

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

Mr. Jim Hotinger
Division of Energy Regulation
Virginia State Corporation Commission
Box 1197
Richmond, VA 23209

Dear Mr. Hotinger,

This is in response to your fax of December 28, 1995, in which you seek the U.S. Department Of Transportation, Office of Pipeline Safety's approval of a waiver for Virginia Natural Gas, Inc. (VNG) for a portable Liquefied Natural Gas (LNG) facility in the Company's Northern Division, an area of James City County referred to as Governor's Land. Your fax advises that the Virginia State Corporation Commission ("Commission") has granted VNG a waiver of certain provisions of 49 CFR Part 193. The waiver would allow VNG to operate and maintain a portable LNG equipment in the James City County area to address an anticipated supply problem through the winter. Your fax also indicates that VNG was constructing 24,000 feet of 12 inch pipeline along Centerville Road to address future capacity deficiencies, and that this capacity addition would not be ready until December 1996.

Your Commission has granted VNG's request for a waiver of Part 193 subject to a list of alternate safety provisions described in the attached VNG petition.

Based on the reasons presented in your grant of waiver, and the conditions placed on VNG for the use of a portable LNG equipment to meet emergency load conditions in the Company's Northern Division, the Research and Special Programs Administration does not object to the grant of waiver of those provisions of 49 CFR Part 193 as specified in the waiver request.

Sincerely,

Richard B. Felder
Associate Administrator for Pipeline Safety .

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

December 28, 1995

Mr. Massoud Tahamtani
Utilities Manager
Virginia State Corporation Commission
P.O. Box 1197
Richmond, VA 23218

Dear Mr. Tahamtani:

I understand that a Virginia natural gas distribution company has again requested a waiver of certain portions of 49 CFR Part 193 to allow the use of mobile liquefied natural gas (LNG) facilities in areas suffering deficiencies of gas availability during winter peak load periods. Mr. Hotinger of your office informed me that the company would be required to comply with the same alternative safety provisions that were required in the mobile LNG waiver granted to Virginia Natural Gas Company, Inc., on December 17, 1993.

OPS will promptly review the exact provisions of any state waiver order. However, based on the representations made by Mr. Hotinger, it does not appear likely that we would object to a waiver of 49 CFR Part 193 for this mobile LNG facility.

Sincerely,
Richard D. Huriaux, P.E.
Director, Technology & Regulations
Office of Pipeline Safety