# APPENDIX K

# NATURAL GAS PIPELINE

# &

# STORAGE PERMITTING PROCESSES

# Natural Gas Pipeline & Storage Permitting Processes

NiSource follows the Federal Energy Regulatory Commission (FERC) planning and permitting processes that are described herein. Since NiSource is an interstate natural gas pipeline, as defined by the Natural Gas Act, and engaged in the storage and transportation of natural gas in interstate commerce, the FERC is deemed NiSource's lead agency for all certificate processes pursuant to the NGA. Therefore, the processes that are described here serve as a complete explanation for how NiSource would examine and work through a natural gas project to seek and obtain a certificate of public convenience and necessity to construct and operate a pipeline or facility under the jurisdiction of the FERC.

FERC provides three permitting tracks for natural gas pipeline projects. Very small projects are categorically excluded from reporting or filing at FERC. Examples of categorically excluded projects are constructing facilities within fenced pipeyards (e.g., dehydrators, gas cooling equipment, station buildings, etc.), painting and greasing valves and pig traps, and installing and painting pipeline right-of-way markers. FERC also offers a Blanket Automatic Authorization certificate. Under a blanket certificate issued pursuant to section 7(c) of the Natural Gas Act, a natural gas company may undertake a restricted array of routine activities without the need to obtain a case-specific certificate for each individual project. The blanket certificate program provides an administratively efficient means to enable a company to construct, modify, acquire, operate, and abandon a limited set of natural gas facilities, and offer a limited set of services, provided each activity complies with constraints on costs and environmental impacts set forth in FERC regulations.

There are two types of blanket certificate projects.

1. **Automatic**: For smaller scale blanket certificate projects, a company must notify potentially affected landowners of the planned project at least 45 days in advance, describing the planned project and how a landowner can contact the company. The notification must also include an explanation of the FERC's Enforcement Hotline procedures and the Enforcement Hotline phone number. The FERC and the public, other than the affected landowners, do not receive notification of planned projects that qualify under this type of blanket certificate authority. The project may proceed after the landowner notification requirement has been met.
2. **Prior Notice:** All other blanket certificate projects are subject to prior public notice, whereby a company, in addition to providing potentially affected landowners with advance notice, must also file a description of a planned project with the FERC. Notice of the planned project will be issued by the FERC and published in the Federal Register.

   Within 60 days of publication in the Federal Register, any person may participate by intervening or by protesting a planned project. Once the 60-day period to protest expires, if no protest has been filed, the project may proceed. However, if a protest is filed by the public or by FERC staff, interested persons have 30 days to resolve the issues raised in the protest. If the issues are not resolved, and the protest is not withdrawn or dismissed, the planned project will not be authorized under the company's blanket certificate, but will instead be treated as if the proposed project were presented in an application for project-specific certificate authorization.

Examples of projects that would fall under the Blanket Certificate Authorization are minor piping changes or adjustments that do not enlarge the certificated design delivery capacity of the system, miscellaneous rearrangement of facilities due to highway construction, dam construction, etc. The FERC has done a complete NEPA document (EIS) on the potential impact of activities certificated under its Blanket Certificate program and the results were a "finding of no significant impact" (FONSI). If, in fact, NiSource would undertake to construct and operate a facility under its FERC blanket certificate that was something other than a FONSI, then that undertaking would not be permissible and NiSource would have to file a complete Section (7)c application with the FERC to seek authorization. Larger pipeline projects that exceed the established criteria for blanket certification require applicants to follow the FERC natural gas certificate process. The procedures that apply to these large projects will be discussed in the most detail because the larger projects have the greatest ecological impact.

**Procedures for Projects Requiring Natural Gas Certificates**

Natural gas certificate processes include consulting with stakeholders, identifying environmental issues through scoping, and preparing environmental documents such as Environmental Assessments or Environmental Impact Statements. Large projects may also include a preliminary determination based on non-environmental considerations. Certificates are issued by Commission order.

The traditional certificate process has three parts:

1. Applicants Planning Process
2. Traditional FERC Process
3. Construction Process

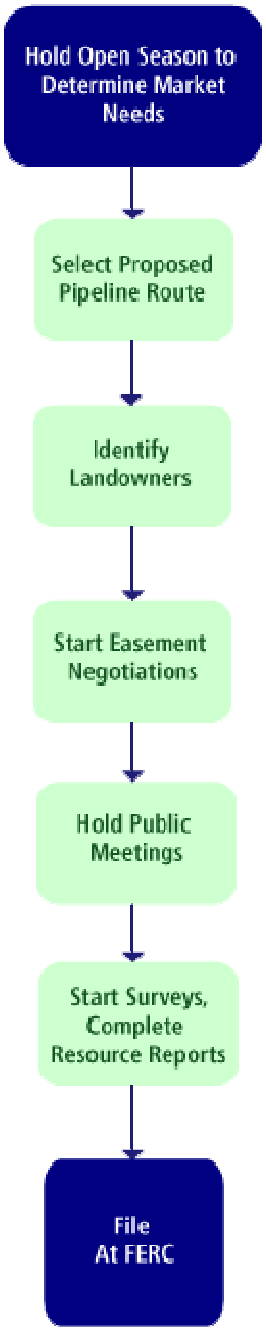
A pre-filing process (called Environmental Pre-Filing Process), allows FERC staff to become involved with scoping of environmental issues before NiSource files its application. So, NiSource's planning process overlaps and is combined with the FERC process:

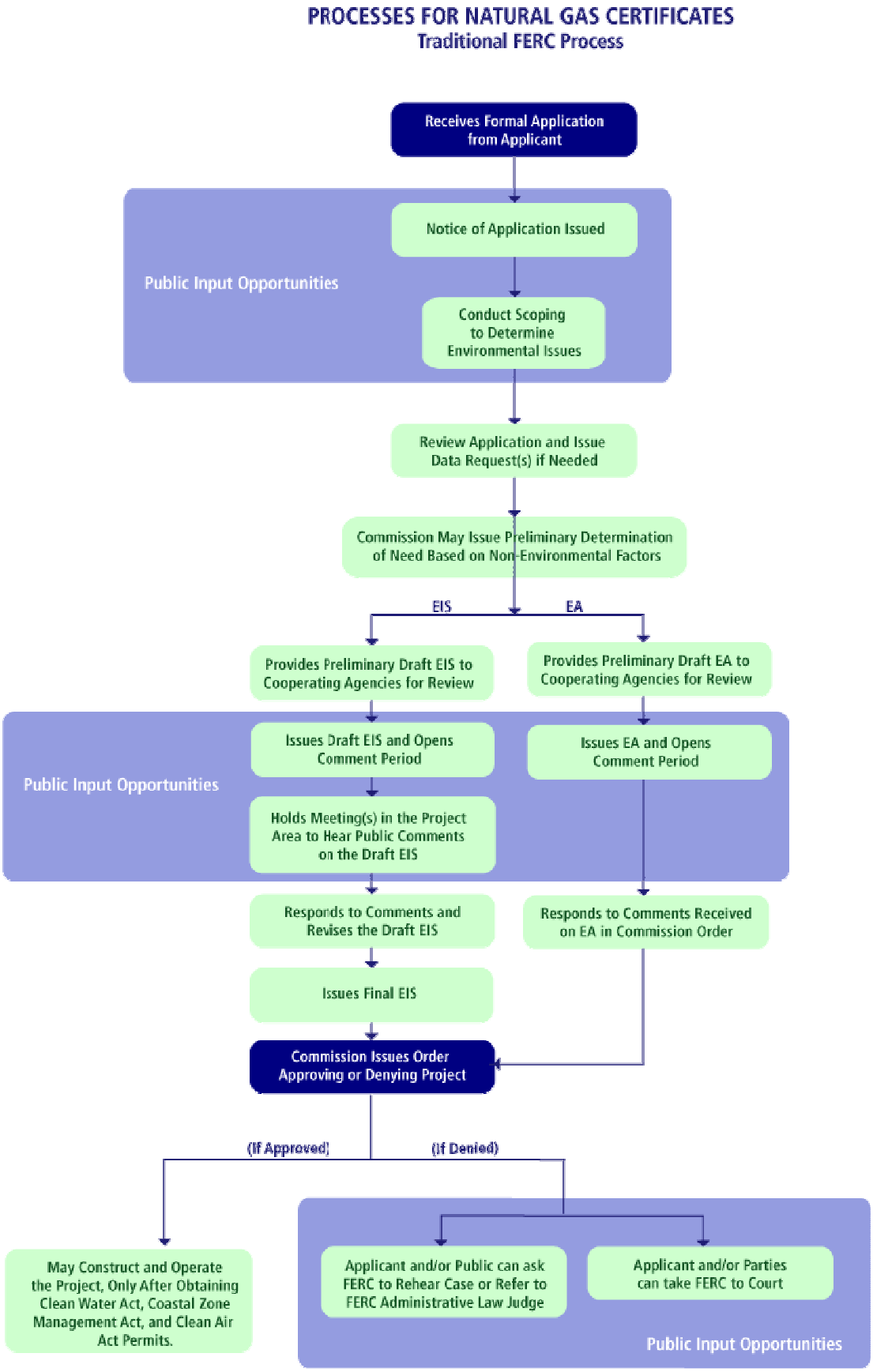
4. Environmental Pre-Filing Process

The Construction Process follows the Environmental Pre-Filing Process, as it does in the traditional process.

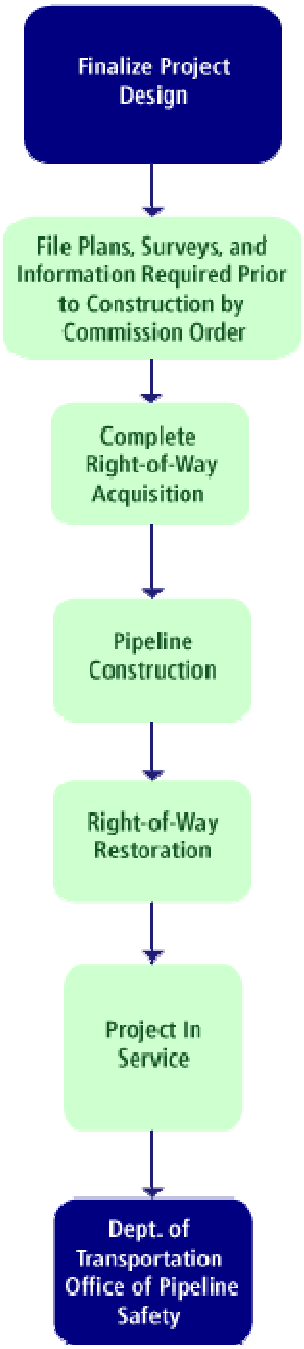
Before a proposed project is introduced to the public and the potentially affected communities, NiSource has already studied various alternatives as part of our ongoing assessment of the transmission system. NiSource evaluates the need, and possible solutions, and studies how those needs impact the system in an overall broader planning area. NiSource also works closely with the FERC, who has jurisdictional responsibility for the construction and operations of interstate pipeline transmission issues, to coordinate our infrastructure planning efforts on a national level. NiSource also operates its facilities under the Pipeline Hazardous Material Safety Administration rules and regulations for safety purposes.

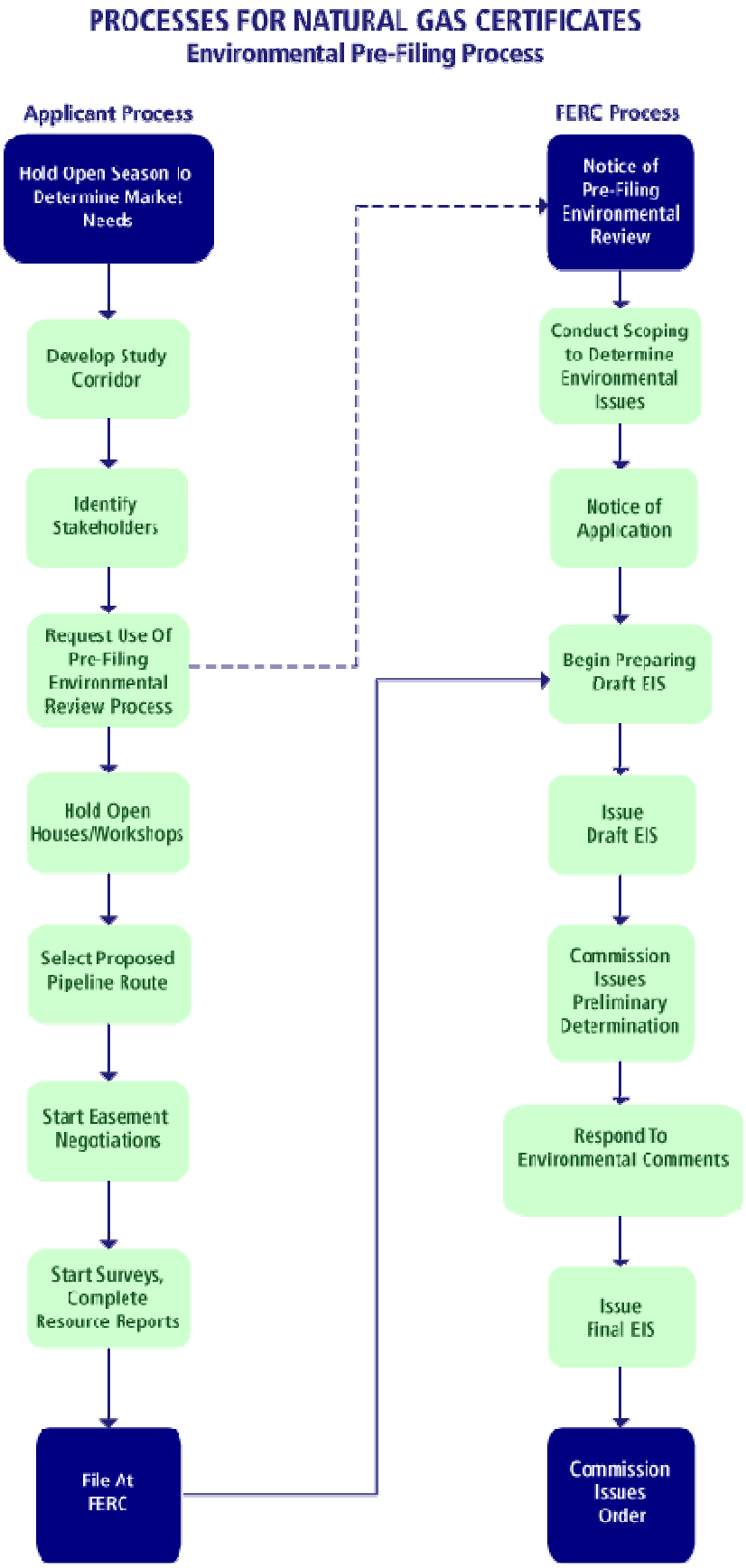
## PROCESSES FOR NATURAL GAS CERTIFICATES
### Applicant's Planning Process




PROCESSES FOR NATURAL GAS CERTIFICATES
Traditional FERC Process
Receives Formal Application from Applicant
Notice of Application Issued
Public Input Opportunities
Conduct Scoping to Determine Environmental Issues
Review Application and Issue Data Request(s) if Needed
Commission May Issue Preliminary Determination of Need Based on Non-Environmental Factors
EIS
EA
Provides Preliminary Draft EIS to Cooperating Agencies for Review
Provides Preliminary Draft EA to Cooperating Agencies for Review
Public Input Opportunities
Issues Draft EIS and Opens Comment Period
Issues EA and Opens Comment Period
Holds Meeting(s) in the Project Area to Hear Public Comments on the Draft EIS
Responds to Comments and Revises the Draft EIS
Responds to Comments Received on EA in Commission Order
Issues Final EIS
Commission Issues Order Approving or Denying Project
(If Approved)
(If Denied)
May Construct and Operate the Project, Only After Obtaining Clean Water Act, Coastal Zone Management Act, and Clean Air Act Permits.
Applicant and/or Public can ask FERC to Rehear Case or Refer to FERC Administrative Law Judge
Applicant and/or Parties can take FERC to Court
Public Input Opportunities

## PROCESSES FOR NATURAL GAS CERTIFICATES
### Construction Process




PROCESSES FOR NATURAL GAS CERTIFICATES
Environmental Pre-Filing Process
Applicant Process
FERC Process
Hold Open Season to Determine Market Needs
Develop Study Corridor
Identify Stakeholders
Request Use Of Pre-Filing Environmental Review Process
Hold Open Houses/Workshops
Select Proposed Pipeline Route
Start Easement Negotiations
Start Surveys, Complete Resource Reports
File At FERC
Notice of Pre-Filing Environmental Review
Conduct Scoping to Determine Environmental Issues
Notice of Application
Begin Preparing Draft EIS
Issue Draft EIS
Commission Issues Preliminary Determination
Respond To Environmental Comments
Issue Final EIS
Commission Issues Order

**Lifecycle of a major transmission pipeline project**

NiSource utilizes many factors in a comprehensive routing and siting process that includes input and information exchanged from multiple stakeholders at various phases of the process. This would include federal agencies responsible for the permitting process, as well as state agencies that also have permitting responsibility, and other environmental groups and landowners. Although most of the NiSource projects follow somewhat of an abbreviated process, as outlined in this document, all major projects generally follow the timeline and process fully shown.

**Choosing transmission pipeline routes**

NiSource follows a careful and deliberate process for identifying routes for new transmission lines. This process provides guidance for identifying and analyzing potential options. Through input received from the public, regulatory agencies, and other stakeholders, we consider options that are appropriate for the location and issues associated with a particular project, and consistent with the requirements of applicable state laws. This includes the placement of "looping projects," which usually run adjacent or parallel to an existing pipeline facility.

NiSource, may following an open season and potential new market possibilities, identify a study area, which is usually a fairly large geographic area from which we look at possible corridors based on environmental and land-use factors. Then a search of possible paths or corridors is studied that would be most suitable for a transmission line route. The complete values of eco-efficiency and socio-efficiency are incorporated into the evaluation and the "triple bottom line" sustainability concept is applied.

In no order of priority, NiSource would consider among other things:

1. Existing utility corridors (like transmission lines, electric distribution lines or natural gas pipelines);
2. Highway and railroad corridors;
3. Recreational trails;
4. New corridors or paths, representing new right-of-way; and
5. Use of an existing pipeline corridor.

Eventually, based on the information NiSource gathers from various sources, it is able to identify potential viable routes for the new facility or new line. This evaluation would also be done for replacement projects, and operation & maintenance projects, on an abbreviated basis.

Throughout the process, NiSource considers corridors that have potential opportunities for enhancement for multiple uses such as recreation, wildlife, educational and green space. NiSource might also begin consulting with the state and federal agencies to identify initial resource avoidance and protection issues and to ensure those values are incorporated into the siting process.

Once NiSource has identified viable routes (if applicable), but before any application is submitted to the FERC or other agencies, NiSource continues to consult with agencies regarding environmental impacts of the proposed projects, develop resource protection goals, identify areas of special interest, and conduct studies of the potential impacts of transmission line construction.

For major projects, NiSource would enter into the FERC Pre-Filing Process and work through the steps of that phase. Once done, NiSource would then submit an application to the FERC. Some smaller projects may not require this entire extensive effort and may only involve local permits and approvals.

This cooperative approach to transmission planning means NiSource can incorporate the maximum amount of benefits and the least amount of impacts from an environmental standpoint. NiSource believes that by working with the landowners, residents and communities NiSource serves, we can find better solutions in the form of land-use and environmental compatibility while also providing access to the natural gas they need.

Only major projects would require the FERC Pre-Filing process and several rounds of outreach/public open houses or meetings to stakeholder input. Smaller projects may require some outreach, on a smaller and scaled basis, that is appropriate with the potential impact of the project.

**Public information meetings, open houses and public outreach**

NiSource may host one or more public information meetings or open houses during the siting process to gather input from the public and to maintain communication with those who may benefit and/or be impacted by a proposed transmission project. NiSource believes it is important to provide opportunities for stakeholders to help shape decisions prior to the start of the official regulatory process.

**Regulatory review**

Once NiSource has gathered information and identified possible transmission line route options, a meeting will be held with the FERC to determine any other options before NiSource enters into the FERC Pre-Filing Process. Once into that process, the further gathering of information and regulatory review follows the pattern established by the FERC for evaluating such proposals. Any application for a Natural Gas Act certificate will include the obligation for NiSource to obtain all required federal, state, and local permits, prior to proceeding with the construction of the proposed facilities. The FERC will notify affected individuals that the review process has started, and will schedule public hearings so that the public may offer formal comments on the project as necessary.

**Environmental review**

During the analysis of routes or the placement of facilities, NiSource may consult with the regulatory agencies to identify potential environmental impacts of the proposed projects, develop resource protection goals, identify areas of special interest and possibly conduct studies of the impacts of transmission line construction and operation. Throughout the process, and as stated above, NiSource looks at corridors that have potential opportunities for enhancement for multiple uses such as recreation, wildlife, educational and green space. This approach to transmission planning means that NiSource can incorporate the maximum amount of benefits and the least amount of impacts from an environmental standpoint. NiSource applies for all the necessary local, state and federal permits for the project generally during the same timeframe that an application is submitted to the FERC (this may be done during the FERC Pre-Filing Process for major projects).

**Real Estate and Landowner Issues**

Once a project is under review, NiSource will begin to contact and work with potentially effected landowners. This is done to acquaint the landowners with their rights and to begin discussing the possibility of NiSource acquiring an easement across their land for the construction and operation of the facility being proposed or enhanced. Easements are completed prior to the beginning of construction.

**Procedures for Projects Subject to the Blanket Automatic Authorization or Categorical Exclusion**

For projects authorized under NiSource's Blanket Automatic Authorization certificate with the FERC, and other projects that may be categorically excluded from reporting or filing at the FERC, NiSource undergoes an abbreviated evaluation and planning process to ensure that we maintain compliance with all federal, state, and local laws, rules, and regulations. Although this process incorporates certain items identified in the planning process for major projects, it is not a formal process, or a documented process, since there would be no filing required for those projects.