

HAMPTON ROADS CROSSING

**HRX**  
**Energy** For Our Future

*A Virginia Natural Gas Project*

**Virginia Natural Gas (VNG) is constructing a pipeline under the Hampton Roads harbor from Newport News to Norfolk to connect its Northern and Southern gas distribution systems. The Hampton Roads Crossing pipeline will ensure a reliable and competitively priced supply to meet the rapid growth in the region and the resulting demand for natural gas. The State Corporation Commission of Virginia directed VNG to build the pipeline in August 2006.**

## Questions & Answers

### **Why does Virginia Natural Gas need another pipeline?**

The existing pipelines are well constructed and safely operated. But the issue is the Virginia Natural Gas distribution system, which is divided into two separate pipeline systems—Northern and Southern—due to the geography of the Hampton Roads harbor.

The Southern pipeline serves the areas of Norfolk, Virginia Beach, Chesapeake and Suffolk in south side Hampton Roads. The Northern pipeline serves Hampton, Newport News, Poquoson, York, James City, Williamsburg, New Kent, Charles City and Hanover on the Peninsula.

On a peak day, each system is fed by a single gas supplier: Columbia Gas Transmission in the Southern system and Dominion Transmission in the Northern system.

In 2005, VNG was offered the opportunity to receive a substantial quantity of additional gas supplies from Dominion Transmission into its Northern pipeline. For VNG, this opportunity provided the much-needed supply to meet increasing customer demand in the region.

Since there is currently no connection between the Northern and Southern pipelines, there is no way to move supplies into the Southern Distribution system from the north. The Hampton Roads Crossing pipeline solves this problem by connecting the Dominion Transmission supply directly into the Southern distribution system.



Virginia Natural Gas

*An AGL Resources Company*

## Why is it important?

Virginia Natural Gas is at the critical point where it must take action to meet growing customer needs for natural gas. The demand for natural gas has grown 30 percent during the past 10 years in the VNG service area--twice the national average. The HRX will help meet this continued growth demand. The HRX pipeline will connect the VNG distribution system so additional supply can be obtained and delivered to customers. In addition to increased supply, the HRX pipeline provides a more reliable gas supply to the Southern distribution system. Currently, the only supply into this area comes through a single entry point into the distribution system. Any problems upstream on the pipeline system can translate into gas disruptions downstream for VNG customers. The addition of another distribution gate station into the system virtually eliminates this risk.

Reliability is also crucial to the military facilities in the Southern Division that rely on natural gas. These facilities include the Norfolk Naval Station, Oceana Naval Air Station, Little Creek Amphibious Base, Dam Neck Naval Training Station and Fort Story.

## What are the benefits to the community?

The benefits are numerous. The HRX pipeline will provide the additional supply and reliability needed to meet the demands of customers in Hampton Roads. VNG customers benefit from

a competitively-priced gas supply which also is a significant factor in economic development for the region. Today, VNG serves more than 265,000 homes and businesses. In addition, the HRX pipeline project provides a multitude of economic benefits from construction related revenues benefiting local businesses to an increased tax base primarily to Newport News, Hampton and Norfolk.



## What are the project details?

The HRX pipeline will be a large transmission pipeline connecting Dominion Transmission supply from Newport News into Norfolk. While a route has not been finalized, VNG is designing the project to minimize any impacts to the community and the environment. The company hopes to use existing utility corridors wherever possible.

It is estimated that the project will include construction of approximately three miles of onshore pipeline in Hampton, four miles of onshore pipeline in Newport News, four miles of onshore pipeline in Norfolk, and 10 miles crossing the Hampton Roads harbor. The project will also include upstream pipeline compression facilities in Hanover and Charles City Counties, and a city gate station at the termination point in Norfolk.

The project is designed to transport up to 100,000 dekatherms per day of additional

capacity into the VNG distribution system, as well as additional capacity to industrial users and neighboring distribution companies.

The project is due to be completed with initial deliveries of gas into Norfolk by late 2009.

### **What will be involved in building the pipeline?**

The major steps in pipeline construction include engineering, permitting, right of way acquisition, design, and construction. Woven into each of these steps is proactive communication with the community, including affected landowners, political entities, government agencies and the general public. The final route of the pipeline requires approval from federal and state agencies.

### **Is the project approved?**

The State Corporation Commission of Virginia directed VNG to build the pipeline in August 2006. During the coming months, the company will work with a variety of federal and state agencies, including the Virginia Department of Environmental Quality, Virginia Department of Natural Resources, Virginia Marine Resources Commission, and US Army Corps of Engineers to obtain their input and approval of the pipeline route.

### **What oversight is there to ensure the project is completed responsibly and safely?**

The three major oversight agencies include the Virginia Department of Environmental Quality (DEQ), Virginia Department of Conservation and Recreation (DCR) and the Virginia State Corporation Commission (SCC), Division of Utility and Railroad Safety. The DEQ will provide oversight to ensure the most appropriate measures are being implemented to minimize any potential impacts to the environment along the pipeline route. The DCR will provide

close inspection for adherence to erosion and sediment control procedures, ensuring compliance with those issues that are crucial to protecting the surrounding environment. The SCC has jurisdiction over the construction and maintenance of all natural gas pipelines in the state. Pipeline operators are subject to the Federal Code of Regulations, Part 191 and 192, which make up the Pipeline Safety Regulations. The SCC has both inspection and enforcement jurisdiction over state pipeline operators with respect to this code.

### **What will you do to minimize impacts and preserve the eco-system of the Hampton Roads harbor?**

VNG will work in conjunction with state and federal permitting agencies to ensure that the final pipeline route across the harbor is designed to minimize any impacts to the shell fishery or lands included in the Baylor survey. Additionally, we will look at restricting construction during certain times of the year and utilizing certain construction methods to minimize any impact to these areas.

### **How much will the project cost?**

The projected cost is estimated between \$48 million to \$60 million. The final cost will be determined when the pipeline route is determined.

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## Will my bill increase as a result of this project?

As part of the plan approved by the State Corporation Commission, Virginia Natural Gas agreed to freeze customers' non-gas rates for five years, bringing certainty to consumers. Virginia Natural Gas has not increased its non-gas rates to customers since 1996. Any changes you may see in your bill would be a result of market fluctuations in the price of natural gas, not due to construction costs. Virginia Natural Gas passes on the cost of natural gas without a profit to its customers.

## What if the project impacts my property?

Virginia Natural Gas is making every effort to utilize existing utility corridors for the placement of the pipeline to minimize impacts to private property owners. While for the common good of the community, Virginia Natural Gas realizes that it is disconcerting to some landowners to have their property impacted by a pipeline. In those circumstances where it is not possible to utilize an existing utility corridor, Virginia Natural Gas will contact the property owner to work through right-of-way options and compensation. Virginia Natural Gas is responsible for constructing the pipeline on the property in an expedient and safe manner and for its continued safe maintenance. Once installed, the company must restore any disturbance made to the property as a result of construction.

## What if I want additional information about the project?

We have a wealth of information about the project at our Web site [www.virginianaturalgas.com](http://www.virginianaturalgas.com).

You may also call Virginia Natural Gas and speak with:

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