

Exhibit 2

Mr. Walter G. Robbins
Mr. John H. Samonsky
Mr. Nicholas H. Barchock
Delmarva Power and Light Company
800 King Street
Wilmington, DE 19899

Gentlemen:

Thank you for your letter of April 12, 1974, asking questions with respect to the meaning of the term "transmission line."

First, you describe a 12-inch transmission line, operated below 20 percent of SMYS, which feeds a distribution system through 75 district regulator stations. You ask if a district regulator station is a "distribution center" and, if so, does transmission exist only to the first regulator station or to each of the 75 stations?

Answer. In 49 CFR 192.3, the term "transmission line" is defined as follows:

"'Transmission line' means a pipeline, other than a gathering line, that --

"(1) Transports gas from a gathering line or storage facility to a distribution center or storage facility;

"(2) Operates at a hoop stress of 20 percent or more of SMYS; or

"(3) Transports gas within a storage field."

Under this definition, one terminus of a transmission line is a "distribution center." This terminus marks entry of gas into a distribution system. In the system you describe, we assume the lines downstream from the outlet of each regulator are mains and service lines, which constitute a distribution system. Thus, each regulator station is a "distribution center," and the line connecting the 75 regulator stations is a continuous "transmission line."

Secondly, you describe an LNG plant which serves as a storage facility. Boil-off from the plant enters distribution by an 8-inch which runs 2,500 feet into a main tapped with services. You ask, since gas is transported from a storage facility, is the 8-inch line a "transmission line"?

Answer. If there are no services on the 8-inch line, since it runs from a "storage facility" to a "distribution center" (connection with a main), it is by definition a "transmission

line." On the other hand, if the 8-inch line is a common source of supply for more than one service line, then by definition it is a "main" under section 192.3.

Finally, you ask how characterization of the lines affects reporting under 49 CFR Part 191, noting that you only file distribution reports.

Answer. Lines which fall within the definition of "transmission line" should be reported as such under Part 191. However, 40 CFR 191.13 requires the 8-inch line which conveys gas from the LNG storage facility to be reported as a "transmission line" regardless of its characterization. In future reports, please indicate those transmission lines previously reported as distribution lines.

Sincerely,

/signed/

Joseph C. Caldwell

Director

Office of Pipeline Safety

April 12, 1974

Office of Pipeline Safety
Department of Transportation
Office of the Secretary
Washington, D. C. 20590

Attention: Joseph C. Caldwell

Sir:

Delmarva Power and Light Company, a gas distribution company operating in northern Delaware approximately 80,000 customers, would like to request a formal interpretation of transmission lines and transmission reporting procedures as related to our company.

Within our system we have designated lines as transmission lines. These lines operate at 150-175 psi, way below 20 % SMYS, and we have no storage fields. However, we have a LNG plant which is used for peak-shaving. This plant with LNG tank, we feel is a storage facility and therefore lines to the plant should be classified as transmission. To fill the LNG tank we take gas from our 12-inch transmission line and liquify it; during peak periods we vaporize the LNG and put it back in the same line. Our transmission lines in turn feed our high-pressure distribution system (25-45 psi) through 75 district

regulator stations. What we would like to know is what constitutes a distribution center? It is a district regulator station? If so does transmission lines exist only up to the first district regulator station or does transmission exist to all district regulator stations?

Another related question is the LNG plants boil-off. We put the boil-off back into the system in an 8-inch distribution (25-45 Psi) line which runs 2500 feet into main tapped with services and high to low (1/4 to 1/2 psi) pressure regulators. Since this is gas from a storage facility is this line classified as transmission? If so, how far?

Depending upon the interpretation of which lines are of D.O.T. transmission classification what is the interpretation on reporting procedures? We presently file only the distribution report, however, of all of our transmission may be qualified as D.O.T. transmission (which is 96.1 of 1013 miles of main) then by rights shouldn't we file the transmission report? However, if it is all not transmission on would we still be required to fill out this report?

Enclosed is a print of our gas service area with our transmission lines, LNG plants, and also LPG plants (propane-air) which are peak shaving plants but not storage facilities. Also marked are system feed points.

Any questions regarding our system may be answered by contacting any of the below.

Walter G. Robbins	302-429-3375
John H. Samonsky	302-429-3414
Nicholas H. Barchock	302-429-3454

Sincerely,
Gas Distribution Dept.
Delmarva Power and Light Co.