§ 157.215 Underground storage testing and development.

(a) Automatic authorization. The certificate holder is authorized to acquire, construct and operate natural gas pipeline and compression facilities, including injection, withdrawal, and observation wells for the testing or development of underground reservoirs for the possible storage of gas, if:

1. The testing and development of a particular storage project will be completed within a three-year-period;
2. The quantity of natural gas injected into the prospective storage fields pursuant to the blanket certificate does not exceed a total of 10,000,000 Mcf at any time in all fields with no more than 2,000,000 Mcf injected into any single field;
3. Gas will be injected for testing purposes only during off-peak periods;
4. The storage field developed pursuant to this section will not be utilized to render service without further authorization from the Commission, except that gas may be withdrawn on occasion for testing purposes; and
5. The total expenditures per calendar year pursuant to this section do not exceed the amount specified in Table II as adjusted pursuant to §157.208(d). These costs shall include expenditures for leases, wells, pipeline, compressors, and related facilities, but shall exclude the cost of the natural gas to be used for testing purposes.

Table II—Continued

<table>
<thead>
<tr>
<th>Year</th>
<th>Limit</th>
</tr>
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<tbody>
<tr>
<td>2005</td>
<td>5,100,000</td>
</tr>
<tr>
<td>2006</td>
<td>5,250,000</td>
</tr>
<tr>
<td>2007</td>
<td>5,400,000</td>
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<tr>
<td>2008</td>
<td>5,650,000</td>
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<tr>
<td>2009</td>
<td>5,600,000</td>
</tr>
<tr>
<td>2010</td>
<td>5,700,000</td>
</tr>
</tbody>
</table>

(b) Reporting requirements—(1) Annual reports. For any storage project tested or developed pursuant to this section, the certificate holder shall file, in the manner prescribed in §§157.6(a) and 385.2011 of this chapter as part of the annual report required under §157.207(a), the following information:

1. A description of the facilities constructed and the type of storage reservoir, i.e., gas expansion or dry gas, water-drive or aquifer;
2. The location of the facilities;
3. The cost of such facilities, the date construction began, and the date they were placed in service;
4. The monthly volumes of gas injected into and withdrawn from each reservoir;
5. An estimate of the storage capacity and daily deliverability of each project; and
6. A description of the contacts made, reports produced, and results of consultations which took place to ensure compliance with the Endangered Species Act, the National Historic Preservation Act and the Coastal Zone Management Act.

(2) Quarterly reports. If the reservoir to be tested and developed is an aquifer-type reservoir, the certificate holder shall file, in the manner prescribed in §§157.6(a) and 385.2011 of this chapter unless otherwise ordered by the commission, for each such project quarterly reports, under oath, until the project is either certified for regular service or abandoned. The quarterly report shall contain the following information in addition to the data required by paragraph (b)(1) of this section:

1. The daily volumes of natural gas injected into and withdrawn from the aquifer during the quarter and the volume of gas in the aquifer at the end of each month;
2. The maximum daily injection or withdrawal rate experienced during the
quarter and the average working pressure on such maximum days taken at a central measuring point where the total volume injected or withdrawn is measured;

(iii) Results of any tracer program by which leakage of gas may be determined;

(iv) Any pressure surveys of gas wells and water levels in observation wells conducted during the quarter by individual well, and copies of any core analyses, gamma ray, neutron or other electric log surveys and back-pressure tests taken during the quarter;

(v) A map of the storage project showing the location of the wells, the latest revised structure contours, and the location and extent of the gas bubble. This map need not be filed if there is no material change from the map previously filed; and

(vi) Such other data or reports which may aid the Commission in the evaluation of the project.

(c) Accounting. The cost of any project ultimately determined to be infeasible for storage shall be charged to Account No. 822 of part 201, Underground Storage Exploration and Development Expenses.


§ 157.216 Abandonment.

(a) Automatic authorization. The certificate holder is authorized pursuant to section 7(b) of the Natural Gas Act to abandon gas supply facilities, and:

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

(2) A 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.

(b) Prior notice. Subject to the notice requirements of §157.205, the certificate holder is authorized pursuant to section 7(b) of the Natural Gas Act to abandon:

(1) Any receipt or delivery point if all of the existing customers of the pipeline served through the receipt or delivery point consent in writing to the abandonment. When filing a request for authorization of the proposed abandonment under the notice procedures of §157.205, the certificate holder shall notify, in writing, the State public service commission having regulatory authority over retail service to the customers served through the delivery point.

(2) Any other facility that did or could now qualify for prior notice authorization as described in §157.203(c), provided the certificate holder obtains the written consent of each customer served using the facility during the past 12 months.

(c) Contents of request. In addition to the requirements of §157.205(b), requests filed for activities described under paragraph (b) shall describe:

(1) The location, type, size, and length of the subject facilities. For facilities not constructed or acquired under blanket certificate authority, an estimate of the current cost to replicate such facilities;

(2) The docket authorizing the construction and operation of the facilities to be abandoned;

(3) For each facility an oath statement that all of the customers served during the past year by the subject facilities have consented to the abandonment, or an explanation of why the customers’ consent is not available;

(4) A proposed accounting treatment of any facilities to be abandoned.

(5) For any abandonment resulting in earth disturbance, a USGS 7 1⁄2-minute-series (scale 1:24,000 or 1:25,000) topographic map (or map of equivalent or greater detail, as appropriate) showing the location of the proposed facilities and a concise analysis discussing the relevant issues outlined in §380.12 of this chapter.