

## FERC Issues Final Rule Revising Blanket Certificate Regulations

On October 18, 2007, the Federal Energy Regulatory Commission (Commission) issued a final rule (Order No. 700) amending its blanket certificate construction regulations with respect to landowner notification requirements and noise surveys for the construction of natural gas compressor units or liquefied natural gas (LNG) facilities. The rule broadens the landowner notice requirement by removing the requirement that a landowner have a physical residence within one-half mile of the compressor or LNG project before the notice requirement is triggered. Thus, the new rule requires that companies notify all landowners within one-half mile of the site of a planned compressor or LNG project, regardless of whether the property contains a residence. The new rule also adds a new noise survey requirement to the blanket construction regulations that requires a company installing compressor facilities under blanket certificate authority to submit a noise survey within 60 days of placing new or modified facilities in service to demonstrate that noise attributable to the operation of the new facilities does not exceed the standard day-night level ( $L_{dn}$ ) of 55 decibels at any preexisting noise-sensitive area (NSA). This noise level rule is consistent with Order No. 686-A, where the Commission returned to its previous rule and required that noise attributable to any new compressor or addition to an existing compressor station must not exceed the noise limit at any pre-existing NSA, as opposed to the noise limit at the boundary of the compressor site.

The new rule applies to natural gas companies holding a Natural Gas Act (NGA) section 7(c) certificate and blanket certificate authority under Part 157, SubParts A and F of the Commission's regulations. The landowner notification requirements also apply to LNG projects authorized under NGA Section 3. The rule becomes effective November 23, 2007.

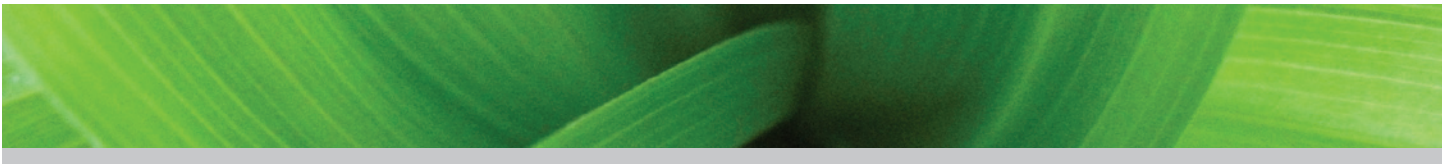
### KEY ISSUES IN THE FINAL RULE

#### Landowner Notification

Currently, the Commission's landowner notification provisions, under § 157.6(d)(2)(iii), require companies seeking to construct or alter compressor or LNG facilities to notify only those landowners whose property contains a residence within one-half mile of the project site before beginning construction. The new rule revises this requirement to now require that *all* landowners within one-half mile of the project boundary be notified. The Commission states that expanding this notification requirement will ensure that all landowners within one-half mile of a proposed project site will have the opportunity to raise land issues, regardless of whether the property contains a residence. The rule provides for enhanced public participation in the Commission's consideration of proposed projects.

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## Compressor Station Noise

The final rule revises § 157.206(b)(5) to require natural gas companies to submit, after a compressor project is completed, a noise survey that demonstrates compliance with a noise level of 55 decibels at NSAs when operating at full load. In particular, the rule requires that a company adding or altering compressor facilities under blanket certificate authority must submit a noise survey within 60 days of placing new facilities in service to demonstrate that noise attributable to the operation of the company's compressors does not exceed an  $L_{dn}$  of 55 decibels at nearby NSAs or increase noise at NSAs already in excess of an  $L_{dn}$  of 55 decibels. If the measured noise exceeds the specified limits at NSAs, the company has one year from the blanket certificate facility's in-service date to meet the noise limits. Within 60 days of completing its noise-mitigation measures, the company must submit another noise survey to the Commission to demonstrate compliance with the noise level limits. Notably, this new noise survey requirement for blanket certificate compressor facilities is very similar to the annual reporting requirement under § 157.208(e)(4)(iv), which already requires blanket certificate holders adding or modifying compression to file annual noise surveys.

### FOR ADDITIONAL INFORMATION

Van Ness Feldman regularly counsels clients on issues related to natural gas regulation and FERC rulemakings. If you are interested in additional information regarding this issue, or any other energy-related federal activity, please contact Shippen Howe, John Burnes or any member of the firm's Natural Gas practice group.

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