

# COMMONWEALTH OF VIRGINIA

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**STATE CORPORATION COMMISSION**  
DIVISION OF UTILITY AND RAILROAD SAFETY  
April 11, 2011

Ms. Cynthia L. Quartermain, Administrator  
United States Department of Transportation  
Pipeline and Hazardous Materials Program  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Administrator Quartermain:

Although we did not receive a letter from you requesting information on how Virginia is addressing safety risks relative to aging pipelines, we nevertheless would like to provide you with a brief summary of the progress that has been made in Virginia over the last 15-20 years. The Virginia State Corporation Commission ("Commission") has a long history of providing pipeline safety oversight within the Commonwealth. The Commission first adopted a uniform set of rules and regulations governing the design, construction, operation, and maintenance of natural gas distribution systems in February, 1967.

Over the years, the Commission has taken certain actions to have gas distribution companies replace higher risk facilities. In 1981, the cathodic protection system for distribution pipelines in an area was required to be rebuilt. This same company was also required to replace all bare steel service lines with inside meters. In 1991, a company was ordered to replace all cast iron pipe in a city, along with rebuilding every regulator station and large volume meter set. As a result of these and the companies' replacement programs, since 1991, the private gas distribution companies have reduced the amount of cast iron in their systems from 537 miles to less than 143 (73% reduction). Virginia's 3 municipal gas systems, which became jurisdictional to us in 2005, have reduced their cast iron mileage from 875 miles to approximately 544 miles or by 38%. The bare steel pipeline mileage has also decreased significantly during this same timeframe. Since 1991, the number of miles of bare steel mains has decreased more than 60%.

With respect to pipeline integrity, our staff has performed a number of inspections to ensure the effectiveness of each company's program. The plans were reviewed along with monitoring the field verification of anomalies discovered during in-line inspections of the pipelines. In addition, not only were the high consequence area ("HCA") selections reviewed, we also did a field examination of all of the intrastate transmission pipeline rights-of-way to ensure no HCA's had been overlooked. We are also completing our assessment of the records to support the maximum allowable operating pressures for all intrastate transmission pipelines.

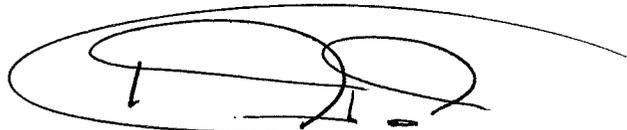
In an effort to better facilitate the replacement of aging pipelines, our legislature recently provided a means for the private gas distribution companies to collect a surcharge over and above the approved rates. This surcharge which is approved by the Commission is used for recovering costs associated with specific infrastructure replacement projects.

The Commission also uses remedial actions as part of its enforcement of the pipeline safety regulations. Over the last 15 years, these remedial actions have resulted in the replacement of bare steel and cast iron pipelines, installation of meter protection for thousands of meters, more frequent leak surveys on highest risk facilities, and other risk mitigation measures.

Finally, Virginia implemented a robust damage prevention program beginning in 1995, which includes all 9 elements contained in the PIPES Act. This program has helped to reduce excavation damage to pipelines in Virginia by more than 60%.

We appreciate the opportunity to provide these comments and look forward to working with PHMSA to continually enhance pipeline safety in Virginia and across the nation.

Sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right. The signature is written over a horizontal line.

Massoud Tahamtani