

193 FERC ¶ 61,181  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;  
David Rosner, Lindsay S. See,  
Judy W. Chang, and David LaCerte.

Gulf South Pipeline Company, LLC

Docket No. CP25-54-000

ORDER ISSUING CERTIFICATE AND APPROVING ABANDONMENT

(Issued December 2, 2025)

1. On January 28, 2025, Gulf South Pipeline Company, LLC (Gulf South) filed an application pursuant to sections 7(b) and 7(c) of the Natural Gas Act (NGA)<sup>1</sup> and Part 157 of the Commission's regulations<sup>2</sup> for authorization to abandon and replace various segments of 30-inch-diameter pipeline on its Index 330 Line in St. Martin Parish, Louisiana, and to construct and operate a compressor station on its Index 270 Line in Ascension Parish, Louisiana (PLUSS Project). The project is designed to provide up to an additional 236,000 dekatherms per day (Dth/d) of firm transportation service on Gulf South's pipeline system in southern Louisiana. For the reasons discussed below, we grant the requested authorizations, subject to certain conditions.

**I. Background and Proposal**

2. Gulf South,<sup>3</sup> a Delaware limited liability company, is a natural gas company, as defined by section 2(6) of the NGA,<sup>4</sup> engaged in the business of transporting natural gas in interstate commerce, subject to the Commission's jurisdiction. Gulf South operates natural gas transportation and storage facilities in Texas, Oklahoma, Louisiana, Mississippi, Alabama, and Florida.

3. The PLUSS Project consists of two main components: (1) restoring the maximum allowable operating pressure (MAOP) of Gulf South's Index 330 Line by replacing

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<sup>1</sup> 15 U.S.C. §§ 717f (b), (c).

<sup>2</sup> 18 C.F.R. pt. 157 (2025).

<sup>3</sup> Gulf South is a subsidiary of Boardwalk Pipelines, LP, which is owned by the Loews Corporation.

<sup>4</sup> 15 U.S.C. § 717a(6).

approximately 4.5 miles of pipeline; and (2) constructing the new Sorrento Compressor Station on Gulf South's Index 270 Line.

4. Gulf South states that because of increased population densities near its Index 330 Line, it has been required to reduce the operating pressure of the line to comply with the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) safety regulations.<sup>5</sup> These pressure reductions have necessitated redirecting natural gas to other portions of the system, resulting in the underutilization of facilities south of the existing Arnaudville Compressor Station, which is located on the northern segment of the Index 330 Line.<sup>6</sup> To allow the Index 330 Line to reestablish the 1,000 pounds per square inch (psi) MAOP of the pipeline pursuant to PHMSA's safety regulations, Gulf South proposes to replace 11 non-contiguous sections of 30-inch-diameter pipeline in St. Martin Parish between the Arnaudville Compressor Station and Parks Junction.<sup>7</sup> These modifications will allow Gulf South to optimize use of the Index 330 Line and other facilities south of the Arnaudville Compressor Station.<sup>8</sup>

5. To support the increased natural gas volumes flowing east from the restored Index 330 Line and to meet pressure requirements necessary to provide firm service to the project's customers, Gulf South also proposes to construct:

- a new compressor station in Ascension Parish, Louisiana, consisting of a 12,510 horsepower (hp) gas-fired compressor unit, auxiliary station equipment, and a meter and regulating (M&R) station (Sorrento Compressor Station);<sup>9</sup>

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<sup>5</sup> Application at 8 (citing changes to PHMSA's class location regulations).

<sup>6</sup> *Id.* Gulf South states that it has redirected gas to its Index 188, 131, and 363 Lines to the south and southwest of the Index 330 Line. *Id.* at 8-9.

<sup>7</sup> *Id.* at 9. Gulf South states that most of the existing pipeline segments to be replaced will be removed, except for approximately 5,335 feet which will be abandoned in place at specific road crossings and at a horizontal directional drill site. *Id.* Additionally, two taps within the replacement segments will be affected, with Gulf South re-establishing one rural tap at milepost 54.93 and removing one inactive tap located at milepost 52.76. *Id.* at 9-10.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 11.

- two 0.29-mile-long, 30-inch-diameter suction and discharge pipelines connecting Gulf South's existing Index 270 Line to the Sorrento Compressor Station;<sup>10</sup> and
- an approximately 1.06-mile-long, 20-inch-diameter delivery lateral that connects the M&R station within the Sorrento Compressor Station site to Air Products Blue Energy, LLC's hydrogen facility in Ascension Parish, Louisiana.<sup>11</sup>

6. Gulf South estimates the total cost of the project to be approximately \$116.9 million. It held a binding open season from July 29, 2024, to August 2, 2024.<sup>12</sup> As a result of open season, Gulf South executed precedent agreements for approximately 82% of the project capacity with three unaffiliated shippers: Air Products Blue Energy, LLC (135,000 Dth/d for 15 years), Entergy Louisiana, LLC (50,000 Dth/d for 15 years), and Atmos Energy Corporation (9,000 Dth/d for 10 years).

## **II. Notice, Interventions, and Comments**

7. Notice of Gulf South's application was published in the *Federal Register* on February 18, 2025, with comments, interventions, and protests due March 4, 2025.<sup>13</sup> Atmos Energy Corporation, Center for LNG, Entergy Louisiana, LLC, Natural Gas Supply Association, Symmetry Energy Solutions, LLC, and United Municipal

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<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> Gulf South states that it did not hold a reverse open season soliciting interest for turnback capacity for the PLUSS Project because Gulf South's Legacy System is reticulated in nature, with many overlapping interconnections and multiple offtake and delivery points over relatively short spans, making the availability of turnback capacity less likely when compared to a long-haul transmission pipeline. Gulf South did not identify any existing system shippers with subscribed firm transportation capacity that could be used to meet the project objectives. Gulf South Sep. 3, 2025 Supplemental Information.

<sup>13</sup> 90 Fed. Reg. 9718 (Feb. 18, 2025).

Distributors Group<sup>14</sup> filed timely, unopposed motions to intervene.<sup>15</sup> Air Products and Chemicals, Inc., Atmos Energy Corporation, and Entergy Louisiana, LLC filed comments in support of the project. No commenter opposed it.

### III. Discussion

8. Because Gulf South's proposed facilities will be used to transport natural gas in interstate commerce subject to the Commission's jurisdiction, the proposal is subject to the requirements of subsections (c) and (e) of section 7 of the NGA.<sup>16</sup> In addition, Gulf South's proposed abandonment of pipeline facilities is subject to the requirements of section 7(b) of the NGA.<sup>17</sup>

#### A. Certificate Policy Statement

9. The Certificate Policy Statement provides guidance for evaluating proposals to certificate new construction.<sup>18</sup> The Certificate Policy Statement establishes criteria for determining whether there is a need for a proposed project and whether the proposed project will serve the public interest. It explains that, in deciding whether to authorize the construction of new pipeline facilities, the Commission balances the public benefits against the potential adverse consequences. The Commission's goal is to appropriately consider the enhancement of competitive transportation alternatives, the possibility of overbuilding, subsidization by existing customers, the applicant's responsibility for unsubscribed capacity, the avoidance of unnecessary disruptions of the environment, and the unneeded exercise of eminent domain in evaluating new pipeline construction.

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<sup>14</sup> United Municipal Distributors Group comprises the following municipal-distributor customers of Gulf South: City of Brewton, Alabama; Town of Century, Florida; Utilities Board of the Town of Citronelle, Alabama; City of Fairhope, Alabama; Utilities Board of the City of Foley, Alabama; North Baldwin Utilities, Alabama; Okaloosa Gas District, Florida; City of Pensacola, Florida; and South Alabama Gas District, Alabama.

<sup>15</sup> Timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.214(c) (2025).

<sup>16</sup> 15 U.S.C. §§ 717f(c), (e).

<sup>17</sup> *Id.* § 717f(b).

<sup>18</sup> *Certification of New Interstate Nat. Gas Pipeline Facilities*, 88 FERC ¶ 61,227, corrected, 89 FERC ¶ 61,040 (1999), clarified, 90 FERC ¶ 61,128, further clarified, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

10. Under this policy, the threshold requirement for applicants proposing new projects is that the applicant must be prepared to financially support the project without relying on subsidization from its existing customers. The next step is to determine whether the applicant has made efforts to eliminate or minimize any adverse effects the project might have on the applicant's existing customers, existing pipelines in the market and their captive customers, and landowners and communities affected by the proposed project and the route of the new pipeline facilities. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, the Commission will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. This is essentially an economic test. Only when the benefits outweigh the adverse effects on economic interests will the Commission proceed to complete the environmental analysis, where other interests are considered.

### 1. No Subsidy Requirement and Project Need

11. As discussed above, the threshold requirement for applicants proposing new interstate gas pipeline facilities is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. The Commission has determined that, in general, where a pipeline proposes to charge incremental rates for new construction that are higher than the company's existing system rates, the pipeline satisfies the threshold requirement that existing shippers will not subsidize the project.<sup>19</sup> In instances where an incremental rate calculated to recover project costs is less than the existing system rate, Commission policy requires that the system rate should be used as the initial recourse rate to ensure existing customers will not subsidize the new service.<sup>20</sup> Accordingly, as discussed below, we will require Gulf South to use its existing system rate as the initial recourse rate for the project. This will ensure that the project will not be subsidized by Gulf South's existing shippers and that the threshold no-subsidy requirement is met.

12. Additionally, we find that Gulf South has demonstrated a need for the PLUSS Project. The project is designed to provide up to an additional 236,000 Dth/d of firm transportation on Gulf South's system. Gulf South has entered into three precedent

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<sup>19</sup> See, e.g., *Transcon. Gas Pipe Line Co., LLC*, 184 FERC ¶ 61,066, at P 12 (2023).

<sup>20</sup> E.g., *Tex. Gas Transmission, LLC*, 152 FERC ¶ 61,160, at P 30 (2015); *Millennium Pipeline Co., LLC*, 145 FERC ¶ 61,007, at P 30 (2013).

agreements for over 80% of the capacity.<sup>21</sup> Binding agreements for nearly all of the project's capacity are significant evidence of need for the proposed project.<sup>22</sup>

**2. Impacts on Existing Customers, Existing Pipelines and Their Customers, and Landowners and Surrounding Communities**

13. We find that the proposed project would not adversely affect service to Gulf South's existing customers or existing pipelines and their captive customers. The project is designed to provide additional capacity while maintaining services for Gulf South's existing customers. The project is not intended to replace services provided by existing pipelines.<sup>23</sup> Furthermore, no pipelines or their captive customers have protested the project.

14. Gulf South states that it has acquired the necessary surface rights and temporary workspaces for the Sorrento Compressor Station and that the pipeline replacements will occur within existing rights-of-way.<sup>24</sup> No landowners or communities have protested Gulf South's proposed project. Accordingly, we find that the proposed project has been designed to minimize adverse economic impacts on landowners and the surrounding communities.

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<sup>21</sup> Application at 6–7. Any unsubscribed capacity would be made available pursuant to Gulf South's tariff.

<sup>22</sup> See, e.g., *Transcon. Gas Pipe Line Co., LLC*, 190 FERC ¶ 61,048, at P 29 (2025) (affirming that precedent agreements are the best evidence of project need); *Tex. Gas Transmission, LLC*, 181 FERC ¶ 61,049 (2022) (finding a long-term precedent agreement for almost 100% of the project's capacity is significant evidence of need for the proposed project); *Enable Gas Transmission, LLC*, 175 FERC ¶ 61,183, at P 30 (2021) (finding a long-term precedent agreement for approximately 67% of the project's capacity demonstrated a need for the proposed project); *Double E Pipeline, LLC*, 173 FERC ¶ 61,074, at P 35 (2020) (finding a 10-year, firm precedent agreement for approximately 74% of the project's capacity adequately demonstrated that the project was needed). See also *Sierra Club v. FERC*, 38 F.4th 220, 230 (D.C. Cir. 2022) (finding a long-term precedent agreement for 80% of the project's capacity showed an actual need for the project); *Appalachian Voices v. FERC*, No. 17-1271, 2019 WL 847199, at \*1 (D.C. Cir. Feb. 19, 2019) (unpublished) (finding the Commission's conclusion that there is a market need for the project was reasonable and supported by substantial evidence, in the form of long-term precedent agreements for 100% of the project's capacity).

<sup>23</sup> Application at 31.

<sup>24</sup> Application at 32.

### 3. Certificate Policy Statement Conclusion

15. The PLUSS Project will provide 236,000 Dth/d of incremental firm transportation service. Gulf South has entered into binding agreements with shippers for more than 80% of the project's capacity. Accordingly, we find that Gulf South has demonstrated a need for the project, and, further, that the project will not have adverse impacts on existing shippers or other pipelines and their existing customers, and that the project will have minimal economic impacts on landowners and surrounding communities. Therefore, we conclude that the project is consistent with the criteria set forth in the Certificate Policy Statement and analyze the environmental impacts of the project below.<sup>25</sup>

#### B. Abandonment

16. Section 7(b) of the NGA provides that an interstate pipeline company may abandon jurisdictional facilities or services only if the Commission finds the abandonment is permitted by the present or future public convenience or necessity.<sup>26</sup> In deciding whether a proposed abandonment is warranted, the Commission considers all relevant factors, but the criteria vary with the circumstances of the particular proposal.<sup>27</sup> Continuity and stability of existing services are the primary considerations in assessing whether the public convenience or necessity allow the abandonment.<sup>28</sup> If the Commission finds that an applicant's proposed abandonment will not jeopardize continuity of existing gas transportation services, the Commission generally will find that the public convenience or necessity permits the abandonment.<sup>29</sup>

17. Here, Gulf South proposes to replace each of the eleven segments of its Index 330 Line being abandoned.<sup>30</sup> Because the proposed abandonment will not

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<sup>25</sup> See Certificate Policy Statement, 88 FERC at 61,745-46 (explaining that only when the project benefits outweigh the adverse effects on the economic interests will the Commission then complete the environmental analysis).

<sup>26</sup> 15 U.S.C. § 717f(b).

<sup>27</sup> *El Paso Nat. Gas Co., LLC*, 148 FERC ¶ 61,226, at P 11 (2014) (*El Paso*).

<sup>28</sup> *Nat'l Fuel Gas Supply Corp.*, 160 FERC ¶ 61,050, at P 17 (2017) (*El Paso*, 148 FERC ¶ 61,226 at P 12).

<sup>29</sup> See, e.g., *Tex. E. Transmission, LP*, 176 FERC ¶ 61,206, at P 11 (2021) (citing *Trunkline Gas Co.*, 145 FERC ¶ 61,108, at P 65 (2013)).

<sup>30</sup> Application at 9.

jeopardize continuity of existing natural gas transportation services and will improve the reliability of Gulf South's pipeline system, we find that the public convenience or necessity permits the abandonment.

C. Rates

1. Initial Recourse Rates

18. Gulf South proposes to use its existing reservation and usage charges under Rate Schedule FTS as the initial maximum recourse rates for the additional firm transportation service created by the project. It calculated an illustrative incremental reservation charge of \$0.2315 per Dth based on an estimated first-year reservation cost of service of \$19,940,548 and annual billing determinants of 86,140,000 Dth. In addition, Gulf South calculated an illustrative incremental usage charge of \$0.0027 per Dth based on an estimated usage cost of service of \$163,401 and annual throughput of 60,298,000 Dth, based on a 70% load factor.<sup>31</sup> The cost of service is based on a depreciation rate of 2.18%<sup>32</sup> and a rate of return of 10.41%.<sup>33</sup>

19. The Commission has generally held that the applicable system recourse rate is appropriate for a project if the estimated cost-based rate is less than the current system rate. Otherwise, the pipeline is required to establish an incremental rate to ensure that there is no subsidization from existing shippers.<sup>34</sup> The illustrative incremental recourse reservation charge of \$0.2315 per Dth plus the applicable usage charge of \$0.0027 per Dth is lower than Gulf South's currently effective Rate Schedule FTS maximum recourse reservation charge of \$0.3380 per Dth plus the applicable usage charge of \$0.0125 per Dth.<sup>35</sup>

20. We have reviewed Gulf South's proposed cost of service and initial rates and find that they are consistent with current Commission policy. Because the maximum Rate Schedule FTS system recourse reservation and usage charges are greater than the

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<sup>31</sup> See Application, Ex. N at 1.

<sup>32</sup> The depreciation rate was established in an approved settlement in Docket No. RP15-65-000. *Gulf S. Pipeline Co., LP*, 153 FERC ¶ 61,326, at P 6 (2015).

<sup>33</sup> The rate of return was established in an approved settlement in Docket No. RP97-373-000. *Koch Gateway Pipeline Co.*, 84 FERC ¶ 61,143 (1998).

<sup>34</sup> Certificate Policy Statement, 88 FERC at 61,746.

<sup>35</sup> Gulf South Pipeline Company, LP, FERC NGA Gas Tariff, Tariffs, § 4.1, (Currently Effective Rates – Transportation – FTS Service) (22.0.0).

illustrative incremental reservation and usage charges, we approve Gulf South's request to use its existing system rates under Rate Schedules FTS as the initial recourse rates for the project. In addition, consistent with Commission policy, Gulf South is directed to charge the applicable system interruptible rate for the project.<sup>36</sup>

## **2. Predetermination of Rolled-In Rates**

21. Gulf South requests a pre-determination of rolled-in rate treatment for the costs associated with the PLUSS Project. To support a pre-determination favoring rolled-in rate treatment, a pipeline must demonstrate that rolling in the costs associated with the construction and operation of new facilities will not result in existing customers subsidizing the expansion. In general, this means that a pipeline must show that the revenues to be generated by an expansion project will exceed the costs of the project. To make this determination, we compare the cost of the project to the revenues generated using actual contract volumes at either the maximum recourse rate or, if the negotiated rate is lower than the recourse rate, the actual negotiated rate.<sup>37</sup>

22. Because the negotiated rates associated with the project are all above the maximum recourse rate, Gulf South uses the maximum recourse rate in its analysis of revenues in comparison with the cost of service. Gulf South's estimated first year revenue of \$24,553,368 exceeds its estimated first year cost of service of \$20,619,435. Therefore, we will grant a pre-determination favoring rolled-in rate treatment for the costs of the PLUSS Project in Gulf South's next NGA general section 4 rate case, absent any significant change in circumstances.

## **3. Fuel**

23. Gulf South proposes to recover compressor fuel and any lost and unaccounted for volumes through Gulf South's currently-effective system fuel retention rate. In support of its proposal, Gulf South provided an analysis<sup>38</sup> showing the in-kind projected fuel retention percentage for the project, specifically for Sorrento Compressor Station, is estimated to be 0.78%, which is lower than the current projected retention percentage of 0.94% for the system.<sup>39</sup> Thus, Gulf South contends that its fuel study demonstrates that charging the project shippers the generally applicable system fuel percentage will not

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<sup>36</sup> See, e.g., *Trunkline Gas Co., LLC*, 153 FERC ¶ 61,300, at P 62 (2015).

<sup>37</sup> *Tenn. Gas Pipeline Co., L.L.C.* 144 FERC ¶ 61,219, at P 22 (2013).

<sup>38</sup> Application at 15-16.

<sup>39</sup> See Schedule B of Gulf South's annual fuel tracker filing in RP25-172-000, filed November 1, 2024.

result in existing shippers on the system subsidizing the project. These factors are convincing. Accordingly, we approve Gulf South's proposal to charge its generally applicable system fuel percentage for the capacity associated with the PLUSS Project facilities.

#### 4. Reporting Incremental Costs

24. We require Gulf South to keep separate books and accounting of costs and revenues attributable to the proposed incremental services and capacity created by the project in the same manner as required by section 154.309 of the Commission's regulations.<sup>40</sup> The books should be maintained with applicable cross-reference and the information must be in sufficient detail so that the data can be identified in Statements G, I, and J in any future NGA section 4 or 5 rate case, and the information must be provided consistent with Order No. 710.<sup>41</sup>

#### 5. Negotiated Rates

25. Gulf South proposes to provide service to the project customers under negotiated rate transportation agreements. Gulf South must file either the negotiated rate agreements or tariff records setting forth the essential elements of the agreements in

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<sup>40</sup> 18 C.F.R. § 154.309 (2025); see *Gulf S. Pipeline Co., LLC*, 173 FERC ¶ 61,049, at P 6 (2020) (*Gulf South*) (for projects that use existing system rates for the initial rates, the Commission's requirement for separate books and accounting applies only to internal books and records).

<sup>41</sup> See *Revisions to Forms, Statements, & Reporting Requirements for Nat. Gas Pipelines*, Order No. 710, 122 FERC ¶ 61,262, at P 23 (2008). In *Gulf South*, the Commission clarified that a pipeline charging its existing system rates for a project is not required to provide books and accounting consistent with Order No. 710. *Gulf South*, 173 FERC ¶ 61,049 at P 7. However, a pipeline is required to maintain its internal books and accounting such that it would have the ability to include this information in a future FERC Form No. 2 if the rate treatment for the project is changed in a future rate proceeding.

accordance with the Alternative Rate Policy Statement<sup>42</sup> and the Commission's negotiated rate policies.<sup>43</sup>

**D. Environmental Analysis**

26. On March 12, 2025, the Commission issued a *Notice of Scoping for the Parks Line Upgrade and Sorrento Station Project*. The notice was published in the *Federal Register*<sup>44</sup> and mailed to interested parties including federal, state, and local officials; agency representatives; environmental and public interest groups; Native American Tribes; local libraries and newspapers; and affected property owners. The U.S. Fish and Wildlife Service, the Louisiana Department of Wildlife and Fisheries, and the Alabama-Coushatta Tribe filed comments in response to the notice.

27. Pursuant to the National Environmental Policy Act of 1969 (NEPA),<sup>45</sup> Commission staff prepared an Environmental Assessment (EA) for Gulf South's proposal, which was issued on September 5, 2025.<sup>46</sup> The Notice of Availability of the EA was published in the *Federal Register*<sup>47</sup> and established a 30-day comment period. The notice was mailed to interested parties including federal, state, and local officials; agency representatives; environmental and public interest groups; Native American

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<sup>42</sup> *Alts. to Traditional Cost-of-Service Ratemaking for Nat. Gas Pipelines; Regul. of Negotiated Transp. Servs. of Nat. Gas Pipelines*, 74 FERC ¶ 61,076, *order granting clarification*, 74 FERC ¶ 61,194, *order on reh'g & clarification*, 75 FERC ¶ 61,024, *reh'g denied*, 75 FERC ¶ 61,066, *reh'g dismissed*, 75 FERC ¶ 61,291 (1996), *petition denied sub nom. Burlington Res. Oil & Gas Co. v. FERC*, 172 F.3d 918 (D.C. Cir. 1998) (Alternative Rate Policy Statement).

<sup>43</sup> *Nat.l Gas Pipelines Negotiated Rate Policies & Practices; Modification of Negotiated Rate Pol'y*, 104 FERC ¶ 61,134 (2003), *order on reh'g and clarification*, 114 FERC ¶ 61,042, *dismissing reh'g & denying clarification*, 114 FERC ¶ 61,304 (2006).

<sup>44</sup> 90 Fed. Reg. 12716 (Mar. 19, 2025).

<sup>45</sup> 42 U.S.C. §§ 4321 *et seq.*; *see also* 18 C.F.R. pt. 380 (2025) (Commission's regulations implementing NEPA). The Council on Environmental Quality's (CEQ) final rule rescinding its NEPA regulations became effective on April 11, 2025. 90 Fed. Reg. 10610 (Feb. 25, 2025).

<sup>46</sup> For tracking purposes under NEPA, the unique identification number for documents relating to this environmental review is EAXX-019-20-000-1744214872.

<sup>47</sup> 90 Fed. Reg. 43601 (Sep. 10, 2025).

Tribes; local libraries and newspapers; and affected property owners. The analysis in the EA addressed geology, soils, water resources, wetlands, vegetation, fisheries, wildlife, threatened and endangered species, land use, recreation, visual resources, cultural resources, air quality, noise, safety, socioeconomics, cumulative effects, including climate change, and alternatives. The EA addressed all environmental comments received during scoping and concluded that approval of the project would not constitute a major federal action significantly affecting the quality of the human environment.<sup>48</sup> We received comments on the EA from the U.S. Environmental Protection Agency (EPA), which are addressed below.

28. Under NEPA, the Commission considers impacts to all potentially affected communities. Project activities that would affect local communities include replacement of 4.55 miles of existing, non-contiguous pipe along the Index 330 Line in St. Martin Parish, Louisiana; construction of the new Sorrento Compressor and M&R Station; construction of a new mainline valve along the existing Index 270 Line; and construction of an approximately 1.06 mile, 20-inch-diameter gas delivery lateral.<sup>49</sup> The project would affect a total of 167.9 acres of land during construction.<sup>50</sup> Of that acreage, the project would permanently impact approximately 23.6 acres, while the remaining 144.3 acres would be restored and reverted to pre-construction conditions.<sup>51</sup>

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<sup>48</sup> EA at 67. Commission staff could not determine whether the effects from greenhouse gas (GHG) emissions attributable to the project would be significant or insignificant. *Id.* at 63-64.; *see* 42 U.S.C. § 4336(b)(2) (“An agency shall prepare an environmental assessment with respect to a proposed agency action that does not have a reasonably foreseeable significant effect on the quality of the human environment, or if the significance of such effect is unknown . . .”). We note that NEPA does not require that the Commission formally label project-related GHG emissions as significant or insignificant. *See Citizens Action Coal. of Ind., Inc. v. FERC*, 125 F.4th 229, 241-242 (D.C. Cir. 2025) (holding that “the absence of a ‘significance’ label does not violate NEPA, CEQ guidance, or FERC regulations”) (citing *Food & Water Watch v. FERC*, 104 F.4th 336, 346 (D.C. Cir. 2024) (*East 300*)); *see also Transcon Gas Pipe Line Co.*, 187 FERC ¶ 61,200, at P 33 (2024) (applying *East 300* in the context of an EA).

<sup>49</sup> *See supra* PP 4-5.

<sup>50</sup> EA at 6.

<sup>51</sup> *Id.*

29. As described in the EA, the project's potential effects on local communities during construction include short-term traffic impacts,<sup>52</sup> noise impacts,<sup>53</sup> air quality impacts,<sup>54</sup> and visual impacts,<sup>55</sup> all of which would be temporary and less than significant. The EA finds that operation of the project would result in noise impacts,<sup>56</sup> air quality impacts,<sup>57</sup> and visual impacts,<sup>58</sup> which would be less than significant. The EA recommended the implementation of Gulf South's proposed construction procedures and mitigation measures and Commission staff recommendations,<sup>59</sup> which we have adopted as conditions in the appendix of this order.

30. Gulf South's construction activities could temporarily increase local traffic and congestion, but the company has proposed measures to reduce impacts on local communities.<sup>60</sup> Specifically, Gulf South would use warning signs and/or flag men along roads to implement safe ingress and egress to and from the project site and staggered shift changes during non-peak traffic times.<sup>61</sup>

31. With respect to construction noise impacts, Gulf South would limit construction to daytime hours except for certain drilling operations, which require continuous operation.<sup>62</sup> As stated in the EA, noise modeling demonstrates that construction activity that would occur during nighttime hours would be below a day-night noise level of 55 decibels on the A-weighted scale at nearby by noise sensitive areas. For operational noise impacts, Gulf South would install noise reduction devices, such as gas blowdown

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<sup>52</sup> *Id.* at 34.

<sup>53</sup> *Id.* at 46.

<sup>54</sup> *Id.* at 43.

<sup>55</sup> *Id.* at 34, 36-37.

<sup>56</sup> *Id.* at 46.

<sup>57</sup> *Id.* at 43.

<sup>58</sup> *Id.* at 34, 36-37.

<sup>59</sup> *Id.* at 67.

<sup>60</sup> *Id.* at 39.

<sup>61</sup> *Id.*

<sup>62</sup> *Id.* at 47.

silencers, an emergency shutdown silencer, and ventilation fan inlet and outlets, to minimize the effects of operational noise at noise receptors nearest to the Sorrento Compressor Station.<sup>63</sup> With that mitigation, the EA finds that anticipated noise attributable to project operation would not cause a significant impact on the nearest noise receptors because noise levels from the Sorrento Compressor Station would be below a day-night noise level of 55 decibels on the A-weighted scale.<sup>64</sup> To ensure noise levels are in compliance with applicable noise requirements, the EA recommends, and we require, that Gulf South file a noise survey within 60 days after placing the compressor station into service, and that Gulf South install additional noise controls if sound levels are exceeded.

32. To minimize air quality impacts during construction, Gulf South will implement its *Fugitive Dust Control Plan* and use of low-sulfur diesel fuel to mitigate exhaust emissions.<sup>65</sup> For operational impacts, the EA determined that operating the compressor station would result in increased emissions; however, Gulf South would mitigate operational emissions through implementation of an electric seal gas booster pump system that would retain sealed gas within the compressor unit while the turbine is not operating, reducing methane emissions from the station.<sup>66</sup> With respect to the operational emissions, the EA includes and considers an air dispersion modeling analysis for the Sorrento Compressor Station, which shows that the project's emissions, including regional concentrations from background emissions, would be below the National Ambient Air Quality Standards (NAAQS) for all criteria pollutants<sup>67</sup> and notes that the operational emissions would be in compliance with all applicable federal and state air regulations.<sup>68</sup>

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<sup>63</sup> *Id.* at 48.

<sup>64</sup> *Id.*

<sup>65</sup> *Id.* at 43.

<sup>66</sup> *Id.* at 45.

<sup>67</sup> *Id.* at 45-46; *id.*, app. B. As the courts have affirmed, the Commission may rely on compliance with the NAAQS as an appropriate measure of impacts from air emissions on public health. See *Transcon. Gas Pipe Line Co., LLC*, 187 FERC ¶ 61,024, at P 60 (2024) (citing *Sierra Club v. FERC*, 867 F.3d 1357, 1370, n.7 (D.C. Cir. 2017)). The EPA developed the NAAQS to protect human health, including that of sensitive populations (e.g., people with asthma or cardiovascular disease, children, the elderly, and others) to account for the latest research on health impacts.

<sup>68</sup> EA at 45; see also *id.* at 41-42 (detailing the regulatory and permitting

33. Gulf South will mitigate visual impacts on residential properties by implementing its *Residential Construction Implementation Plan*.<sup>69</sup> Although construction activities on the Index 330 Line would result in visual impacts within the Atchafalaya National Heritage Area, those impacts would be temporary in nature and not significant.<sup>70</sup> Operation of the proposed Sorrento Compressor Station would create permanent, but minor, visual impacts, as the proposed station site is surrounded by land currently being developed for industrial use and thus would not represent a significant change in the visual landscape upon completion of construction activities.<sup>71</sup>

### 1. Permitting Requirements

34. EPA requests the Commission consider whether Gulf South must obtain a National Pollutant Discharge Elimination System (NPDES) permit for its activities, and asks the Commission to more broadly analyze when a NPDES permit is required for operators of construction activities that discharge stormwater.<sup>72</sup> Generally, the construction of natural gas infrastructure, such as a compressor station, is exempt from having to obtain an NPDES permit for discharges of stormwater, except under limited circumstances not present here.<sup>73</sup>

### 2. Water Resources

35. EPA requests that the Commission include a comprehensive Spill Prevention, Control, and Countermeasure Plan to address potential leaks and spills associated with compressor stations, pipelines, and other project-related facilities or equipment.<sup>74</sup> EPA

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requirements for the project under the Clean Air Act).

<sup>69</sup> *Id.* at 34.

<sup>70</sup> *Id.* at 36.

<sup>71</sup> *Id.* at 36-37.

<sup>72</sup> EPA October 6, 2025 Comments at 2.

<sup>73</sup> 40 C.F.R. § 122.26(a)(2)(ii) (2025) (stating that discharges of stormwater from construction activities associated with oil and gas exploration, production, processing, or treatment operations or transmission facilities are not subject to the NPDES provisions).

<sup>74</sup> EPA October 6, 2025 Comments at 2.

also recommends establishing long-term surface water quality monitoring both upstream and downstream of project sites during operations.<sup>75</sup>

36. Gulf South provided a Spill Prevention Response Procedures Plan (SPRPP) which addresses potential leaks and spills from typical fuels, lubricants, and hazardous materials associated with compressor stations, pipelines, and other project-related facilities or equipment during the construction and operation of the natural gas facilities.<sup>76</sup> The SPRPP also incorporates personnel training and long-term site management. Commission staff reviewed the SPRPP and found it acceptable.<sup>77</sup> We agree. Additionally, we will not require upstream and downstream long-term surface water quality monitoring as Gulf South will be required to restore rights of way in accordance with the Commission's *Upland Erosion Control, Revegetation, and Maintenance Plan* and *Wetland and Waterbody Construction and Mitigation Procedures* (FERC Plan and Procedures).<sup>78</sup> We find these mitigation measures acceptable.

### 3. Contamination from Project Activities

37. EPA recommends that the Commission evaluate potential impacts associated with PCBs, including the proper handling, transportation, and disposal of any PCB-contaminated materials generated during project construction and operation.<sup>79</sup> EPA also requests that the Commission require Gulf South to follow appropriate, label-recommended uses of any pesticides within its right-of-way.<sup>80</sup>

38. No PCBs are intended to be handled, transported, or disposed of as part of the proposed project. To confirm that the removed segments of pipeline do not have PCBs,

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<sup>75</sup> *Id.*

<sup>76</sup> EA at 9.

<sup>77</sup> EA at 22.

<sup>78</sup> The FERC Plan and Procedures area a set of baseline construction and mitigation measures developed to minimize the potential environmental effects of construction and upland areas, wetlands, and waterbodies. They can be viewed on the Commission's website at: <http://www.ferc.gov/industries/gas/enviro/plan.pdf> and <https://www.ferc.gov/sites/default/files/2020-04/wetland-waterbody-construction-mitigation-procedures.pdf>.

<sup>79</sup> EPA October 6, 2025 Comments at 2.

<sup>80</sup> *Id.*

Gulf South would test the segments for PCBs prior to disposal.<sup>81</sup> If PCB-contaminated materials are encountered, these materials would be managed in accordance with EPA's Toxic Substances Control Act regulations,<sup>82</sup> as well as any applicable state regulations. Additionally, Gulf South would implement its *Plan for the Unanticipated Discovery of Contaminated Environmental Media*.<sup>83</sup> We confirm that, should Gulf South use any pesticides within its right of way, it must comply with all appropriate state and federal regulations governing the appropriate use of such pesticides.

#### 4. Environmental Analysis Conclusion

39. We have reviewed the information and analysis contained in the EA, as well as the other information in the record, regarding potential environmental effects of the project. We accept the environmental recommendations in the EA and are including them as conditions in an appendix to this order. Based on the analysis in the EA, as supplemented or clarified herein,<sup>84</sup> we conclude that, if constructed, replaced, and operated in accordance with Gulf South application and supplements, and in compliance with the environmental conditions in the appendix to this order, our approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.<sup>85</sup>

40. Compliance with the environmental conditions appended to our orders is integral to ensuring that the environmental impacts of approved projects are consistent with those anticipated by our environmental analyses. Thus, Commission staff carefully reviews all information submitted. Only when satisfied that the applicant has complied with all applicable conditions will a notice to proceed with the activity to which the conditions are relevant be issued. We also note that the Commission has the authority to take whatever steps are necessary to ensure the protection of environmental resources during construction and operation of the project, including authority to impose any additional measures deemed necessary to ensure continued compliance with the intent of the

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<sup>81</sup> See Application, Resource Report 12 at 1.

<sup>82</sup> 40 C.F.R. pt. 761 (2025).

<sup>83</sup> Application Resource Report 1; app. 1B.

<sup>84</sup> Although the analysis in the EA provides substantial evidence for our conclusions in this order, it is the order itself that serves as our record of decision. The order supersedes any inconsistent discussion in the EA.

<sup>85</sup> We are not making a significance determination regarding GHG effects for the reasons discussed in *supra* note 48.

conditions of the order, as well as the avoidance or mitigation of unforeseen adverse environmental impacts resulting from project construction and operation.

#### **IV. Conclusion**

41. We find that Gulf South has demonstrated a need for the PLUSS Project, that the project will not have adverse impacts on existing customers, or existing pipelines and their existing customers, and that it will have minimal impacts on the interests of landowners and surrounding communities. The Commission recognizes that the proposed project would impact the environment and individuals living in the vicinity of the project facilities, but that the project impacts, as mitigated, would not be significant. Based on the discussion above, we conclude that, under section 7 of the NGA, the public convenience and necessity requires the approval of Gulf South's PLUSS Project, subject to the conditions in this order. Further, as discussed above, we find that the public convenience or necessity permits the proposed abandonment.

42. Any state or local permits issued with respect to the jurisdictional facilities authorized herein must be consistent with the conditions of this certificate. The Commission encourages cooperation between interstate pipelines and local authorities. However, this does not mean that state and local agencies, through application of state or local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by the Commission.<sup>86</sup>

43. 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, and all comments, and upon consideration of the record,

#### **The Commission orders:**

(A) A certificate of public convenience and necessity is issued to Gulf South, authorizing it to construct and operate the PLUSS Project, as described and conditioned herein, and as more fully described in the application and subsequent filings by the

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<sup>86</sup> See 15 U.S.C. § 717r(d) (state or federal agency's failure to act on a permit considered to be inconsistent with Federal law); see also *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293, 310 (1988) (state regulation that interferes with the Commission's regulatory authority over the transportation of natural gas is preempted); *Dominion Transmission, Inc. v. Summers*, 723 F.3d 238, 245 (D.C. Cir. 2013) (noting that state and local regulation is preempted by the NGA to the extent it conflicts with federal regulation, or would delay the construction and operation of facilities approved by the Commission).

Docket No. CP25-54-000

- 19 -

applicant, including any commitments made therein.

(B) The certificate authority issued in ordering paragraph (A) is conditioned on Gulf South:

- (1) completing construction of the proposed facilities and making them available for service within two years of the date of this order pursuant to section 157.20(b) of the Commission's regulations;
- (2) complying with all applicable Commission regulations under the NGA including, but not limited to, Parts 154, 157, and 284, and paragraphs (a), (c), (e), and (f) of section 157.20 of the Commission's regulations;
- (3) complying with the environmental conditions listed in the appendix to this order; and
- (4) making a filing affirming that Gulf South has executed firm service agreements for volumes and service terms equivalent to those in the precedent agreement before commencing construction.

(C) Gulf South's proposal to charge its existing system recourse rates for firm transportation under Rate Schedule FTS as initial rates and its system fuel rate is approved.

(D) A pre-determination is granted for Gulf South to roll the costs of the project into its system rates in a future NGA 4 rate case, absent a significant change in circumstances.

(E) Gulf South is granted permission and approval to abandon the facilities described in this order, and more fully described in the application.

(F) Gulf South shall complete all abandonment activities within two years of the date of this order.

(G) Gulf South shall notify the Commission within 10 days of the abandonment of the facilities.

Docket No. CP25-54-000

- 21 -

(H) Gulf South shall notify the Commission's environmental staff by telephone or e-mail of any environmental noncompliance identified by other federal, state, or local agencies on the same day that such agency notifies Gulf South. Gulf South shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

By the Commission.

( S E A L )

Carlos D. Clay,  
Deputy Secretary.

## Appendix

### Environmental Conditions

As recommended in the Environmental Assessment (EA) and modified herein, this authorization includes the following conditions:

1. Gulf South Pipeline Company, LLC (Gulf South) shall follow the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests) and as identified in the EA, unless modified by the order. Gulf South must:
  - a. request any modification to these procedures, measures, or conditions in a filing with the Secretary of the Commission (Secretary);
  - b. justify each modification relative to site-specific conditions;
  - c. explain how that modification provides an equal or greater level of environmental protection than the original measure; and
  - d. receive approval in writing from the Director of the Office of Energy Projects (OEP), or the Director's designee, **before implementing that modification.**
  
2. The Director of OEP, or the Director's designee, has delegated authority to address any requests for approvals or authorizations necessary to carry out the conditions of the order, and take whatever steps are necessary to ensure the protection of environmental resources during construction and operation of the project. This authority shall allow:
  - a. the modification of conditions of the order;
  - b. stop-work authority; and
  - c. the imposition of any additional measures deemed necessary to ensure continued compliance with the intent of the conditions of the order as well as the avoidance or mitigation of unforeseen adverse environmental effects resulting from project construction and operation.
  
3. **Prior to any construction**, Gulf South shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors (EIs), and contractor personnel will be informed of the EI's authority and have been or will be trained on the implementation of the environmental mitigation measures appropriate to their jobs **before** becoming involved with construction and restoration activities.
  
4. The authorized facility locations shall be as shown in EA. **As soon as they are available, and before the start of construction**, Gulf South shall file with the Secretary any revised detailed survey alignment maps/sheets at a scale not smaller

than 1:6,000 with station positions for facilities approved by the order. All requests for modifications of environmental conditions of the order or site-specific clearances must be written and must reference locations designated on these alignment maps/sheets.

5. Gulf South shall file with the Secretary detailed alignment maps/sheets and aerial photographs at a scale not smaller than 1:6,000 identifying all route realignments or facility relocations, and staging areas, pipe storage yards, new access roads, and other areas that would be used or disturbed and have not been previously identified in filings with the Secretary. Approval for each of these areas must be explicitly requested in writing. For each area, the request must include a description of the existing land use/cover type, documentation of landowner approval, whether any cultural resources or federally listed threatened or endangered species would be affected, and whether any other environmentally sensitive areas are within or abutting the area. All areas shall be clearly identified on the maps/sheets/aerial photographs. Each area must be approved in writing by the Director of OEP, or the Director's designee, **before construction in or near that area.**

This requirement does not apply to extra workspace allowed by the Commission's *Upland Erosion Control, Revegetation, and Maintenance Plan* and/or minor field realignments per landowner needs and requirements which do not affect other landowners or sensitive environmental areas such as wetlands.

Examples of alterations requiring approval include all route realignments and facility location changes resulting from:

- a. implementation of cultural resources mitigation measures;
  - b. implementation of endangered, threatened, or special concern species mitigation measures;
  - c. recommendations by state regulatory authorities; and
  - d. agreements with individual landowners that affect other landowners or could affect sensitive environmental areas.
6. **Within 60 days of the acceptance of the authorization and before construction begins**, Gulf South shall file an Implementation Plan with the Secretary for review and written approval by the Director of OEP, or the Director's designee. Gulf South must file revisions to the plan as schedules change. The plan shall identify:
    - a. how Gulf South will implement the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests), identified in the EA, and required by the order;
    - b. how Gulf South will incorporate these requirements into the contract bid

- documents, construction contracts (especially penalty clauses and specifications), and construction drawings so that the mitigation required at each site is clear to onsite construction and inspection personnel;
- c. the number of EIs assigned, and how the company will ensure that sufficient personnel are available to implement the environmental mitigation;
  - d. company personnel, including EIs and contractors, who will receive copies of the appropriate material;
  - e. the location and dates of the environmental compliance training and instructions Gulf South will give to all personnel involved with construction and restoration (initial and refresher training as the Project progresses and personnel change);
  - f. the company personnel (if known) and specific portion of 's organization having responsibility for compliance;
  - g. the procedures (including use of contract penalties) Gulf South will follow if noncompliance occurs; and
  - h. for each discrete facility, a Gantt or PERT chart (or similar project scheduling diagram), and dates for:
    - (1) the completion of all required surveys and reports;
    - (2) the environmental compliance training of onsite personnel;
    - (3) the start of construction; and
    - (4) the start and completion of restoration.
7. Gulf South shall employ one EI per construction spread. The EI(s) shall be:
- a. responsible for monitoring and ensuring compliance with all mitigation measures required by the order and other grants, permits, certificates, or other authorizing documents;
  - b. responsible for evaluating the construction contractor's implementation of the environmental mitigation measures required in the contract (see condition (6) above) and any other authorizing document;
  - c. empowered to order correction of acts that violate the environmental conditions of the order, and any other authorizing document;
  - d. a full-time position, separate from all other activity inspectors;
  - e. responsible for documenting compliance with the environmental conditions of the order, as well as any environmental conditions/permit requirements imposed by other federal, state, or local agencies; and
  - f. responsible for maintaining status reports.
8. Beginning with the filing of its Implementation Plan, Gulf South shall file updated status reports with the Secretary on a **biweekly** basis until all construction and restoration activities are complete. On request, these status reports will also be

provided to other federal and state agencies with permitting responsibilities. Status reports shall include:

- a. an update on Gulf South's efforts to obtain the necessary federal authorizations;
  - b. the construction status of the project, work planned for the following reporting period, and any schedule changes for stream crossings or work in other environmentally-sensitive areas;
  - c. a listing of all problems encountered and each instance of noncompliance observed by the EI(s) during the reporting period (both for the conditions imposed by the Commission and any environmental conditions/permit requirements imposed by other federal, state, or local agencies);
  - d. a description of the corrective actions implemented in response to all instances of noncompliance;
  - e. the effectiveness of all corrective actions implemented;
  - f. a description of any landowner/resident complaints which may relate to compliance with the requirements of the order, and the measures taken to satisfy their concerns; and
  - g. copies of any correspondence received by Gulf South from other federal, state, or local permitting agencies concerning instances of noncompliance, and Gulf South's response.
9. Gulf South must receive written authorization from the Director of OEP, or the Director's designee, **before commencing construction of any project facilities**. To obtain such authorization, Gulf South must file with the Secretary documentation that it has received all applicable authorizations required under federal law (or evidence of waiver thereof).
10. Gulf South must receive written authorization from the Director of OEP, or the Director's designee, **before placing project into service**. Such authorization will only be granted following a determination that rehabilitation and restoration of the right-of-way and other areas affected by the project are proceeding satisfactorily.
11. **Within 30 days of placing the authorized facilities in service**, shall file an affirmative statement with the Secretary, certified by a senior company official:
- a. that the facilities have been constructed in compliance with all applicable conditions, and that continuing activities will be consistent with all applicable conditions; or
  - b. identifying which of the conditions in the order has complied with or will comply with. This statement shall also identify any areas affected by the project where compliance measures were not properly implemented, if not previously identified in filed status reports, and the reason for

noncompliance.

12. Gulf South shall file a noise survey with the Secretary **no later than 60 days** after placing the Sorrento Compressor Station in service. If a full load condition noise survey is not possible, Gulf South shall provide an interim survey at the maximum possible horsepower load and provide the full load survey **within 6 months**. If the noise attributable to the operation of the equipment at the Sorrento Compressor Station under interim or full horsepower load conditions exceeds a day-night noise level of 55 A-weighted decibels at any nearby noise-sensitive areas, Gulf South shall file a report on what changes are needed and shall install the additional noise controls to meet the level **within 1 year** of the in-service date. Gulf South shall confirm compliance with the above requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls.

Document Content (s)

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