

State of Ohio
Public Utilities Commission
111 North High Street
Columbus, Ohio 43215

August 6, 1974

Mr. Joseph C. Caldwell, Director
Office of Pipeline Safety
Department of Transportation
400 7th Street, S.W., Transpoint TES 30 Building
Washington, D. C. 20590

RE: Request for Waiver OPS Docket No. OH-74-1 PUCO Case No. 73-823-F The River Gas Company

Dear Mr. Caldwell:

With reference to timeliness of this request, I refer to last paragraph of your letter dated March 22, 1974 to Mrs. Mary T. Bavis, with regards to the 90 day requirement.

Sometime during the week of June 17, 1974, the writer requested and obtained an extension of time beyond the 90 day requirement from Mr. Joseph Leep, of your office. Mr. Lucian Furrow was on vacation. The writer, at that time, was very much occupied with speech preparations, mid-year request for federal funding, scheduling intrastate and interstate facility inspections and evaluations for his staff, and preparing for the OPS/DOT 2-day Seminar.

With respect to your letter to Mr. Theodore High, Esq., I will attempt to offer the following discussions with the letter, paragraph by paragraph, and hope to clarify the salient points contained therein:

Paragraph 1.

I am in agreement. Mrs. Bavis' letter dated January 29, 1974, does appear somewhat vague with respect to the information needed to explain and substantiate the waiver.

Paragraph 2.

The writer did mention and discuss with Mr. L. Furrow that any normal construction requiring renewal, and/or replacement of a segment of any facility does not necessarily require a waiver. It is quite evident that normal construction or facility renewal is an on-going program with all operators. We view this⁷ replacement program as normal routine construction/maintenance and is subject to agency inspection at all times.

Paragraph 3.

None of the correspondence accumulated, to date, with respect to Lewisville Fuel & Supply Company waiver indicates specific non-compliances. During previous agency inspections of this facility we (the staff) found its condition no worse, nor better, than many of the old facilities throughout the county. The system is old and due to maintenance neglect, the Commission has ruled that to maintain service to the 128 services a replacement program would be to the best interest of all concerned parties. One point must be clearly understood: The fact that a replacement program is required in this instance absolutely does not infer that Federal and/or State Safety Standards are being violated. An analogy would be an individual driving a 30 year old automobile; Serviceable ? yes. Replacement ? a must.

Paragraph 4.

I agree. Neither the Department nor a certified State agency may approve an operation which is contrary to a Federal/State standard without following the waiver procedure requirements of section 3 (c) of the Act.

The non-compliance with respect to the Lewisville facility will occur August 1, 1976. Ref. CFR, Title 49, Section 192.457 (b).

Please refer to River Gas' letter to the Commission dated, November 21, 1973. The construction schedule for 1977 indicates 1550 ft. of 2" pipe and 1978 indicates 2100 ft. of 1 1/4" pipe. Therefore any bare unprotected piping that will be replaced during that time span will not be in compliance to 192.457 (b) simply because to cathodically protect piping that is scheduled for replacement would not be economically feasible; especially if the segments involved is only .69 miles long and is surveilled for leakage at a frequency greater than once a year or at a frequency that ensures public and property safety.

I agree with all of the Departments discussion on waiver, waiver requirements, operations contrary to law and all other discussion points in the 2nd part of Paragraph 4. (Top of page 2 of subject letter).

Paragraph 5.

I agree, an operator should substitute safety measurers when seeking a waiver, knowing full well that he must give reasons for relaxing and/or disregarding an applicable safety standard.

In this instance River Gas has submitted to the Commission, in good faith, a sound and practical replacement plan for their Lewisville facility. The plan of replacement itemizes in detail; what, where, when and the cost involved. The plan ensures that operations are and will be safe as evidenced by the attached Engineering Technician's Report, dated July 2, 1974.

The Public Utilities Commission of Ohio, has established the provisions of the Federal Minimum Pipeline Safety Standards, Part 192, Part 191, Title 49, CFR., as the pipeline and safety standards for Ohio, intrastate gas transmission and distribution facilities. In addition, interstate certification was obtained for year 1974. All are subject to the jurisdiction of this Commission.

Therefore, in accordance with the requirements prescribed in section (3c) of the Natural Gas Safety Act of 1968 a waiver is extended to River Gas Company's (Lewisville Plant Facility, Lewisville, Ohio) to become effective May 1, 1976.

The said waiver applies to requirement of CFR 49, 192.457 (b)

Per attachment is the following:

- (a) System or facility map showing extent, area and facility segment reconstruction dates.
- (b) Schedule of "Minimum Requirements for Corrosion Control of Metallic Pipelines as extracted from DOT/OPS Regulation Title 49, Chapter I, Part 192, Subpart I."
- (c) Lewisville Fuel and Supply Company's 1972 Annual Report, indicating facility size, location, number of services etc.
- (d) Letter to the Commission's Gas Pipeline Safety Section dated November 21, 1973 indicating reconstruction schedules etc.
- (e) Letter from Joseph C. Caldwell to T. High, Attorney, dated May 29, 1974 (?).
- (f) Letter from Mrs. Mary T. Bavis to Joseph C. Caldwell, dated January 1, 1974.
- (g) Letter from C. T. Cummings, V. President & General Manager, River Gas to Commission's staff.
- (h) Inspector's report regarding facility tour and evaluation dated July 2, 1974.

Yours truly,
RALPH A. MASELLI

Chief, Gas Safety Section Utilities Department

Office of the Secretary of Transportation
Washington, D.C. 20590

March 22, 1974

Ms. Mary T. Bavis
Staff Counsel
Ohio Public Utilities Commission
111 North High Street
Columbus, OH 43215

Dear Ms. Bavis:

Pursuant to section 3(e) of the Natural Gas Pipeline Safety Act of 1968, this notifies you that the Office of Pipeline Safety objects to the waiver granted to River Gas Company in Case No. 73-832-F from compliance with certain deadlines contained in 49 CFR Part 192. The action of the Commission granting this waiver is hereby stayed.

Your letter of January 29, 1974, notifying us of the waiver, indicates that the pipeline to which the waiver applies does not meet the Federal standards. You have not given us sufficient information to find that waiver of standards governing the operation of such a pipeline would be consistent with pipeline safety.

The apparent basis for the waiver is a plan of River Gas Company to replace the pipeline over a 5-year period. Yet, the waiver is not expressly conditioned upon completion of the plan; nor does it terminate as to portions of the line replaced. Moreover, since you have not described the plan or the pipeline, we cannot properly evaluate the waiver. We are especially concerned about provisions for safe operation while the pipeline is being replaced.

The scope of the waiver is unclear. The sections in 49 CFR Part 192 which relate to the dates of compliance being waived are not referenced in the Commission's grant of waiver. Although you refer to certain dates in Subpart of Part 192, we interpret the waiver as applying to all dates concerning Part 192, which would include overall effective dates as well as dates providing lead time for compliance.

As provided in section 3(e) of the Act, the Commission may submit written views or arguments in support of its position on the waiver and request opportunity for an oral presentation. Unless a further statement of your position is received within 90 days after date of this letter, we will consider this matter closed.

Sincerely,
Joseph C. Caldwell
Director
Office of Pipeline Safety

State of Ohio
Public Utilities Commission
111 NORTH HIGH STREET
COLUMBUS, OHIO 43215

January 29, 1974

Mr. Joseph C. Caldwell Acting Director
Office of Pipeline Safety
U.S. Department of Transportation
Washington, D.C. 20590

Dear Sir:

The Public Utilities Commission of Ohio has established the provisions of the Federal Minimum Pipeline Safety Standards (Part 192, Title 49, Code of Federal Regulations) as the pipeline safety standards for Ohio intrastate gas transmission and distribution facilities - which are subject to the jurisdiction of this Commission.

The River Gas Company, a natural gas company operating in Ohio, petitioned this Commission under our rules for a waiver of exact compliance with the dates set forth in the Federal Minimum Pipeline Safety Standards Part 192, Title 49, Code of Federal Regulations especially Subpart I--requirements for corrosion control. Given the extreme circumstances of the situation in which River Gas Company finds itself the Commission hereby grants a waiver to River Gas Company effective March 1, 1974. The River Gas Company recently purchased the assets, including the pipeline in question, of the Lewisville Fuel and Supply Company. The pipeline in question had not met the federal- state standards. The River Gas Company has presented plans to the Commission to completely replace the pipeline involved over a five year period. The plans appear reasonable and will be monitored by the engineering staff of this Commission.

Attached hereto is the Entry not only approving the purchase agreement in which River Gas took over the assets of the Lewisville Fuel and Supply Company but also documents the waiver to River Gas Company to comply with the specific dates set out in the Pipeline Safety Standards.

Very truly yours,
Mary T. Bavis
Staff Counsel

INTER-OFFICE COMMUNICATION

DATE: August 6, 1974
TO: Ralph A. Maselli, Chief, Gas Safety Section
FROM: S. Joel Courtwright, Engineering Technician
SUBJECT: The River Gas Company, Lewisville Plant Facilities, Lewisville, Ohio

SYSTEM SAFETY PROGRESS REPORT

This audit/inspection and evaluation report concerns the River Gas Company's Lewisville Plant Facility located in Lewisville, Ohio, Monroe County, Ohio. The inspection was performed June 27, 1974. The facility inspection was performed by the writer in accompaniment with Messrs: Richard D. Taylor, General Services Foreman and Fred P. Cline, Area Foreman, both from the River Gas Company, 445 W. Main Street, Clarksburg, W. Va. 26301.

The inspection was also performed to verify the extent and progress of construction as prescribed in two pieces of correspondence received November 21, 1973 & June 18, 1974 by the Commission's Gas Safety Section from Mr. Charles T. Cummings, President, The River Gas Company.

The following is an itemization of the audit/inspection and evaluation:

- (1) F. I. leak survey of complete facility was performed December 1973
- (2) System contained no "C" leaks. (Hazardous, public safety, etc.)
- (3) All discovered "B" leaks (32) were repaired immediately (Scheduled for repairs)
- (4) "A" leaks found totalled ,20 and are under constant surveillance (non hazardous)
- (5) Seven service lines have been replaced
- (6) All abandoned steel pipelines are being purged and capped. These abandoned -in-place lines totalled 4700 ft. in sizes ranging from 2 1/2" to 4" dia.
- (7) Fifteen customer meters and regulators plus their associated piping have been replaced (These are known as dead meters in that they pass gas without registering.)
- (8) Nine meters and regulators were replaced due to leakage within the meter set.
- (9) All replacement meters are installed with insulators
- (10) Approximately 8,400 ft. of 3" & 4" C & W steel pipe has been installed and is cathodically protected
- (11) A Roots 7M Meter is installed and monitored at the Town Border Station as a check against total system or consumer consumption to further ensure integrity of 'system
- (12) The replacement program, as of this inspection dated, is in compliance with applicable sections of Administrative Order No. 200 with regards to construction, construction practice, leakage survey, leakage repairs and customer meter installation
- (13) Drawings and construction data submitted for evaluation appear adequate and satisfactory.

It is suggested by the writer that this facility reconstruction be inspected for progress of construction and compliance to Administrative Order No. 200 on a 90 day frequency schedule.

Respectively Submitted,
S. JOEL COURTWRIGHT

Office of the Secretary of Transportation
Theodore High, Esq.
2208 Central Trust Tower
Cincinnati, OH 45202

Dear Mr. High:

This refers to the telephone conversation between you and Mr. Furrow of this office on April 19, 1974, concerning the waiver granted River Gas Company by the Ohio Public Utilities Commission in Case No. 73-832-F (OPS Docket :To. OH-74-1). The conversation related to the information needed to explain and substantiate the waiver, as outlined in our letter of March 22, 1974, to Ms. Mary T. Bavis, Staff Counsel for the Commission, which letter stayed the Commission's action.

During the course of the conversation, Mr. Furrow remarked that a waiver may be unnecessary to validate the company's replacement plan for the gas pipeline involved, but that we would seek an opinion from the Department's Office of the General Counsel on the matter. Based on our discussion with that office, we have the following advice.

Whenever a person proposes to operate pipeline facilities in a manner contrary to an applicable Federal gas pipeline safety standard, a waiver of compliance with the standard is necessary so that the operation will not violate the law and subject the person to civil penalty or other sanction. Similarly, if a person is operating an existing gas pipeline facility in a manner not in compliance with a Federal gas pipeline safety standard, a waiver of compliance is necessary to avoid being subject to penalty or other sanction during the period of the noncomplying operation.

Equally important, neither the Department nor a certified State agency may approve an operation which is contrary to a Federal standard without following the waiver procedures under section 3(e) of the Natural Gas Pipeline Safety Act of 1968. There are situations, however, where the administering agency defers imposition of a penalty or other strict enforcement action while an operator executes a plan of compliance with existing regulations. A State agency's compliance efforts normally include such discretionary action in lieu of strict enforcement of a standard when a violation is found. Nevertheless, while the plan is being carried out, in the absence of waiver, the operator is legally subject to penalty for operation which is contrary to law. It is in this regard that Mr. Furrow's remark as to the need for a waiver was made, in view of our impression that the pipeline to which the Commission's waiver applies does not meet the Federal standards.

In seeking a waiver, an operator usually gives reasons for relaying or disregarding an applicable safety standard and often proposes substitute safety measures, although the latter is not always essential. In this instance, River Gas Company sought a waiver of compliance with the effective date of certain pipeline safety standards and proposed an alternative effective date for application of these standards to certain of their operations. We objected to the waiver, in part, because it did not provide any alternative means for safe operation during the interim period.

I trust this helps to clarify our position on waivers.

Sincerely,
Joseph C. Caldwell
Director
Office of Pipeline Safety

Office of the Secretary of Transportation
Theodore High, Esq.
2208 Central Trust Tower
Cincinnati, OH 45202

Ms. Mary T. Bavis
Staff Counsel
Ohio Public Utilities Commission 111 North High Street
Columbus, OH 43215

Dear Ms. Mavis:

On February 5, 1974, we received your letter of January 29, 1974, notifying us of Case No. 73-832•F, a waiver granted to River Gas Company from compliance with certain deadlines contained in 49 CFR Part 192, effective March 1, 1974. The waiver has been assigned docket number OH-74-1. Please identify this number in future correspondence.

Under section 3(e) of the Natural Gas Pipeline Safety Act of 1968, a State agency may not grant a waiver from the Federal standards unless the Secretary is given at least 60 days' notice before the effective date of the waiver, during which time he may stay the waiver by objecting in writing. Accordingly, based on the date we received your letter, the waiver cannot become effective until April 6, 1974, at the earliest,

We will review the information submitted and notify you of our decision respecting the granting of this waiver before April 6, 1974.

Sincerely,
Joseph C. Caldwell Director
Office of Pipeline Safety

The River Gas Company
324 Fourth Street
Marietta, Ohio 45750

June 18, 1974

Mr. Ralph A. Maselli
Manager, Technical Services Compliance Division
Public Utilities Commission of Ohio Utilities Department
111 North High Street Columbus, Ohio 43215

Dear Mr. Maselli:

In reference to River's acquisition of the Lewisville Fuel and Supply Company's natural gas distribution plant, we have established a five-year replacement program to renew the Lewisville plant facilities. The enclosed map is color-coded in accordance with scheduled replacement periods.

To date, River has constructed 8400 feet of coated and wrapped, cathodically protected 3" and 4" pipeline to serve the Village of Lewisville. In addition, a 7M Roots check meter was installed at the Village border station. When used in conjunction with the gas purchase meters, a constant check between supply and sales is maintained. Thus River continually monitors the Lewisville distribution plant for any unaccounted- for gas which may indicate leakage.

During December 1973, River personnel, utilizing a Heath Flame Ionization Unit, inspected the Lewisville piping system. All leaks on mains and/or services found during this inspection have been repaired. Unacceptable service lines have been repaired or service discontinued. In addition, the meter readers physically walk the pipelines and perform a Vegetation Survey on a bi-monthly

River contracts with an outside Leakage Survey Consulting firm each year. Lewisville will be included in Northern District's survey scheduled for 1975.

Information as to piping and material construction and installation for new and/or replacement of customer service line piping has been distributed to Council and elected officials for dissemination to the residents.

Odor samples -- "scratch pamphlets" -- with emergency information and telephone number will be mailed to Village residents on the next billing cycle.

As evidenced by the above, River is and will be continually monitoring the Lewisville plant during and after the five-year renewal program. River's primary objective is public safety and we feel that our monitoring cycles, coupled with an economically feasible five-year program, would best enable us to serve the public interest.

If there are any questions or if additional information is needed, please do not hesitate to contact us.

Yours very truly,

The River Gas Company
324 Fourth Street
Marietta, Ohio 45750

November 30, 1973

Mr. Ralph A. Maselli
Manager of Technical Services Public Utilities Commission
111 North High Street
Columbus, Ohio 43215

Dear Mr. Maselli:

On Wednesday, November 28, 1973 The River Gas Company acquired that portion of the Lewisville Fuel and Supply Company's gas distribution system serving the Village of Lewisville, Ohio. The policies, procedures and practices in use by The River Gas Company in the operation and maintenance of its pipelines and facilities will be applied to the properties acquired from the Lewisville Fuel and Supply Company. A copy of River's Manual of Operations and Maintenance Procedures is on file with the Public Utilities Commission of Ohio.

The River Gas Company
324 Fourth Street
Marietta, Ohio 45750

November 21, 1973

The Public Utilities Commission of Ohio
111 North High Street
Columbus, Ohio 43215

Gentlemen:

The primary supply of gas for the Village of Lewisville, Ohio will flow westward from The River Gas Company's transmission pipeline RT-69 through a medium pressure pipeline RM-510 to a point along State Route 78 east of the Village. The most recent extension of this pipeline consisted of 5,424' of 4r plain end, coated and wrapped, .188 wall, Grade "B" pipe which was cathodically protected with 17 lbs. magnesium anodes.

To properly serve the Village with gas, it is planned to completely replace the distribution system lines inside the corporation, including Lewisville Fuel and Supply Company's service lines from the mains to customers private property boundry lines, over a period of five years beginning in 1974. It is planned that all construction will meet the minimum safety standards as established by the Department of Transportation, Office of Pipeline Safety; The Public Utilities Commission of Ohio and the Manual of Operation and Maintenance Procedures. of The River Gas Company.

The plan of replacement is as follows:

In the year of 1974, the Company will expend an estimated \$12,000 to install approximately 3000' of 3" pipe from the end of the existing 4i", RM-510 pipeline to a new border station meter to be installed at or near the east corporation line of the Village and immediately adjacent to State Route 78 and replace seven service lines

In 1975, River will expend an estimated \$17,000 to install approximately 3500' of 3" pipeline from the border station meter to a proposed new regulator station at the junction of Creamery and Back Streets and replace approximately 18 service lines,

In 1976 the Company will expend an estimated \$8,000 to install a 2" pipeline from the junction of Creamery and Back Streets northwest along Creamery Street, then north along Malaga Street to a regulator at or near the north corporation limits and replace some 15 services. Also, we would install some 1000' of 1" pipeline parallel to State Route 78 in two locations and replace an additional 10 services.

In 1977 the Company will spend some \$5,000 to install 1550' of 2" pipe from the proposed regulators at the junction of Creamery and Back Streets southwest along Back Street to Malaga Street then south along Malaga Street to a regulator at or near the south corporation limits.

In 1978 the Company will spend an estimated \$5,000 to install 600' of 1 ¼" pipe on Main Street east from Malaga Street to a dead end; install 230' of 1 ¼ " pipe along Malaga Street north from Back Street to Railroad Street; install 800' of 1 ¼ " pipe along Railroad Street from proposed regulator to Malaga Street; install 470' of 1 ¼" pipe from Creamery Street south along Malaga Street and west along State Route 78 to dead end_

Also we would replace some 53 service lines.

Minimum Requirements for Corrosion Control of Metallic Pipelines extracted from DOT/OPS Regulation
Title 49, Chapter I, Part 192, Subpart I

<u>Effective Date</u>	<u>Requirement</u>
August 1, 1971	<p>Part 192.455 (a)</p> <p>Each buried or submerged metallic pipeline installed after this date must have (1) an external protective coating (see part 192.461, p. 59) and (2) a cathodic protection system (see part 192.463, p. 60), unless a corrosive environment does not exist as demonstrated by (1) soil resistivity measurements, (2) pipe-to-soil potential measurements and (3) tests for bacteria (see part 192.455 (b)). If the expected service life of the pipe does not exceed 5 years or a copper pipeline is installed, the above provisions may not apply (see part 192.455 (c)). Corrosion control is mandatory when a segment of pipe replaces pipe removed because of external corrosion (see part 192.483). Pipe having a remaining wall thickness less than 30 per cent of the nominal wall thickness must be replaced "because of external corrosion." (see part 192.487)</p>
August 1, 1971	<p>Part 192.459</p> <p>When any portion of a buried pipeline is exposed and evidence of external corrosion or coating deterioration is found, appropriate remedial action must be taken.</p>
August 1, 1971	<p>Part 192.465 - 473</p> <p>Tests for effectiveness of cathodic Protection must be done annually. Rectifiers must be inspected at intervals not exceeding E months. Each reverse current switch each diode and each interference bond whose failure would jeopardize the structure protection must be checked at intervals not exceeding 2 months. Other interference bonds must be checked annually.</p> <p>Unprotected lines must be re-evaluated every three years.</p> <p>All lines must be electrically isolated from other underground metallic structures including casings. If impractical, other measures must be taken to minimize corrosion of the pipeline inside the casing.</p> <p>Each pipeline under cathodic protection must have sufficient test stations or other contact points for electrical measurement to determine the adequacy of cathodic protection.</p>
August 1, 1971	<p>Part 192.479 (a)</p> <p>Unless a corrosive atmosphere does not exist, each above ground pipeline installed after this date must be cleaned and either coated or jacketed with a material suitable for the prevention of atmospheric corrosion.</p>
July 31, 1972	<p>Part 192.491</p> <p>A record keeping and monitoring system must be maintained to show locations of cathodic protection installations and to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist.</p>
July 31, 1972	<p>Part 192.475</p> <p>The internal surface of the pipe must be inspected for evidence of corrosion whenever any pipe is removed from a pipeline for any reason. Internal corrosion must be minimized if the gas being transported is corrosive to the pipeline.</p>

Gas containing more than 0.1 grain of hydrogen sulfide per 1000 cubic feet may not be stored in pipe-type or bottle-type holders.

July 31, 1972

Part 192.477

The effectiveness of steps taken to minimize internal corrosion must be monitored at intervals not exceeding 6 months.

August 1, 1974

Part 192.457

All existing coated buried transmission lines must be cathodically protected except at compressor, regulator, and measuring stations.

August 1, 1974

Part 192.481

All existing above ground pipeline must be examined for areas of atmospheric corrosion on the pipeline every three years; remedial measures must be taken where atmospheric corrosion is found to prevent further atmospheric corrosion.

August 1, 1976

Part 192.457(b)

All existing buried or submerged bar transmission lines must be cathodically protected in areas where active corrosion is found.

All existing buried or submerged bare and coated distribution lines must be cathodically protected in areas where active corrosion is found.

All existing buried or submerged pipes at compressor regulator and measuring stations must be cathodically protected in areas where active corrosion is found.

The River Gas Company
324 Fourth Street
Marietta, Ohio 45750

June 25, 1974

Mr. Ralph A. Maselli
Manager, Technical Services
Compliance Division
Public Utilities Commission of Ohio
Utilities Department
111 North High Street Columbus, Ohio 43215

Dear Mr. Maselli:

Supplementing the information sent to you under date of June 18, 1974, concerning the five-year replacement program to renew the Lewisville plant facilities, please find enclosed for your file an additional color coded drawing.

If we can be of any further service, please advise.

Yours very truly,