LETTER OF CONCERN

January 19, 2000

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. William White Vice President, Operations Columbia Gas Transmission Company P.O. Box 1273 1700 MacCorkle Ave., SE Charleston, WV 25325-1273

CPF No. 1-2000-1001C

Dear Mr. White:

On January 11, 2000, Columbia Gas Transmission(CGT) experienced an accident on Line 10346, in Bethlehem Township, Hunderton County, New Jersey. This 20-inch, epoxycoated natural gas transmission pipeline was struck by construction equipment during the installation of a fiber-optic telecommunications cable owned by Transcomm. There was no fire or explosion; nor were there any injuries during the event or remediation efforts. Natural gas was evacuated from the line under controlled conditions and repairs were accomplished with the replacement of approximately six feet of pipe.

We understand, through several interviews, that the fiber-optic company is an affiliate of CGT. Especially of interest to us is that Transcomm used a contractor to file the associated one-call in advance of the construction; and that CGT used the same contractor to mark-out Line 10346. We also understand that the contractor apparently mis-marked Line 10346, when their line-finding equipment inadvertently affixed on a stray current cable, rather than the pipeline. CGT had previously installed the cable a moderate distance from Line 10346 to protect against stray currents that might be impressed on the pipeline from a nearby high-voltage electric transmission line. Believing that the pipeline had been successfully located, construction equipment hit and punctured the pipeline while making a bore pit for a directional drill.

I bring your attention to Pipeline Safety Advisory Bulletin, ADB-99-04, dated August 23, 1999. The United States Department of Transportation, Research and Special Programs Administration, Office of Pipeline Safety issued this advisory following several pipeline incidents involving trenchless technology operations near buried pipelines. Among other noteworthy comments, it specifically recommends that pipeline operators review their damage prevention programs to insure that they include effective actions to protect pipeline facilities from trenchless technologies.

We are concerned about two issues. First, we are concerned that CGT's damage prevention procedures and operating practices may not be adequately detailed and/or implemented to specifically address the potential dangers that trenchless technologies pose to buried pipelines. Second, we are concerned that the contractor may not be sufficiently trained in mark-out procedures. For instance, we have also been informed that the line may have not been marked consistent with New Jersey state law for a 20-inch pipeline. The contractor may also have lacked critical information, such as the possibility that stray current cables may be attached to the pipeline. It is our understanding that you are now reviewing CGT's damage prevention procedures and operating practices regarding trenchless technology; and that implementing a broader requirement for the application of verification digs is being considered. We encourage you to follow through with this review, and reread the advisory bulletin noted above.

Should you have any questions regarding these issues, or any other pipeline safety regulatory issues, please do not hesitate to contact Byron Coy in our New Jersey District Office at (609) 989-2180 or the Eastern Region Office in Washington, DC at (202) 366-4580. I would appreciate your comments on the above within 45 days of receipt of this letter.

Sincerely,

William H. Gute Director, Eastern Region Office of Pipeline Safety

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cc: DPS-22.1, DPS-24, NJDO, MEDO, PIDO, Regions

Electronic File Copy: Catrina Pavlik