

U.S. Department of Transportation  
Research and Special Programs Administration  
400 Seventh Street S W  
Washington, D.C. 20590

APR 20 1999

Mr. Massoud Tahamtani  
Utilities Manager  
Virginia State Corporation Commission  
P.O. Box 1197  
Richmond, VA 23209

Dear Mr. Tahamtani:

I am responding to your notification that the Commission has granted Virginia Natural Gas, Inc. a waiver from compliance with the valve spacing requirement of 49 CFR 192.179(a)(2). The waiver permits this company to relocate existing block valve MLV 170 so that some Class 3 locations will be 4.2 miles away from the nearest block valve.

Although § 192.179(a)(2) requires that Class 3 locations be no more than 4 miles from the nearest block valve, we think the improved operation and maintenance efficiencies and accessibility, mentioned in the waiver order, will offset the slightly longer distance between Class 3 locations and the nearest block valve. Therefore, we have no objection to the waiver.

Sincerely,  
Richard B. Fender  
Associate Administrator for Pipeline Safety

Commonwealth of Virginia  
State Corporation Commission

At Richmond, March 23, 1999

APPLICATION OF

VIRGINIA NATURAL GAS, INC.

CASE NO. PUE980817

For waiver of gas pipeline safety requirement found at 49 C.F.R.  
§ 192.179

ORDER GRANTING WAIVER

The Natural Gas Pipeline Safety Act, 49 U.S.C. 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate State agency. The Virginia State Corporation Commission ("Commission") has been designated as the appropriate State agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards in Virginia ("Safety Standards"). Pursuant to 49 U.S.C. § 60118 (d), if, where as here, a certification under 49 U.S.C. § 60105 is in effect, the Commission may waive compliance with a safety standard to the same extent that the Secretary may waive compliance with an applicable safety standard, if the waiver is not inconsistent with pipeline safety, and provided the U.S. Secretary of Transportation is given written notice of the waiver at least 60 days prior to the effective date of the waiver.

On January 14, 1999, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application with the Commission, requesting a waiver of the gas pipeline safety standard found at 49 C.F.R. § 192.179 (a)(2), which specifies the requirements for spacing of sectionalizing block valves on transmission lines. In particular, the Company's application states that VNG owns and operates approximately 80 miles of 24-inch transmission pipeline, extending from Fauquier County to the Mechanicsville area of Hanover County, Virginia. A portion of this pipeline located in Hanover County runs adjacent to State Route 656 (Sliding Hill Road) within an easement owned by VNG. The Virginia Department of Transportation is proposing to modify the existing Interstate 95 Interchange at Atlee, Virginia in such a way as to require the relocation of sections of Route 656. According to the application, VNG must relocate approximately 2,700 lineal feet of its joint use pipeline and a 24-inch sectionalizing block valve known as Main Line Valve 170 ("MLV 170").

The Company has determined that the best site to relocate MLV 170 is within the existing VNG right-of-way located on the south side of State Route 813 (Air Park Road). According to VNG, this location is directly across the road from a VNG Measurement and Regulating ("M&R") Station located in Hanover Industrial Air Park. However, placing the valve at this site will result in some Class 3 locations between MLV 170 and Main Line Valve 180 being approximately 4.21 miles from the nearest valve or 1,100 feet greater than the 4 mile spacing required for Class 3 locations for spacing of sectionalizing block valves as prescribed by 49 C.F.R. § 192.179. VNG's application alleges that having the valves near the above ground M&R Station will provide efficiencies for ongoing operation and maintenance, and access to the valve station will be advantageous since it is located along a roadway in an industrial park setting. The Company represents that all the sectionalizing block valves on this transmission pipeline, including the one to be relocated, are remotely controlled from VNG's Norfolk Gas Control Center and maintains that the level of safety provided now, and after the relocation, is greater than the level of safety required by the valve spacing requirements of 49 C.F.R. § 192.179.

On January 21, 1999, the Commission entered an Order for Notice and Inviting Comments, which, among other things, prescribed the notice VNG must give of its application. Under the provisions of the Order, VNG was required to serve local governmental officials with a copy of the Order by February 5, 1999. The Order also directed VNG to publish the notice prescribed therein in newspapers of general circulation in the areas of the Commonwealth affected by the

Company's waiver request by February 5, 1999. Both the Order and the published notice described procedures whereby the public could comment or request a hearing on VNG's application.

On February 19, 1999, the Company filed its proof of the notice and service required by the January 21, 1999, Order. No comments or requests for hearing were filed in this matter.

On March 12, 1999, the Commission's Staff filed its Report on VNG's application. In its Report, the Staff cited an advisory opinion concerning alternate valve spacing, issued by the Research and Special Programs Administration of the U.S. Department of Transportation. This opinion concluded that the remote control of main line block valves and the line break sensing system are safety systems which go beyond the requirements contained in the applicable gas pipeline safety standards. In reliance on this opinion, and the representations set out in VNG's application, the Staff recommended that VNG's application be granted.

The Commission, upon consideration of this matter, is of the opinion and finds that granting VNG's application is not inconsistent with gas pipeline safety; that the requested waiver should become effective within 70 days from the date of this Order, unless modified by further order of the Commission; and that the U.S. Secretary of Transportation should be informed forthwith of the Commission's action.

According, IT IS ORDERED THAT:

- (1) VNG be and hereby is granted a waiver of 49 C.F.R. § 192.179 (a) (2)
- (2) This waiver shall become effective 70 days from the date of this Order, unless modified by further order of the Commission.
- (3) A copy of this Order shall be served by REGISTERED MAIL, RETURN RECEIPT REQUESTED, by the Office of the Clerk of the Commission upon Rodney E. Slater, Secretary of Transportation, United States Department of Transportation, Room 10200, 400 Seventh Street, S.W., Washington, D.C. 20590.
- (4) There being nothing further to be done herein, this matter shall be dismissed, and a copy hereof shall be placed in the Commission's files for ended causes.

AN ATTESTED COPY hereof shall also be sent by the Clerk of the Commission: Donald A. Fickenscher, General Counsel and Corporate Secretary, Virginia Natural Gas, Inc., 5100 East Virginia Beach Boulevard, Norfolk, Virginia 23502-3488; John F. Dudley, Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 900 East Main Street, Second Floor, Richmond, Virginia 23219; Richard D. Felder, Associate Administrator for Pipeline Safety, DPS-1, Research and Special Programs Administration, Department of Transportation, Office of Pipeline Safety, Room 7128, 400 Seventh Street, S.W., Washington, D.C. 20590; and the Commission's Division of Energy Regulation.