



**U.S. Army Corps
Of Engineers**
Norfolk District

CENAO-REG
NAO-2008-00079 reh

Date: January 10, 2008

FEDERAL PUBLIC NOTICE

The District Engineer and the Virginia Department of Environmental Quality have received a joint application for Federal and State permits as described below:

APPLICANT

Virginia Natural Gas
150 West Main Street, Suite 1510
Norfolk, Virginia 23510

WATERWAY AND LOCATION OF THE PROPOSED WORK: The proposed 24-inch diameter pipeline will follow a route that begins at the existing VNG Newport News Gate 4 located in the vicinity of Harpersville Road and Hampton Roads Center Parkway. The pipeline will follow the existing Dominion Virginia Power electric Right-of-Way (ROW) corridor between Hampton Roads Center Parkway and Mercury Boulevard occupying a 30-foot easement between the existing transmission towers. After crossing Mercury Boulevard, the pipeline will proceed in the median of Chestnut Avenue before turning onto 48th street. It will then turn south crossing Salters Creek and then continue across the James River to Craney Island. At Craney Island the line will follow along the Craney Island Dredged Material Management Area's (CIDMMA) northern margin turning south to follow the eastern side of the facility before turning east to the Navy's Fuel Depot, crossing this facility along its northern boundary, then will cross the Elizabeth River to Norfolk. The alignment would make landfall at a point on the western edge of the Old Dominion University campus near the Sailing Center. The alignment extends under the City of Norfolk Golf Course, the HRSD plant, and back to 39th street before turning west onto Armistead. The pipeline will terminate in the vicinity of Virginia Beach Boulevard and Salter Street.

PROPOSED WORK AND PURPOSE: The applicant has been directed by the State Corporation Commission to construct a pipeline from its northern system crossing the James River/Hampton Roads Channel and tie into VNG's distribution system in Norfolk to allow for the physical flow of gas. The demand for natural gas has grown 30 % over the past 10 years in the VNG service area—twice the national average. The current configuration of the existing pipeline will limit the ability of VNG to provide reliable, competitively price service to the region by the winter of 2009-2010. The Virginia /State Corporation Commission (SCC) has recognized the need for redundant supply and enhanced reliability. In a July 24, 2006 order, the SCC directed VNG to construct a pipeline from Newport News to Norfolk. Reliability is not only important to the citizens living Southside it is important to the Norfolk Naval Station, Oceana Naval Air Station, Little Creek Amphibious Base, Dam Neck Training Station and Fort Story.

The project will impact both upland and aquatic environments. Overland installation will be completed using a trench and backfill method. Where major roads or waterways need to be crossed, Directional Drilling will be employed. For wetland and stream crossings trenching

methods will be used. All excavated material will be temporarily placed in upland areas during trenching operations with all required sediment and erosion control measures in place. Excavated material will be placed back into the trench as backfill with contours graded to preconstruction condition. Excess fill will be removed and disposed of accordingly.

The pipeline will begin crossing the harbor from an upland location within Anderson Park in Newport News. The initial 2,950 feet will be constructed via directional drill at a depth of 65 feet below the harbor bottom to avoid impacts to the public clamming ground that parallels the southern shoreline of Newport News and Hampton. At this point, the construction method will transition from directional drill to lay and jetting within the first proposed tie-in location. The lay and jetting method will be used to install the pipeline 8 feet below the sediment surface providing 6 feet of cover for approximately 5,300 feet. This section will terminate within the second tie-in, which is approximately 1000 feet north of the Newport News Channel. From this point using the directional drill method, the line will be installed at a minimum depth of 83 feet below MLLW, which will put the line at 20 feet below the proposed future depth of the Newport News Channel from a distance of 1800 feet where it will slope upwards toward the sediment surface and enter the third tie-in where the method will transition again from directional drilling to lay and jetting. From the third tie-in, the pipeline will be constructed with a minimum of 10 feet of cover using lay and jetting technology for approximately 7,170 feet. Once the southern most 4500 feet of this segment has been placed in the harbor bottom, a double layer of concrete mats 8 feet by 20 feet by 9 inches thick will be placed on top of the overburden to provide an added measure of protection to the pipe set within the designated anchorage area. The basis for this proposed covering is from a study performed by Project Consulting Services, Inc., Metairie, Louisiana for Algonquin Gas and Transmission Company in 2002, which installed a similar line in waterways associated with Boston Harbor shipping including the designated explosive anchorage area. The pipeline enters the final tie-in located approximately 100 feet north of Public Ground No.1. This transition from jetting to directional drilling will place the pipeline at a depth of 40 feet below the sediment in the Baylor Ground. This final section will be approximately 3000 feet in length and will terminate on Craney Island. The line will be trenched in for alignment through CIDMMA and the Navy Fuel Depot. Where the line crosses the Elizabeth River, directional drilling will be used to place the line 20 feet beneath projected dredging depths including over dredging allowances.

All impacts from the project with regard to threatened or endangered species are temporary. Compensatory mitigation for unavoidable impacts to Hampton Roads subaqueous bottoms will be in the form of clam planting at the Middle Ground Light Broodstock Management Area at a ratio of 1.3-1. The precise amount of compensation has not been calculated. No known historic resources will be impacted. Impacts to essential fish habitat will be temporary. A variety of industry techniques would be used to perform the necessary work.

In addition to the required Department of the Army permit, the applicant must obtain a Virginia Water Protection Permit/401 certification from the Virginia Department of Environmental Quality assuring that applicable laws and regulations pertaining to water quality are not violated and a permit from the City of Norfolk Wetlands Board. Project drawings are attached.

AUTHORITY: Permits are required pursuant to Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403), Sections 401 and 404 of the Clean Water Act (Public Law 95-217) and Title 62.1 of the Code of Virginia.

FEDERAL EVALUATION OF APPLICATION: The decision whether to issue a permit will be

based on an evaluation of the probable impact including cumulative impacts of the proposed activity on the public interest. The decision will reflect the national concern for both protection and utilization of important resources. The benefits, which reasonably may be expected from the proposal, must be balanced against its reasonably foreseeable detriments. All of the proposal's relevant factors will be considered, including conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, flood plain values, land use classification, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, consideration of property ownership and, in general, the needs and welfare of the people. The Environmental Protection Agency's "Guidelines for Specification of Disposal Sites for Dredged or Fill Material" will also be applied (Section 404(b)(1) of the Clean Water Act).

The Corps of Engineers is soliciting comments from the public; Federal, state, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity. Anyone may request a public hearing to consider this permit application by writing to the District Engineer within 30 days of the date of this notice, stating specific reasons for holding the public hearing. The District Engineer will then decide if a hearing should be held.

Preliminary review indicates that: (1) no environmental impact statement will be required; (2) no species of fish, wildlife, or plant (or their critical habitat) listed as endangered or threatened under the Endangered Species Act of 1973 (PL 93-205) will be affected; and (3) no known properties eligible for inclusion or included in the National Register of Historic Places are in or near the permit area, or would likely be affected by the proposal. Additional information might change any of these findings. For compliance with the Coastal Zone Management Act of 1972, as amended, the applicant must certify that federally licensed or permitted activities affecting Virginia's coastal zone (Tidewater) will be conducted in a manner consistent with the Virginia Coastal Resources Management Program (VCP). For more information or to obtain a list of the enforceable programs of the VCP, contact the Department of Environmental Quality, Office of Environmental Impact Review at (804) 698-4330 or e-mail: elirons@deq.virginia.gov.

The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996 (Public Law 104-267), requires all Federal agencies to consult with the National Marine Fisheries Service on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH). The Elizabeth River (Norfolk Harbor Reach) and Hampton Roads Waterway/Sewells Point Split contains Essential Fish Habitat (EFH) for the egg, larval, juvenile, and/or adult life stages of 11 species including windowpane flounder (*Scopthalmus aquosus*), bluefish (*Pomatomus saltatrix*), Atlantic butterfish (*Peprilus triacanthus*), summer flounder (*Paralichthys dentatus*) black sea bass (*Centropristus striata*), king mackerel (*Scomberomorus cavalla*), Spanish mackerel (*Scomberomorus maculatus*), cobia (*Rachycentron canadum*), red drum (*Sciaenops ocellatus*), dusky shark (*Charcharinus obscurus*), and sandbar shark (*Charcharinus plumbeus*). The habitat, which this project would affect, consists of subaqueous bottom. The proposed project is

described in Proposed Work and Purpose, above. Our assessment of the project leads us to a preliminary determination that it will not have a substantial adverse effect on EFH and therefore expanded EFH consultation is not required. Based on comments from the National Marine Fisheries Service in response to this public notice, further EFH consultation may be necessary.

COMMENT PERIOD: Comments on this project should be made in writing, addressed to the Norfolk District, Corps of Engineers (ATTN: RICK HENDERSON), 803 Front Street, Norfolk, Virginia 23510-1096, and should be received by the close of business on **February 10, 2008**.

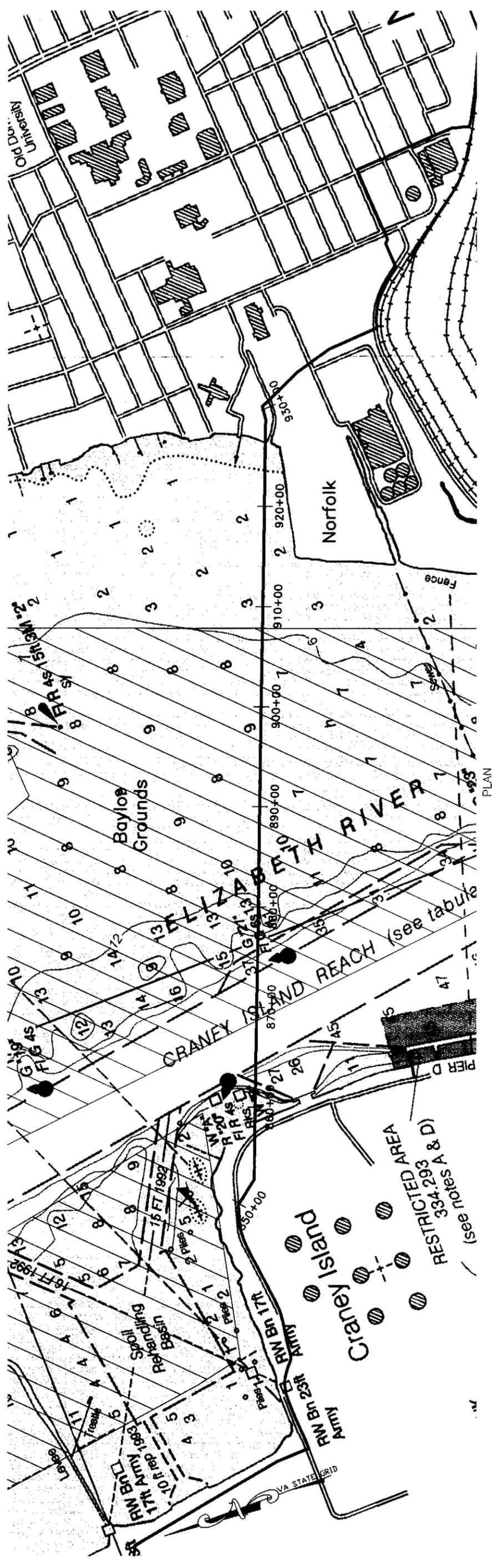
If you have any questions about this project or the permit process, please call:

Rick Henderson via telephone at (757) 201-7653 or via email at:
Richard.E.Henderson@nao02.usace.army.mil

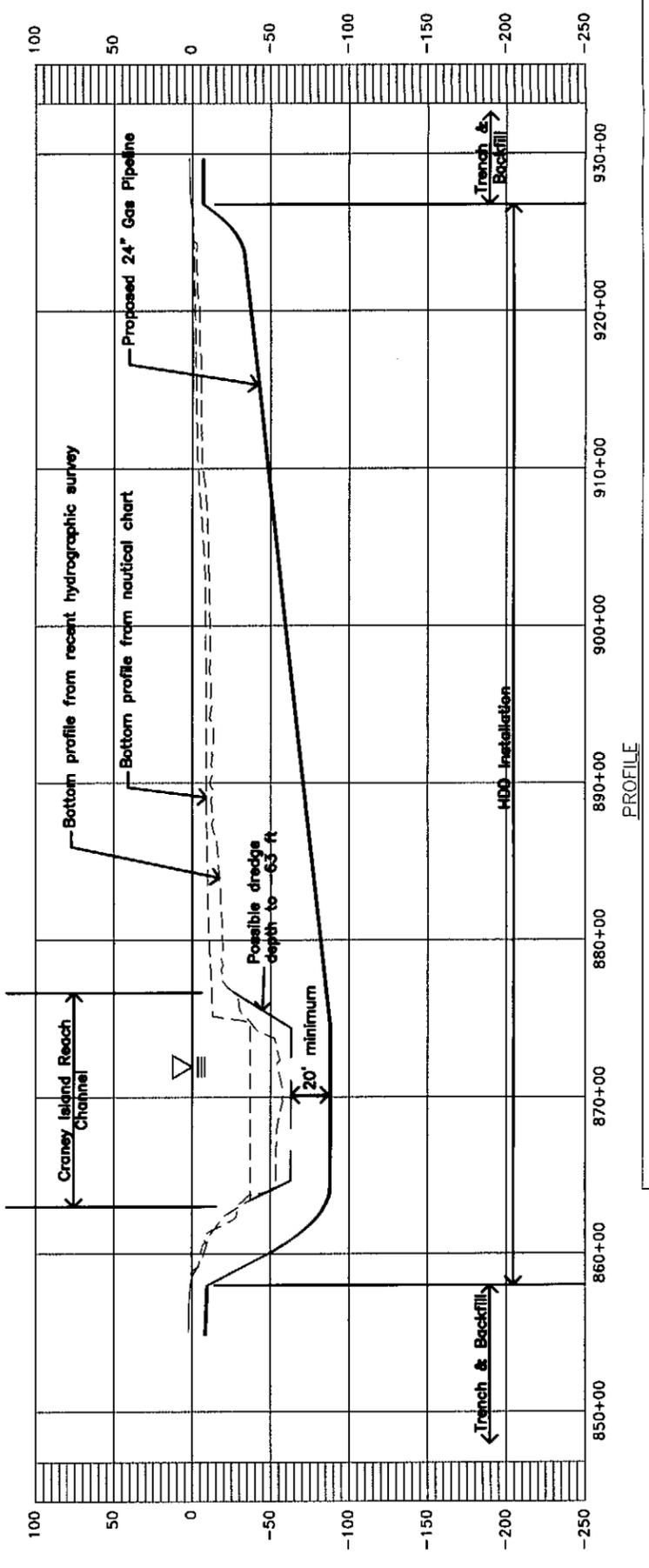
FOR THE DISTRICT COMMANDER:


Keith B. Lockwood
Chief, Northern Virginia
Regulatory Section

Enclosures



PLAN



Notes:
 1. Water depths on nautical chart are shown as mean low water.
 2. Mean high water is mean low water plus 2.5 feet.

HORIZONTAL: 1" = 1000'

VERTICAL: 1" = 100'



Virginia Natural Gas
 An ADZ Resources Company

VIRGINIA NATURAL GAS
 HAMPTON ROADS PIPELINE CROSSING
 Elizabeth River Crossing

DRAWING
 3
 OF
 3
 SHEETS