

Cited as "1 ERA Para. 70,603"

Great Lakes Gas Transmission Company (ERA Docket No. 85-07-NG), July 24, 1985.

## DOE/ERA Opinion and Order No. 81A

Order Removing Condition from Authorization to Import and Export Natural Gas from Canada

### I. Background

On May 9, 1985, the Administrator of the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) issued DOE/ERA Opinion and Order No. 81 (Order No. 81) to Great Lakes Gas Transmission Company (Great Lakes), conditionally authorizing it to increase the daily volumes of natural gas it imports from and exports to Canada.<sup>1/</sup> Order No. 81 amended DOE/ERA Opinion and Order No. 70 <sup>2/</sup> by increasing the volumes that Great Lakes is authorized to import and export for TransCanada Pipelines Limited (TransCanada) from 815,000 Mcf per day to 825,000 Mcf per day for the period November 1, 1985, to November 1, 2005, conditioned upon subsequent completion by the ERA of an environmental review of Great Lakes' proposal to construct an auxiliary natural gas pipeline near the Canadian border.

In order to import and export the incremental volumes, Great Lakes proposed to construct approximately 15 miles of 12-inch loop pipeline parallel to its existing pipeline that serves Sault Ste. Marie and Rudyard, Michigan, and Sault Ste. Marie, Ontario. Pursuant to Section 5(c) of the Natural Gas Act, Great Lakes filed an application with the Federal Energy Regulatory Commission (FERC) on March 4, 1985, for a certificate of public convenience and necessity to construct the additional pipeline capacity.<sup>3/</sup> Great Lakes stated it would be unable to increase deliveries by 10,000 Mcf per day to the point of interconnection with TransCanada's facilities at Sault Ste. Marie, Michigan without constructing the proposed pipeline.

The National Environmental Policy Act of 1969 (NEPA) requires the ERA Administrator to give appropriate consideration to the environmental effects of gas import and export authorizations. At the time Order No. 81 was issued, the environmental analysis of the Great Lakes project had not been completed. The Administrator issued an authorization conditioned upon completion of an environmental analysis, with a final order to be issued after DOE review of such an analysis prepared by the FERC and the completion by the DOE of its NEPA responsibilities.<sup>4/</sup>

## II. Environmental Determinations

The FERC conducted a review of Great Lakes' proposed pipeline construction, and issued a final Environmental Assessment (EA) on July 23, 1985.<sup>5/</sup> The EA assessed the environmental impacts associated with the proposed construction of approximately 15 miles of 12-inch loop pipeline parallel to Great Lakes' existing pipeline. In the EA, the FERC determined that the environment would not be significantly affected by Great Lakes' pipeline construction project. This conclusion was reached after reviewing analyses completed by the Michigan Department of Natural Resources, the U.S. Fish and Wildlife Service and the Michigan State Historic Preservation Office. The FERC EA indicates that Great Lakes would mitigate environmental impacts in the vicinity of the proposed construction (whether they pertain to wetlands, timber or agricultural lands) by ". . . [reverting] the land back to its original use following construction." <sup>6/</sup>

The DOE has reviewed the EA prepared by the FERC and finds the environmental impacts of the proposed pipeline construction to be adequately assessed. This study is thus adopted and incorporated by reference by the DOE into its decision on this matter.<sup>7/</sup> The DOE has completed its environmental review of the proposed project, and has determined that the project would not constitute a major federal action significantly affecting the quality of the human environment. Therefore, the DOE has concluded as a result of its environmental review that the decision made in Order No. 81 is not affected.

## III. Decision

The authorization contained in Ordering Paragraph A of Order No. 81 was conditioned upon issuance of a further ERA order after review by the DME of the FERC environmental analysis of this project, and the completion by the DOE of its NEPA responsibilities. This environmental review process has been completed. I find that the environmental condition in Order No. 81 has been satisfied. Accordingly, the condition contained in Ordering Paragraph B is hereby removed from the final authorization in Order No. 81.

## Order

For the reasons set forth above, pursuant to Section 3 of the Natural Gas Act, it is hereby ordered that the condition set forth in Ordering Paragraph B of DOE/ERA Opinion and Order No. 81, issued May 9, 1985, is removed.

Issued in Washington, D.C., on July 24, 1985.

--Footnotes--

1/ Great Lakes Gas Transmission Company, DOE/ERA Opinion and Order No. 81, issued May 9, 1985 (1 ERA Para. 70,597).

2/ Great Lakes Gas Transmission Company, DOE/ERA Opinion and Order No. 70, issued January 21, 1985 (1 ERA Para. 70,583).

3/ FERC Docket No. CP85-333-000 (50 FR 12861, April 1, 1985).

4/ See Ordering Paragraph B, Order No. 81. The FERC, which under DOE Delegation Order 0204-112 (49 FR 6690, February 22, 1984) has authority for "approval or disapproval of the construction and operation of particular facilities . . ." for imports and exports, must perform an environmental review before making its decision.

5/ FERC Office of Pipeline and Producer Regulation, Environmental Assessment For Great Lakes Gas Transmission Company--Docket No. CP85-333-000, July 23, 1985.

6/ In its findings and determinations, the FERC has required the applicant to implement specific mitigation measures to reduce environmental impacts.

7/ See supra note 5.