

184 FERC ¶ 61,151
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Acting Chairman;
James P. Danly, Allison Clements,
and Mark C. Christie.

Georgia-Pacific Crossett LLC

Docket No. IN23-12-000

ORDER APPROVING STIPULATION AND CONSENT AGREEMENT

(Issued September 13, 2023)

1. The Commission approves the attached Stipulation and Consent Agreement (Agreement) between the Office of Enforcement (Enforcement) and Georgia-Pacific Crossett LLC (GPC). This order is in the public interest because the Agreement resolves on fair and equitable terms Enforcement's investigation (Investigation) under Part 1b of the Commission's regulations, 18 C.F.R. Part 1b (2022), into whether GPC violated any Commission statutes, rules, regulations, or orders, including but not limited to 18 C.F.R. section 157, in connection with the abandonment of the 19.5 mile, 8-inch diameter interstate pipeline at issue in Commission Docket No. CP22-16 (hereinafter, Crossett Pipeline).

2. GPC agrees to pay a civil penalty of \$1,200,000 to the United States Treasury. GPC stipulates to the facts set forth in Section II of the Agreement, but neither admits nor denies the alleged violations in Section III of the Agreement.

I. Facts

3. In 1971, the Commission granted GPC a Natural Gas Act (NGA) section 7 certificate to construct and operate certain pipeline facilities (Crossett Pipeline) to transport natural gas that GPC purchased from the Monroe Field in Louisiana for use at GPC's industrial plants in Crossett, Arkansas.¹

4. According to GPC, it used the Crossett Pipeline exclusively to supply natural gas to its own plants in Crossett, Arkansas.

5. In or around September 2019, GPC decided to abandon the Crossett Pipeline. GPC retained a law firm, consultants, and contractors to assist with regulatory and construction activities. Before and during the period when it conducted activities to

¹ *Ga.-Pac. Corp.*, 46 FPC 1209 (1971).

physically abandon the Crossett Pipeline, GPC disclosed the activities to other federal and state governmental agencies.

6. GPC employees or agents substantially completed the work to physically abandon the Crossett Pipeline by March 2021. Specifically, GPC employees or agents conducted the following abandonment work:

Dates	Abandonment Work
December 1–2, 2020	Purged the pipeline and filled with nitrogen gas.
December 3, 2020	Began demolition of Mississippi River Transport (MRT) building.
December 7, 2020 – December 29, 2020	Performed work described below, beginning in Louisiana at valve #1 & #2 working north towards MRT building: <ul style="list-style-type: none">○ Removed all valves and other above-ground structures;○ Sealed exposed openings of the remaining pipeline facilities; and○ Filled all road crossings with flowable grout except for HWY 82 crossing.
March 9, 2021 – March 12, 2021	Filled road crossing at HWY 82 and the Arkansas Louisiana & Mississippi Railroad Company (ALM) railroad crossing with flowable grout in a single segment that encompassed both crossings.
Remedial work was done sequentially as the construction activities progressed.	

That work permanently ended GPC's ability to transport natural gas through the Crossett Pipeline.²

7. On November 15, 2021, GPC approved the filing of an abandonment application with the Commission for the Crossett Pipeline (Application).³ The Application stated that physical abandonment work on the Crossett Pipeline, including work described above in paragraph 6, would be undertaken in the future.⁴ The Application also omitted that this physical abandonment work had already occurred. Certain post-Application submissions (through June 3, 2022) contained similar inaccurate statements and omissions.

8. The Application and post-Application submissions described above were worked on by GPC employees and the law firm retained by GPC. The Application and relevant post-Application submissions were signed and filed by the law firm on GPC's behalf and with GPC's approval. GPC employees involved in working on the Application and the relevant post-Application submissions were aware that physical abandonment work on the Crossett Pipeline had already occurred, and that the Application and the post-Application submissions contained the inaccurate statements and omissions mentioned above.

9. On August 5, 2022, GPC filed a Supplement to its Application and post-Application Submissions in Docket No. CP22-16-000.⁵ The Supplement disclosed to

² According to GPC, there have been no reports that the work performed to complete the abandonment in place caused environmental harm or public safety issues.

³ Ga.-Pac. Consumer Ops. LLC, Abbreviated Application for Abandonment Pursuant to Section 7(b) of the Natural Gas Act, Docket No. CP22-16-000 (filed Nov. 16, 2021). The Application attached a report by an environmental consultant (Consultant Report).

⁴ *See, e.g.*, Application at 5 (“[T]he proposed project will include cap and fill activities associated with the roadways”); *id.* at 6 (discussing “the facilities to be abandoned”); Consultant Report at 10 (“[T]he pipeline will be cut and filled with either inert gas 50 feet on either side of the crossings or flowable fill”); *id.* at 11 (referring to “the aboveground structures to be removed”); *id.* at 22 (“The construction activities will be short-term and will take place over a period of approximately 20 weeks. The project will be implemented in four (4) stages, as shown below: 1. Purge the entire pipeline with Nitrogen; 2. Remove all the aboveground piping, valves, and fencing; 3. Fill the road casing and railroad crossings with flowable grout; and 4. Return the right-of-way to natural ground conditions, to the extent possible.”).

⁵ Ga.-Pac. Consumer Ops. LLC, Supplement to Abandonment Application, Docket No. CP22-16-000 (filed Aug. 5, 2022) (Supplement).

the Commission that the “activities described in the Application to physically abandon the [Crossett Pipeline] have already taken place, with the exception of remediation and monitoring activities.”⁶ The Supplement “acknowledge[d] that undertaking these physical abandonment activities, without obtaining the Commission’s certificate abandonment authorization first, was inconsistent with section 7(b) of the NGA.”⁷

10. GPC was not authorized to physically abandon the Crossett Pipeline or perform the work described above in paragraph 6 for the purpose of abandoning the Crossett Pipeline prior to receiving an order approving the abandonment under section 7(b) of the NGA and the Commission’s implementing regulations.

11. The Application and several post-Application submissions did not “include all pertinent data and information necessary for a full and complete understanding of the proposed project,”⁸ did not “contain[] all information and supporting data necessary to explain fully the proposed project,”⁹ and did not “provide a full and complete explanation of the data submitted.”¹⁰

12. GPC fully cooperated with Enforcement during the Investigation.

II. Violations

13. Enforcement determined that GPC committed two sets of violations. First, GPC abandoned a pipeline without prior Commission approval, contrary to section 7(b) of the NGA.¹¹ Second, GPC filed an abandonment application lacking (1) “all pertinent data and information necessary for a full and complete understanding of the proposed project,” contrary to section 157.5(a) of the Commission’s regulations; (2) “all information and supporting data necessary to explain fully the proposed project,” contrary to section 157.7(a) of the Commission’s regulations; and (3) “a full and complete explanation of the data submitted,” contrary to section 157.18 of the

⁶ *Id.* at 3.

⁷ *Id.*

⁸ 18 C.F.R. § 157.5(a).

⁹ *Id.* § 157.7(a).

¹⁰ *Id.* § 157.18.

¹¹ 15 U.S.C. § 717f(b) (2018).

Commission's regulations.¹²

III. Stipulation and Consent Agreement

14. Enforcement and GPC have resolved this matter by means of the attached Agreement. GPC agrees to pay a civil penalty of \$1,200,000 to the United States Treasury and stipulates to the facts set forth in Section II of the Agreement, but neither admits nor denies the alleged violations in Section III of the Agreement.

IV. Determination of Appropriate Remedies and Sanctions

15. In recommending the appropriate remedy, Enforcement considered the factors described in the Revised Policy Statement on Penalty Guidelines,¹³ including that GPC cooperated with Enforcement during the Investigation. The Commission concludes that GPC's civil penalty is consistent with the Revised Policy Statement on Penalty Guidelines.

16. The Commission concludes that the Agreement is a fair and equitable resolution of the matters concerned and is in the public interest, as it reflects the nature and seriousness of the conduct and recognizes the specific considerations stated above and in the Agreement.

17. The Commission directs GPC to make the civil penalty payment as required by the Agreement within ten days after the Effective Date of the Agreement.

The Commission orders:

The attached Stipulation and Consent Agreement is hereby approved without modification.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

¹² 18 C.F.R. §§ 157.5(a), 157.7(a), 157.18.

¹³ *Enforcement of Statutes, Orders, Rules, and Regulations*, Revised Policy Statement on Penalty Guidelines, 132 FERC ¶ 61,216 (2010).

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Georgia-Pacific Crossett LLC

Docket No. 1N23-12-000

STIPULATION AND CONSENT AGREEMENT

I. INTRODUCTION

1. The Office of Enforcement (Enforcement) of the Federal Energy Regulatory Commission (Commission) and Georgia-Pacific Crossett LLC, as the corporate successor to Georgia-Pacific Consumer Operations LLC (each, together with their corporate predecessors, identified hereinafter as GPC),¹ enter into this Stipulation and Consent Agreement (Agreement) to resolve a nonpublic, preliminary investigation (the Investigation) conducted by Enforcement pursuant to Part 1b of the Commission's regulations. The Investigation addressed whether GPC violated any Commission statutes, rules, regulations, or orders, including but not limited to 18 C.F.R. section 157, in connection with the abandonment of the 19.5 mile, 8-inch diameter interstate pipeline at issue in Commission Docket No. CP22-16 (hereinafter, Crossett Pipeline).

2. GPC stipulates to the facts in Section II, but neither admits nor denies the alleged violations in Section III. GPC agrees to pay a civil penalty of \$1,200,000 to the United States Treasury.

II. STIPULATIONS

Enforcement and GPC hereby stipulate and agree to the following facts.

3. In 1971, the Commission granted GPC a Natural Gas Act (NGA) section 7 certificate to construct and operate certain pipeline facilities to transport natural gas that GPC purchased from the Monroe Field in Louisiana for use at GPC's industrial plants in Crossett, Arkansas.² In 1991, the Commission granted GPC's request to abandon part of the facilities it used to obtain and gather natural gas from the Monroe Field.³ GPC states that the Crossett Pipeline was the only interstate pipeline facility owned or operated by

¹ On January 12, 2022, Georgia-Pacific Consumer Operations LLC filed a Notice of Corporate Name Change with the Commission, indicating that, as a result of an internal corporate reorganization, its pipeline and interconnected manufacturing facilities would be owned by Georgia-Pacific Crossett LLC. *See* Ga.-Pac. LLC, Informational Report, Docket No. ER08-1136-006, at 1.

² *Ga.-Pac. Corp.*, 46 FPC 1209 (1971).

³ *Ga.-Pac. Corp.*, 54 FERC ¶ 61,199, at 61,593 (1991).

GPC since 1991.

4. GPC states that it (a) used the Crossett Pipeline exclusively to supply natural gas to its own consumer products (paper towel, tissue, and napkin products), chemical, and wood product plants in Crossett, Arkansas; (b) did not use the Crossett Pipeline to serve other customers; and (c) no longer needed the Crossett Pipeline after August 2019, when alternative natural gas supplies became available.

5. In or around September 2019, GPC decided to abandon the Crossett Pipeline. GPC retained a law firm, consultants, and contractors to assist with regulatory and construction activities. Before and during the period when it conducted activities to physically abandon the Crossett Pipeline, GPC disclosed the activities to other federal and state governmental agencies.

6. GPC employees or agents substantially completed the work to physically abandon the Crossett Pipeline by March 2021. Specifically, GPC employees or agents conducted the following abandonment work:

Dates	Abandonment Work
December 1–2, 2020	Purged the pipeline and filled with nitrogen gas.
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December 7, 2020 – December 29, 2020	Performed work described below, beginning in Louisiana at valve #1 & #2 working north towards MRT building: <ul style="list-style-type: none"> ○ Removed all valves and other above-ground structures; ○ Sealed exposed openings of the remaining pipeline facilities; and ○ Filled all road crossings with flowable grout except for HWY 82 crossing.
March 9, 2021 – March 12, 2021	Filled road crossing at HWY 82 and the Arkansas Louisiana & Mississippi Railroad Company (ALM) railroad crossing with flowable grout in a single segment that encompassed both crossings.
Remedial work was done sequentially as the construction activities progressed.	

That work permanently ended GPC's ability to transport natural gas through the Crossett Pipeline.⁴

7. On November 15, 2021, GPC approved the filing of an abandonment application with the Commission for the Crossett Pipeline, including a supporting environmental

⁴ GPC states that there have been no reports that the work performed to complete the abandonment in place caused environmental harm or public safety issues.

report and the attachments thereto (Application).⁵ The Application stated that physical abandonment work on the Crossett Pipeline, including work described above in paragraph 6, would be undertaken in the future. The Application also omitted that this physical abandonment work had already occurred. Certain post-Application submissions (through June 3, 2022) contained similar inaccurate statements and omissions.

8. The Application and post-Application submissions described above were worked on by GPC employees and the law firm retained by GPC. The Application and relevant post-Application submissions were signed and filed by the law firm on GPC's behalf and with GPC's approval. GPC employees involved in working on the Application and the relevant post-Application submissions were aware that physical abandonment work on the Crossett Pipeline had already occurred, and that the Application and the post-Application submissions contained the inaccurate statements and omissions mentioned above.

9. On August 5, 2022, GPC filed a Supplement to its Application and post-Application Submissions in Docket No. CP22-16-000.⁶ The Supplement disclosed to the Commission that the "activities described in the Application to physically abandon the [Crossett Pipeline] have already taken place, with the exception of remediation and monitoring activities."⁷ The Supplement "acknowledge[d] that undertaking these physical abandonment activities, without obtaining the Commission's certificate abandonment authorization first, was inconsistent with section 7(b) of the NGA."⁸

10. GPC was not authorized to physically abandon the Crossett Pipeline or perform the work described above in paragraph 6 for the purpose of abandoning the Crossett Pipeline prior to receiving an order approving the abandonment under section 7(b) of the NGA and the Commission's implementing regulations.

11. The Application and several post-Application submissions did not "include all pertinent data and information necessary for a full and complete understanding of the proposed project,"⁹ did not "contain[] all information and supporting data necessary to explain fully the proposed project,"¹⁰ and did not "provide a full and complete explanation

⁵ Ga.-Pac. Consumer Ops. LLC, Abbreviated Application for Abandonment Pursuant to Section 7(b) of the Natural Gas Act, Docket No. CP22-16-000 (filed Nov. 16, 2021).

⁶ Ga.-Pac. Consumer Ops. LLC, Supplement to Abandonment Application, Docket No. CP22-16-000 (filed Aug. 5, 2022) (Supplement).

⁷ *Id.* at 3.

⁸ *Id.*

⁹ 18 C.F.R. § 157.5(a).

¹⁰ *Id.* § 157.7(a).

of the data submitted.”¹¹

12. GPC fully cooperated with Enforcement during the Investigation.

III. VIOLATIONS

13. Enforcement determined that GPC (a) violated section 7(b) of the NGA, 15 U.S.C. § 717f(b), by abandoning the Crossett Pipeline without Commission approval, and (b) violated sections 157.5, 157.7(a), and 157.18 of the Commission’s regulations, 18 C.F.R. §§ 157.5, 157.7(a), 157.18, by failing to set forth all information necessary to fully advise the Commission concerning the company’s request for approval to abandon the Crossett Pipeline.

IV. REMEDIES AND SANCTIONS

14. For purposes of settling any and all claims, civil and administrative disputes and proceedings arising from or related to GPC’s conduct evaluated in Enforcement’s Investigation, GPC agrees with the facts as stipulated in Section II of this Agreement, but it neither admits nor denies the violations described in Section III of this Agreement. GPC further agrees to undertake obligations set forth in the following paragraph.

15. GPC agrees to pay a civil penalty of \$1,200,000 to the United States Treasury, by wire transfer, within ten days after the Effective Date of this Agreement, as defined herein.

V. TERMS

16. The “Effective Date” of this Agreement shall be the date on which the Commission issues an order approving this Agreement without material modification. When effective, this Agreement shall resolve the matters specifically addressed herein that arose on or before the Effective Date as to GPC and any affiliated entity, and their respective agents, officers, directors, or employees, both past and present.

17. Commission approval of this Agreement without material modification shall release GPC and forever bar the Commission from holding GPC, any affiliated entity, any successor in interest, and their respective agents, officers, directors, or employees, both past and present, liable for any and all administrative or civil claims arising out of the conduct covered by the Investigation, including conduct addressed and stipulated to in this Agreement, which occurred on or before the Agreement’s Effective Date.

18. Failure by GPC to make the civil penalty payment, or to comply with any other provision of this Agreement, shall be deemed a violation of a final order of the Commission issued pursuant to the NGA, 15 U.S.C. § 717, *et seq.*, and may subject GPC to additional action under the enforcement provisions of the NGA.

19. If GPC does not make the required civil penalty payment described above within the times agreed by the parties, interest will be calculated pursuant to 18 C.F.R. § 35.19a(a)(2)(iii)(A), (B) from the date that payment is due, in addition to the penalty specified above and any other enforcement action and penalty that the Commission may

¹¹ *Id.* § 157.18.

take or impose.

20. This Agreement binds GPC and its agents, successors, and assignees. This Agreement does not create any additional or independent obligations on GPC, or any affiliated entity, its agents, officers, directors, or employees, other than the obligations identified in this Agreement.

21. The signatories to this Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of Enforcement or GPC has been made to induce the signatories or any other party to enter into the Agreement.

22. Unless the Commission issues an order approving the Agreement in its entirety and without material modification, the Agreement shall be null and void and of no effect whatsoever, and neither Enforcement nor GPC shall be bound by any provision or term of the Agreement, unless otherwise agreed to in writing by Enforcement and GPC.

23. In connection with the civil penalty provided for herein, GPC agrees that the Commission's order approving the Agreement without material modification shall be a final and unappealable order assessing a civil penalty under section 22(a) of the NGA, 15 U.S.C. § 717t-1(a). GPC waives findings of fact and conclusions of law, rehearing of any Commission order approving the Agreement without material modification, and judicial review by any court of any Commission order approving the Agreement without material modification.

24. This Agreement can be modified only if in writing and signed by Enforcement and GPC, and any modifications will not be effective unless approved by the Commission.

25. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity, and accepts the Agreement on the entity's behalf.

26. The undersigned representative of GPC affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Agreement is entered into by Enforcement in express reliance on those representations.

27. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

Agreed to and Accepted:



Janel Burdick
Director, Office of Enforcement
Federal Energy Regulatory Commission

Date: August 22, 2023



Tye G. Darland
Vice President and General Counsel
Georgia-Pacific Crossett LLC

Date: August 22, 2023

Document Content (s)

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