

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Docket No. G-40, Sub 142

In the Matter of:

Frontier Natural Gas Company – Violations
of Title 49, Part 192, Subpart O, Code of
Federal Regulations

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**REQUEST FOR APPROVAL
OF MODIFICATION
TO AGREEMENT AND
STIPULATION OF SETTLEMENT**

Frontier Natural Gas Company (“Frontier”), through counsel and on behalf of itself and the Pipeline Safety Staff of the North Carolina Utilities Commission (“Commission”), respectfully requests Commission approval of the attached Amendment to Agreement and Stipulation of Settlement in the above-captioned docket. In support of this request, Frontier respectfully shows unto the Commission as follows:

1. On October 12, 2017, the North Carolina Utilities Commission – Pipeline Safety Section (“Staff”) filed an Agreement and Stipulation of Settlement in this proceeding on behalf of itself and Frontier Natural Gas Company (“Settlement”) pursuant to which Frontier and Safety Staff agreed to a resolution of all disputes between them in this docket on the terms and conditions set forth in the Stipulation.
2. The Settlement was subsequently approved by Order of the Commission in this docket dated October 31, 2017.
3. The terms of the Settlement, among other things, required Frontier, in consultation with Staff, to perform an in-line inspection (“ILI”) of a representative portion of its transmission system utilizing smart-pig technology and to also perform an internal corrosion direct assessment (“ICDA”) for the Greenway and West Park segments of its transmission line by dates set forth in the Settlement.

4. Following approval of the Settlement and further discussions between Frontier and Staff, Staff and Frontier reached agreement that Frontier's ILI would include the Greenway and West Park sections of its transmission system.

5. Frontier's ILI was conducted April 9, 2018 through April 20, 2018 and included the Greenway and West Park sections of its transmission system. Final results from that inspection are pending at this time.

6. Inasmuch as an ILI inspection of the Greenway and West Park sections of its transmission system provides much more (and more granular) information about the condition of those segments of Frontier's transmission system than an ICDA would reveal, the Staff and Frontier have agreed that an ICDA of those segments is no longer necessary.

7. In order to conform the Settlement to the reality of how Frontier actually evaluated the condition of these two segments of its transmission system by use of a more thorough and accurate method than initially agreed to, Frontier and Staff have developed and executed the Amendment to Agreement and Stipulation of Settlement attached hereto and respectfully request Commission approval of such amendment.

8. Such approval would clarify the record in this proceeding and conform the Commission's Orders and the Settlement to the reality of how assessments of the Greenway and West Park segments of Frontier's transmission system were actually conducted.

9. Frontier, on behalf of itself and Staff, respectfully requests Commission review and approval of the attached Amendment at the Commission's convenience.

WHEREFORE, Frontier respectfully requests that the Commission approve, to be effective in accordance with its terms, the Amended Agreement Stipulation of Settlement by and between Frontier and the Staff attached hereto.

Respectfully submitted this 31st day of May, 2018.

Frontier Natural Gas Company

/s/ James H. Jeffries IV

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached is being served this date upon all of the parties to this docket electronically or by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, at the addresses contained in the official service list in this proceeding.

This the 31st day of May, 2018.

/s/ Richard K. Goley
Richard K. Goley

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-40, SUB 142

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Frontier Natural Gas Company – Violations of) AMENDMENTS TO
Title 49, Part 192, Subpart O, Code of) AGREEMENT AND
Federal Regulations) STIPULATION OF
) SETTLEMENT

These Amendments to Agreement and Stipulation of Settlement (Amendments) are entered into by and between Frontier Natural Gas Company (Frontier), and the Pipeline Safety Section of the Operations Division, North Carolina Utilities Commission (Staff) (collectively, Stipulating Parties).

WHEREAS, Frontier and the Staff entered into an Agreement and Stipulation of Settlement (Stipulation) in the above-captioned docket on October 12, 2017.

WHEREAS, the North Carolina Utilities Commission (Commission) issued an Order approving the Stipulation on October 31, 2017.

WHEREAS, the Stipulating Parties desire to amend the provisions of the Stipulation as set forth below.

AMENDMENTS TO STIPULATION

In Section II.2.1.A. of the Stipulation, Frontier agreed to “have at least a representative portion of its transmission system inspected by means of an advanced in-line inspection tool, commonly known as a ‘smart pig,’” and also known as in-line inspection (ILI).

In Section 1.1.1. of the Scope of Work provisions, Frontier agreed to perform the Internal Corrosion Direct Assessments (ICDAs) required by its current Integrity Management Plan (IMP) for the Greenway and West Park segments of its pipeline.

In April 2018, Frontier performed an ILI encompassing approximately fifty (50) miles of Frontier's pipeline. The ILI included the Greenway and West Park segments of Frontier's pipeline. The Stipulating Parties agree that ILI eliminated the need for the 2018 ICDA's for the Greenway and West Park pipeline segments.

The Stipulating Parties agree to the following underlined addition to Section 1.1.1. of the Scope of Work provisions:

1.1.1 The above scope of work will include a recommendation from AECOM as to the how to proceed with performing the required ICDA's in the current IMP for Greenway and West Park. In lieu of performing ICDA's for the Greenway and West Park pipeline segments, Frontier can use an in-line inspection (ILI) to inspect these segments. The final report from AECOM would be completed by December 2017. To minimize the risk of customer impact due to reduced capacity, ICDA work will be conducted after March 20, 2018 but before October 31, 2018 pending contractor availability and the acquisition of land rights for the required workspace. Frontier and AECOM will meet in January 2018 and present the report and its findings to the North Carolina Utilities Commission Staff. Frontier will also have a 5-year capital budget for all IMP required system modifications and remediation, as applicable.

The Stipulating Parties further agree to the following addition to the Stipulation:

Section 3 – Future Modifications

Frontier and the Commission Staff may in their discretion, and without seeking approval by the Commission, agree in writing to the use of ILI in lieu of ICDA, or ILI in lieu of External Corrosion Direct Assessment (ECDA), on a situation-by-situation basis.

Finally, the Stipulating Parties agree that the above Amendments shall not alter in any manner the right and opportunity of the Commission Staff to review all inspection results and to discuss with Frontier appropriate follow-up measures, if any, based on the inspection results.

NOW, THEREFORE, the undersigned Stipulating Parties, in consideration of their mutual agreement to the above Amendments, do hereby agree to the above Amendments to the Stipulation.

These Amendments shall be effective upon approval by the Commission, and shall be interpreted according to North Carolina law.

Agreed and stipulated to this the 31st day of May, 2018.

Frontier Natural Gas Company

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