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WAIVER OF SIXTY-DAY NOTICE PERIOD ON TRANS-ALASKA PIPELINE AUTHORIZATION ACT

GOVERNMENT

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HEARING

BEFORE THE

COMMITTEE ON

INTERIOR AND INSULAR AFFAIRS

UNITED STATES SENATE

NINETY-THIRD CONGRESS

SECOND SESSION

ON

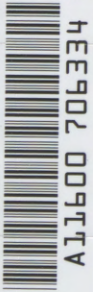
THE COLORADO INTERSTATE CORP., AND THE SOUTHERN
NATURAL GAS CO.'S APPLICATIONS FOR RIGHTS-OF-WAY
ACROSS FEDERAL LANDS

SEPTEMBER 13, 1974



Printed for the use of the
Committee on Interior and Insular Affairs

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WAIVER OF SIXTY-DAY NOTICE PERIOD ON TRANS-ALASKA PIPELINE AUTHORIZATION ACT

FRIDAY, SEPTEMBER 13, 1974

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The committee met, pursuant to notice, at 10 a.m., in room 3110, Dirksen Office Building, Hon. Henry M. Jackson, chairman, presiding.

Present: Senators Jackson, Fannin, Hansen, and Bartlett.

Also present: Jerry T. Verkler, staff director; Steven P. Quarles, special counsel; and David P. Stang, deputy director for the minority.

OPENING STATEMENT OF HON. HENRY M. JACKSON, A U.S. SENATOR FROM THE STATE OF WASHINGTON

The CHAIRMAN. The hearing will commence. The purpose of today's hearing is to consider two applications for rights-of-way across Federal lands, and Colorado Interstate Corp. has filed an application for a loop 24-inch pipeline of approximately 32 miles in length across Bureau of Land Management lands in Carbon and Sweetwater Counties, Wyo.

Southern Natural Gas Co., proposes to construct two 30-inch pipelines of approximately 3.9 miles in length across lands of the Savannah National Wildlife Refuge in Chatham County, Ga., and Jasper County, S.C.

This committee's consideration of these rights of way is undertaken pursuant to subsection 28(w)(2) of the Mineral Leasing Act of 1920, as amended. This subsection—part of the so-called Alaska Pipeline Authorization Act which we enacted into law last session—requires that the Secretary of the Interior notify both Interior Committees of any application for a right of way for a pipeline 24 inches or more across Federal lands. The right of way cannot be granted for a period of 60 days after that notification.

However, both committees can waive the 60-day waiting period by committee resolution.

Today's hearing is to consider whether or not such waiting period should be waived.

Our first witness is Mr. Curt Berklund, Director of the Bureau of Land Management of the Department of the Interior. It is a pleasure to have you with us.

**STATEMENT OF CURT BERKLUND, DIRECTOR, BUREAU OF LAND
MANAGEMENT, DEPARTMENT OF THE INTERIOR; ACCOMPANIED
BY ROLLA CHANDLER, ROMAN KOENINGS, JAMES MONROE, AND
ELEANOR SCHWARTZ, STAFF MEMBERS**

Mr. BERKLUND. Thank you very much. Before I begin I would like to introduce the people here at the table with me. To my immediate right is the Assistant Director, Rolla Chandler, and to my left is Roman Koenings, James Monroe, and Mrs. Eleanor Schwartz.

The CHAIRMAN. I am pleased to have all of you here.

Mr. BERKLUND. Mr. Chairman and members of the committee, I am pleased to appear before you today to discuss the application of the Colorado Interstate Corp. for a 50-foot pipeline right-of-way. A 24-inch-diameter pipeline would be located in Wyoming under terms of the application.

On March 6, 1974, the Colorado Interstate Corp. filed an application with the Bureau of Land Management under subsection 28 of the Mineral Leasing Act, as amended, for a right-of-way for a 24-inch natural gas pipeline across national resource lands in Carbon and Sweetwater Counties in Wyoming. The line as proposed would parallel Interstate 80 between Wamsutter and Rawlins.

At one point it would cross the highway right-of-way. This crossing has been approved by Wyoming highway officials. The proposed pipeline parallels the corporation's existing 22-inch gas line for a distance of 17.1 miles. Of this 7.17 miles are on national resource lands in a checkerboard area.

The line would form a loop in the existing line to relieve pressure on the smaller line and allow additional volumes of natural gas to be transported. The line will be located in what could be even termed as an existing utility corridor.

Already in place are three other pipelines, a buried telephone cable, and a power transmission line.

A notice of the filing of the application was published in the Federal Register on March 27, 1974. In compliance with the law, the Under Secretary wrote to the chairman of the Senate and the House Interior and Insular Affairs Committees informing them of the application.

All appropriate Bureau divisions have examined the application and proposal very carefully. A thorough environmental analysis of the impacts of the proposed pipeline has been made. A full environmental impact statement is not needed in our judgment.

Appropriate measures to mitigate the identified impacts have been incorporated as stipulations to and a condition of the proposed granting documents. A copy of that document was transmitted to the committee with our August 20 notice of intent to grant the right-of-way. In summary, the stipulations are two types, general and specific.

The general requirements that are part of the agreement assure compliance with existing laws and regulations, including those with respect to the act of November 16, 1973.

The specific stipulations require that surface disturbance shall be kept to a minimum, that topsoil shall be stockpiled and returned to its original area, that any erosion shall be immediately controlled, that revegetation will be instituted after completion of the construction, that no roads or trails shall be left, that the applicant must

guard against fires and is responsible for all suppression costs, and generally that the applicant take all necessary measures to protect the natural environment and restore it to its natural condition.

We believe these stipulations and conditions fully comply with the requirements of law and departmental regulations. We are not aware of any objection to the project. A special study of archeological and historical values has already been made.

We believe construction of the pipeline is in the public interest. We are prepared to issue the right-of-way document at the expiration of the required 60-day waiting period. However, we know of no reason to delay initiation of construction of the pipeline.

We understand the committee has been asked for a waiver of the waiting period as provided by law. We have no objection should the committee agree to the shorter waiting period.

Thank you. I will answer any questions you have.

The CHAIRMAN. Thank you very much, Mr. Berklund. The documents you mention in your prepared testimony will be included as part of the hearing record. I would like to point out that the notice of this application by Colorado Interstate was published in the Federal Register on March 27, 1974, and then it was August 20, 1974, that you wrote to Senator Jackson, the chairman of the full committee, notifying him of the application and I think it would be helpful in the future if you feel that waivers are going to be requested that you promptly notify this committee so that we can do our homework a little bit in advance.

Do you think you could do that in the future?

Mr. BERKLUND. Yes, sir, Mr. Chairman. It is the first application and the first hearing we have had under last year's amendments, and we have all learned a great deal from it. There were delays in the Federal Register notice. We did notify the chairman by letter dated May 9, 1974.

I think that we have all learned several things and we are willing to work with you and we appreciate this opportunity to share with you our knowledge of it and to accept from you any questions and any help you can give us.

The CHAIRMAN. I appreciate that, Mr. Berklund. I realize it is the first go-around. I would point out that the statute states that the Secretary or the agency shall notify the appropriate committee promptly upon receipt of the application.

In the future, I am sure we won't have any misunderstanding. I thank you very much for coming here. It seems like a reasonably straightforward problem and I have your testimony very clear and I have no further questions.

Mr. BERKLUND. Thank you very much, Mr. Chairman.

[The information follows:]

AUGUST 23, 1974.

Mr. CURT BERKLUND,
Director, Bureau of Land Management, Department of the Interior,
Washington, D.C.

DEAR Mr. BERKLUND: This will acknowledge your letter of August 20 concerning the proposed waiving of the 60-day waiting period on the application for right-of-way by the Colorado Interstate Corporation for a natural gas pipeline.

I am writing to advise you that a hearing has been scheduled on this proposal for Friday, September 13, beginning at 10:00 a.m. in room 3110 Dirksen Senate Office Building.

It would be appreciated if you would advise the Committee staff who will represent your agency at this hearing.

With best wishes,
Sincerely yours,

HENRY M. JACKSON,
Chairman.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D.C., August 20, 1974.

HON. HENRY M. JACKSON,
*Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: In accordance with Subsection 28(w)(2) of the Mineral Leasing Act of 1920 (30 U.S.C. 181, et seq), as amended by the Act of November 16, 1973 (87 Stat. 576), this is to notify you that the Colorado Interstate Corporation has filed an application with the Bureau of Land Management, Department of the Interior. The application is to construct an additional or loop 24-inch natural gas pipeline approximately 32 miles in length across national resource lands Carbon and Sweetwater Counties, Wyoming.

An environmental analysis record of the impacts of this proposal has been made. The impacts have been identified and appropriate mitigating measures have been carried forward as stipulations, terms and conditions in the proposed granting document. The stipulations, terms and conditions meet the criteria of this Department and are in accordance with our regulations. A copy of the proposed granting document is enclosed for your information.

Unless your committee waives the required 60-day waiting period, or advises this Department otherwise, we propose to issue the granting document after the conclusion of the 60 days, as provided in the cited section of the 1973 act, supra.

Sincerely yours,

CURT BERKLUND,
Director.

Enclosure.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
STATE OFFICE,
Cheyenne, Wyo.

DECISION—RIGHT-OF-WAY GRANTED

Details of Grant

Serial Number of Grant: Wyoming 44574.

Name of Grantee: Colorado Interstate Corp., P.O. Box 1087, Colorado Springs, Colo. 80944.

Map showing the location and dimensions of grant:

Map designation—Denver to Rock Springs 24' Loop Line.

Date filed—March 6, 1974.

Permitted use by grantee: 24 inch natural gas pipeline; 50 feet wide.

Authority for grant: Section 28 of the Act of February 25, 1920 (30 U.S.C. 185) as amended by the Act of November 16, 1973 (87 Stat. 576).

Regulations applicable to grant: Code reference—43 CFR 2800.

Rental: Amount—Initial fee is \$385.00 for the first 20 years. When payable by grantee—Next payment due; fee to be determined through reappraisal of grant.

Terms and Conditions of Grant

Under the authority vested in the undersigned by Order No. 701 of the Director, Bureau of Land Management, dated July 23, 1964 (29 F.R. 10526), a right-of-way, the details of which are shown above, is hereby granted, subject to the following terms and conditions:

(1) All valid rights existing on the date of the grant.

- (2) Further terms and conditions as follows: (see enclosed stipulations)

ALMA LUNDBERG,
Chief, Lands and Mining Section.

Enclosures:

General Stipulations.

Right-of-Way Stipulations: Pipelines and Buried Cables.

GENERAL STIPULATIONS

OIL AND GAS PIPELINE RIGHTS-OF-WAY

1. All applicable regulations in 43 CFR Part 2800 and future regulations to be promulgated pursuant to the Act of November 16, 1973.

2. Filing of proof of construction upon completion of construction. A period of 5 years from the date of approval of the right-of-way, is usually allowed for construction.

3. The right-of-way herein granted shall be subject to the express covenant that it will be modified, adapted, or discontinued if found by the Secretary to be necessary, without liability or expense to the United States, so as not to conflict with the use and occupancy of the land for any authorized works which may be hereafter constructed thereon under the authority of the United States.

4. The grantee shall survey and clearly flag the exterior limits of the right-of-way. All activities directly or indirectly associated with the construction or maintenance of this pipeline must be conducted within the limits of the right-of-way.

5. No payment or other consideration will be made by the grantee to other users, licensees, permittees or lessees for any damage to or loss of natural vegetation, wildlife, mineral material, or for soil disturbance occurring on national resource lands, which result from operation, development or construction activities carried out under the authority of this right-of-way.

6. Provisions of the Act of November 16, 1973, including:

(a) Grantee shall take all measures necessary to protect the health and safety of all persons affected by their activities performed in connection with the construction, operation, maintenance or termination of the right-of-way grant, and shall immediately abate any health or safety hazards. Permittee shall immediately notify the District Manager of all serious accidents which occur in connection with such activities.

(b) Upon demand of the authorized officer, the holder of the right-of-way shall pay to the United States such sums as the authorized officer shall determine to be required to reimburse the United States for all administrative and other costs incurred directly or indirectly by the United States in monitoring the construction, operation, maintenance, and termination of any pipeline and associated facilities covered by this grant.

(c) Abandonment of a right-of-way or noncompliance with any provision of Section 28 of the Mineral Leasing Act, as amended, or terms and conditions of this grant may be grounds for suspension or termination of the right-of-way if (A) after due notice to the holder of the right-of-way, (B) a reasonable opportunity to comply, and (C) an appropriate administrative proceeding pursuant to title 5, United States Code, section 554, the authorized officer determines that any such ground exists and that suspension or termination is justified.

If the authorized officer determines that an immediate temporary suspension of activities within a right-of-way or permit area is necessary to protect public health or safety or the environment, he may abate such activities prior to an administrative proceeding.

Deliberate failure of the holder to use the right-of-way for the purpose for which it was granted or renewed for any continuous two-year period shall constitute a rebuttable presumption of abandonment of the right-of-way.

(d) There is reserved to the United States the right to grant additional permits or rights-of-way for compatible uses on or adjacent to the lands included in this grant.

(e) Pipelines and related facilities authorized under this section shall be constructed, operated, and maintained as common carriers. The owners or operators of pipelines subject to this section shall accept, convey, transport, or purchase without discrimination all oil or gas delivered to the pipeline without regard to whether such oil or gas was produced on Federal or non-Federal lands. In the case of oil or gas produced from Federal lands or from the resources on the Federal lands in the vicinity of the pipeline, the Secretary may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine the proportionate amounts to be accepted, conveyed, transported or purchased. The common carrier provisions of this section shall not apply to any natural gas

pipeline operated by any person subject to regulation under the Natural Gas Act or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality. Where natural gas not subject to State regulatory or conservation laws governing its purchase by pipelines is offered for sale, each such pipeline shall purchase, without discrimination, any such natural gas produced in the vicinity of the pipeline. Whenever the Secretary has reason to believe that any owner or operator subject to this section is not operating any oil or gas pipeline in complete accord with its obligations as a common carrier hereunder, he may request Attorney General to prosecute an appropriate proceeding before the Interstate Commerce Commission or Federal Power Commission or any appropriate State agency or the United States district court for the district in which the pipeline or any part thereof is located, to enforce such obligation or to impose any penalty provided therefor, or the Secretary may, by proceeding as provided in this section, suspend or terminate the said grant of right-of-way for noncompliance with the provisions of this section.

SPECIFIC STIPULATIONS

1. Disturbance should be kept to a minimum consistent with practical construction operations.

2. Where it is necessary to remove the topsoil, it should be removed and stored separate from any subsurface material until it can be spread back over the disturbed area.

3. Disturbed areas shall be smoothed where necessary to allow them to blend with the surrounding topography.

4. Any erosion which results from action taken under authority of this right-of-way grant shall be controlled by the grantee through measures approved by the District Manager, Bureau of Land Management.

5. All disturbed areas will be revegetated the first growing season following construction. Revegetation will be done as herein described.

Topsoil removed must be spread back over the site prior to revegetation. Use the following seed mixture and quantities:

<i>Seed species</i>	<i>Pounds per acre</i>
Crested wheatgrass (<i>Agropyron cristatum</i>)-----	4
Indian ricegrass (<i>Oryzopsis hymenoides</i>)-----	3
Western wheatgrass (<i>Agropyron Smithii</i>)-----	2
Ranger alfalfa-----	2

Seed is to have a germination of 90%. Seeding is to be done by drilling with a drill equipped with a depth regulator to insure even planting not to exceed ½ inch. Seeding is to be accomplished during the months of September or October and will be repeated until a satisfactory stand, as determined by the District Manager, Bureau of Land Management, is obtained. The seed mix and density of seeding must be approved before hand by the District Manager. The District Manager is to be notified 15 days prior to seeding in order that arrangements can be made for supervision of the seeding.

Whenever revegetation is required, Grantee shall file a report with the District Manager when such planting is completed. The report shall contain information regarding the location of the area; the type of planting or seeding, including mixtures and amounts; the date of planting; and other relevant information as may be required by the District Manager.

6. No road or trail will be left after post construction reclamation for patrol and maintenance. For these purposes existing trails in the area or aircraft can be used.

7. Prior to construction, the Grantee shall provide for a survey and inventory of archeological, paleontological and historical sites within the area to be occupied by the right-of-way. Said survey and inventory shall be conducted by a specialist or specialists in the fields of archeology, paleontology and history and shall be conducted in a competent manner acceptable to the District Manager, Bureau of Land Management. The results of this survey will be provided to the District Manager. The District Manager may require the Grantee to relocate the proposed pipeline in order to avoid destruction of sites or to delay construction until salvage

operations are completed. All costs of inventory, survey and salvage will be borne by the Grantee. All salvage shall remain the property of the United States.

Upon discovery of any additional archeological and paleontological sites during the course of construction or use of the right-of-way, they will be immediately reported to the District Manager. If necessary to protect such discovery, construction or use will be discontinued until steps can be taken to evaluate and/or protect said discovery from damage.

8. If the Grantee plans to install R/W or line markers, the number, size, height, type, and color of these markers must be approved by the District Manager, Bureau of Land Management.

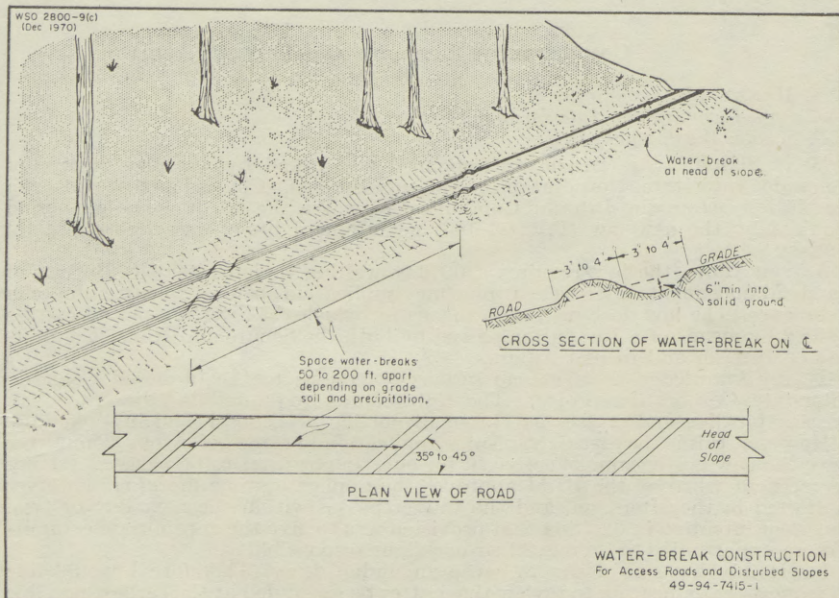
9. Proper precaution should be taken at all times to prevent and suppress fires. The Grantee will be held responsible for suppression costs for any fires on public lands caused through negligence of his employees, contractors or subcontractors. No debris burning will be allowed without specific permission from the District Manager, Bureau of Land Management, in charge of administration of the public lands involved.

10. Grantee is liable for damage caused to any improvements previously authorized to be on Federal lands.

11. Range improvements such as fencing or reservoirs, etc., within the right-of-way area should not be disturbed or where disturbance is necessary, they should be left in the original or better condition.

12. Before cutting through any fence, the Grantee shall brace the fence firmly on both sides of the cut, and after completion of construction, will (1) install a gate and/or cattle guard in the fence, or (2) replace a standard type fence across the R/W.

13. The Grantee will construct waterbreaks on all disturbed slopes in accordance with the attached typical plan for waterbreak construction. General guidelines for installation of waterbreaks are: less than 2% grade, 200' interval; 2-4% grade, 100' interval; 4-5% grade, 75' interval; greater than 5% grade, 50' interval. A certain degree of latitude is allowed in the waterbreak interval spacing. Unstable soils may require a closer interval spacing, whereas the interval spacing may be greater on very stable soils or rock outcroppings. A conservative (close) interval spacing is the general recommendation. A channel grade of .002 is recommended from the waterbreak to the natural ground elevation. The waterbreaks should be constructed so that they drain freely to the natural ground elevation.



AUGUST 23, 1974.

HON. FLOYD K. HASKELL,
U.S. Senate,
Washington, D.C.

DEAR FLOYD: Thank you for your letter of August 23 in which you request an open hearing on the proposed waiving of the 60-day waiting period on the application for right-of-way by the Colorado Interstate Corporation for a natural gas pipeline to be constructed across Federal lands.

I agree with you that a hearing should be held on this matter and I understand that Jerry Verkler has worked out arrangements with you to chair the hearing on September 13.

With best wishes,
Sincerely yours,

HENRY M. JACKSON,
Chairman.

Enclosure.

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., August 23, 1974.

MR. CURT BERKLUND,
Director, Bureau of Land Management, Department of the Interior,
Washington, D.C.

DEAR MR. BERKLUND: This will acknowledge your letter of August 20 concerning the proposed waiving of the 60-day waiting period on the application for right-of-way by the Colorado Interstate Corporation for a natural gas pipeline.

I am writing to advise you that a hearing has been scheduled on this proposal for Friday, September 13, beginning at 10:00 a.m. in room 3110 Dirksen Senate Office Building.

It would be appreciated if you would advise the Committee staff who will represent your agency at this hearing.

With best wishes,
Sincerely yours,

HENRY M. JACKSON,
Chairman.

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C. August 22, 1974.

HON. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SCOOP: Late Tuesday afternoon I was asked by a representative of Colorado Interstate Corporation, Colorado Springs, Colorado, to sponsor a Resolution before the Interior Committee to waive the 60 day waiting period required by the new law (P.L. 93-153) governing rights-of-way across Federal lands.

As you know, the law requires a 60 day waiting period after the Bureau of Land Management approves a pipeline application before construction can commence. The law does provide a means by which that waiting period can be waived by means of a Resolution passed by both the Senate and House Committees on Interior and Insular Affairs.

To my knowledge there are no serious objections to the proposed Colorado Interstate Corporation project. The right-of-way requested is adjacent to an existing pipeline and crosses only a small portion of Federal land in Wyoming.

However, this is the first right-of-way application to come before our Committee since the new law became effective. I, for one, do not want to be party to setting a precedent whereby the BLM approves the application one morning, a waiver is drafted in the afternoon, and the waiver passes within the next day or two. Our clear intention in drafting that provision was to give the appropriate committees an opportunity to exercise their oversight responsibility.

I certainly have no desire to cause an undue delay. Therefore I would like to request that a hearing to review the matter be scheduled at the earliest possible opportunity following the recess. If a waiver seems appropriate at the time so that construction can commence before winter sets in I would certainly have no objections.

My staff and I have been aware of this project for some time and have been following the application's slow progress through the Department of the Interior.

Colorado Interstate Corporation has been in touch during the past few months but did *not* request any waiver until late Tuesday.

It is essential that we give the right-of-way application serious consideration as quickly as possible. I do believe, however, that it is also essential that we set forth reasonable procedures to be followed in similar circumstances which are likely to occur in the future.

I understand the House of Representatives Interior Committee is not likely to act before the recess in any event.

Kindest regards, as always.

Sincerely,

FLOYD K. HASKELL,
U.S. Senator.

The CHAIRMAN. Thank you all for coming.

Our next witness will be Thomas L. Pelican, president, Colorado Interstate Corp.

It is a pleasure to have you here today.

**STATEMENT OF THOMAS L. PELICAN, PRESIDENT, COLORADO
INTERSTATE CORP., COLORADO SPRINGS, COLO.**

Mr. PELICAN. Thank you, Senator. My name is Tom Pelican. I am president of the Colorado Interstate Corp. My purpose here today is to request of this committee a waiver of the 60-day notice rule as required under the Trans-Alaska Pipeline Authorization Act.

Colorado Interstate is an interstate gas transportation company with its principal markets along the eastern slope of the Rockies in Colorado and in southeast Wyoming. We obtain our gas supplies partly from the south, from the States of Texas, Oklahoma, and Kansas. We also obtain them partly from the State of Wyoming from the north.

The population area that we serve in eastern Colorado and southeastern Wyoming is about 2 million people. The Colorado Interstate is subject to the regulation of the Federal Power Commission and last February 19, we filed an application with that regulatory body to expand our northern system, Wyoming Pipeline System shown on this map by 22 million cubic feet.

The project involved was 31 miles of pipeline, 14 of which was located in the State of Colorado down in this area on non-Federal lands.

Ten miles of the land was on non-Federal lands here in Wyoming and the remaining 7 miles was on Federal land. The Federal Power Commission issued a certificate after an uncontested hearing in May finding that the construction of these facilities was in the public interest. Now that earlier decision would normally have given us adequate time to construct these facilities with no problems as far as winter weather was concerned for this coming winter if there had not been other authorities that were required.

As you gentlemen know, the Trans-Alaska Pipeline Act became law at the end of last year and it did add some additional restrictions on pipelines of 24 inches diameter and larger. Our project just falls within the scope of that act because it is 24 inches in diameter. We were well aware of the requirements of this act and we filed within about 2 weeks after filing with the Federal Power Commission. We filed with the Bureau of Land Management for authority to cross these 7 miles of Federal land.

As Mr. Berklund said it was a brand new act and we did not have any guidelines to go by but we did think we had adequate time to obtain this right of way. Despite some diligent work by the BLM

personnel and our own personnel it is now apparent that we did not have enough time to obtain this right-of-way without requesting this waiver.

I am fully aware of the fact that you men have very heavy schedules in directing the affairs of this country and I regret the necessity to ask for time to present our case here this morning so that you can judge whether or not it is appropriate for us to proceed in your capacity as an oversight group.

I do believe though that in the interest of our consumers it is appropriate for me to ask for the time to make the presentation and I appreciate you granting that to me. Now the 60-day delay, if it takes place, will obviously delay the project but my grave concern is that it will eliminate it insofar as this year is concerned.

The Colorado portion of the project has been completed and the contractor has disbanded his construction organization. Even if we were granted the relief we are after it will mean a late September start and we know that the cost of the project has already gone up by about \$25,000 because we must assemble a new construction crew and we must move that equipment to the new site.

If we are delayed to a mid-November starting date we of course will be into winter weather and that will run the cost up. If that weather is severe enough to make us postpone until next spring, then we think that the costs will increase perhaps in the range of \$110,000 first of all because of a great move of equipment and second of all just because of inflation.

The Federal Power Commission and the Bureau of Land Management both have determined after careful review that this project will not have any significant effect, any significant impact on the environment. I hope through a series of photos to be able to show to you and convince you that that is unquestionably so. This pipeline will be laid near highway 80 now into the corridor of transportation and utility facilities.

The line will parallel an existing pipeline at a distance of about 50 feet on the average. This pipeline again was laid many years ago on right-of-way that was secured from the Bureau of Land Management. The pipeline will be buried to a minimum depth of 40 inches.

Now environmentally we believe that there are four principal areas of concern. There is land use and wildlife and vegetation, socioeconomic patterns and air and water impact. I have here 10 photos that were taken along this pipeline to try to demonstrate the type of country that we are in and the possible environmental impact.

These 10, if I might just pass them, they are numbered in the upper righthand corner and that number corresponds to the numbers on this schematic diagram of our pipeline showing the direction the picture was taken. I believe I can say that with these 10 pictures we are able to show the entire length of the 7 miles of Federal land that will be crossed.

Now in addition to that, I have here three aerial photographs that are designed to show three specific items. The first one is to show the socioeconomic impact. It is an aerial view of a tiny community called Creston Junction and it is the only habitation along this pipeline.

The second picture, marked B, is an indication of the corridor concept that was previously described. It shows the powerline, the

other pipelines and the highway going through this particular area. The third photo which is marked C is just an indication of the type of country that is being crossed and it is more clearly shown in the area 10 photos.

Now this land that we are crossing is rangeland, it is semiarid, it is gently sloping, there is wildlife in the area comprised of mule deer, game birds, and antelope. If you look at the picture No. 4 you will see some antelope near the powerlines.

During construction this wildlife will move out of the area but they will move back in again when construction is completed which will take about a month. These facilities cross no major streams, rivers or any other bodies of water. There is little habitation in the area as is evidenced by that picture marked A that shows Creston Junction as being the only habitation along this section of the line.

The vegetation in the area is principally a variety of wild grasses with some scrub brush and of course, as soon as construction is completed we will undertake reseeding and reclamation. There will be some impurities as a result of dust from the construction but we will control that dust by sprinkling from water trucks.

We hired Dr. George Frisen from the Wyoming State Archeology Department to examine the proposed right-of-way here to see if there were any archeological or historical features that we should protect.

He examined it and found none and advised us that we would not need to have an archeologist onsite at the time we constructed the facilities. The Bureau of Land Management has accepted his report. I hope with these facts before you, gentlemen that you will agree that this project will have no significant impact on the environment.

I would also like to emphasize that Colorado Interstate is well aware of its duties and obligations insofar as preservation of the environment. We have a long standing corporate policy to plan, construct, operate, and maintain all of our pipeline facilities in a fashion that will permit us to preserve and protect the environment.

I think this project we have in front of us is a good example of the dedication to that commitment. Therefore I respectfully request the committee to grant us this 60-day waiver of this 60-day period in the interest of our gas corporate. Thank you very much for your time.

I will answer any questions you may have.

The CHAIRMAN. Thank you, Mr. Pelican, very much indeed. It is an excellent presentation and the pipeline obviously conforms with the corridor concept of pipelines that I think most of us feel is very desirable.

I will make the same observation to you that I made to Mr. Berklund. You were here in the room when I asked him not to wait so long before informing us. I realize that Colorado Interstate let my office know a project was going on. However, it was the last minute your company informed my office that a waiver was requested.

I will ask you in the future as I did Mr. Berklund that if this arises again and you feel you are going to ask for a waiver I would like to know and the rest of us would like to know as soon as possible.

Mr. BERKLUND. We learned a lot of this one and we will do a better job next time.

The CHAIRMAN. In view of the fact that it is a corridor pipeline and the terrain is similar to pipelines well known, I don't imagine environ-

mental studies of any great extent is necessary but I would be curious as to who did your environmental study.

Mr. PELICAN. We did our own environmental study. We have an internal group just like we have an engineering department and an accounting department, we have an environmental group. We utilize them on projects we believe are within their capacity.

If the project is long enough we are—we go and use consultants just like we would on engineering.

The CHAIRMAN. In view of the fact that this was parallel to existing pipelines suppose that is why you did it in-house?

Mr. PELICAN. That is right, sir.

The CHAIRMAN. I am very much concerned as you know about what smaller as well as the larger communities in Colorado expect in the way of gas, for example, specifically we mentioned Trinidad which is an economically depressed city in the southeastern portion of Colorado whose growth basically is dependent upon increasing supplies of natural gas.

If you could give us an idea of what that community specifically and other communities could expect in the way of increased supplies, I would appreciate it very much.

Mr. PELICAN. Back beginning about 1971 we anticipated that the shortage in gas was coming. We could not quite predict when it was going to hit but we knew it would hit. We worked with all of our customers to come up with a tariff that is on file with the Federal Power Commission which provided that we would freeze our deliveries to all customers on the basis of their takes during the fiscal 1973 period both in peak day and annual volumes.

This was felt to be by all of our customers as the fairest way to divide up gas in a time when there was going to be a shortage. That has taken place but the smaller customers as a matter of fact any customer who has a firm residential and commercial load has the ability to get some additional gas each year and I will explain that. The first way he gets more peak day gas is that we have been successful in negotiating with some of our large industrial customers to convert from firm gas to interruptible gas. We just completed negotiations just this year to take 22 million cubic feet from boiler fuel use—although it was firm gas—and convert that over and allocate it to all of our customers.

The city of Trinidad got its fair proportion of that volume. Incidentally the volume as we analyze it would allow Trinidad about a 1 year growth on the basis of its past history. We are continuing to work with other industrial customers and we believe we might have a package of gas a year from now of about this same magnitude, perhaps a little less, maybe in the 15 to 20 million cubic feet range.

We hope next year we will be able to go to our customers and indicate to them they have a small additional increase coming. The other way we can help these customers is if they will put in their own peak saving supplies. They can put in propane air. That gets them gas for a very limited number of days in the winter when the weather is cold.

When they do that, we have interruptible gas on an annual basis that we can allocate to them. We have conveyed this to Trinidad and to our other customers. Some customers have already taken this step.

The city of Colorado Springs put in a propane area plant this past year and they are enlarging it in 1975. By that means they are able to get more peak day gas in the winter and then we can furnish them additional gas throughout the year.

The CHAIRMAN. Thank you. Just one more question. What will be the net increase of supply as a result of this pipeline?

Mr. PELICAN. This will give us an increase of 22 million cubic feet, about 12½ percent of our total transmission system capacity.

The CHAIRMAN. I don't believe I have any further questions. Senator Fannin.

Senator FANNIN. I am very impressed with the presentation that I did observe and you have given us almost an onsite presentation. It is very unusual for us to have this much information regarding a project. I was just wondering whether you are talking about the propane, air supply, that that could take them over a short period of time. As far as storage facilities are concerned, do you have any salt caverns in these areas that you serve where propane can be stored in?

Mr. PELICAN. No, Senator; we do not have that kind of storage in our country. They must store these in pressure tanks above ground, high-pressure, liquid storage tanks.

Unfortunately we do not have any caverns there.

Senator FANNIN. We do have in many parts of the country, areas that do have potential and for several years I have been trying to obtain additional information as to what is being done and what can be done.

I know that in Arizona then we do have some salt caverns and that we are storing propane and it is of great assistance and because there is practically no loss of property. We have been sealing off the propane by sealing the walls immediately upon its entry into the cavern. I hope we can do a great deal more of that.

Mr. PELICAN. The closest one that I know of is Conway, Kans., and undoubtedly the propane that comes to Colorado Springs has at least as good a chance of coming out of a storage like that. I know of none closer than that.

Senator FANNIN. I appreciate your presentation.

Mr. PELICAN. Thank you.

Senator HANSEN. I apologize for not being here when the hearing began. I have some constituents and some of them were delayed and as a consequence I was delayed in getting here. I have read the statement, and I gather from what he says, a thorough environmental analysis of the proposed impact of the pipeline has been made.

From personal knowledge I am aware that pipelines have been installed in this area and to my knowledge, no untoward environmental results have surfaced.

Do you share my opinion on that?

Mr. PELICAN. Yes, I do, Senator.

Senator HANSEN. I gather from drawing upon my personal knowledge of the State that the urgency arises from the fact that nothing—as you know, Mr. Chairman, we have already had snow in southeastern Wyoming and I guess you had some in Denver, didn't you?

The CHAIRMAN. Yes.

Senator HANSEN. Your concern about being able to get on with this ground before the ground freezes which would add to the starting of the pipeline—

Mr. PELICAN. Snow is a detriment, there is no doubt about it.

Senator HANSEN. Frozen ground is a detriment, too.

Mr. PELICAN. The ditchers can still ditch. It is harder to do but snow can slow the operation down.

Senator HANSEN. I have run a few one-man shovels and I know I much prefer to dig in ground that is not frozen. I have no further questions, Mr. Chairman.

The CHAIRMAN. Senator Bartlett.

Senator BARTLETT. I noticed you were concerned about not being advised by the corporations until the last minute. I recognize that concern because I happen to be on a subcommittee of the Interior Committee when a very detailed questionnaire was sent out and a decision was made by the committee chairman about how that would be interpreted. Members of that committee did not learn about that until we received a copy of a letter from the chairman. So, I understand your concern.

The CHAIRMAN. I think maybe the hearing record is by unanimous consent in receipt of a letter dated about 10 days ago to all members of the subcommittee. I would like to submit that as part of the record.

Senator BARTLETT. I would like to submit the letter I wrote as part of the record.

[The letter referred to follows:]

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., August 21, 1974.

HON. FLOYD K. HASKELL,
U.S. Senate,
Washington, D.C.

DEAR FLOYD: Thank you for sending us a copy of your letter to Senator Jackson dated August 6, 1974.

Unfortunately, our offices have not been advised or consulted on many of the decisions made by the Subcommittee concerning the questionnaire. Apparently, these important decisions have been made unilaterally by you as chairman without consideration or approval by a majority of the committee members.

Particularly, we noted that you and your staff met with the General Accounting Office and the Cornell Study Group to discuss data processing and analysis of the questionnaire. Unfortunately, the minority senators and staff were not advised of this meeting so that we might have offered suggestions concerning evaluation of the Subcommittee's questionnaire.

Additionally, we consider the makeup of the data evaluation committee and the guidelines they have been provided to be most important because the analysis of the questionnaire is more important than the answers themselves. Again, we were not consulted about the makeup of this evaluation team. We would appreciate being advised the names of the members of the evaluation team and their instructions, and also being offered the opportunity to select additional membership if necessary.

Also, we would appreciate a status report on the information gathering process. You scheduled a meeting with those companies having problems answering portions of the questionnaire. This meeting was cancelled and again we have not been advised of your plans in this regard.

Our only desire is to be able to make a contribution to the work of this Subcommittee. We are unable to do this when we are not informed about the Subcommittee's plans.

We will be pleased to work with you in any future proposals made by you concerning the Special Subcommittee on Integrated Oil Operations.

Sincerely,

DEWEY F. BARTLETT,
U.S. Senate.
JAMES L. BUCKLEY,
U.S. Senate.

Senator BARTLETT. Mr. Pelican, what is the purpose of this line?

Mr. PELICAN. Expansion of this line is to give the ability to acquire additional gas supplies in the State of Wyoming and transport them to our market area.

Senator BARTLETT. Where would the gas be marketed? Does it go from Wyoming to Colorado or both ways?

Mr. PELICAN. Our principal market area begins in Cheyenne and goes down to Colorado along the front range of the Rockies, the principal cities being Denver, Colorado Springs, and Pueblo. We do serve all smaller towns on down through the State and in eastern Colorado.

Senator BARTLETT. Will gas be shipped from Colorado to Wyoming or just from Wyoming to Colorado?

Mr. PELICAN. From Wyoming to Colorado.

Senator BARTLETT. So Colorado is the beneficiary?

Mr. PELICAN. Both, both cities are because Cheyenne is the largest city in Wyoming and it will share in this gas.

Senator BARTLETT. Are you finding the gas then that is shipped interstate, are you having difficulty—I assume from what you said about some people changing over from the—to an interruptible service that you are having difficulty having sufficient gas in.

Mr. PELICAN. There is no doubt about it. We have a shortage of gas and we have frozen our deliveries at the fiscal 1973 level. Our short-range goal is to be able to continue to satisfy those frozen requirements. There are other demands that are being made upon us that we cannot satisfy.

Senator BARTLETT. Does your company do considerable exploration?

Mr. PELICAN. We do not do any in Colorado Interstate because we have two affiliates that do.

Senator BARTLETT. What would you say is the main reason for the shortage or what would alleviate the shortage?

What steps could be taken to provide more gas to be available for interstate shipment?

Mr. PELICAN. We are a firm believer that a higher well head price would do a great deal to relieve the shortage that we are in right now and we would support, of course, any deregulation of new natural gas, not the old gas, not the old large base but we would strongly support deregulation of new gas as an incentive to producers to really get out and find the gas that the experts believe still remains in the United States in very large volumes.

Senator BARTLETT. Do you feel it is in the very best interest of the customers?

Mr. PELICAN. Yes, I do although I would tell you we know the price of that new gas would go up significantly. Nevertheless that increase in price will bring the necessary capital in to drill these wells and the effect upon the customer will not be in my opinion a dramatic change because we have this huge basis of low priced gas and even though the new gas would come in at over a dollar for 1,000 cubic feet when it is brought in in the smaller increments, it will start with—there will be a gradual increase in the price to the customer and I think his benefit in being able to have this clean fuel far outweighs that increase in cost.

Senator BARTLETT. Do you find with other operations that the market price in Colorado and Wyoming is a strong incentive to more drilling and your getting more reserves committed to your lines?

Mr. PELICAN. The Federal Power Commission took the first step in granting a higher nationwide area rate. I don't want to knock that because that is a step in the right direction.

We believe it just doesn't go anywhere near far enough. It isn't a matter—

Senator BARTLETT. Does that provide any more money for interstate if you are competing within the intrastate market?

Mr. PELICAN. To answer your question if we were in an area where there was a big demand for intrastate gas it would have no effect.

Fortunately most of our area does not have a big intrastate market like they would have in Oklahoma or Louisiana or Texas, so that that effect was diminished. Drilling was something that the big companies do over the whole United States and for that matter many of them over the world. If they can drill in Oklahoma or Texas and get a dollar or more for their gas, the natural incentive is to take their money to one of those States and drill.

So we don't have near the incentive in these Rocky Mountain States to get the big money from there to do the drilling. A higher price we believe would do that. We have quite a few independent drilling people in the Rockies but it is not the big surge we think we need to uncover these reserves.

Senator BARTLETT. Thank you very much.

The CHAIRMAN. Mr. Pelican, I would like to congratulate you on a very excellent presentation. I think the charts you have there and the pictures that you took show the situation very graphically and I just wish everybody came in as well prepared.

Thank you.

Mr. PELICAN. Thank you, and thank you for the opportunity.

The CHAIRMAN. Next witness is Mr. Curtis Bohlen, Deputy Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior.

STATEMENT OF E. U. CURTIS BOHLEN, DEPUTY ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS, DEPARTMENT OF THE INTERIOR

Mr. BOHLEN. Good morning, Mr. Chairman. I have with me from the U.S. Fish and Wildlife Service, region 4 office in Atlanta. Mr. Harold Benson, Mr. Benson is regional supervisor of the Division of Realty Services. In accordance with title I, section 28 of the Mineral Leasing Act, as amended, and further amended by Public Law 93-153. Southern Natural Gas, a Delaware corporation, and a natural gas company, submitted an application dated February 7, 1974, to the U.S. Fish and Wildlife Service for a right-of-way to cross the Savannah National Wildlife Refuge, Chatham County, Ga., and Jasper County, National Wildlife Refuge, Chatham County, Ga., and Jasper County, S.C.

The application for two 30-inch pipelines will cross the refuge a distance of approximately 3.9 miles. The pipelines will also cross three

rivers as it passes through the refuge. It is so located that it will not interfere with any existing or future planned improvements or developments on the refuge.

Two permits are involved in the construction of the two 30-inch pipelines, a temporary work permit and a 30-year right-of-way grant which will cover a permanent right-of-way remaining after the pipeline is constructed.

Southern Natural Gas Co. began its coordination with the U.S. Fish and Wildlife Service in planning for this pipeline project in February 1971. The line as currently proposed is the best of all alternate routes and the one that has only temporary and minimal environmental effects.

Any other route would have crossed the refuge for a greater distance or would have necessitated installation of the pipeline through the city of Savannah or around it to the north. A route to the south would have increased the mileage several fold and would have crossed virgin marshlands for a significantly greater distance than the selected route.

Southern Natural Gas Co. is the principal wholesaler of gas in the Southeastern United States. Traditionally, Southern has relied on Mississippi and South and offshore Louisiana for its supply of natural gas. However, in the past few years these areas have not been able to provide Southern sufficient quantities of gas to meet the requirements of its customers.

As a result, Southern has entered into an agreement to buy liquified natural gas from Algeria at a volume equal to 15 percent of Southern's present daily sales. The gas is to be shipped to the United States in special tankers. The ships will be unloaded with gas in liquid form through pipelines that will terminate at the shore-based storage tanks. There the liquid natural gas will be transformed back into a gaseous state to be transported by the two 30-inch lines, a portion of which will cross the Savannah National Wildlife Refuge to its distribution facility located at Port Wentworth.

Permits have already been granted by the Corps of Engineers for the construction of the marine facilities—mooring and unloading in the Savannah Harbor. In addition the Department of the Army has issued a public notice concerning the construction and maintenance of the pipeline as it crosses the various waterways from Elba Island to Port Wentworth, Ga.

The statements in response to this notice should be in the final review process since they were due by June 10, 1974. The U.S. Fish and Wildlife Service has completed its review of the environmental assessment of the pipeline permit and has determined that an environmental impact statement is not required. While marshlands will be disturbed during the construction period, they will restore themselves naturally after one growing season.

Additional steps have been taken, however, to mitigate potential problems by providing special stipulations in the permit and right of way grant. To eliminate erosion in areas where the pipeline crosses existing tidal drains, guts, ditches, etc., these areas will be back filled with soil to an elevation of 2 feet above the marsh surface, 20 feet on either side of the affected area. Future maintenance of these back filled areas will remain the responsibility of Southern Natural Gas but under the refuge manager's supervision.

Riverbanks will be bulkheaded to protect them from erosion. This work will also be coordinated with the refuge manager. After completion of the construction, all access roads to the work areas will be removed.

Southern Natural Gas has obtained the other required permits from the Coastal Marshland Protection Agency and the Environmental Protection Division, State of Georgia, as well as the South Carolina Pollution Control Agency. Construction, however may not begin until the Corps of Engineers has issued its permit dealing with the river crossing.

Southern Natural Gas has met the requirements for disclosure and is technically and financially capable of operating and maintaining as well as terminating the project under consideration.

Southern Natural Gas has given careful consideration to the design, operation and maintenance of the pipeline and has more than met the minimum Federal safety standards for safety of the pipeline operation as issued by the Office of Pipeline Safety, Department of Transportation.

Southern Natural Gas will also install and operate all proposed facilities in accordance with the Occupational Safety and Health Act of 1970.

Proceedings for the project were held before the Federal Power Commission in Washington and the project was approved on October 5, 1972.

Southern Natural Gas needs to complete its final planning and make firm commitments for materials and with contractors if this proposed work is to get started in 1975. Further delays would now seem unwarranted.

As the result of the length of time this project has been under consideration, I believe it would be appropriate to waive the 60-day waiting period imposed by section 101 of the Trans-Alaskan Pipeline Act. This would provide Southern Natural Gas the lead time necessary to get the above mentioned work completed.

This company through its coordination, planning and review process, established with the U.S. Fish and Wildlife Service early in the pipeline route selection the opportunity to guide and influence the route to minimize its impact on the Savannah National Wildlife Refuge.

The Service is prepared to issue the temporary work permit as well as the 30-year right-of-way grant in accordance with the provisions of the mineral Leasing Act of 1920 at the expiration of the 60-day waiting period.

Copies of the temporary permit for construction areas and right-of-way agreement were furnished for your review on August 20, 1974.

Thank you. I will be glad to answer any questions you may have.

Senator FANNIN. [presiding]. The copies of the temporary permit that you referred to, we do have them and they will all be put in the record. Thank you for the testimony.

What is the time as far as the completion is concerned?

Mr. BENSON. I believe the construction of the pipeline would be completed by September of 1975 if they were able to get started the first part of January of this year.

Senator FANNIN. I notice you are talking about LNG. To what extent will LBB depend on LNG?

Mr. BENSON. The testimony stated that it would cover 15 percent of the daily supply of Southern Natural Gas.

Senator FANNIN. All right. The LNG that you have contracted for with Algeria or other sources will cover approximately 15 percent of the pipeline flow?

Mr. BENSON. Yes, sir.

Senator FANNIN. You were probably here when I asked about the storage in the salt caverns. I know that there are great problems with LNG as well as propane. What type of storage will you have available? I assume it will be tank storage or something of that nature?

Mr. BOHLEN. We are only involved in the pipeline as it crosses the refuge. I don't have any specific information from the company on their storage facilities.

Senator FANNIN. We are seeking information so I asked you for the reason that we have not been able to determine the potential that we have as far as our ability to obtain property from them that could carry through these shortage periods.

The great problem we have with natural gas comes about in the winter months when the heating loads are very heavy. I realize—

Mr. BOHLEN. We would be happy to get the information for the record but I believe a representative of the company will be testifying later.

Senator FANNIN. We need it not necessarily for this particular item but we certainly need it in the overall and any way we can get assistance in obtaining that information will certainly be appreciated. I assume that from the statement that you feel that you have gone to almost extremes in protective measures.

I notice that additional steps have been taken to mitigate additional problems—you go on to talk about the 20 feet on either side. Will there be any objections to that being done from the standpoint of any water, drainage, or anything of that nature?

Mr. BENSON. No, sir, there will be none. The reason for the 2 feet of soil above the normal level is to provide for shrinkage that would normally take place. After a time it will return to the March level.

Senator FANNIN. That is the reason for that. I am not as familiar as I would like to be on just what is involved.

I assume from the testimony that you are going into it very thoroughly as far as environmental problems.

Mr. BOHLEN. We believe we have taken all possible steps to minimize any damage to the refuge itself.

Senator HANSEN. Thank you very much for your testimony, Mr. Secretary. We do have a new law that comes into play as you may know. The Mine Leasing Act of 1920 was amended November 16, 1973, and among its provisions is this one I would like to call to your attention under reports, subsection 2, is found this language, "The Secretary or Agency head shall notify the House and Senate Committees on Interior and Insular Affairs promptly upon receipt of an application for a right of way for a pipeline 24 inches or more in diameter."

Then it goes on to say that no right of way for such a pipeline shall be granted for 60 days after notice of request for right of way. That is

unless each committee by resolution waives the waiting period. I gather possibly that the Secretary may not have informed the appropriate committees. Do you know whether that was done or not?

Mr. BENSON. Yes, sir. We took action as soon as we were familiar with the law. We sent notices to both committees about receipt of the application. One of the reasons it took as long as it did was other new requirements of the new law.

We worked with the Solicitor in developing the right-of-way permits, and we covered all particular phases in the act.

Senator HANSEN. Would you know roughly how long after you had received the application it was before the two committees were notified?

Mr. BENSON. The application from the company came to us on February 7, 1974. We sent our notice of receipt of application in June through our solicitor's office up to your committee. So there was a several month lag there, but in the meantime we were working with the solicitor to develop the procedure and the steps to follow.

Senator HANSEN. As I observe, it is a new law and I know we don't always become aware of all the ramifications of a new law as quickly as we should. We are all interested in trying to expedite the granting of applications at this time where so much is at stake insofar as public interest goes. I have no further questions. Thank you very much.

Senator FANNIN. We appreciate the testimony. I was wondering as far as the time is concerned, the Southern Natural Gas Co. began working with you February 1971. I was interested in the timing and the time element as far as the usual procedures that are followed.

Is this about the average length of time?

Mr. BENSON. No. I think Southern Natural Gas made a special effort here because of their interest in the refuge itself and in protection of the environment.

The company people worked in close cooperation with the refuge manager, and all the details were thoroughly reviewed in considering the application. Prior to Public Law 93-153, a permit could be granted in interval.

Senator FANNIN. I noticed that you have covered some items that I would not normally think would be covered and I am pleased they have been because I think the assurance of some of these programs is very important.

Thank you.

Mr. BOHLEN. Thank you, Mr. Chairman.

[The permits referred to by Mr. Bohlen follow:]

TEMPORARY PERMIT

FOR CONSTRUCTION OF TWO 30'' UNDERGROUND PIPELINES

The Secretary of the Interior, by his authorized representative, The Regional Director, U.S. Fish and Wildlife Service, in accordance with Title I, Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185) and further amended (Public Law 93-153), for and in consideration of the sum of fourteen thousand two hundred twenty-five dollars and no cents (\$14,225.00) hereby grants to Southern Natural Gas Company, herein designated as grantee, a temporary permit for the construction of two 30'' underground pipelines over, across, in and upon lands of the Savannah National Wildlife Refuge, Chatham County, Georgia, and Jasper County, South Carolina. By accepting this permit, the grantee agrees to the following terms and conditions:

(1) This temporary permit is supplementary to those lands covered by a 50-foot wide right-of-way agreement between the undersigned parties over, across,

in and upon lands of the Savannah National Wildlife Refuge, Chatham County, Georgia, and Jasper County, South Carolina, and commences upon the execution of this instrument and terminates at 12:00 P.M., September 30, 1975.

(2) The above stated consideration of Fourteen Thousand Two Hundred and Twenty-five Dollars and No Cents (\$14,225.00) is the minimum consideration agreed upon by the undersigned; and if it is determined to be insufficient by an agreed upon reappraisal, an upward adjustment shall be made. Such reappraisal shall be made no later than two years from the date of execution of this instrument.

(3) The width of this permit shall be limited to the area shown on Drawing No. A PEG-86.*

(4) The two work areas adjacent to Highway 37 shall be constructed in accordance with the plans shown in Drawings Nos. C PEG 86-1 and A PEG-86.* The access roads used for these two work areas shall be removed following construction. Location of the two access roads to be agreed upon by the grantee and refuge manager.

(5) The work areas on either side of Highway 17 will not be required to be removed following construction; however, the access roads connecting these work areas to Highway 37 must be removed.

(6) Construction may not begin until the Southern Natural Gas Company has received required permit(s) from the U.S. Army Corps of Engineers, the Coastal Marshland Protection Committee and the Environmental Protection Division of the State of Georgia and the South Carolina Pollution Control Authority. No construction will be allowed during the period from October 1 to January 15 of any year. If construction is not completed by October 1 of any year the land must be left in a condition acceptable to the refuge manager until subsequent construction can continue.

(7) The grantee shall coordinate construction activities with the U.S. Army Corps of Engineers pertaining to the crossing of the pipeline right-of-way and the proposed Fresh Water Diversion Project. The plans for the crossing are shown on Drawing No. 195.*

(8) Grantee shall comply with State and Federal laws applicable to the project within which the permit area is granted, and the lands which are included in the permit, and lawful existing regulations thereunder.

(9) That the United States shall be relieved of any and all responsibility and/or liability for any and all damages to persons and property of whatsoever kind which may occur by reason of, or be otherwise attributable to, the construction use, and/or maintenance of the said permit area or for any other act of the grantee while exercising the permission granted.

(10) Grantee shall conduct all its operations so as to prevent the escape of gases, liquids, or other deleterious substances from any of its pipelines or other facilities onto or into lands or waters of the refuge. In the event contamination or pollution results from operations of grantee hereunder, grantee shall pay the full value for all damage to the lands or other property of the United States as shall be determined by the Regional Director of the U.S. Fish and Wildlife Service, and the grantee shall also take such corrective measures as the said Regional Director may require.

(11) In order to ensure the environmental protection of the permit area, the Grantee shall restore, revegetate and curtail the erosion of the surface of the land as directed by the refuge manager; conduct all activities in connection with the permit area in compliance with the applicable State and Federal laws on air and water quality; and shall correct any problems identified by the refuge manager which result from the pipeline or its construction including, but not limited to: damage to the environment, including damage to fish and wildlife habitat; damage to public or private property; and hazards to public health and safety.

(12) The grantee shall not disturb, obliterate, or destroy any land boundary or survey monument unless the grantee has requested and received from the Regional Director, U.S. Fish and Wildlife Service, approval of measures taken to perpetuate the location of aforesaid monuments.

(13) The U.S. Fish and Wildlife Service retains the right to operate heavy equipment over and across the permit area, and the Bureau shall be absolved from all claims for damages by the grantee due to construction activities by the Bureau within the permit area. However, the U.S. Fish and Wildlife Service will attempt to give Southern Natural Gas Company reasonable notice prior to such operation and shall take reasonable precautions to prevent damage.

(14) The permit granted is issued with the understanding and upon the express condition that the grantee shall respect and protect all prior and proper rights

*The drawings referred to are retained in committee files

within the permit area granted to any corporation, agency, or persons, and the grantee shall coordinate its planning, construction, use and maintenance of right-of-way with such parties

(15) Ingress and egress to and from the pipelines during construction shall be limited to the right-of-way for the pipeline, the permit area and existing roads and waterways, unless otherwise authorized by the refuge manager or this permit.

(16) The failure of the United States to require strict performance of the terms, covenants, agreements, and conditions of this permit shall not constitute a waiver or relinquishment of the right of the United States to strictly enforce thereafter such terms, covenants, agreements, or conditions which shall, at all times, continue in full force and effect

(17) No herbicides or pesticides shall be used on the permit area herein authorized without prior approval by the Regional Director, U.S. Fish and Wildlife Service.

(18) The United States, by and through its agent, the Secretary of the Interior, shall have the the right to grant additional rights-of-way or permits for compatible uses on or adjacent to the permit area granted herein.

(19) All owners of any interest in, and all affiliates or subsidiaries of the Southern Natural Gas Company shall be liable to the United States in the event that a claim for damage or injury cannot be collected from the grantee herein.

(20) Southern Natural Gas Company will design, construct and operate all proposed facilities in accordance with the provisions of Part 192 of Title 49 of the Code of Federal Regulations, and will install and operate all proposed facilities in accordance with the terms of the Occupational Safety and Health Act of 1970, Pub. L. 91-596.

In witness whereof, I have hereunto set my hand this ____ day of _____, 1974.

THE UNITED STATES OF AMERICA,

Common Witness

By _____
Regional Director,
U.S. Fish and Wildlife Service.

Notary Public
In witness whereof, I,

have executed this instrument on behalf of the grantee herein on this ____ day of _____, 1974.

Witness:

By _____
SOUTHERN NATURAL GAS Co.,
(Title)

RIGHT-OF-WAY

FOR TWO 30' UNDERGROUND PIPELINES

The Secretary of the Interior, by his authorized representative, the Regional Director, U.S. Fish and Wildlife Service, pursuant to Title I, section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185) and further amended (Public Law 91-153) for and in consideration of the initial sum of Six Thousand Seven Hundred and Ten Dollars and No Cents (\$6,710.00), hereby grants to Southern Natural Gas Co., herein designated as the grantee, a 30-year right-of-way for construction, operation and maintenance of two 30'' underground pipelines over, across, in and upon lands of the Savannah National Wildlife Refuge, Chatham County, Georgia, and Jasper County, South Carolina. By accepting this right-of-way the grantee agrees to the following terms and conditions:

(1) The use of the land of the Savannah National Wildlife Refuge shall be limited to the right-of-way described in application from the Southern Natural Gas Company dated February 7, 1974, as shown on applicant's map entitled "DWG. No. A. PEG-86" dated December 7, 1973, and shall be limited to 50 feet in width.*

(2) The grantee agrees that the initial sum of \$6,710.00 is payment in full for administrative and other costs incurred in processing the application (\$4,710.00) and the first year's annual rental for the right-of-way (\$2,000.00).

(3) The grantee agrees to pay the sum of Two Thousand Dollars and No Cents (\$2,000.00) on or before the execution date of this instrument as provided for in

*The drawings referred to are retained in committee files.

paragraph 2 above and annually for the duration of the right-of-way. However this annual fee is subject to periodic review and adjustment by the United States and in any event will be reviewed no less than every five years from date of execution of this instrument.

(4) The grantee agrees that it will reimburse the United States annually for costs incurred in monitoring the construction, operation and maintenance of the pipelines. Such costs will be billed directly to the grantee by the United States. In the event of termination of this right-of-way, the grantee agrees to reimburse the United States for any and all costs incurred by the United States in monitoring the termination, and should the pipelines be removed for any cause, agrees to restore the right-of-way to a condition acceptable to the refuge manager.

(5) The grantee is responsible for correcting any problems identified by the U.S. Fish and Wildlife Service which result from the pipelines or their construction. In addition, the grantee shall take immediate remedial action in emergency situations.

(6) All pipeline ditches shall be backfilled with all available spoil removed during the ditching excavation operation in order to allow for settlement. Where the right-of-way intercepts existing tidal drains (guts, ditches, creeks, etc.) that in the opinion of the refuge manager present a significant potential for causing erosion, the pipeline ditches shall be backfilled to an elevation of 2 feet above the marsh surface for a distance of 20 feet on either side of the intercepted drain. Future maintenance of the backfilled areas shall remain the responsibility of the grantee.

(7) The "artificial island" method of construction described in the grantee's application shall be utilized at the Back and Middle River work areas. The artificial islands shall be either barge or ramp-type construction.

(8) The work areas on either side of Highway 17 will not be required to be removed following construction; however, the access roads connecting these work areas to Highway 17 must be removed.

(9) Bulkheads shall be located a minimum of 15 feet back from the top of river banks. The face of the river banks, at these locations shall be protected by either "one man" stone or sand-cement bag riprap. Construction of the bulkheads shall be coordinated with the refuge manager. The plans for construction of bulkheads are shown on Drawing No. A. PX-613.*

(10) Construction may not begin until the Southern Natural Gas Company has received required permit(s) from the U.S. Army Corps of Engineers, the Coastal Marshland Protection Committee and the Environmental Protection Division of the State of Georgia and the South Carolina Pollution Control Authority. No construction will be allowed during the period from October 1 to January 15 of any year. If construction is not completed by October 1 of any year the land must be left in a condition acceptable to the refuge manager until subsequent construction can continue.

(11) The grantee shall coordinate construction activities with the U.S. Army Corps of Engineers pertaining to the crossing of the pipeline right-of-way and the proposed Fresh Water Diversion Project. The plans for the crossing are shown on Drawing No. 195.

(12) Grantee shall comply with State and Federal laws applicable to the project within which the right-of-way is granted, and to the lands which are included in the right-of-way, and lawful existing regulations thereunder.

(13) That the United States shall be relieved of any and all responsibility and/or liability for any and all damages to persons and property of whatsoever kind which may occur by reason of, or be otherwise attributable to, the construction use, and/or maintenance of the said right-of-way or for any other act of the applicant while exercising the permission granted.

(14) Grantee shall conduct all its operations so as to prevent the escape of gases, liquids, or other deleterious substances from its established pipelines or other facilities onto or into lands or waters of the refuge. In the event contamination or pollution results from operations of grantee hereunder, grantee shall pay the full value for all damage to the lands or other property of the United States as shall be determined by the Regional Director of the U.S. Fish and Wildlife Service, and the grantee shall also take such corrective measures as the said Regional Director may require.

(15) In order to ensure the environmental protection of the right-of-way area, the Grantee shall restore, revegetate and curtail the erosion of the surface of the

*The drawings referred to are retained in committee files.

land as directed by the refuge manager, conduct all activities in connection with the right-of-way in compliance with the applicable State and Federal laws on air and water quality, and shall correct any problems identified by the refuge manager which result from the pipeline or its construction including, but not limited to: damage to the environment, including damage to fish and wildlife habitat; damage to public or private property; and hazards to public health and safety.

(16) The grantee shall, upon completion of the pipeline, designate its location by installing suitable markers at intervals of not more than one-half mile and, in addition, such markers shall be placed at angle points and at points of crossing the refuge boundary. The markers shall be of durable material extending not less than three feet above the top of vegetation.

(17) The U.S. Fish and Wildlife Service retains the right to use the right-of-way for the planting of wildlife food and cover crops, provided the same shall not endanger the pipelines. In the event of further development or of operation upon the affected lands for wildlife purposes by the U.S. Fish and Wildlife Service, the grantee shall make such modifications in its pipelines as may be necessitated by such development.

(18) The grantee shall not disturb, obliterate, or destroy any land boundary or survey monument unless the grantee has requested and received from the Regional Director, U.S. Fish and Wildlife Service, approval of measures taken to perpetuate the location of aforesaid monuments.

(19) Abandonment of the right-of-way or noncompliance with any provision of this agreement may be grounds for suspension or termination of the right-of-way if (A) after due notice to the Southern Natural Gas Company, (B) a reasonable opportunity to comply with this agreement, and (C) an appropriate administrative proceeding pursuant to title 5, United States Code, section 554, the Secretary determines that any such ground exists and that suspension or termination is justified. No administrative proceeding shall be required upon termination of the right-of-way at the end of the 30-year period described herein. If the Secretary determines that an immediate temporary suspension of activities within a right-of-way of permit area is necessary to protect public health or safety or the environment, he may abate such activities prior to an administrative proceeding. Deliberate failure of the grantee to use the right-of-way for the purpose for which it was granted for any continuous two-year period shall constitute a rebuttable presumption of abandonment of the right-of-way: Provided, That where the failure to use the right-of-way is due to circumstances not within the grantee's control the Secretary is not required to commence proceedings to suspend or terminate the right-of-way.

(20) The U.S. Fish and Wildlife Service retains the right to operate heavy equipment over and across the right-of-way, and the Bureau shall be absolved from all claims for damages by the grantee due to construction activities by the Bureau within the right-of-way. However, the U.S. Fish and Wildlife Service will attempt to give Southern Natural Gas Company reasonable notice prior to such operation and shall take reasonable precautions to prevent damage to the pipelines.

(21) The right-of-way granted is issued with the understanding and upon the express condition that the grantee shall respect and protect all prior and proper rights within the right-of-way granted to any corporation, agency, or persons, and the grantee shall coordinate its planning, construction, use and maintenance of right-of-way with such parties.

(22) Ingress and egress to and from the pipeline shall be limited to the right-of-way for the pipeline, and existing roads and waterways, unless otherwise authorized by the refuge manager. The grantee shall advise the refuge manager of the schedule of inspection flights or ground inspection if required.

(23) The failure of the United States to require strict performance of the terms, covenants, agreements, and conditions of this right-of-way shall not constitute a waiver or relinquishment of the right of the United States to strictly enforce thereafter such terms, covenants, agreements, or conditions which shall, at all times, continue in full force and effect.

(24) No herbicides or pesticides shall be used on the right-of-way herein authorized without prior approval by the Regional Director, U.S. Fish and Wildlife Service.

(25) Upon completion of the pipelines the grantee shall furnish the Regional Director, U.S. Fish and Wildlife Service, an accurate survey of the pipeline "as built", including typical cross-sectioning.

(26) The top of the pipelines shall be placed at not less than 36 inches below the present surface of the land and 36 inches below the existing canals and waterways.

(27) Grantee shall keep the Regional Director, U.S. Fish and Wildlife Service, informed at all times of the address of its principal place of business and the names and addresses of its principal officers.

(28) The United States, by and through its agent, the Secretary of the Interior, shall have the right to grant additional rights-of-way or permits for compatible uses on or adjacent to the right-of-way area granted herein.

(29) All owners of any interest in, and all affiliates or subsidiaries of the Southern Natural Gas Company shall be liable to the United States in the event that a claim for damage or injury cannot be collected from the grantee herein.

(30) Southern Natural Gas Company will design, construct and operate all proposed facilities in accordance with the provisions of Part 192 of Title 49 of the Code of Federal Regulations, and will install and operate all proposed facilities in accordance with the terms of the Occupational Safety and Health Act of 1970, Pub. L. 91-596.

In witness whereof, I have hereunto set my hand this ____ day of _____, 1974.

THE UNITED STATES OF AMERICA,

By _____
Regional Director, U.S. Fish and Wildlife Service.

Common Witness

Notary Public

In witness whereof, I, _____
have executed this instrument on behalf of the grantee herein on this ____ day
of _____, 1974

Witness:

By _____ SOUTHERN NATURAL GAS CO.,
(Title)

Senator FANNIN. The next witness will be Mr. G. W. Bledsoe, vice president and chief engineer, Southern Natural Gas Co.

Please come forward.

STATEMENT OF G. W. BLEDSOE, VICE PRESIDENT AND CHIEF ENGINEER, THE SOUTHERN NATURAL GAS CO., BIRMINGHAM, ALA.

Mr. BLEDSOE. Mr. Chairman and members of the committee, my name is G. W. Bledsoe, vice president and general manager of the Southern Natural Gas Co. I have with me Ben Williams, counsel to the company. I have submitted a letter summarizing our position.

We are here today requesting a waiver of the 60-day notice period. Since we must commence construction in January of 1975, we need this permit to do so. We will not be able to obtain we feel the 60-day notice period within this Congress and furthermore we need to make a final commitment to our contractors such that they can assemble the necessary equipment and terms prior to the construction and commencement of construction.

The request of permit is essential to the timely completion of the project and thereby allows Southern Natural to bring additional supply of natural gas to the customers of the southeastern United States. That concludes my statement sir, with the testimony that—the letter that you have, and I want to thank you very much for your time.

Senator FANNIN. You are more than cooperative in consolidating your statement. We certainly did not mean to deter you from making

any statement you so desired and if you have anything further you would like to add, the record will be held open. I know that the time is very important to you. The information that was given to us by Mr. Bohlen was very helpful and your cooperative program with them is very impressive.

I am very pleased that you have gone forward. There are a number of questions that the Senator from Nevada has, that perhaps we could cover some of the other matters. I will ask Senator Hansen if he has any questions.

Senator HANSEN. I have no questions. I think your testimony is very lucid and complete and complementing as it does the testimony of other witnesses I would be in favor of voting for the waiver of the 60-day waiting period.

Senator FANNIN. Thank you, Mr. Bledsoe. From my personal standpoint, I certainly agree that this is a vital matter and that it should be given immediate consideration. I hope it will be. We do thank you for your testimony.

I am wondering if you could enlighten us as far as the potential for storage of either LNG or PG in salt caverns.

Mr. BLEDSOE. Senator, that will not be possible in our areas. At this particular installation we are proposing to store the LNG in above ground tanks, 400,000-gallon tanks, three of them. The quantity of LNG to be imported is equivalent to 350 million gallons per day.

As stated by Mr. Bohlen that is equivalent to approximately 15 percent of our daily peak capacity. We will not be able to store in any salt caverns.

Senator FANNIN. Thank you very much, Mr. Bledsoe. We appreciate your testimony.

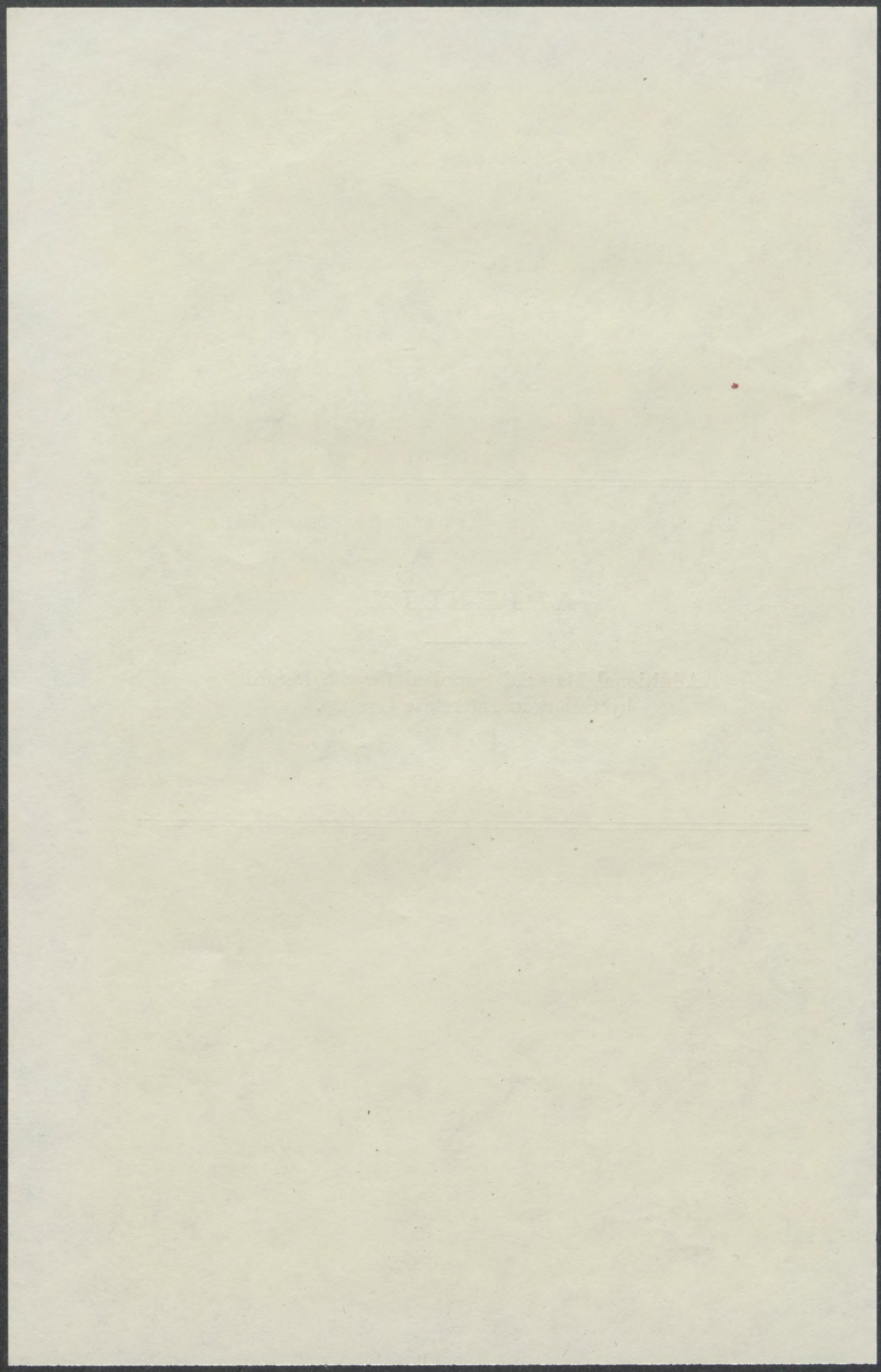
Mr. BLEDSOE. Thank you.

Senator FANNIN. That will conclude the witness list on the special matters being considered this morning and we will stand in adjournment.

[Whereupon, at 11:10 a.m. the committee adjourned.]

APPENDIX

Additional Material Supplied for the Record
by Colorado Interstate Gas Co.



COLORADO INTERSTATE GAS CO.,
Colorado Springs, Colo., August 23, 1974.

Hon. HENRY M. JACKSON,
*Chairman, Senate Committee on Interior and Insular Affairs,
Dirksen Senate Office Building,
Washington, D.C.*
(Attention: Mr. Jerry Verkler, Staff Director.)

DEAR MR. CHAIRMAN: Enclosed are documents related to Federal Power Commission and Bureau of Land Management approval for construction of a 24-inch loop pipeline partially over Federal lands in southern Wyoming and northern Colorado.

Please contact me for any additional information required for the September 13, 1974 hearing in reference to our application for waiver from the 60 day waiting period.

Sincerely,

MITCHEL C. STANFIELD,
Public Affairs Representative.

Enclosure.

COLORADO INTERSTATE GAS CO.,
Colorado Springs, Colo., August 23, 1974.

Hon. JOHN MELCHER,
*Longworth House Office Building,
Washington, D.C.*

DEAR CONGRESSMAN MELCHER: The purpose of this letter is to explain the background and the urgency of a matter now awaiting the attention of the House Committee on Interior and Insular Affairs and its Subcommittee on Public Lands, of which you are chairman.

This matter was discussed with you Tuesday, August 20, by a representative of this company and by Congressman Teno Roncalio, also a member of the House Committee on Interior and Insular Affairs. You advised that because of the press of other business your subcommittee would not be able to consider the matter in question until the House reconvenes (after recessing this week) on September 11. I am informed that you also deplored the "short notice" involved.

Please be assured, Congressman Melcher, that we also greatly deplore the circumstances, beyond our control, which have brought about this critical timing. Because of a series of delays, not of our doing, we now are faced with the strong possibility that we will not be able to proceed on a timely basis with a project that (1) is vitally needed to help meet the natural gas requirements of customers in Colorado and Wyoming; (2) was approved last May by the Federal Power Commission (FPC) as being in the public interest; and (3) is, we believe, non-controversial, having been found by both the FPC and the Bureau of Land Management (BLM) to be environmentally acceptable. The circumstances are as follows.

On February 19, 1974 we filed an FPC application (Docket No. CP74-209) for authorization to increase the peak day supply capacity of our existing natural gas pipeline system by approximately 22 million cubic feet daily in the 1974-75 heating season. Facilities involved are 31.1 miles of new 24-inch pipeline in southern Wyoming and northern Colorado "looping" (i.e., parallel) our existing pipeline in these areas. Approximately 7 miles of the new pipeline will be located on Federal lands, all in Wyoming, and will be constructed about 50 feet parallel to our existing pipeline previously constructed across such lands pursuant to BLM rights-of-way heretofore granted. Cost of proposed facilities was estimated at \$3.7 million.

In our application we noted that because of substantial decline of peak day supplies elsewhere on our system, the proposed additional facilities were needed to help us meet 1974-75 peak day delivery obligations, beginning October 1, 1974.

Our application to the FPC was unopposed and uncontested. After a hearing held on May 8, 1974, the FPC by Order of May 13, 1974 (copy enclosed) certified the facilities to be in the public interest and authorized their construction, noting (p. 4 of the order) that "The Commission finds that this order does not constitute a major Federal action having any significant effect on the environment."

In past years, the foregoing procedures would have satisfied regulatory requirements and authorized us to proceed with timely construction of the proposed project. Effective November 16, 1973, however, the Trans-Alaska Pipeline Authorization Act (PL93-153) amended the Mineral Leasing Act of 1920 to require that the Secretary of Interior "or agency head" notify the House and Senate Committees on Interior and Insular Affairs of applications for right-of-way on Federal lands for a pipeline 24 inches or more in diameter, and imposed a subsequent 60-day waiting period before final grant of right-of-way "unless each committee by resolution waives the waiting period."

On March 5, 1974, we filed application with the BLM office in Cheyenne, Wyoming for the required right-of-way on the approximately 7 miles of Federal lands in Wyoming. In following months, we had numerous contacts with the Cheyenne BLM office in attempts to expedite this application. That office was most cooperative but explained that under BLM instructions from Washington they could not grant such rights-of-way until new regulations were developed for Public Law 93-153.

We continued regular and frequent contacts with the Cheyenne BLM office, who remained most cooperative but explained that other workload would delay completion of their report on our application.

As the urgency of the situation continued to increase with the further passage of time, on June 7, 1974 we wrote to the legislative assistants of Senators Hansen and Haskell, who are members of the Senate Committee on Interior and Insular Affairs, and Representative Roncalio, who is on the comparable House Committee. We alerted them to the delays encountered to that point and further anticipated, and noted that their assistance in expediting the waiver of the 60-day waiting period might be required for us to meet our construction schedule to complete this project before the coming winter. We pointed out that we believed such a waiver was warranted in view of the minimal environmental impact of our project, as noted in our environmental filing and on page four of the FPC order. Copies of these two documents were enclosed at that time and are also herewith attached.

More frequent contacts with the Cheyenne BLM office continued during June and July, and on July 17 we were advised that our application was completed and would be in Washington by July 22. On July 17 we again wrote to Senator Hansen, to Representative Roncalio, and to Senator Haskell's legislative assistant advising that our application was being forwarded to Washington and requesting their assistance in expediting it by helping to obtain the necessary Committee waiver. We further advised that we were informed that the BLM survey confirmed our own filing and the FPC order as to the minimal environmental impact of our project.

On July 23 we again inquired and were told by the Cheyenne BLM office that our application had been mailed to Washington the preceding week.

On July 24 we telephoned the Washington BLM office and were advised that our application had not been received. We maintained contact with the offices of Senator Hansen and Representative Roncalio and on August 6 were notified by Representative Roncalio's office that our application had arrived in Washington. On August 9 we received a call from the BLM Washington Office that our application had been received and that "action should start forward in the next day or two."

Also on August 9 we telephoned notification to Senator Haskell's legislative assistant (who was in Denver at the time) that our application was in Washington with a reminder of the urgency of the project.

On August 14 we telephoned the BLM Washington Office and were advised that our application had been released by BLM and was being processed by the Interior Department, with no information available as to anticipated completion date.

On August 16 we telephoned Senator Hansen's office and were told that the Senate Interior Committee minority counsel had been in touch with the Interior Department but had no further information on our application.

On August 18 we dispatched a Company representative to Washington to devote full-time personal attention to expediting this matter. We thereupon learned that both houses of Congress would be recessing after this week, the Senate until September 4 and the House until September 11. It therefore became apparent that immediate action would be required to assure clearance in time for completion of construction by October 1.

On August 19 and 20 our representative made personal contacts with the BLM Washington Office, with the offices of Senators Hansen and Haskell and Representative Roncalio, and with staff counsel of both the House and Senate Interior Committees. On August 20 the BLM Director addressed to the chairmen of the House and Senate Interior Committees a notification of the proposed

grant of our requested right-of-way and our representative, accompanied by BLM congressional liaison staff personnel, personally delivered these notifications to the respective Committee staffs.

This is where matters stand, with both houses of Congress in recess after this week, as noted. Construction is in progress on parts of our project not requiring Federal right-of-way, but if we are to have any chance at all of meeting our October 1 completion date, a waiver of the 60-day waiting period would have to be received by mid-September at the latest. Even so, we are now advised, the BLM would require "several days" following the waiver to complete final clearance. This would leave a perilously thin margin of time for the contractor to move in and complete the Federal-land portion. And if it is doable at all, it will obviously have to be done on a crash basis at greatly increased cost which will, of course, ultimately have to be borne by the consumer.

Nevertheless, because of the vital need of our customers for the new natural gas supplies the proposed facilities will enable us to transport, we feel we must continue to make every effort to complete this project in time to meet delivery obligations beginning October 1. We respectfully request, therefore, your favorable consideration of expeditious handling of our waiver request promptly following recess.

Such action, we feel, is warranted under the circumstances, firstly, because of the urgency of the public interest need; secondly, because of the protracted delays heretofore encountered despite our best efforts, as related; and finally, because the specified waiting period would in no respect appear to be required in this particular instance or applicable to this particular project, involving only a few miles paralleling an existing pipeline, as to which no one to our knowledge has voiced the slightest opposition, which has been certified to be in the public interest, and which has already been adjudged environmentally acceptable by both the Federal Power Commission and the Bureau of Land Management.

Please excuse the length of this letter and the burden of detail, but you are entitled to have the full background for complete consideration.

I am taking the liberty of sending a copy of this letter to all members of the Colorado and Wyoming delegations so that they also may be fully informed as to the status of this project and the serious potential consequences to their constituents.

Please advise us if further information is desired.

Sincerely,

JOHN T. BAKER, *Vice President.*

AUGUST 21, 1974.

APPLICATION FOR RIGHTS OF WAY

(U.S. Department of Interior, Bureau of Land Management)

ROCK SPRINGS WYOMING 24'' LOOP LINE

Chronological events are as follows:

March 5.—Application for right of way was mailed to the B.L.M. office in Cheyenne.

March 8.—Receipt for advance payment of the filing fee was received from the B.L.M. office in Cheyenne.

May 14.—Notified B.L.M. office that permission had been obtained from Wyoming Highway Department to cross a material site located on B.L.M. land.

May 21.—Lou Bonato talked to Mr. Philip Hamilton on status of our application. He was advised that our application was in the Rawlins Field office and as soon as he received a report from the realty specialist in the field, the application would be forwarded to Washington for approval by Congress.

May 24.—I met with Mr. Philip Hamilton with the B.L.M. in Cheyenne to discuss the procedures and recently amended guidelines for processing rights of way for lines 24'' and above. In regard to our specific application, I was advised that the realty specialist in Rawlins, Mr. Dave Pomerinke, was working on an environmental statement, and the application should be in Cheyenne in July.

May 31.—I talked to the B.L.M. realty specialist, Mr. Dave Pomerinke. He stated that his report would only take two weeks to prepare, but because of his workload it could be September before it was completed. He later agreed to try to complete the report by August 15 (Mitch has a copy of my report).

June 10.—Met with Dave Pomerinke, realty specialist, in Rawlins along with Mitch Stanfield. We delivered a copy of the environmental report made with the

F.P.C. He agreed to process our application next, but would be required to work on the B.L.M. fiscal budget and could not start on our application until the latter part of the month.

June 28 (approximately).—Mr. Pomerinke called Lou Bonato in my absence and advised that the report was complete and was being sent to Cheyenne; however, a stipulation requiring an archeological survey may be required.

July 2.—Talked to office of Dr. George Frison about possibility of getting an archeological survey.

July 10.—Met with Mr. Philip Hamilton in Cheyenne. I was told the application had been returned to Rawlins for technical reasons. He was to check, and I would contact him the next day.

July 10.—Met with Mr. Hamilton again. The application would be back in Cheyenne on the 15th.

July 10.—Met with Dr. George Frison at the University of Wyoming in Laramie and ordered an archeological survey.

July 17.—I talked to Mr. Hamilton by telephone. He estimated that the application would be in Washington by Monday, July 22, 1974.

July 23.—Talked to Mr. Hamilton by telephone, and he verified that the application had been sent to the Washington B.L.M. office the week before and should be in Washington.

July 29.—We received a letter from Dr. George C. Frison, Head of Department of Anthropology and State Archeologist, to the effect that the route had been inspected and no archeologist was required during construction.

As a matter of information, our principle contact regarding this application was Mr. Philip C. Hamilton, Chief, Branch of Lands and Minerals operations. He has been very helpful in helping us to process the application where he was able to do so.

The entire length of this loop line is 17.13 miles and is located in Carbon and Sweetwater Counties, Wyoming. The portion located on B.L.M. lands is a total of 7.18 miles in length.

MARCH 5, 1974.

Re Denver Rock Springs 24'' Loop.

Attention: Alma Lundberg, Chief, Lands and Mining Section.

GENTLEMEN: It has become necessary for our Company to construct an additional or loop 24'' natural gas pipeline approximately 20 miles in length. This additional or loop line would begin at a point in the E½ of Section 32-21N-89W, Carbon County, Wyoming and would run generally in a Westerly direction and parallel with our existing natural gas pipeline to a point in Section 8-20N-92W, Sweetwater County, Wyoming, to a point of connection in Section 8 with our existing loop pipeline. Right of way to construct the existing loop line in Section 8-20N-92W was granted by your Department on May 2, 1972, your reference No. W-34086 (943).

Our survey indicates that this proposed additional line would cross the following Federal lands in Carbon and Sweetwater Counties, Wyoming:

Sec. 32-21N-89W.—Portion of NW¼, Carbon County, Wyo.

Sec. 36-21N-90W.—N½, Sweetwater County, Wyo.

Sec. 34-21N-90W.—S½, Sweetwater County, Wyo.

Sec. 32-21N-91W.—S½, Sweetwater County, Wyo.

Sec. 4-20N-91W.—N½, Sweetwater County, Wyo.

Sec. 6-20N-91W.—Sweetwater County, Wyo.

Sec. 12-20N-92W.—N½, Sweetwater County, Wyo.

Sec. 2-20N-92W.—SE¼, Sweetwater County, Wyo.

Sec. 10-20N-92W.—Sweetwater County, Wyo.

Sec. 8-20N-92W.—S½, Sweetwater County, Wyo.

In addition, it will also be necessary for our Company to construct 8'' natural gas pipeline from a point of connection with proposed loop in Section 12-20N-92W to our meter station site in Section 1-20N-92W. The location of this proposed 8'' line is more particularly shown on detail A of alignment sheet 5B-53. Right of way to construct our original natural gas pipeline across the above described lands was granted by your Department on May 11, 1956, Wyoming No. 040954.

We therefore wish to make formal application of pipeline right of way to construct, operate and maintain our proposed 24'' loop line and our proposed 8'' line in accordance with Title 43 CFR subparts 2800 and 2881, Sec. 2881.03. We enclose our reproducible print Nos. 5B-51, 5B-52, 5B-53, and 5B-54B showing the exact location of our proposed lines across the above Federal tracts of land, together with four copies of said prints.

Colorado Interstate Corporation operates under the Natural Gas Act and by authority of the Federal Power Commission, and we are therefore not classified as a common carrier. Proof of our corporate existence and authority to apply for rights of way on Federal lands was submitted to your Department on September 19, 1960 in connection with right of way approved September 22, 1960 (your #Wyo 0119022). We have previously submitted an order from the FPC reciting that our Company is a natural gas company within the meaning of the Natural Gas Act (#Wyo 0311871). Further, in connection with right of way approved December 22, 1965, we submitted a Certificate of Authority for Colorado Interstate Gas Company (now Colorado Interstate Corporation) to conduct business in the State of Wyoming (#Wyo 0321029).

On January 31, 1973 we submitted to your office a certified statement listing all officers authorized to execute any required instruments in connection with our right of way application which was assigned #Wyo 38558(943).

Colorado Interstate Corporation, in accepting right of way for the proposed line from the Department of Interior, specifically agrees and consents to comply with and be bound by all of the terms and conditions set forth in Title 43 CFR, Sec. 2801.1-5 and other regulations.

Although, as stated above, we are not classified as a common carrier, we have enclosed the common carrier stipulation with the notation that the provision does not apply to any natural gas company under the Natural Gas Act.

We have enclosed our sight draft No. 28412 in the amount of \$10.00 in payment for the filing and service fee. Prompt payment will be made for the right of way consideration as soon as we are advised of the amount due.

If you desire further information, please advise. We thank you kindly for your assistance.

Very truly yours,

CHAS. W. CHAPMAN,
Manager, Land.

Enclosure.

STIPULATIONS

"The applicant for right-of-way agrees to operate the pipeline as a common carrier in accordance with the provisions of the Mineral Leasing Act, and, within 30 days after the request of the Secretary of the Interior, to file rate schedule and tariff for the transportation of oil or gas, as the case may be, as such common carrier with any regulatory agency having jurisdiction over such transportation, as the Secretary may prescribe;

"It being distinctly understood, however, that this common carrier provision shall not apply to any natural gas pipeline operated by any person subject to regulation under the Natural Gas Act or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality."

COLORADO INTERSTATE GAS CO., A DIVISION OF
COLORADO INTERSTATE CORP.
By CHAS. W. CHAPMAN.

COLORADO INTERSTATE GAS CO.,
Colorado Springs, Colo., June 7, 1974.

Ms. BETSY MOLER,
*Legislative Assistant,
Office of Senator Floyd K. Haskell,
Old Senate Office Building,
Washington, D.C.*

DEAR BETSY: I would like to alert you to a problem that we may encounter in obtaining right-of-way on federally-owned land for a proposed 24-inch loop line needed to increase the capacity of our Wyoming main line system (BLM Application No. W-44574). As winter approaches, construction timing will become critical for this much-needed additional natural gas delivery capability. We may, therefore, be asking your and Senator Haskell's assistance in expediting our application back there.

The Trans-Alaska Pipeline Authorization Act (PL-153), requires a waiting period of sixty days on all right-of-way applications for 24-inch and above pipeline unless the House and Senate Committees on Interior and Insular Affairs waive this

waiting period. Because of the minimum environmental impact of the project, as noted in our environmental filing and page four of the FPC order (copies enclosed), we believe such waivers are warranted.

The Rawlins BLM realty specialist has agreed to place a special priority on this project and attempt to complete his environmental survey by the end of June so that the case will reach Washington for final processing in early July. Constraints on his own time may, however, delay Washington receipt until August 1.

When the application is received in Washington, we will make a formal request for your assistance in this matter. We are also contacting Senator Hansen and Representative Roncalio, who also sit on these committees.

In the meantime, if we can furnish you additional information which would be helpful, please advise. Any assistance you can give us will be greatly appreciated.

Best regards,

J. T. BAKER,
Vice President.

COLORADO INTERSTATE GAS CO.,
Colorado Springs, Colo., June 7, 1974.

Mr. DENNIS EARHART,
Legislative Assistant to Representative Teno Roncalio, Longworth House Office Building, Washington, D.C.

DEAR DENNY: Since we met last, it's possible that CIG will encounter a Washington delay in obtaining right-of-way on federally-owned land for a proposed Rock Springs 24-inch loop line needed to increase the capacity of our Wyoming main line system (BLM Application No. W-44754). As winter approaches, construction timing and thus additional natural gas delivery become critical. To that extent, I'm inquiring about the possibility of securing assistance in processing our application through Washington.

The Trans-Alaska Pipeline Authorization Act (PL-153), requires a waiting period of 60 days on all right-of-way applications for 24-inch and above pipeline unless the House and Senate Committees on Interior and Insular Affairs waive this waiting period. Because of the minimum environmental impact of the project, as noted in our attached environmental filing and page four of the FPC order, we believe such waivers are warranted.

Dave Pomerinke, Rawlins BLM realty specialist, has agreed to place a special priority on the project and will attempt to complete his environmental survey by the end of June so that the case will reach Washington for final processing in early July. Constraints on his own time may, however, delay Washington receipt until August 1.

When the application is received in Washington, we will make a formal request to Representative Roncalio for assistance in this matter. In hopes of easing the task, we've also sent identical packages to Mac McKean and Betsy Moler, legislative assistants to Senator Hansen and Senator Haskell, both of whom sit on respective Interior committees.

In the meantime, Denny, please call me for additional information necessary for processing the application through committee. Your assistance is greatly appreciated.

Best regards,

MITCHEL C. STANFIELD,
Public Affairs Representative.

COLORADO INTERSTATE GAS CO.,
Colorado Springs, Colo., June 7, 1974.

Mr. J. NOLAN MCKEAN,
Legislative Assistant to Senator Clifford Hansen,
New Senate Office Building, Washington, D.C.

DEAR MAC: Since we met last, it's possible that CIG will encounter a Washington delay in obtaining right-of-way on federally-owned land for a proposed Rock Springs 24-inch loop line needed to increase the capacity of our Wyoming main line system (BLM Application No. W-44574). As winter approaches, construction timing and thus additional natural gas delivery becomes critical. To that extent, I'm inquiring about the possibility of securing assistance in processing our application through Washington.

The Trans-Alaska Pipeline Authorization Act (PL-153), requires a waiting period of 60 days on all right-of-way applications for 24-inch and above pipeline

unless the House and Senate Committees on Interior and Insular Affairs waive this waiting period. Because of the minimum environmental impact of the project, as noted in our attached environmental filing and page four of the FPC order, we believe such waivers are warranted.

Dave Pomerinke, Rawlins BLM realty specialist, has agreed to place a special priority on the project and will attempt to complete his environmental survey by the end of June so that the case will reach Washington for final processing in early July. Constraints on his own time may, however, delay Washington receipt until August 1.

When the application is received in Washington, we will make a formal request to Senator Hansen for assistance in this matter. In hopes of easing the task, we've also sent identical packages to Dennis Earhart and Betsy Moler, legislative assistants to Representative Roncalio and Senator Haskell, both of whom sit on respective Interior Committees.

In the meantime Mac, please call me for additional information necessary for processing the application through committee. Your assistance is greatly appreciated.

Best regards,

MITCHEL C. STANFIELD,
Public Affairs Representative.

United States of America
Federal Power Commission

Before Commissioners: JOHN N. NASSIKAS, *Chairman*; ALBERT B. BROOKE, JR.,
RUSH MOODY, JR., WILLIAM L. SPRINGER, and DON S. SMITH.

Docket No. CP74-209

COLORADO INTERSTATE GAS COMPANY, A DIVISION OF COLORADO INTERSTATE
CORP.

FINDINGS AND ORDER AFTER STATUTORY HEARING ISSUING A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY AND GRANT PETITIONS TO INTERVENE

(Issued May 13, 1974)

On February 19, 1974, Colorado Interstate Gas Company, a division of Colorado Interstate Corporation (Applicant), filed in Docket No. CP74-209 an application pursuant to Section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of facilities to expand the capacity of its Wyoming pipeline system and to revise its delivery obligation to Kansas-Nebraska Natural Gas Company, Inc. (Kansas-Nebraska), all as more fully set forth in the application in this proceeding.

Applicant proposes to construct and operate facilities to increase the peak day supply capacity of its existing Wyoming pipeline system by 21,860 Mcf per day in the 1974-75 heating season. The proposed facilities are 14.0 miles of 24-inch pipeline in Weld County, Colorado, extending the existing loop on the 22-inch Wyoming main line, and 17.1 miles of 24-inch pipeline in Sweetwater and Carbon Counties, Wyoming, extending the existing loop on the 22-inch Wyoming main line.

Applicant's current service agreement with Kansas-Nebraska, dated February 12, 1973, specifies a firm daily volume of 21,000 Mcf of gas to be delivered on a year-round basis with the maximum annual volume set at 7,665,000 Mcf. The 21,000 Mcf of gas is delivered primarily at two locations: approximately 16,000 Mcf of gas in Weld County, Colorado, and 5,000 Mcf of gas in Finney County, Kansas. Under the instant proposal the February 12, 1973, agreement is superseded with two new service agreements. One of the new agreements provides for a contract demand of 5,000 Mcf per day and an annual obligation of 1,825,000 Mcf to be delivered throughout the year at the Finney County delivery point, plus six tap locations.¹ The second new service agreement provides for a contract demand of 21,240 Mcf of gas per day and an annual obligation of 5,840,000 Mcf of gas to be delivered at the existing Weld County, Colorado, meter station. Applicant will have no delivery obligation to Kansas-Nebraska under the second new service agreement during the months of December,

¹ The current service agreement provides for four taps. Added to those are the James Laird tap (authorize by Commission order of December 27, 1972 (48 FPC 1525), in Docket No. CP 72-267 and the James W. Zitek tap (application for authorization pending in Docket No. CP 74-199);

January, and February; therefore, the gas that would have been delivered to Kansas-Nebraska in Weld County (16,000 Mcf under the current service agreement) will be available to Applicant to assist it in meeting existing peak day delivery obligations. The 7,665,000 Mcf annual delivery obligation remains the same under both the existing and proposed service agreements.

Applicant thus proposes to reduce its daily delivery obligation to Kansas-Nebraska during the months of December, January, and February from 21,000 Mcf to 5,000 Mcf and increase its firm daily deliveries during the remainder of the year to 26,240 Mcf in order to retain the current existing annual obligation.

Applicant intends to begin the operation of the new facilities on or before October 1, 1974, and the new delivery obligations are also to be effective on October 1, 1974.

Applicant estimates that the cost of the proposed facilities is \$3,676,812, and will be financed from funds on hand, funds from operations, short-term borrowing, or long-term financing.

With the existing Wyoming Line facilities and the substantial loss of peak day supplies on the Southern System,² which is supply-limited, Applicant has insufficient physical capacity, as well as insufficient gas supplies, to meet its existing 1974-75 peak day delivery obligations. Both of the proposals herein (the Kansas-Nebraska delivery obligation change and the Wyoming Line capacity increase) bear on Applicant's ability to meet its peak day obligations in 1974-75. The combined effect of both proposals in Mcf is shown in the following tabulation:

	Existing	Proposed	
		December, January, February	October, November, March
Pipeline capacity:			
Wyoming system.....	437, 778	459, 638	459, 638
Southern system ¹	666, 474	666, 474	666, 474
Fort Morgan storage.....	294, 951	294, 951	294, 951
Boehm storage.....	20, 000	20, 000	20, 000
Total capacity.....	1, 419, 203	1, 441, 063	1, 441, 063
Peak day obligation.....	1, 424, 098	1, 408, 098	1, 429, 338
Capacity excess (deficiency):			
Existing supply deficiency.....	(5, 819)	(5, 819)	(5, 819)
Delivery obligation change.....		16, 000	(5, 240)
Existing spare capacity.....	924	924	924
New spare capacity.....		21, 860	21, 860
Total excess (deficiency).....	(4, 895)	32, 965	11, 725

¹ This represents the maximum available supply rather than the physical capacity.

The 21,860 Mcf of increased capacity authorized herein, plus the 924 Mcf of existing spare capacity, or a total of 22,784 Mcf, represents spare capacity for new supply additions in the 1974-1975 heating season and fiscal 1975. The 32,965 Mcf available in December, January, and February and the 11,725 Mcf available during the remaining nine months of the year could be used to relieve other supply sources on Applicant's system.

The application indicates that the subject construction is minor and will have a minimal environmental impact. The Commission finds that this order does not constitute a major Federal action having any significant effect on the environment.

After due notice by publication in the Federal Register on March 7, 1974 (39 FR 8959), individual petitions to intervene were filed by The City of Colorado Springs, Colorado, (Colorado Springs) and Kansas-Nebraska, and a joint petition was filed by Public Service Company of Colorado, Western Slope Gas Company and Cheyenne Light, Fuel and Power Company. Colorado Springs states that its customers may be affected by the instant proceeding and its interests are not adequately represented by any other parties in the proceeding. Kansas-Nebraska states that it is vitally interested in the instant matter, that it is a purchaser of Applicant's gas and that no other party in the instant proceeding represents Kansas-Nebraska's interest. The joint petition indicates that the petitioners, as resale customers, support the instant proposal and that their interests are not adequately

² A peak day supply decline of 32,103 Mcf is anticipated from 1973-1974 to 1974-1975.

represented by any other party in this proceeding. No further petitions to intervene, notices of intervention or protests to the granting of the application have been filed.

At a hearing held on May 8, 1974, the Commission on its own motion received and made a part of the record in this proceeding, all evidence, including the application and exhibits thereto, submitted in support of the authorization sought herein, and upon consideration of the record,

The Commission finds:

(1) Applicant, Colorado Interstate Gas Company, a division of Colorado Interstate Corporation, a Delaware corporation having its principal place of business in Colorado Springs, Colorado, is a "natural-gas company" within the meaning of the Natural Gas Act as heretofore found by the Commission in its order of June 5, 1945, in Docket No. G-294 (4 FPC 936).

(2) The proposed facilities hereinbefore described, as more fully described in the application in this proceeding, are to be used in the transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission, and the construction and operation thereof and the transportation and sale of natural gas by Applicant are subject to the requirements of Subsections (c) and (e) of Section 7 of the Natural Gas Act.

(3) Applicant is able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of the Natural Gas Act and the requirements, rules and regulations of the Commission thereunder.

(4) The construction and operation of the proposed facilities and the transportation and sale of natural gas by Applicant are required by the public convenience and necessity and a certificate therefor should be issued as hereinafter ordered and conditioned.

(5) Participation in this proceeding by the petitioners to intervene may be in the public interest.

The Commission orders:

(A) A certificate of public convenience and necessity is issued authorizing Applicant, Colorado Interstate Gas Company, a division of Colorado Interstate Corporation, to construct and operate the proposed facilities and to transport and sell natural gas as hereinbefore described, all as more fully described in the application in this proceeding, upon the terms and conditions of this order.

(B) The certificate issued by paragraph (A) above and the rights granted thereunder are conditioned upon Applicant's compliance with all applicable Commission regulations under the Natural Gas Act and particularly the general terms and conditions set forth in Part 154 and in paragraphs (a), (c)(3), (c)(4), (e), and (f) of Section 157.20 of such Regulations.

(C) The facilities authorized by paragraph (A) above shall be constructed and placed in actual operation, as provided by paragraph (b) of Section 157.20 of the Regulations under the Natural Gas Act, within one year from the date of this order.

(D) The petitioners to intervene are permitted to intervene in this proceeding subject to the rules and regulations of this Commission; *Provided, however*, that participation of such interveners shall be limited to matters affecting asserted rights and interests as specifically set forth in the petitions to intervene; and *Provided, further*, that the admission of such interveners shall not be construed as recognition by the Commission that they might be aggrieved because of any order of the Commission entered in this proceeding.

By the Commission.

(SEAL)

MARY B. KIDD,
Acting Secretary.

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