https://www.nrc.gov/reading-rm/basic-ref/glossary/power-reactor> (accessed Apr. 15, 2026) (defining “power

## 6. Synthetic and Liquefied Natural Gas (LNG) Facilities

94. Section 157.212 requires prior notice procedures for facilities that transport either a mix of synthetic and natural gas or exclusively revaporized LNG. We propose eliminating this section and allowing such facilities to be constructed either under automatic authorization or prior notice procedures, subject to the applicable cost limits.

In the 2006 rulemaking, the Commission stated that its “lack of experience under the blanket program in supervising ... LNG and synthetic gas ... facility projects [made it] prudent to provide prior notice for all projects involving these ... facilities.”<sup>205</sup>

Additionally, the Commission noted that “LNG and synthetic gas facilities ... [raise] fact-specific issues of safety, security, and gas interchangeability.”<sup>206</sup> Since 2006, the Commission has gained considerable experience in addressing issues related to synthetic gas and LNG. For example, most pipelines have gas quality tariff provisions to protect shippers and ensure that gas interchangeability issues are addressed.<sup>207</sup> Thus, we believe the section is no longer necessary. Facilities that transport either a mix of synthetic and

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reactor” as “[a] reactor designed to produce heat for electric generation (as distinguished from reactors used for research), for producing radiation or fissionable materials or for reactor component testing”).

<sup>205</sup> Order No. 686, 117 FERC ¶ 61,074 at P 15.

<sup>206</sup> *Id.* P 18.

<sup>207</sup> See *Pol’y Statement on Provisions Governing Nat. Gas Quality & Interchangeability in Interstate Nat. Gas Pipeline Co. Tariffs*, 71 FR 35893 (June 22, 2006), 115 FERC ¶ 61,325 (2006) (requiring pipelines to maintain tariff provisions governing gas quality and interchangeability).

natural gas or exclusively revaporized LNG would be eligible for construction under the other provisions of the blanket certificate regulations.

## **7. Abandonment of Delivery Points**

95. Section 157.216(a)(1) currently allows for the automatic authorization to abandon delivery points, “provided the facility has not been used to provide: (i) Interruptible transportation service during the one year period prior to the effective date of the proposed abandonment, or (ii) Firm transportation service during the one year period prior to the effective date of the proposed abandonment, provided the point is no longer covered under a firm contract.” Additionally, § 157.216(a)(2)(iii) provides for the automatic authorization of “any other facility that did or could now qualify for automatic authorization as described in § 157.203(b), provided the certificate holder obtains the written consent of each customer served using the facility during the past 12 months.” Because delivery points qualify under both sections of § 157.216(a), this has led to confusion regarding the proper vehicle to abandon delivery points.

96. We propose clarifying the regulations to allow the abandonment of all delivery points under automatic authorization if the certificate holder obtains written consent of each customer served using the facility during the past 12 months or if the delivery point has not been used to provide interruptible or firm transportation service for the past 12 months and the point is no longer covered under a firm contract.

## **8. Correction to Condition Regarding Sensitive Environmental Resources**

97. Section 157.206(b)(4) states that “[a]ny transaction authorized under a blanket certificate shall not have a significant adverse impact on a sensitive environmental area.” The use of the word “transaction” in the regulation is misleading, as pipeline companies and other stakeholders may assume that the provision does not apply to construction activities. We propose replacing the term with “activity.” Additionally, we propose replacing the term “impacts” with “effects,” consistent with our current practice.

## **9. Correction to Categorical Exclusion for Blanket Certificate Projects**

98. Section 380.4(a)(21) states that “[a]pprovals of blanket certificate applications and prior notice filings under § 157.204 and §§ 157.209 through 157.218 of this chapter” would not have a significant effect on the human environment and are categorically excluded from preparation of an EA or environmental impact statement. The regulation inadvertently included mainline facilities under § 157.210. Because mainline facilities are proposed to be authorized under § 157.208, we note that section 380.4 would not apply to those facilities under the revisions proposed herein. However, because we propose authorizing compressor station expansions under § 157.210, we propose amending § 380.4(a)(21) to remove § 157.210 from this categorical exclusion. Thus, under the proposed regulations neither mainline facilities nor compressor station expansions will fall under the categorical exclusion.

## 10. Engineering Information

99. To ensure that Commission staff has the appropriate information to evaluate prior notice applications, we propose to require applicants to file the same Exhibit G flow diagram information that is filed for section 7 applications.<sup>208</sup> Additionally, for prior notice applications that would increase storage capacity, we propose to require the same geologic and engineering information required for applications that do not result in an increase in storage capacity.<sup>209</sup> Last, consistent with Commission practice, we propose to change “analysis” to “assessment” in § 157.213(c)(9).

## 11. Severability

100. We propose to include as new § 157.201(e) a proviso that if any provision of the blanket certificate regulations, or the application of any provision thereof to any person or circumstance, is held invalid, the remainder of those regulations and the application thereof to other persons or circumstances shall not be affected thereby. Notably, the revisions proposed herein are not “in any way intertwined” and “operate entirely independently of one another.”<sup>210</sup>

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<sup>208</sup> 18 CFR 157.14(a)(8)-(10).

<sup>209</sup> 18 CFR 157.213(c)(1)-(9).

<sup>210</sup> *Davis Cnty. Solid Waste Mgmt. v. EPA*, 108 F.3d 1454, 1459 (D.C. Cir. 1997) (internal quotation marks and citation omitted); *Carlson v. Postal Regul. Comm’n*, 938 F.3d 337, 351 (D.C. Cir. 2019); *Epsilon Elecs., Inc. v. U.S. Dep’t of Treasury*, 857 F.3d 913, 929 (D.C. Cir. 2017); *Telephone & Data Sys., Inc. v. FCC*, 19 F.3d 42, 50 (D.C. Cir. 1994).

### III. Request for Comments

101. The Commission requests and encourages public comments on this notice of proposed rulemaking. Comments may include any related matters or alternative proposals that commenters may wish to discuss. The Commission will consider comments it receives and provide responses in a final rule, with changes, if warranted.

102. Comments are due **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Comments must refer to Docket No. RM25-12-001 and must include the commenter's name, the organization they represent, if applicable, and their address in their comments. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

103. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's website at <http://www.ferc.gov>. The Commission accepts most standard word processing formats. Documents created electronically using word processing software must be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

104. Commenters that are not able to file comments electronically may file an original of their comment by USPS mail or by courier-or other delivery services. For submission sent via USPS only, filings should be mailed to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street, NE, Washington, DC 20426.

Submission of filings other than by USPS should be delivered to: Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

#### **IV. Regulatory Requirements**

##### **A. Information Collection Statement**

105. The information collection in this proposed rule is being submitted to the Office of Management and Budget (OMB) per its regulations,<sup>211</sup> which require that OMB approve certain reporting, record keeping, and public disclosure requirements imposed by an agency.

106. The Commission estimates that the proposals in this notice of proposed rulemaking will expand the scope and scale of projects that interstate natural gas pipelines may construct without a case-specific authorization order and increase the cost limits for such projects, among other changes. As a result, these proposals would reduce the number of full applications and reporting burden.

107. The Commission estimates that this proposed rule will impact the following existing information collections:

- FERC-537: Gas Pipeline Certificate: Construction, Acquisition & Abandonment

*Title:* FERC-537: Gas Pipeline Certificates: Construction, Acquisition, and Abandonment

*Action:* Revision to an existing information collection

*OMB Control No:* 1902-0060

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<sup>211</sup> 5 CFR 1320.11.

*Respondents:* Companies proposing Natural Gas Projects under section 7 of the Natural Gas Act and Jurisdictional Natural Gas Companies.

108. *Frequency of Responses:* Ongoing. Natural gas companies file the necessary information with the Commission so that it can review the filing of applications for the construction and operation of facilities to provide service or to abandon facilities or service under section 7 of the Natural Gas Act to determine if the requested authorization should be granted. The data required to be submitted in a certificate filing may include (depending on the circumstances and application):

- Identification of the company and responsible officials
- Factors considered in the location of the facilities and the impact on the area for environmental considerations
- Flow diagrams showing the design capacity for engineering design verification;
- Cost of proposed facilities, plans for financing, and estimated revenues and expenses related to the proposed facility for accounting and financial evaluation.
- Existing and proposed storage capacity and pressures and reservoir engineering studies for requests to increase storage capacity;
- An affidavit showing the consent of existing customers for abandonment of service requests.

109. In addition, requests for an increase of pipeline capacity must include a statement that demonstrates compliance with the Commission's Certificate Policy Statement by making a showing that the cost of the expansion will not be subsidized by existing

customers and that there will not be adverse economic impacts to existing customers, competing pipelines or their customers, or to landowners and surrounding communities.

*Necessity of Information:* This information is necessary so that the Commission can fulfill its statutory mandate under the Natural Gas Act to oversee natural gas infrastructure and facilities.

**Information Collections Impacted by This Rulemaking**

	<b>Number of Respondents (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden &amp; Cost Per Response <sup>212</sup> (4)</b>	<b>Total Annual Burden Hours &amp; Total Annual Cost (3)*(4)=(5)</b>	<b>Cost per Respondent (\$) (5)÷(1)<sup>213</sup></b>
18 CFR 157.6 Interstate Certificate and Abandonment Applications <sup>214</sup>	22	1.39	30.58	500 hrs.; \$51,000	15,290 hrs; \$ 1,559,580	\$70,890
18 CFR 157.53 Pipeline Purging/Testing Exemptions	1	1	1	50 hrs.; \$5,100	50 hrs.; \$5,100	\$5,100

<sup>212</sup> Commission staff estimates that the industry’s hourly cost for wages plus benefits is similar to the Commission’s \$102 FY 2026 average hourly cost for wages and benefits.

<sup>213</sup> Each of the figures in this column are rounded to the nearest dollar.

<sup>214</sup> This proposed rulemaking would reduce the number of applications. There is no proposed impact on the other parts of this collection.

18 CFR 157.203(c) Blanket Certificates Prior Notice Filings	30	2.125	63.75	200 hrs.; \$20,400	12,750 hrs.; \$ 1,300,500	\$43,350
18 CFR 157.207 Blanket Certificates – Annual Reports	176	1	176	50 hrs.; \$5,100	8,800hrs.; \$897,600	\$5,100
18 CFR 284.11 (NGPA Section 311 Constructio n – Annual Reports)	75	1	75	50 hrs.; \$5,100	3,750 hrs.; \$382,500	\$5,100
18 CFR 284.8 <sup>215</sup> Request for Waiver of Capacity Release Regulations	31	1.39	43.09	10 hrs.: \$1,020	430.9 hrs.; \$ 43,952	\$1,418
18 CFR 284.13(e) and 284.126(a) Interstate and Intrastate Bypass Notice	2	1	2	30 hrs.; \$3,060	60 hrs.; \$6,120	\$3,060

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<sup>215</sup> A Certificate Abandonment Application would require waiver of the Commission's capacity release regulations in 18 CFR 284.8; therefore this activity is associated with Interstate Certificate and Abandonment Applications.

18 CFR 284.221 Blanket Certificates – Transportati on by Interstate Pipelines on behalf of others	1	1	1	100 hrs.; \$10,200	100 hrs.; \$10,200	\$10,200
18 CFR 284.224 Blanket Certificate - Hinshaw Pipeline Blanket Certificates	2	1	2	75 hrs.; \$7,650	150 hrs.; \$15,300	\$7,650
18 CFR 157.18 Non-facility Certificate or Abandonme nt Application s	11	1.36	14.96	75 hrs.; \$7,650	1,122 hrs.; \$114,444	\$10,200
Project based Labor wages	22	1	22	15 hrs. \$1,530	330 hrs. \$33,660	\$1,530
<b>TOTAL</b>			<b>431 (rounded)</b>		<b>42,833 hrs.; (rounded) \$4,368,956</b>	

The Commission requests comments on

- the need for this information,
- whether the information will have practical utility,
- the accuracy of the provided burden estimates,

- ways to enhance the quality, utility, and clarity of the information to be collected, and
- any suggested methods for minimizing respondents' burden, including the use of automated information techniques.

Send written comments concerning the collection of information(s) and the associated burden estimate(s) to the Commission according to the instructions in this notice of proposed rulemaking. You must include the Docket Number and the related OMB Control Number (if applicable).

#### **B. Environmental Analysis**

110. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.<sup>216</sup> Accordingly, Commission staff is directed to prepare a National Environmental Policy Act document to assess the environmental impacts of projects that may be constructed pursuant to the automatic authorization. That document will also consider the impact of the action we are taking in this rulemaking proceeding. For prior notice projects, Commission staff will continue to conduct a case-specific analysis, including the nature of appropriate environmental review, e.g., preparation of an Environmental Assessment or application of a categorical exclusion.

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<sup>216</sup> 42 U.S.C. 4321–4347; 18 CFR pt. 380.

### C. Regulatory Flexibility Act

111. The Regulatory Flexibility Act of 1980 (RFA)<sup>217</sup> generally requires a description and analysis of proposed rules that will have significant economic impact on a substantial number of small entities. The Commission is not required to make such an analysis if proposed regulations would not have such an effect.

112. The Small Business Administration's (SBA) Office of Size Standards develops the numerical definition of a small business.<sup>218</sup> SBA regulations designate natural gas pipelines ( *i.e.*, NAICS 486210) as small entities if they do not exceed the size standard of \$41.5 million.<sup>219</sup> For the past five years, one company not affiliated with larger companies had annual revenues in combination with its affiliates of \$41.5 million or less and therefore could be considered a small entity under the RFA. Based on the estimated number of respondents submitting full applications (22), this represents about five percent of the total potential respondents that may experience a significant impact from the proposed rule. However, the proposed rule adjusts the cost limitations of the current program to ensure that the program continues to cover the same class of infrastructure projects. Impacts associated with this proposed rule are limited to the avoidance of unintended new obligations that would be imposed on affected small businesses in the absence of a change and therefore are not significant. Accordingly, pursuant to section

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<sup>217</sup> 5 U.S.C. 601-612.

<sup>218</sup> 13 CFR 121.101.

<sup>219</sup> *Id.*

605(b) of the RFA, the Commission certifies that the regulations proposed herein should not have a significant economic impact on a substantial number of small entities.

#### **D. Regulatory Planning and Review**

113. Executive Order (E.O.) 12866 (Regulatory Planning and Review), as amended by E.O. 14215 (Ensuring Accountability for All Agencies) and affirmed by E.O. 13563 (Improving Regulation and Regulatory Review), directs agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. The Office of Information and Regulatory Affairs (OIRA) has determined this regulatory action is a “significant regulatory action,” under section 3(f) of Executive Order 12866, as amended, though not economically significant under section 3(f)(1). Accordingly, OIRA has reviewed this regulatory action for compliance with the analytical requirements of Executive Order 12866. This regulatory action proposes to expand the scope and scale of construction activities that interstate natural gas pipelines may undertake without a case-specific authorization order from the Commission and increase the cost limits for such projects, which would have the effect of streamlining the approval of natural gas infrastructure projects and would be deregulatory in nature. In particular, the proposed rule would reduce the number of projects subject to the complete application process by approximately 9 projects per year; this streamlining would result in a burden reduction of

29%. These projects could include construction of new interstate pipeline facilities, expansions of existing compressor stations, and abandonment of interstate pipeline facilities. We note that the proposed rule would not change the total number of projects that would be constructed, just the method for obtaining regulatory approval. The proposed rule would result in cost savings to the agency and interstate pipelines for the projects that would be covered by the proposed rule because it would provide a more streamlined administrative process for project proposals that would otherwise require case-specific NGA section 7 review. As reflected in the table above, we estimate that respondents would save 4,500 hours of effort, which the Commission estimates as a cost savings of \$459,000. Moreover, faster approvals would result in additional cost savings and benefits to interstate pipelines and their customers. We seek comment on how to quantify those cost savings. The Commission does not anticipate that allowing pipeline companies to charge incremental rates for projects constructed pursuant to the prior notice procedures would shift costs to pipeline customers, as the incremental rate ensures that only those persons who benefit from the project pay for its costs. Additionally, under the proposed rule, future updates to the cost limits would be more in line with changes in construction costs experienced by the natural gas industry, ensuring consistency over time regarding the types of projects eligible for the blanket certificate program. Absent this rule, interstate natural gas pipeline projects costing over \$41.1 million would be subject to a less streamlined permitting process. Should the Commission set lower cost limits or use a different method for annually updating those limits, fewer projects would be eligible, resulting in increased administrative costs to both

interstate pipelines and the Commission. This proposed rule, if finalized as proposed, is expected to be a deregulatory action under E.O. 14192 (Unleashing Prosperity Through Deregulation).

#### **E. Document Availability**

114. 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/or print the contents of this document via the Internet through the Commission's Home Page (<http://www.ferc.gov>).

115. From the Commission's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

116. User assistance is available for eLibrary and the Commission's website during normal business hours from FERC Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at [ferconlinesupport@ferc.gov](mailto:ferconlinesupport@ferc.gov), or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. E-mail the Public Reference Room at [public.referenceroom@ferc.gov](mailto:public.referenceroom@ferc.gov).

117. In accordance with 5 U.S.C. 553(b)(4), a summary of this rule may be found at [www.ferc.gov/major-orders-regulations](http://www.ferc.gov/major-orders-regulations) under the NOPR tab.

**List of subjects in 18 CFR Part 157**

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

By direction of the Commission.

( S E A L )

Carlos D. Clay,  
Deputy Secretary.

In consideration of the foregoing, the Commission proposes to amend Part 157, Subpart F, and Part 380, Title 18, *Code of Federal Regulations*, as follows:<sup>220</sup>

**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, 3301-3432; 42 U.S.C. 7101-7352

1. Amend § 157.202 by adding paragraph (e).

\* \* \* \* \*

(e) If any provision of this subpart, or the application of such provision to any person or circumstance, is held invalid, the remainder of this subpart and the application of such provision to other persons or circumstances shall not be affected thereby.

2. Amend § 157.202 by adding paragraph (b)(14)

**§ 157.202 Definitions**

\* \* \* \* \*

(b) \* \* \*

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<sup>220</sup> While we are including language regarding the inclusion of mainline facilities in the blanket program in section 157.208(a)(3), with conforming changes elsewhere, we do so to illustratively elicit comment on potentially including mainline facilities under the automatic program.

(14) *Receipt Point* means a tap and/or metering and appurtenant facilities such as heaters, minor gas conditioning, treatment, odorization, and similar equipment, necessary to enable the certificate holder to receive gas from any party.

3. Amend § 157.203 by:

a. revising paragraph (b) to include a reference to § 157.212;

b. revising paragraph (c) to remove a reference to § 157.212;

c. revising paragraph (d)(1); and

d. revising paragraph (d)(2).

The revisions read as follows:

### **§ 157.203 Blanket Certificates**

\* \* \* \* \*

(b) *Automatic authorization.* A blanket certificate issued pursuant to this subpart authorizes the certificate holder to engage in transactions described in § 157.208(a), § 157.209(a), § 157.211(a)(1), § 157.212, § 157.213(a), § 157.215, § 157.216(a), or § 157.218 without further Commission approval.

(c) *Prior notice required.* A blanket certificate issued pursuant to this subpart authorizes the certificate holder to engage in activities described in § 157.208(b), § 157.210, § 157.211(a)(2), § 157.213(b), § 157.214, or § 157.216(b), if the requirements of § 157.205 have been fulfilled.

(d) *Landowner notification.* (1) Except as identified in paragraph (d)(3) of this section, no activity described in paragraph (b) of this section is authorized unless the company notifies all affected landowners, as defined in § 157.6(d)(2), by certified or first class mail

at least 45 days prior to commencing construction or at the time it initiates easement negotiations, whichever is earlier. A landowner may waive the 45-day prior notice requirement in writing as long as the notice has been provided. For activity required to restore service in an emergency, the 45-day prior notice period is satisfied in the event a company obtains all necessary easements. The notification shall include at least:

\* \* \*

(2) For activities described in paragraph (c) of this section, the company shall notify all affected landowners, as defined in § 157.6(d)(2), by certified or first class mail within at least three business days following the date that a docket number is assigned to the application and at the time it initiates easement negotiations. The notice should include at least:

\* \* \*

4. Amend § 157.204(b) by removing cross reference to § 1.32.

**§ 157.204 Application procedure**

\* \* \* \* \*

(b) *Hearing procedure.* Upon receiving an application for a blanket certificate under this subpart, the Commission will conduct a hearing pursuant to section 7(c) of the Natural Gas Act and § 157.11 of this chapter.

5. Amend § 157.205 by:

- a. Revising paragraph (a) to remove reference to § 157.212;
- b. Revising paragraph (f);
- c. Revising paragraph (g).

The revisions read as follows:

**§ 157.205 Notice procedure**

(a) *Applicability.* No activity described in §§ 157.208(b), § 157.210, § 157.211(a)(2), § 157.213(b), 157.214 or 157.216(b), except for activity required to restore service in an emergency, is authorized by a blanket certificate granted under this subpart, unless, prior to undertaking such activity:

\* \* \*

(f) *Effect of protest.* If a protest is filed in accordance with paragraph (e) of this section, then the certificate holder, the person who filed the protest, any intervenors, and staff may resolve the protest and file a withdrawal of the protest pursuant to paragraph (g) of this section prior to the issuance of a Commission order that would have otherwise been required in the absence of such withdrawal. Informal settlement conferences may be convened by the Director of the Office of Energy Projects or his designee. If a protest is not withdrawn or dismissed pursuant to paragraph (g) of this section, the activity shall not be deemed authorized by the blanket certificate. Instead, the request filed by the certificate holder shall be treated as an application for section 7 authorization for the particular activity. The Federal Register notice of the request shall be deemed to be notice of the section 7 application sufficient to fulfill the notice requirement of §§ 157.9 and 157.10.

(g) *Withdrawal or dismissal of protests.* The protestor may withdraw a protest prior to a Commission order that would have otherwise been required in the absence of such withdrawal by submitting written notice of withdrawal to the Secretary of the

Commission and serving a copy on the certificate holder, any intervenors and any other party requesting service. The withdrawal must state that the certificate holder and the protestor concur in the withdrawal. Within 10 days of the filing of a protest, the Director of the Office of Energy Projects will dismiss that protest if it does not raise a substantive issue and fails to provide any specific detailed reason or rationale for the objection. If a protest is dismissed, the notice requirements of this section will not be fulfilled until the earlier of: (1) a 30 day period following the deadline determined in paragraph (d) of this section has run; or the dismissed protesting party notifying the Secretary of the Commission that its concerns have been resolved

6. Amend § 157.206 by:

- a. Revising paragraph (b)(4)
- b. Revising paragraph (b)(6)
- c. Adding paragraph (b)(8)
- d. Revising paragraph (c).

The revisions read as follows:

**§ 157.206 Standard Conditions**

\* \* \* \* \*

(b) \* \* \*

(4) Any activity authorized under a blanket certificate shall not have a significant adverse effect on a sensitive environmental area.

\* \* \*

(6)(i) Any activity otherwise subject to authorization under § 157.208 shall not be authorized if the activity is located within 0.5 mile of nuclear power reactor facilities which are either operating or under construction, or for which a construction permit has been filed with the Nuclear Regulatory Commission.

(ii) Any activity otherwise subject to authorization under § 157.215 shall not be authorized if the activity is located within 2.0 miles of nuclear power reactor facilities which are either operating or under construction, or for which a construction permit has been filed with the Nuclear Regulatory Commission.

\* \* \*

(8) The certificate holder shall act as the Commission's non-Federal representative upon acceptance of the blanket certificate for purposes of complying with the National Historic Preservation Act of 1966.

\* \* \*

(c) *Commencement.* Any authorized construction, extension, or acquisition shall be completed and made available for service by the certificate holder and any authorized operation, or service, shall be available within two years of the date the activity is authorized pursuant to § 157.205(h). The certificate holder may apply to the Director of the Office of Energy Projects for an extension of this deadline. However, if the request for extension is due to the end-user/shipper not being ready to accept service, the certificate holder must so notify the Commission in writing no later than 10 days after expiration of the two-year period.

7. Amend § 157.208 by:

- a. Revising paragraph (a);
- b. Revising paragraph (b);
- c. Revising paragraph (c)(5);
- d. Revising paragraph (c)(6);
- e. Revising paragraph (c)(7);
- f. Revising paragraph (d);
- g. Revising Table 1 to PARAGRAPH (d);
- h. Revising paragraph (e);
- i. Revising paragraph (e)(2).

The revisions read as follows

**§ 157.208 Construction, acquisition, operation, replacement, and miscellaneous rearrangement of facilities.**

(a) *Automatic authorization.* If the project cost does not exceed the cost limitations set forth in column 1 of table 1 to paragraph (d) of this section, or if the project is required to restore service in an emergency, the certificate holder is authorized to: (1) make miscellaneous rearrangements of any facility; (2) acquire, construct, replace, or operate any eligible facility; or (3) acquire, construct, modify, replace, and operate natural gas mainline facilities, including compression and looping, that are not eligible facilities under § 157.202(b)(2)(i). The certificate holder shall not segment projects in order to meet the cost limitations set forth in column 1 of table 1 to paragraph (d).

(b) *Prior notice.* If the project cost is greater than the amount specified in column 1 of table 1 to paragraph (d) of this section, but less than the amount specified in column 2 of

table 1 to paragraph (d), the certificate holder is authorized to: (1) make miscellaneous rearrangements of any facility; (2) acquire, construct, replace, or operate any eligible facility; or (3) acquire, construct, modify, replace, and operate natural gas mainline facilities, including compression and looping, that are not eligible facilities under § 157.202(b)(2)(i). The certificate holder shall not segment projects in order to meet the cost limitations set forth in column 2 of table 1 to paragraph (d).

(c) \* \* \*

(5) The exhibits required by §§ 157.14(a)(8) through (10). Receipt and delivery point information must be labeled with a location point name and code in conformity with the location name and code the pipeline has adopted in conformance with § 284.13(f) of this chapter;

(6) The exhibits required by §§ 157.14(a)(14) through (19);

(7) A statement explaining how the public convenience and necessity requires the approval of the project, including a description of the proposed project's purpose and beneficiaries;

\* \* \* \* \*

(d) *Limits and inflation adjustment.* The limits specified in table 1 to this paragraph (d) and table 1 to § 157.215(a)(5) shall be adjusted each calendar year to reflect the year-over-year (January to January) average index change of the Handy-Whitman Index for Gas Compressors and Gas Transmission Line Pipe for all regions for the previous calendar year. The Director of the Office of Energy Projects is authorized to compute and

publish limits for future calendar years as a part of table 1 to this paragraph (d) and table 1 to § 157.215(a)(5), pursuant to § 375.308(x)(1) of this chapter.

Table 1 to PARAGRAPH (d)

Year	Limit	
	Auto. proj. cost limit (Col.1)	Prior notice proj. cost limit (Col.2)
1982 .....	\$4,200,000	\$12,000,000
1983 .....	\$4,500,000	\$12,800,000
1984 .....	\$4,700,000	\$13,300,000
1985 .....	\$4,900,000	\$13,800,000
1986 .....	\$5,100,000	\$14,300,000
1987 .....	\$5,200,000	\$14,700,000
1988 .....	\$5,400,000	\$15,100,000
1989 .....	\$5,600,000	\$15,600,000
1990 .....	\$5,800,000	\$16,000,000
1991 .....	\$6,000,000	\$16,700,000
1992 .....	\$6,200,000	\$17,300,000
1993 .....	\$6,400,000	\$17,700,000
1994 .....	\$6,600,000	\$18,100,000
1995 .....	\$6,700,000	\$18,400,000
1996 .....	\$6,900,000	\$18,800,000
1997 .....	\$7,000,000	\$19,200,000
1998 .....	\$7,100,000	\$19,600,000
1999 .....	\$7,200,000	\$19,800,000
2000 .....	\$7,300,000	\$20,200,000

2001 .....	\$7,400,000	\$20,600,000
2002 .....	\$7,500,000	\$21,000,000
2003 .....	\$7,600,000	\$21,200,000
2004.....	\$7,800,000	\$21,600,000
2005.....	\$8,000,000	\$22,000,000
2006 .....	\$9,600,000	\$27,400,000
2007 .....	\$9,900,000	\$28,200,000
2008 .....	\$10,200,000	\$29,000,000
2009 .....	\$10,400,000	\$29,600,000
2010 .....	\$10,500,000	\$29,900,000
2011 .....	\$10,600,000	\$30,200,000
2012 .....	\$10,800,000	\$30,800,000
2013 .....	\$11,000,000	\$31,400,000
2014 .....	\$11,200,000	\$31,900,000
2015 .....	\$11,400,000	\$32,400,000
2016 .....	\$11,600,000	\$32,800,000
2017 .....	\$11,800,000	\$33,200,000
2018 .....	\$12,000,000	\$ 33,800,000
2019 .....	\$12,300,000	\$34,600,000
2020 .....	\$12,500,000	\$35,200,000
2021.....	\$12,600,000	\$35,600,000
2022.....	\$13,100,000	\$37,100,000
2023.....	\$14,000,000	\$39,700,000
2024.....	\$14,500,000	\$41,100,000
2026.....	\$30,000,000	\$86,000,000

(e) *Reporting requirements.* For each facility completed during the calendar year pursuant to paragraph (a) of this section and §§ 157.212 and 157.213(a), the certificate holder shall file in the manner prescribed in §§ 157.6(a) and 385.2011 of this chapter as part of the required annual report under § 157.207(a) the information described in paragraphs (e)(1)-(5) of this section. For each facility completed during the calendar year pursuant to paragraph (b) of this section, and §§ 157.210 and 157.213(b), the certificate holder shall file in the manner prescribed above only the information described in paragraph (e)(3) of this section

\* \* \*

(2) The specific purpose, including the project's beneficiaries, location, and beginning and completion date of construction of the facilities installed, the date service commenced, and, if applicable, a statement indicating the extent to which the facilities were jointly constructed;

8. Replace §157.210 to read as follows:

**§ 157.210 Facilities at existing compression facilities**

(a) *Prior Notice.* Subject to the notice requirements of §§ 157.205(b) and 157.208(c), the certificate holder is authorized to construct, modify, replace, and operate natural gas facilities, including compression facilities, that would be located within the fence line of an existing compressor station and would exceed the cost limitation provided in column 2 of table 1 to § 157.208(d).

(b) *Application.* Applications for facilities proposed under § 157.210 must include the information required by § 380.12(k) Resource Report 9 – Air and noise quality.

9. Replace §157.212 to read as follows:

**§ 157.212 Receipt Points**

*Automatic Authorization.* The certificate holder may acquire, construct, replace, modify, or operate any receipt point.

10. Amend § 157.213 by:

- a. Revising paragraph (a)
- b. Revising paragraph (c)(9).

The revisions read as follows

**§ 157.213 Underground storage field facilities.**

(a) *Automatic authorization.* If the project cost does not exceed the cost limitations provided in column 1 of table 1 to § 157.208(d), the certificate holder may acquire, construct, modify, replace, and operate facilities for the remediation and maintenance of an existing underground storage facility, 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 certificate holder must not segment projects in order to meet this cost limitation.

\* \* \*

(c) \* \* \*

(9) A detailed assessment, including data and work papers, to support the need for additional facilities (wells, gathering lines, headers, compression, dehydration, or other

appurtenant facilities) for the modification of working gas/cushion gas ratio and/or to improve the capability of the storage field.

11. Revise paragraph (b) of § 157.214 to add paragraph (6):

**§ 157.214 Increase in storage capacity.**

\* \* \*

(b) \* \* \*

(6) The information required by §§ 157.213(c).

12. In §157.215(a)(5), revise table 1 to PARAGRAPH (a)(5) to read as follows:

**§ 157.215 Underground storage testing and development.**

(a) \* \* \*

(5) \* \* \*

Table 1 to PARAGRAPH (a)(5)

Year	Limit
1982 .....	\$2,700,000
1983 .....	\$2,900,000
1984 .....	\$3,000,000
1985 .....	\$3,100,000
1986 .....	\$3,200,000
1987 .....	\$3,300,000
1988 .....	\$3,400,000
1989 .....	\$3,500,000
1990 .....	\$3,600,000
1991 .....	\$3,800,000
1992 .....	\$3,900,000
1993 .....	\$4,000,000

1994 .....	\$4,100,000
1995 .....	\$4,200,000
1996 .....	\$4,300,000
1997 .....	\$4,400,000
1998 .....	\$4,500,000
1999 .....	\$4,550,000
2000 .....	\$4,650,000
2001 .....	\$4,750,000
2002 .....	\$4,850,000
2003 .....	\$4,900,000
2004 .....	\$5,000,000
2005 .....	\$5,100,000
2006 .....	\$5,250,000
2007 .....	\$5,400,000
2008 .....	\$5,550,000
2009 .....	\$5,600,000
2010 .....	\$5,700,000
2011 .....	\$5,750,000
2012 .....	\$5,850,000
2013 .....	\$6,000,000
2014 .....	\$6,100,000
2015 .....	\$6,200,000
2016 .....	\$6,300,000
2017 .....	\$6,400,000
2018 .....	\$6,500,000
2019.....	\$6,600,000
2020 .....	\$6,700,000

2021.....	\$6,800,000
2022.....	\$7,100,000
2023.....	\$7,600,000
2024.....	\$7,900,000
2026.....	\$17,000,000

13. Amend § 157.216 by:

- a. Revising paragraphs (a)(1), (a)(1)(i), and (a)(1)(ii);
- b. Revising paragraphs (a)(2)(ii) and (a)(2)(iii);
- c. Revising paragraphs (b)(2)(ii) and (b)(2)(iii).

The revisions read as follows:

**§ 157.216 Abandonment.**

(a) \* \* \*

(1) A receipt or delivery point, or related supply or delivery lateral, provided:

(i) the facility has not been used to provide interruptible or firm transportation service during the one year period prior to the effective date of the proposed abandonment, and the point is not covered under a firm contract; or

(ii) the certificate holder obtains the written consent of each customer served using the facility during the past 12 months; or

(2) \* \* \*

(ii) A replacement facility that was or could have been constructed under § 2.55(b) of this chapter, provided the cost to abandon the facilities would not exceed the cost limit in

§ 157.208(d) for activities under the automatic provisions and the certificate holder obtains the written consent of each customer served using the facility during the past 12 months;

(iii) Any other facility that did or could now qualify for automatic authorization as described in § 157.203(b), provided the cost to abandon the facilities would not exceed the cost limit in § 157.208(d) for activities under the automatic provisions and the certificate holder obtains the written consent of each customer served using the facility during the past 12 months.

(b) \* \* \*

(2) \* \* \*

(ii) A replacement facility that was or could have been constructed under § 2.55(b) of this chapter, provided the cost to abandon the facilities would not exceed the cost limit in § 157.208(d) for activities under the prior notice provisions and the certificate holder obtains the written consent of each customer served using the facility during the past 12 months;

(iii) Any other facility that did or could now qualify for prior notice authorization as described in § 157.203(c), provided the cost to abandon the facilities would not exceed the cost limit in § 157.208(d) for activities under the prior notice provisions and the certificate holder obtains the written consent of each customer served using the facility during the past 12 months.

14. Amend Appendix I to Subpart F of Part 157 by:

- a. Adding a new paragraph (1);
- b. Revising paragraph (2);
- c. Redesignating paragraphs (2), (3), (4) as paragraphs (3), (4), (5), respectively

The revisions read as follows:

**Appendix I to Subpart F of Part 157—Procedures for Compliance With the Endangered Species Act of 1973 Under § 157.206(b)(3)(i)**

\* \* \*

1. The certificate holder shall determine whether the project may affect listed species or critical habitat using appropriate federal databases such as the FWS Information for Planning and Consultation (IPaC) website. If the certificate holder determines that no listed species or its critical habitat occur in the project area or that the project will have no effect on listed species or critical habitat, the certificate holder shall be deemed in compliance with § 157.206(b)(2)(vi) of the Commission's regulations so long as it documents its finding.
2. If the project may affect listed species or critical habitat, the certificate holder shall contact the appropriate regional office of either the FWS or the NMFS (or both the FWS and the NMFS, if appropriate) as determined pursuant to 50 CFR 402.01 for the purpose of initiating informal consultations.
3. The certificate holder shall be deemed in compliance with § 157.206(b)(2)(vi) of the Commission's regulations if the consulted agency (either the FWS or NMFS, or both if

appropriate) initially determines, pursuant to the informal consultations, that no species proposed to be listed under 16 U.S.C. 1533 or its critical habitat occur in the project area.

4. If the consulted agency, pursuant to the informal consultations, initially determines that any species proposed to be listed under 16 U.S.C. 1533 or its critical habitat occur in the project area, then the certificate holder shall confer with the consulted agency on how potential impact can be avoided or reduced. Upon completion of the conference and the implementation of any mitigating measures the certificate holder elects to implement, and compliance with paragraph 4 of this Appendix, if applicable, the certificate holder shall be deemed in compliance with § 157.206(b)(2)(vi) of the Commission's regulations.

5.

(a) If the consulted agency initially determines, pursuant to the informal consultations, that a listed species or its critical habitat may occur in the project area, then the certificate holder shall continue informal consultation with the consulted agency to determine if the proposed project may affect such species or habitat. Continued informal consultations may include discussions with experts (including experts provided by the consulted agency), field surveys, biological assessments, and formulation of mitigation measures.

(b) The certificate holder shall be deemed in compliance with § 157.206(b)(2)(vi) of the Commission's regulations if the consulted agency agrees with the certificate holder's determination resulting from the continued informal consultations, that the proposed project is not likely to adversely affect a listed species or critical habitat, or that no further consultation is necessary.

(c) If the consulted agency does not agree with such determination by the certificate holder, or if the certificate holder concludes that the proposed project may affect listed species or the critical habitat of such species, then the certificate holder may not proceed with the proposed project under the blanket certificate.

15. Revise Appendix II to Subpart F of Part 157 to read:

**Appendix II to Subpart F of Part 157—Procedures for Compliance With the National Historic Preservation Act of 1966 Under § 157.206(b)(3)(ii)**

The following procedures apply to any certificate holder which undertakes a project under the authority of a blanket certificate issued pursuant to subparts E or F of part 157 and to any other service subject to § 157.206(b) of the Federal Energy Regulatory Commission's (Commission) regulations. Pursuant to § 157.206(b)(8) of the Commission's regulations, the certificate holder shall, upon acceptance of its blanket certificate, be designated as the Commission's non-Federal representative for purposes of complying with the National Historic Preservation Act of 1966. For the purposes of this appendix, the following definitions apply:

\* \* \*

**Part 380 – REGULATIONS IMPLEMENTING THE NATIONAL ENVIRONMENTAL POLICY ACT**

1. The authority citation for part 380 continues to read as follows:

Authority: 42 U.S.C. 4321-4370h, 7101-7352; E.O. 12009, 3 CFR 1978 Comp., p. 142.

2. Amend paragraph (21) of § 380.4 to read:

**§ 380.4 Projects or actions categorically excluded**

\* \* \* \* \*

(21) Approvals of blanket certificate applications and prior notice filings under § 157.204 and §§ 157.209 and 157.211 through 157.218 of this chapter;